

Minister
of Human Resources and
Social Development



Ministre
des Ressources humaines et du
Développement social

Ottawa, Canada K1A 0J9

JUL 09 2008

Mr. Bill Fisch
Chairman and Chief Executive Officer
The Regional Municipality of York
17250 Yonge Street, Box 147
Newmarket, Ontario
L3Y 6Z1



Dear Mr. Fisch:

Thank you for your letter of May 7, 2008, in which you conveyed Regional Council's support for the recommendations made by the Federation of Canadian Municipalities (FCM) in its two reports entitled *Sustaining the Momentum: Recommendations for a National Action Plan on Housing and Homelessness* and *Trends and Issues in Affordable Housing and Homelessness*.

The federal government shares FCM's goal of reducing homelessness and improving housing affordability across the country. That is why we will continue to support existing social housing and a range of new housing activities. Indeed, at more than \$2.7 billion annually, federal spending on housing has never been higher.

As mentioned in the FCM report, the federal government is providing \$1.4 billion in federal funding towards the creation of more affordable housing through three provincial/territorial housing trusts, namely the Affordable Housing Trust, the Northern Housing Trust and the Off-Reserve Aboriginal Housing Trust. Ontario's share of this funding is \$392.5 million and the Province is responsible for allocating these federal funds.

As well, our Government is investing \$1 billion under the Affordable Housing Initiative (AHI). Although the FCM report cites that this funding will help create 27,000 units, I would like to clarify that AHI funding will in fact support the creation of some 44,000 affordable housing units across the country. As of March 31, 2008, more than 38,200 affordable housing units had been created or announced nationally; with 14,432 of these units situated in Ontario.

FCM also recommends that steps be taken to preserve and modernize the existing social housing stock. The federal government continues to invest \$1.7 billion per year in support of existing social housing for some 626,000 lower-income households in Canada. As you know, a key issue in Ontario is the provincial decision to download funding responsibility for social housing to municipalities. The federal government continues to honour its social housing obligations. Indeed, in 2005/2006, the federal government spent \$596 million on existing social housing in Ontario.

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To help preserve the quality of the existing affordable housing for low-income Canadians, the federal government announced a \$256 million, two-year extension of CMHC's housing renovation programs, effective spring 2007. It is important to recognize that in addition to the Residential Rehabilitation Assistance Program, the current array of CMHC's renovation programs also includes the Home Adaptations for Seniors' Independence program, the Shelter Enhancement Program, and the Emergency Repair Program. These initiatives are currently repairing, adapting and converting approximately twice the number of units FCM is recommending in the Action Plan report (10,000 per year). Funding is continuing to flow into renovation programs.

It is also important to recognize that CMHC provides home buyers and rental developers in Canada with access to affordable housing financing at favourable terms and conditions through mortgage loan insurance. In addition, CMHC facilitates the supply of low-cost financing for housing through its securitization activities.

As indicated in the October 2007 Speech from the Throne, our Government will continue to invest in our families and our future, and will help those seeking to break free from the cycles of homelessness and poverty. On April 1, 2007, the Homelessness Partnering Strategy (HPS) was launched to provide more effective and sustainable solutions to homelessness. I am proud to say that our Government has invested more money in homelessness and supportive housing initiatives than any other government in Canadian history.

The Strategy also fosters partnerships with communities and a wide range of stakeholders as it is crucial that all interested parties work together to find local solutions to local problems. The HPS is focusing on transitional and supportive housing as important measures to help people overcome homelessness and is putting in place structures to help homeless individuals achieve more stable lives.

That is why this Government committed \$269.6 million for the Strategy over two years to help achieve meaningful and lasting results for homeless persons in Canada, including for Aboriginal people and individuals in major urban centres, rural communities and the North.

Homelessness is an issue that requires a collaborative approach because it interacts with an array of factors, including those related to housing affordability; mental/physical health; barriers facing newcomers; labour market vulnerabilities; skills, education and literacy levels; community and personal safety; obstacles faced by discharged offenders; and others.

The HPS includes a component that funds work in collaboration with other federal departments to address issues that may increase the risk of homelessness. These include incarceration in correctional institutions, mental health problems, family violence, and immigration. We will also be discussing common issues with other relevant federal departments.

In Ontario, a total of \$344 million was allocated through the HPS and its predecessor program, the National Homelessness Initiative, of which \$5.3 million was allocated to the Regional Municipality of York. These funds continue to benefit facilities that provide a variety of services for homeless people and those at risk of becoming homeless. These services include food and clothing banks; drop-in centres and soup kitchens; training and skills development; counselling and psycho-social support; as well as materials such as clothing and blankets.

Homelessness programs are designed to directly support community efforts to address homelessness by providing planning and implementation tools, sharing information, overseeing accountability issues, and allocating funds. These programs enable community service providers to come together to jointly make their own plans, decide on their priorities for action, and make recommendations on how funds can be disbursed most effectively.

In Budget 2008, the federal government also committed \$110 million to establish five pilot demonstration projects of the Mental Health Commission of Canada across the country. These projects will contribute to our knowledge base and develop best practices to help the most vulnerable Canadian citizens who face complex challenges related to mental health disorders, and as a result often lack basic necessities such as adequate housing.

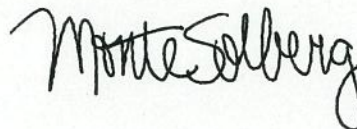
While we have and continue to invest in housing, I believe it is important to look at our current programs to ensure that we are making a real difference and achieving concrete results. Evaluations of the AHI and the housing renovation programs are currently under way, and a decision on the future of these programs will be made in due course.

I am pleased that FCM's Action Plan properly recognizes that housing is multi-jurisdictional in nature and that the ongoing participation of all orders of government is required to find solutions to address homelessness and the need for affordable housing in the longer term.

I hope the foregoing information helps to assure you that the Government of Canada is taking comprehensive action to address the need for affordable housing in Ontario and across Canada.

Please accept my best regards.

Sincerely,

A handwritten signature in black ink that reads "Monte Solberg". The signature is written in a cursive, flowing style.

Monte Solberg, P.C., M.P.