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Canadian  
Home Builders'  
Association



Association canadienne  
des constructeurs  
d'habitations

July 19, 2011

Co-Chairs of the Federal – Provincial – Territorial Housing Ministers Forum

The Hon. Diane Finley  
Minister, Human Resources and Skills Development Canada and Minister responsible for Canada  
Mortgage and Housing Corporation  
140 Promenade du Portage  
Gatineau, QC K1A 0J9

The Hon. Jonathan Denis  
Minister of Housing and Urban Affairs  
#319 Legislature Building  
10800 - 97 Avenue  
Edmonton, AB T5K 2B6

Dear Ministers:

The Canadian Home Builders' Association welcomes the recent announcement of the new Affordable Housing Framework 2011- 2014.

In particular, we welcome the reaffirmation that the provinces and territories are best positioned to design and deliver housing subsidy programs to assist those in financial need, and that they have agreed to match federal funds in this regard.

We also support the commitment from all governments that bilateral agreements will ensure accountability and transparency to Canadians for all funds expended under the Framework.

The CHBA also welcomes the commitment to ensure that energy efficiency and water conservation measures will be integral elements of housing investments under the new Framework. In this regard, the CHBA would expect that construction would conform with the building code requirements currently being developed by the Canadian Commission on Building and Fire Codes (CCBFC) with the guidance of the Provincial/Territorial Policy Advisory Committee on the model National Building Code.

Finally, the CHBA supports the commitment that homeownership assistance will be targeted 'to households in need', such as seniors, and those with special needs, e.g. the disabled and victims of family violence.

Overall, the new Framework accords substantially with the recommendations that the CHBA has made to governments for a number of years, including the use of housing allowances (attached).

It is the CHBA's strongly held belief that assistance to those in need is a community-wide responsibility. As such, it must be financed through general taxation.

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For this reason, we have been strongly opposed to efforts by some jurisdictions to transfer this responsibility to new home buyers through ill-conceived measures, such as inclusionary zoning and other manipulations of planning and development approvals processes.

Such measures represent an effort to achieve important public policy objectives through inequitable and ineffective means – by transferring costs that should properly be borne by the entire community onto a small number of new home buyers.

Unfortunately, the history of housing policy is littered with measures which fail to address the root causes of declining housing affordability, both homeownership and rental, and have the effect of making matters worse. Invariably, they distort and undermine both housing affordability and choice to the detriment of all and, in so doing, exacerbate the difficulties of those in need. As a result, the demand for social housing assistance only increases over time. At the same time, such measures undermine the community's trust in planning and development processes, contributing to the NIMBY issue and undermining housing supply, both homeownership and rental.

In short, regulatory interventions, both financial and non-financial, designed to transfer the social cost of subsidizing 'affordable housing' to other new home buyers and renters are unfair, counter productive and an affront to the basic tenets of smart regulation.

Accordingly, it is important that the federal and provincial governments ensure that the provision of housing assistance to those in financial need is undertaken as a community-wide social responsibility.

Our concern is that the new Framework be unambiguous on this point and that it cannot be construed as a vehicle for encouraging and accepting regulatory measures as a substitute for actual funds being allocated from general taxation.

The CHBA is seeking assurance that bilateral agreements created under the new Framework will require that matching funds are just that – actual funds allocated from general revenues, rather than 'in-kind' contributions generated through flawed measures such as inclusionary zoning, density bonusing or other regulatory manipulations designed to transfer social costs from the community in general to new home buyers and those seeking rental accommodation.

I look forward to hearing from you regarding this matter.

Best regards,

A handwritten signature in black ink, appearing to be 'V. Laberge', written in a cursive, stylized script.

Vince Laberge  
President

Enclosure

c.c. Members of the Federal – Provincial – Territorial Housing Ministers Forum  
CHBA Board of Directors