

Minister of State
(Social Development)



Ministre d'État
(Développement social)

Ottawa, Canada K1A 0J9

OCT 14 2014

Ms. Sharon Vokes
County Clerk/Director of Council Services
Grey County
595 9th Avenue East
Owen Sound ON N4K 3E3

Dear Ms. Vokes:

I am responding to your letter addressed to the Honourable Jason Kenney, Minister of Employment and Social Development and Minister for Multiculturalism. You wrote concerning a resolution passed by Grey County Council that supports the Federation of Canadian Municipalities' housing campaign, "Fixing Canada's Housing Crunch."

I appreciate that you have taken the time to share the Council's concerns as they relate to affordable housing in Canada. I can assure you that we are continuing to make significant investments in housing.

This year, through Canada Mortgage and Housing Corporation (CMHC), we will invest approximately \$2 billion in housing. This includes support for close to 600,000 individuals and families living in existing social housing, which is provided under long-term agreements covering a 25 to 50 year period. At the end of these agreements, the federal government will have fulfilled its commitment and funding will end. At the same time, the mortgages on these properties will generally be paid off, allowing many housing groups to continue to provide affordable housing and to be free to operate their projects as they see fit.

I would also like to add that our Government is providing significant funding under the Investment in Affordable Housing (IAH). Under the IAH, provinces and territories cost match the federal investment and are responsible for program design and delivery. Provinces and territories have the flexibility to invest in a range of affordable housing programs in order to meet their local needs and priorities. Funding may be used to create new or to renovate affordable rental housing; to improve affordability such as through rent supplements; and, to foster safe independent living through accessibility modifications. From April 2011 to June 2014, more than 183,600 households have benefitted from this investment nationally.

More recently, as part of Economic Action Plan 2013, the Government of Canada announced its continued commitment to working with provinces and territories to develop and implement solutions to housing by investing more than \$1.25 billion over five years to extend the IAH to 2019.

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For the Province of Ontario, this represents a combined investment of more than \$801 million over five years and was announced in August 2014. Under the IAH, Ontario has the flexibility to design and deliver a range of affordable housing programs to address local housing needs and priorities. The Province of Ontario is supporting the building and renovation of affordable housing, as well as the provision of rental and homeownership assistance to low and moderate income households. A portion of funding will be dedicated to Aboriginal households living off-reserve. Other priority groups will include seniors, persons with disabilities and victims of domestic violence.

I would also like to draw Council's attention to CMHC's Affordable Housing Centre, which helps create new affordable housing, including rental housing, for projects that do not rely on federal subsidies, by offering assistance such as Seed Funding, and Proposal Development Funding.

CMHC contributes to the stability of the housing finance system by providing mortgage loan insurance across the country, including in those markets that are less served by the private sector. CMHC offers mortgage loan insurance with greater financing flexibilities, including loan-to-value ratios of up to 95% and reduced premiums. These flexibilities are available for new affordable multi-unit residential properties, including those funded under the IAH, for rental, retirement and long-term care facilities.

The federal government also provides funding for homelessness through the Homelessness Partnering Strategy (HPS), administered by Employment and Social Development Canada. HPS is a community-based program aimed at preventing and reducing homelessness by providing direct support and funding to 61 designated communities across Canada. Economic Action Plan 2013 announced \$600 million in funding to extend the HPS for five years until 2019, with a focus on the Housing First approach.

Taken together, this broad range of housing activities supports vulnerable Canadians, homeowners, renters and the housing sector. I hope this information helps assure Council that our Government is committed to affordable housing solutions and to assisting those in housing need.

Thank you for writing.

Yours sincerely,



The Honourable Candice Bergen, P.C., M.P.

c.c. Mr. Larry Miller, M.P.
Bruce-Grey-Owen Sound