



Ontario United Ways Joint Submission to the Build Canada Homes Design

Introduction

Ontario United Ways welcome the opportunity to provide feedback on the design of Build Canada Homes. This brief, submitted jointly by United Ways across Ontario*, provides recommendations on how Build Canada Homes can help realize the full potential of the non-profit and co-operative community housing sector, which will be critical in actualizing the federal government's ambitious housing targets, including doubling the pace of homebuilding by 2035 and catalyzing the non-market housing solutions Canadians urgently need.

We recognize the significant potential of Build Canada Homes to meaningfully address Canada's housing crisis through its goals of building affordable homes, providing flexible financing and catalyzing a more productive homebuilding industry. We welcome government's commitment to growing the stock of affordable housing and its intention to bring together key partners across the housing ecosystem to get homes built by addressing barriers, reducing risk and helping to navigate the process of building non-market housing. The community housing sector is ready and eager to collaborate with all levels of government in developing non-market housing solutions at scale and in a way that prioritizes long-term affordability.

Ontario United Ways focus on solutions for people living in poverty and the need for both affordable housing and appropriate supports to help people exit homelessness and maintain housing stability — from direct investments in housing-related assistance programs, emergency and transition shelters and critical wrap around supports and services, to convening public, private and community partners to identify the critical system changes required. Ontario United Ways look forward to working with the federal government, including in collaboration with the broader United Way Centraide movement, to leverage our local experience and cross-sectoral networks to help ensure the success of Build Canada Homes and to build affordable housing at scale.

Recommendations

A healthy housing system provides access to affordable housing options that meet people's needs at different stages of life. Yet, rising costs and the declining availability of housing stock and housing choices, coupled with stagnating incomes, have left too many people without safe, stable, accessible and affordable homes. High rates of core housing need, particularly among renters, single-earner households, Indigenous households and those disproportionately affected by structural barriers, are not being met with relief. Instead, deeply affordable and supportive housing options are shrinking, driving up waitlists, pushing more people into homelessness, contributing to socio-economic challenges and heightening inequalities.

Several publications and reports cite barriers to supply, including lengthy approval times, rising construction costs, increased borrowing costs, labour shortages and dwindling developable land. And while supply is a major part of the equation, overreliance on the private market, the financialization of housing, erosion of affordable housing and the limited scale of the non-profit housing sector have contributed to the crisis.

While community housing providers have successfully brought projects to completion despite being constrained by insufficient and inconsistent funding, they have not yet been able to bring the full force of their expertise to bear or operate at the scale possible — and needed. Investment choices and government action to-date have relied heavily on private market solutions. However, meeting Canada's affordable housing goals is not the private market's mandate, nor has it ever been. Community housing providers have a clear mission to deliver affordable and deeply affordable housing but have been relegated to the sidelines. The sector must be invested in at a scale that truly reflects its capacity. Non-profit housing providers are ready with the land, projects, expertise and track record to deliver.

Governments and communities are starting to take steps in the right direction, embracing housing as a critical component of our social infrastructure. But changing the tide will require real investment, rapid expansion, strong partnerships, collective will and political leadership. Municipal and regional governments in particular cannot finance this transformation on their own.

A fundamental shift in how housing is planned, funded and delivered is required — and, if done correctly, Build Canada Homes could be the catalyst we need in realizing the full potential of Canada's community housing sector across the country.

With this goal in mind, Ontario United Ways recommend that when designing Build Canada Homes, the federal government prioritize the following:

1. Drive support at all levels of government for a tangible shift towards the community housing sector which has a clear and long-standing mission to deliver affordable and deeply affordable housing
2. Scale-up investments in the community housing sector to the level that reflects affordable housing as critical national infrastructure
3. Create unity within funding sources by leading interjurisdictional coordination

These recommendations are reflected in the recent report from United Way Greater Toronto and the Co-op Housing Federation of Canada, [*Built for Good: Delivering the Housing Ontario Needs*](#). *Built for Good* identifies the housing required to transform Ontario's housing system and create a future without core housing need. In addition to ten-year targets, the report models two- and five-year milestones and investment estimates that reflect both the scale of the challenge and the practical realities of delivery.

Ontario United Ways recognize that addressing our housing crisis requires leadership at all levels of government. In addition to this joint submission to Build Canada Homes, Ontario United Ways will continue to encourage the provincial government to take the leadership and action needed to grow and protect affordable and deeply affordable housing across Ontario.

Recommendation 1: Drive support at all levels of government for a tangible shift towards the community housing sector which has a clear and long-standing mission to deliver affordable and deeply affordable housing

A critical pitfall of our current housing system is the lack of sustained focus and investment in stimulating the community housing sector in favour of encouraging a private market-dominated

landscape. Approximately 95% of Canada's housing stock is privately owned. At only 3.5%, the proportion of community housing falls far behind that of our OECD peers.¹

Without a focus on non-market solutions, affordable housing will continue to disappear faster than it can be built. Long-term, sustained affordable housing options are being eroded as private market unites with affordable rent-setting mechanisms associated with government programs which often has limited affordability periods – sometimes as low as ten years. As such, private market affordable units developed under an investment in affordable housing quickly reach the end of their affordability period and are lost or become unaffordable. Meanwhile, the community housing sector has a mandate for *long-term* affordability. If the lack of investment continues, more affordable units are at risk.

Non-profit housing can also help stabilize the market during periods of economic downturn and uncertainty. Private sector developers operate according to market conditions and build when the conditions are right; meanwhile, with government support, community housing can ramp up development during these downturns, helping to boost the economy, ensure continuity of supply and safeguard construction jobs.

We need to see a tangible shift to the community housing sector as long-term housing affordability requires looking beyond market mechanisms alone. Build Canada Homes has the potential to galvanize this principle and establish dedicated development programs that convene the necessary investments and resources to truly centre and scale the non-profit sector. We recommend the federal government:

- **Work with provincial governments to create a non-profit and co-operative housing development program at scale to deliver the new units needed in both urban and rural contexts.** The federal and provincial governments must put forward coordinated and dedicated programs that brings together the necessary investment and resources to enable scaling of the community housing sector to respond to affordable and deeply affordable housing needs — in both urban and rural contexts.
- **Ensure all development projects for Build Canada Homes involve a community housing provider, preferably in a lead position.** Build Canada Homes must work with non-profit and co-op providers as core partners in development and management of all housing projects.
- **Preserve affordable stock, including through acquisition by the community housing sector.** Much has been written about the need to protect existing affordable housing in the private market. Transferring these assets to the non-profit and co-op housing sector both protects these assets while building community housing providers' capacity to scale up.
- **Prioritize surplus lands for community housing development.** One of the most popular solutions for lowering the costs of housing is the use of surplus public lands. As Build Canada Homes looks to accelerate timelines to bring federal lands to market, we recommend prioritizing the community housing sector, and in particular Indigenous-led housing providers, to use public surplus lands at no or low costs.

¹ Young, R. (2023). Canadian Housing Affordability Hurts. Scotiabank Global Economics.

Recommendation 2: Scale-up investments in the community housing sector to the level that reflects affordable housing as critical national infrastructure

While individual community housing providers have proven their capacity in the right environment, the sector at-large has been unable to grow at the scale needed to address the housing shortage without sustained support. Between the late 1970s and early 1990s, when robust government funding programs (including below-market and insured loans, operating subsidies, and capital reserve funding) were introduced and sustained, community housing providers built 16,000 units annually, accounting for 14% of all new housing completions.^{2,3} However, as government funding was frozen, transferred, or restricted to one-time grants in the mid-1990s to early 2000s, development stalled, falling to less than 1% of the total housing supply over the past two decades.^{4,5}

To truly develop the community housing sector's potential to operate at the scale required, substantial investment is needed. Similar to other large-scale, national infrastructure projects, investing in affordable housing now will drive economic growth for generations to come. We recommend government:

- **Provide investments that enable the sector to harness and scale its mission-driven approach to housing development.** While past funding program priorities have led to a landscape of many small organizations with important community ties, the sector as a whole lacks the economies of scale and professional staff to support significant development. Providing investments to support groups to scale up and directing investments towards groups that demonstrate a commitment to economies of scale — while also recognizing the unique housing needs and development models required in rural contexts — will help achieve the level of development needed.
- **Work toward meaningful program improvements in coordination with the community housing sector.** Predictable funding, financing, rules and other program considerations that are coordinated across all levels of government and which connect capital funds to operating funds — particularly for supportive housing and rental assistance — can go a long way in promoting and easing the development of non-profit and co-op housing and reaching deeper levels of affordability. Programs should be designed to reflect the full span of development needs, from pre-development to operations, and should feature more transparency, accountability, and performance measurement to ensure they are properly serving the populations most in need.
- **Invest in and support a for-Indigenous, by-Indigenous approach.** Ensuring those most impacted by housing decisions are central to planning and implementation is paramount. Indigenous housing providers have emphasized the lack of prioritization of Indigenous households in government programs and the need for increased support for Indigenous-led housing models that are designed, developed, and delivered by Indigenous providers. Only an Indigenous-led approach can adequately deliver holistic, serviced-based community housing that empowers Indigenous peoples and communities.

² Between 1978 and 1994, 260,000 units of mixed income housing (including low-end of market and rent-geared to income housing) was created by municipal housing corporations, non-profit providers and co-operatives amidst evolving and sustained funding mechanisms. Pomeroy, S. (2021). Background Primer on Canada's Housing System.

^{3,4} During the 1970s and 1980s, non-profit housing completions across Canada represented about 14% of all new homes. During the 2000s and most of the 2010s, this figure was less than 1%. Institute on Municipal Finance and Governance, Munk School of Global Affairs & Public Policy, University of Toronto (2022). The Municipal Role in Housing.

⁵ Pomeroy, S. (2021). Background Primer on Canada's Housing System.

- **Continue to promote and develop cross-sector partnerships.** Governments can play a key role by entering into and helping to bridge partnerships. Community housing providers are interested in and have demonstrated their ability to engage in partnerships with public, private and philanthropic actors. Such partnerships combine complementary skills, enable knowledge sharing, and increase capacity.

Recommendation 3: Create unity within funding sources by leading interjurisdictional coordination

Alignment across federal, provincial, regional and municipal governments will be required to meaningfully address Canada's housing challenges. With responsibilities for housing spread across multiple levels of government and departments, it is often unclear who is accountable for what aspect of housing policy. Overlapping funding streams, complex regulatory processes and an overall lack of alignment continues to create barriers.

Build Canada Homes has the potential to become the centralized body that develops affordable housing at the scale needed. Federal leadership, paired with the proper level of investment, can create better accountability and strategic planning, alignment of affordable housing targets and a clear way for housing providers to access funding and resources. Aligning capital and operating funding streams can also streamline the development process and provide greater financial stability for nonprofit providers.

Build Canada Homes could play a critical coordination role. An overarching federal agency has the potential to drive interministerial, intergovernmental and interjurisdictional collaboration and create a solid accountability structure for meeting various targets and milestones. Build Canada Homes may help link provincial and municipal housing targets, connect disparate private market and nonprofit strategies and consolidate different funding programs. Build Canada Homes can also help improve the scale and accessibility of data, information and metrics – all of which helps the sector deliver and manage housing.

Accounting for Regional Variations

Regional and demographic variations create distinct challenges in addressing affordable housing across Canada and must inform Build Canada Homes' development model. Build Canada Homes must find the balance between flexibility and consistency. In Ontario, for example, concerns around affordability continue to be high in the Greater Toronto Area and surrounding areas with Toronto households experiencing core housing need at nearly double the rate of other regions. At the same time, northern, rural, and First Nations communities face particular challenges related to poor repair and higher construction costs.⁶ Affordable and supportive housing is also more difficult to access in northern and remote communities, contributing to issues of housing precarity or displacement. With rural homelessness in Ontario increasing at a faster rate than urban homelessness⁷, planning and investment in affordable and deeply affordable supply must account for the unique needs and development models suitable to successfully addressing housing need in rural environments.

⁶ Association of Municipalities Ontario (2022). A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis.

⁷ Ibid.

A Build Canada Homes that provides a consistent, strategic and overarching vision but that allows for flexibilities according to regional and population needs will be essential to its success in reaching real housing outcomes.

Scalable Ontario United Ways Projects Aligned with Build Canada Homes

The community housing sector has shown its resilience and innovation through its capacity to maintain, and in some cases, grow their assets. Across the sector, providers have formed new partnership, financing and construction models. Apart from investment in a vast range of housing-related supports and services, Ontario United Ways continue to invest in and drive affordable and deeply affordable housing projects across the province, many of which can be scaled up and replicated in other jurisdictions, including, for example:

- United Way Greater Toronto is a key partner in the innovative Social Medicine Initiative with the Dunn House site supported through the Rapid Housing Initiative and built on University Health Network land.
- United Way's Elgin Middlesex's Transitional Supportive Housing Project brings together the municipality, county, agency partners, business community and individuals with lived and living experience to provide a safe and stable environment for individuals transitioning from temporary accommodations in a rural context.
- United Way Oxford's Light House Transitional Housing Programs is expanding on a successful model that brought together local partners, trades, businesses, the community health centre and the municipality to support residents transition successfully to independent, stable housing.
- In the absence of a non-profit housing entity, United Way Perth Huron founded United Housing, the region's first non-profit housing organization dedicated to creating and sustaining mixed-income rental units through successful models that can be replicated in other communities across the region.
- United Way East Ontario is a partner in the Igniting Community Investment in Non-Market Housing Solutions Lab that convenes community housing organizations, Community Land Trusts, finance experts, policy leaders, and community investors to prototype scalable models for community investment in affordable housing.
- United Way Northumberland's targeted investment stream focused on aiding housing stability and homelessness prevention includes a rental subsidy fund designed to help seniors remain housed and avoid displacement during times of financial hardship.
- Select United Ways in Ontario — including United Way Greater Toronto, United Way Kingston, Frontenac, Lennox & Addington and United Way Peterborough — operate as designated community entities for Reaching Home: Canada's Homelessness Strategy, while United Way Simcoe Muskoka administers the Reaching Home funding stream in rural and remote communities across Ontario.

Conclusion

Ontario United Ways wish to thank Housing, Infrastructure and Communities Canada for engaging the sector on the design of Build Canada Homes. Together with the United Way Centraide movement across Canada, we stand ready to collaborate and partner with the federal government, provincial and municipal governments, business, labour and the community housing sector to build, protect and sustain the affordable housing people need.

Stable housing is the foundation for a stable life. The opportunity to fix the housing crisis finally, and for the long term, is here. And through leadership and partnership, this opportunity is ours to be realized.

*Endorsing Ontario United Ways

United Way Bruce Grey
United Way Centraide North East Ontario
United Way Centraide Simcoe Muskoka
United Way/Centraide Stormont-Dundas & Glengarry
United Way Centraide Windsor-Essex Chatham-Kent
United Way Haliburton Kawartha Lakes
United way Durham Region
United Way East Ontario
United Way Elgin Middlesex
United Way Greater Toronto
United Way Guelph Wellington Dufferin
United Way of Haldimand and Norfolk
United Way Halton & Hamilton
United Way Hastings & Prince Edward
United Way Kingston, Frontenac, Lennox & Addington
United Way Oxford
United Way Niagara
United Way Northumberland
United Way Perth Huron
United Way Peterborough & District
United Way of Thunder Bay
United Way Waterloo Region Communities