
From: Jarrah Hodge [<mailto:jhodge@fcm.ca>]
Sent: May-09-19 9:58 AM
To: Mayor
Cc: Dhaliwal, Satvinder
Subject: Federal Community Housing Initiative

Dear Mayor Hurley,

I'm writing about an issue FCM is working on relating to housing affordability – specifically about subsidies for low-income households in federally administered co-op housing. The Federal Community Housing Initiative (FCHI) component of the National Housing Strategy (NHS) is essentially the replacement of the operating agreements with rent subsidies for the co-ops that are still federally administered. But it's rolling out in such a way that is extremely prohibitive for those providers and there is growing concern that providers won't be able to meet the criteria and conditions and won't get the subsidies they need to keep their doors open. In Burnaby there are 22 co-ops, 1,680 units. Of those, an estimated 380 units provide a home for low-income households which receive a subsidy.

We have expressed our detailed concerns in the attached letter but we think it could go a long way to reinforcing the urgency of this issue if Burnaby council would also send a letter adding its voice. If the FCHI is not approved by Cabinet prior to the writ being dropped, federally-administered social housing providers would face considerable uncertainty in knowing whether rent subsidies for low-income residents will continue before the temporary rent subsidy program ends March 31 of next year.

Our team is reaching out to a few other municipalities in BC and Alberta that could be significantly affected.

Let me know if you feel this is of interest, or if you have any questions.

Best,

Jarrah

NOTE:

In order to send a letter of support, a motion of Council is required.

Jarrah Hodge

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April 10th, 2019

The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children and Social Development
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Duclos,

On behalf of the nearly 2,000 members of the Federation of Canadian Municipalities (FCM), I am writing to share new frontline recommendations for the Federal Community Housing Initiative (FCHI) component of the National Housing Strategy (NHS).

As you know, local governments celebrated the 2017 launch of the NHS as a game-changer for our efforts to build better lives for Canadians. We especially applauded three high-impact NHS components: repairing existing social/affordable housing, building new social/affordable housing and replacing rent subsidies scheduled to expire.

On this third component: The FCHI is intended to protect low-income households receiving rent subsidies who are living in federally administered social housing. As with the Canada Community Housing Initiative, municipalities want to see the FCHI delivered in a timely and seamless manner, with adequately deep subsidies, so low-income residents face no disruption to vital rent support.

Getting the FCHI right is a priority for FCM's members in Quebec and PEI, where all social housing is federally administered. This is also a priority for cities in all jurisdictions where local co-operatives provide affordable housing for those who cannot afford homes in the private market. For instance, 29 Edmonton co-ops provide rent subsidies to 250 families; 91 Vancouver co-ops provide subsidies to 1,074 families; and in Toronto, 97 co-ops are doing so for 2,174 families. Many cities are relying on the FCHI to enable housing co-ops to continue their critical work.

We appreciate that Canada Mortgage and Housing Corporation (CMHC) officials have sought sector associations' input on the proposed FCHI. FCM now strongly urges officials to systematically incorporate this frontline-provider input into the FCHI's design and delivery. In our view, doing so is critical to its success—and to avoiding unintended negative impacts on the housing outcomes the NHS seeks to achieve.

Beyond ensuring a transition to the FCHI that is seamless and timely, with adequately deep subsidies, FCM wishes to reiterate and endorse four key recommendations that have been shared with the CMHC:

1. Focus on essentials

At its core, the FCHI should focus on ensuring affordability for low-income households. Minimum requirements for participation should be developed accordingly. Imposing ancillary requirements may be unrealistic for the many small providers eligible for the FCHI—and could have the unintended consequence of deterring them from the program.



2. Support provider autonomy

Most providers have mixed-income portfolios, with varying proportions of subsidized households. The FCHI should not impose a minimum percentage of subsidized households. This would displace existing residents— often into rental markets with limited options—and undermine provider autonomy. Similarly, requiring that rent levels for non-subsidized tenants be monitored or regulated would undermine the NHS’ intention to build the autonomy and capacity of the non-profit housing sector.

3. Streamline financial and asset management standards


The federal government needs to be assured that providers are taking care of their buildings and operations, given their critical role in delivering affordable housing. Any requirement that financial and/or asset management plans be developed should be designed to enable providers to do this important but detailed work after enrollment in the FCHI—with timelines that recognize the limited capacity of small providers.

4. Optimize timelines

If the FCHI is to be application-based, CMHC should begin outreach to providers no less than nine months before the April 2020 start of the program. This is an important opportunity to begin enrolment and inform providers of any changes to their operations or processes that they need to make to participate in the program. This will have the added benefit of assuring providers—and their low-income residents—that rent assistance will be forthcoming.

Thank you for your consideration of this input and, as always, for your thoughtful leadership on the National Housing Strategy. Please don’t hesitate to have your staff follow-up with Dallas Alderson at dalderson@fcm.ca or 613-907-9284 to discuss further.

Sincerely,



Vicky-May Hamm
Mairesse, Ville de Magog
FCM President