

Affordable Housing Program – Report Card, November 2004:

**Good news: Some new homes are funded;
Bad news: Progress remains painfully slow**

GATINEAU (November 29, 2004): Three years after the federal, provincial and territorial governments signed the Affordable Housing Framework Agreement (November, 2001), the National Housing and Homelessness Network has released a new report card. The senior levels of government committed to fund more than 37,000 new affordable homes with \$1 billion in federal funding and matching funds from the provinces and territories under the Affordable Housing Program (AHP).

The good news: Our report card shows that the **AHP has funded more than 10,500 affordable homes for as many as 30,000 women, men and children** across Canada. The ramp-up has been considerable in 2004, with more than three times the number of new homes funded this year as in 2003. This is substantial progress, considering the huge cutbacks in housing funding at the federal level and in most provinces and territories during the 1990s. The results confirm that a combination of effective political pressure at the national level along with the smart and creative efforts of community-based housing providers across the country can solve our nation-wide affordable housing crisis and homelessness disaster. In addition to the new homes, the AHP has generated jobs (directly in construction and induced in related sectors) and significant community benefits, along with federal, provincial and municipal taxes.

More good news: ***Quebec is the first province to sign onto phase two of AHP*** in August of 2003, agreeing to match \$75 million in new federal affordable housing funding with matching provincial dollars.

Bad news #1: The **progress is painfully short of the goal set by federal, provincial and territorial governments** when they signed the Affordable Housing Framework Agreement in November 2001. Three years into the program, the worst culprits are Ontario (where the provincial government still hasn't honoured its commitment to match federal dollars) and the Atlantic provinces (especially Newfoundland and Labrador, which has failed to fund a single new home over the past three years).

Bad news #2: British Columbia has ploughed most of the AHP dollars into seniors supportive housing and assisted housing for those with physical disabilities. There is no doubt that there is a significant need for housing for this group, but B.C. has cut provincial spending in this area and replaced it with AHP money. The Affordable Housing Framework Agreement stipulates: "This initiative needs to create affordable housing for low to moderate income households." **The housing needs of one group of needy people should not be set against the housing needs of another group of needy people.**

Bad news #3: In most provinces, **housing spending continues to be well below the levels of the early 1990s**, when the major cuts started. Some provinces have continued to cut provincial housing spending, even after they agreed in November 2001 to match new federal housing dollars. The federal government housing spending is also projected to drop by 13% over the next four years. New spending is required in all provinces, territories and at the federal level.

Bad news #4: **A significant number of the new "affordable" units aren't affordable at all.** In Ontario, more than half the new units will only be affordable to the richest one-third of tenant households. The funding under the AHP should be targeted to a comprehensive social housing program that includes capital subsidies AND rent supplements (rent-geared-to-income subsidies for low-income households).