HOUSING POLICY IN CANADA UNDER THE HARPER REGIME

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Steve Pomeroy and Nick Falvo, Carleton University, Ottawa

INTRODUCTION

A 2008 press release by then Conservative minister responsible for the Canada Mortgage and Housing Corporation (CMHC), Monte Solberg, used the headline "Minister Solberg Says Federal Involvement in Housing Has Never Been Stronger." And perhaps surprisingly to some, the statement is true. But does this unprecedented level of nominal spending represent a strong interest in a federal role in housing and a purposeful policy agenda?

This chapter briefly reviews Harper era housing policy in the context of the legacy of six decades of housing activity inherited by this government. It reviews the spending decisions that underpin the current level of expenditures and argues that the relatively high levels of spending do not in fact reflect a political commitment to a federal role in housing. Nor do they reflect a concerted commitment to address unmet housing needs of lower income households. Rather, the Harper government's approach is characterized by pragmatism and political expediency only coincidentally linked to housing policy.

PRE-1993 CANADIAN HOUSING POLICY

Much of the context for current patterns of housing expenditure was laid out from the mid-1960s until 1993. Over this period, the federal housing agency, Canada Mortgage and Housing Corporation (CMHC), designed and sought government approval to implement a series of housing programs. It pursued a dual course, the first focusing on establishing and sustaining an effective and efficient housing system, premised on a foundation of housing finance and mortgage insurance.[1] Even before the global financial crisis that began in 2008-09, Canada was frequently highlighted for its effective and sound housing finance regime.[2]

In an industrialized liberal market economy, the policy priority was to enable and facilitate an efficient and effective market.[3] Mortgage insurance formed the main plank of this approach. Providing insurance against mortgage default reduces risk and it encourages private lenders to provide mortgage financing to homebuyers and to developers of rental investment properties. This is a commercial program, sustainable through the collection of insurance premiums with no ongoing government subsidy; that said, it is premised on the implicit guarantee of the federal government standing behind its crown corporation, CMHC.[4]

Concurrently, the limitations of the market were recognized in the development of a series of social housing programs intended to help those that the market could not adequately serve. These "social housing" programs have primarily emphasized construction of housing to house low-moderate income households.[5] The housing in question is owned and managed by either public (provincial and municipal housing corporations), or community based not for profit entities (non-profit corporations and co-operatives). In all cases the properties were financed with long-term mortgages, initially directly from CMHC; and since 1978, from private lenders, facilitated by CMHC insurance.[6]

Housing low- and moderate-income households generated insufficient rent revenues from tenants to cover operating costs and mortgage payments. Accordingly, ongoing subsidies were provided to sustain these projects, which grew from just 12,000 units prior to 1964, to over 600,000, representing 6% of total housing stock in Canada by 1994.[7]

The subsidy mechanism involved a long-term operating subsidy tied to an operating agreement of 35-50 years, thereby imposing a long-term expenditure obligation on the federal treasury (and where programs were cost shared with provinces and territories, on their treasuries too— although the federal share was usually 50-75%).

As a result of this layering approach, federal expenditures on grants and subsidy authorized under the National Housing Act, of which social housing was the largest component, alongside some other small infrastructure and market programs, expanded exponentially. By 1984, these expenditures reached $1.4 billion[8] and, while continuing upward, total growth slowed thereafter due to a series of incremental reductions in annual authorizations and the elimination of some smaller programs in a process of ongoing fiscal restraint.

Even with these ongoing reductions, by 1994 federal grants and subsidies mainly for social housing (including renovation programs) had reached over $1.9 billion. Such expenditure growth was perceived to be unsustainable, and in the last budget of the Mulroney Conservative government, in April 1993, the federal government announced the termination of all new funding for social housing (including renovation assistance), except on reserve.[9]

The long-term nature of these funding agreements meant that this $1.9 billion expenditure continues long into the future (35-50 years after initial development of each project). Prior to 1978, programs were funded with 50-year subsidy profiles, the first significant amount beginning in 1964. The agreements will consequently mature and then begin to see annual funding diminish in 2014. Beginning in 1979, the agreements were 35 years in duration, and, coincidentally, would also begin to see diminished annual outlays in 2014. Thus, very soon, annual federal expenditure related to these older commitments will begin to decline.[10]

THE CHRETIEN-MARTIN YEARS (1993-2006)

Although they campaigned to reinstate social housing following its announced termination in the final Mulroney budget, the Chrétien Liberals did not turn the taps back on once they formed the new government in late-1993. They did, however, follow through on a campaign promise to re-instate the Residential Rehabilitation Assistance Program (RRAP) at $100 million for 2 years.[11] RRAP is politically attractive; it assists a lot of households with relatively low costs per household assisted, especially in comparison with building new social housing.

While CMHC had carried out subsidy administration and oversight for much of the 1973-85 portfolio, the majority of public and social housing units were under provincial administration; there was therefore duplication in administrative responsibilities, and this was suggested as an area of potential administrative savings. Accordingly, the 1995 federal budget directed CMHC to initiate negotiations to transfer these duties to the provinces/territories, via Social Housing Agreements.[12]

To facilitate negotiations, the federal government agreed to sustain its share of subsidy funding of previous long-term commitments at the 1995/96 level. Most provinces—and all territories—executed transfer agreements between 1997 and 1999. However, British Columbia held out for better terms until 2006; and, as of 2012, Alberta, Quebec and PEI have still not executed agreements.

In 1999, the Chrétien administration established a Homelessness Secretariat within HRSDC and announced a new National Homelessness Initiative. This provided $753 million over 3 years) to fund emergency shelters and transitional housing.[13] This was renewed for 2003-2007 at $135M/year and expanded to include long-term transitional and supportive housing for formerly homeless persons. Concurrently, active negotiation among federal, provincial and territorial Housing ministers (FPT) in 2000-2001 resulted in the re-engagement of the federal government in affordable housing, under a new Affordable Housing Framework agreement with the provinces and territories.

The rebranding from "social housing" to "affordable housing" in part reflects a different orientation in the form of funding.[14] Notably, in discussions with housing advocates, Alfonso Gagliano, the minister responsible for CMHC at the time, was emphatic that the federal government would not resurrect the former long-term ongoing subsidies; instead, the new framework would provide one-time capital grant funding. Provinces and territories were required to cost share on a 50/50 basis, rents had to be set below average market rent and affordability at this benchmark sustained for a minimum 10 years.[15]

These F/P/T discussions culminated in a new federal funding announcement of $680 million over five years, announced in the 2001 federal budget but starting in 2002/03. This was then augmented with a further $320 million in 2003 to create a program at $1 billion over 5 years (through to 2008). Housing received a temporary boost following a budget deal between Jack Layton's NDP and the Martin Liberal minority. In exchange for supporting the 2005 budget, Layton negotiated a set of lump sum investments for affordable housing. These were implemented through Bill C-48 and passed in the summer of 2005. When the Martin government fell, late in 2005 a new Conservative minority was elected early in 2006, and inherited this funding. The commitment was honoured by the new government, largely because it had been approved by a vote in parliament (Bill C-48) and was implemented in the form of three trust funds totaling $1.4 billion, each paid out over 3 years:

- Affordable Housing Trust: $800 million, allocated across P/Ts on a per capita basis
- Off-Reserve Aboriginal Housing Trust: $300 million, allocated based on per capita off reserve population (2001), and to be administered by the provinces
- Northern Housing Trust: $300 million, allocated across the territories with $50 million each to Yukon and NWT, and $200 million to Nunavut

These trust funds augmented the AHI funding; but, unlike AHI, they did not require P/T cost sharing.

THE HARPER YEARS

The Harper government's interest and perspective on housing has evolved through its three mandates (two initial minority governments and the present majority one). Across the three parliaments, housing has cycled though very different levels of policy attention.

- During their first minority, the government's approach can best be described as mild disinterest, with minimal new policy or funding activities, beyond the aforementioned inherited spending commitments.
- The second minority was consumed with managing the global financial crisis and its impact on Canada. To the extent that the economic collapse in the US was precipitated by imprudent mortgage lending and a housing market crash, the housing file gained more prominence in Canada. New policy initiatives were announced for mortgage insurance and securitization. In this period housing, was employed as a key plank in the government's economic stimulus program, with ancillary significant benefits to social housing. The government's stance was one of opportunism – taking advantage of programing features that already existed in CMHC's mandate to help manage and stabilize economic uncertainty.
- Since gaining a majority in May 2011, and facing ongoing economic turmoil in the Eurozone, housing policy in Canada has retrenched although remains on the horizon in terms of managing household debt and mortgage financing.

The First Minority Government: Benign Neglect

Early in its mandate the first Harper minority government identified a narrow set of priorities on which it said it would focus: federal accountability, lowering taxes (GST), strengthening the justice system, child-care and health care (wait times guarantee with the provinces) -- all populist policy themes that helped to cement the repositioning of the Conservatives in the political centre.[16]

Notably, the new government quickly abandoned the one housing proposal of its election program that proposed a new US-style approach to housing policy – a tax credit program aimed at stimulating private institutional investment in affordable housing by selling tax credits to large financial institutions and using proceeds to fund new affordable development. It was speculated that this was never a serious platform idea and was merely an attempt to frame a new and different approach – but with little sincerity.[17] However, it did reflect a policy ethos that, with a little stimulus, the affordable housing needs of low-income households could be met by the private sector.

Beyond dropping its campaign proposal, it was uncertain how the new government's narrow and specific set of priorities would impact other policy and funding areas. In retrospect, it can be seen that this government adopted a "don't rock the boat" approach, abetted by ongoing fiscal surpluses such that, initially, there was no need to impose spending restraints in "non-priority" areas, such as housing.

Accordingly, existing, ongoing programs were retained and the housing programs funded via the AHI and RRAP continued as planned by the previous Liberal governments to their duration (generally March 2009). To the extent that much of this investment flows to cities, this may have been a strategic attempt of a minority government to assuage concerns of the urban voters – ridings that the Conservatives had failed to capture. Sustaining investment in cost shared housing programs was also politically important to reinforce election gains in Quebec – a province that has generally been more pro-active in affordable housing policy and spending. Concurrently, both the rehabilitation and On-Reserve new construction programs (an area retained as unilateral federal responsibility) continued at the same level of funding as under the previous government.

In addition, and as noted above, the affordable housing trusts, announced in the previous parliament (Bill C-48) were retained; these allocated funding over the 2006-2009 fiscal years at significantly higher levels than would have been the case under the AHI and RRAP funding streams.

One seemingly minor policy change was the change in mortgage insurance policy. Implemented late in 2006, this extended the maximum amortization on insured mortgages from 35 to 40 years and also eliminated any down payment minimum for qualifying buyers – a policy that benefits younger households seeking to gain a step on the ownership ladder (although in the face of high consumer debt, these policies have subsequently been reversed). It also reinforced the new government's appeal to suburban voters – as most moderately priced new homes tend to be developed in suburban growth areas of larger cities.

The sole new initiative announced by the government was to create a $300-million First Nations Market Housing Fund through CMHC. This was designed as a loan guarantee fund with a goal of encouraging use of private lender capital for housing on reserve, increasing housing supply, and providing participating families and individuals with a means to build equity and generate wealth.[18] Again this reflects political pragmatism and opportunism. It was a low cost initiative and a loan guarantee reserve rather than an expenditure. It provided the government with an opportunity to be visible and active in enabling goals of Aboriginal autonomy and self-sufficiency while being consistent with the Conservative's philosophy to emphasis market based policy solutions.

The pragmatism is also reflected in the way the government took advantage of ongoing investments to earn political points with the working class. Both in this initial minority term and the subsequent two administrations politically motivated sod-turning and ribbon cutting ceremonies were prolific (over 600 between 2007-2012), especially in comparison to substantive speeches, which were noticeable by their absence (only 7 between 2006-2012).

The Second Minority Government: Opportunistic Response to Economic Challenges

The October 2008 general election returned another minority government amidst the global financial crisis. These circumstances effectively pre-empted any policy agenda to focus almost exclusively on managing macroeconomic challenges and trying to minimize the effects of the global crisis on Canada. Accordingly, departments and agencies were directed to develop options to assist the government in developing a pro-active stimulus program, labeled Canada's Economic Action Plan (CEAP).

Housing was well positioned to assist the government's efforts, primarily because home construction and renovation have large economic multiplier effects.[19] The profile of housing in contributing to the crisis in the United States also placed a spotlight on housing, stimulating efforts to reassure consumers, investors and financial markets that Canada's housing system was not similarly vulnerable.

Thus the government pursued two parallel policy tracks – stimulus measures directed to stabilizing employment in the construction trades and a mortgage finance stabilization initiative, the Insured Mortgage Purchase Program (IMPP). In doing so it is notable that, rather than seeking to stimulate the market and private sector housing activity the government elected to invest directly in the construction of social housing. The Action Plan housing stimulus measures included a total of just over $2 billion in federal spending on social/affordable housing over two years. Half of this ($1billion) was directed to retrofitting and upgrading existing social housing properties (many of which are assets owned by the provinces and territories). The other half was directed to support new construction or renovation across specific target groups – seniors ($400 M), Aboriginal On-Reserve ($400M), persons with disabilities ($75M) and northern housing ($200M).

Housing investment was evidently seen as an effective mechanism through which to deliver stimulus measures. "It was an easy lever to pull" – the F/PT program delivery frameworks had been established via the AHI and it was expedient to use these. This mechanism also enabled the federal Conservatives to lever their spending and the stimulus effect by encouraging provincial/territorial cost sharing.

Additional stimulus measures were directed to the private sector in the form of incentives for first time buyers to purchase a home – intended to prop up sales in the real estate sector. This included two measures: enhancement of the existing RRSP Home Buyer Program and a new tax credit to assist first-time homebuyers (FTHB) with the costs associated with the purchase of a home. The FTHB Tax Credit was a $5,000 non-refundable income tax credit on a qualifying home acquired after January 27, 2009. For an eligible individual, the credit provided up to $750 in federal tax relief. With a budget of $385 million over two years this program is a good example of the power of politics over policy: for families purchasing homes, typically well over $200,000 in price, it is unlikely that a credit providing $750 in tax relief would have triggered a decision or ability to buy.

Meanwhile, the limit on the amount that individuals could borrow from their RRSP plans to put towards a down payment on a home was increased from $20,000 to

$25,000. This partially responded to years of advocacy from the real estate industry to index this limit, but did not embed annual increases as advocated. Additional stimulus funding was directed to consumers through both a Home Renovation Tax Credit (total $3 billion budgeted) and a home energy retrofit program ($400 million) – together the largest stimulus related programs, and both targeting middle class homeowners.

While substantial funds did flow through these tax credits and the government's advertising and communications efforts certainly highlighted how these were helping ordinary Canadians, the direct investment in social housing provided a platform for additional ribbon cutting and political profile of the federal role. Supporting home renovation and construction was also strategic – targeting the construction industry and the union workers in it. This appealed to Jim Flaherty as a Whitby Conservative, not a Bay Street Conservative, who wanted to deliver to the workers and union members in his riding.

A further stimulus measure was to utilize CMHC's financing authority to provide low cost financing to municipalities in support of municipal infrastructure projects. This was an activity in which CMHC had been prominent in the 1960s and 1970s. Effectively this levered a higher volume of spending while spreading out cost over time through the loan repayments (on which CMHC generates a small spread and profits). The total volume of loans under this program was budgeted at $2 billion.

Together this suite of stimulus initiatives was associated with over $6 billion of new investment in the housing sector, an amount far exceeding the levels of federal expenditure on housing outside of this stimulus period. The policy imperative was founded mainly on creating jobs and responding to weak economic conditions, rather than responding to unmet housing need and issues of disrepair in the existing social housing stock. But again, as a case of political pragmatism, the government was able to do both.

The second area of policy and programing related to the government's efforts to maintain stability in Canada's housing sector and mortgage markets. This built on roles in which CMHC is already active – mortgage insurance and securitization. The corporation substantially ramped up its securitization volumes and intervened directly to purchase mortgage assets from lenders as a way to sustain liquidity in the home mortgage market. This was something that could be implemented quickly and effortlessly.

Essentially, CMHC's securitization business facilitates mortgage lending institutions to raise capital for mortgage loans by selling bulk portfolios of insured mortgages to investors through mortgage-backed securities (MBS). These are attractive to investors (typically institutional) because the loans in the pools are all insured against default, and CMHC guarantees timely payment of monthly mortgage payments to the investors.

As a result of the US housing crash, institutional investors were nervous about purchasing these MBS in the same volume as they had done historically so the government intervened though CMHC not only to securitize the loan pools but also to purchase these pools, funded by borrowing from the treasury. This injected cash into the financial institutions enabling them to continue to provide new mortgages (and other banking activities). Between fall 2008 and the end of 2010, CMHC purchased $69 billion of mortgages through this Insured Mortgage Purchase Program (IMPP), and this became a key component of the government's bank stabilization program (along with other interventions through the Bank of Canada.[20]

By force of circumstances and in a somewhat reactionary way, the federal government became highly active in the housing area, both increasing direct expenditure in renovation programs for both private owners and in social housing. It has intervened heavily in the mortgage market though the IMPP. CMHC as a federal institution with an existing mandate emerged as a useful conduit that enabled government to act quickly and decisively to sustain ongoing mortgage lending and home buying activity. While the government's PR spin highlights the success of our financial institutions, it is not known just how important or significant these interventions were. However, unlike most other countries, with the exception of Australia, which also exhibited remarkable resilience, the fact that home sales and prices continued to trend upward through the 2008-2010 period does suggest that these initiatives had some success.

The Harper Majority Government: Housing Returns to the Priority Back Burner

To a great degree, housing was a beneficiary of difficult economic times. Recessions appear to be good for housing! By the same token, recovery is less favourable, at least in terms of gaining or retaining a place in the policy agenda spotlight. As the Harper Conservatives won a majority in the May 2011 election, their Action Plan programming was reaching its logical conclusion. The focus of government, while seeking to keep an active hand on sustaining economic recovery, has moved beyond stimulus to a new pre-occupation with paying down the deficit created during the crisis period.

Expenditure review now permeates all federal departments (and indeed provincial/territorial governments too). Accordingly, uncertainty about the federal commitment to housing beyond 2014 is resurfacing. Just prior to the last election, Budget 2011 confirmed the government's commitment to the final three years of the $1.9 billion housing and homeless program suite - although announced in late 2008, just prior to the fall election, the funding confirmation in the 2009 federal budget committed only two years of funding across the three programming areas – the HPS, RRAP and AHI. But while confirmed through March 2014, there is uncertainty about renewal at that end date.

To date the government has remained silent on the extensive advocacy from both provinces and territories and affordable housing advocates to maintain federal spending on existing social housing. Due to the nature of funding, linked to long-term operating agreements on projects built between the 1960's and 1994, federal funding for ongoing subsidies (totaling over $1.7 billion in 2012) is scheduled to decline precipitously, declining to below $1billion over the next decade and disappears completely by 2033. Advocates have lobbied for the federal government to maintain spending at the current $1.7B and recycle "savings" accrued via reduced expenditures back into new housing investment or into rehabilitation of the existing stock.

Also, the 2011 budget included a subtle slight of hand: RRAP and AHI were rolled into a single funding envelope. Previously, as separate envelopes, provinces and territories were not required to cost share RRAP, only AHI. By combining them into one lump-sum, and requiring cost matching at this level, the federal government effectively levered an additional $128.1 million in matching funding from the provinces/territories. The AHI was also rebranded as IAH: Investments in Affordable Housing.

While the investments under the Homeless Partnering Strategy (HPS) were beginning to have some impact on homelessness, the slow economy and loss of employment has significantly impacted those in more vulnerable and tenuous employment and at risk. However, as Falvo has argued elsewhere, there appears to be a three- to five-year lag from the time a recession begins until homelessness sees a noticeable increase.[21] Despite the impact of the recession on this group, there has been no attempt by government to adjust or enhance funding beyond the level that has been recurrently funded in recent years – the allocation of funding to address homelessness prevention and reduction remains minimal at $135 million per year.

Reflecting persisting concern about the state of the housing market and whether certain markets such as Toronto and Vancouver are poised for a major correction, coupled with concerns about high levels of household debt, the Minister of Finance has singled out housing consumption as the culprit in a shaky economy. Accordingly, through two rounds of regulatory reform, the Minister of Finance has revised regulations governing insured mortgage lending to reduce the maximum amortization period from 35 years to 30 years in the summer of 2011 and in July 2012 further reduced the maximum to 25 years. At the same time, the maximum loan-to-value ratio for refinancing (and equity withdrawal) was reduced from 85% to 80% of home value, an attempt to rein in use of home equity that was supporting excessive spending and growing debt. At prevailing mortgage rates, a reduction of five years in the amortization period is roughly equivalent to a 1% increase in mortgage rates, so this will tend to suppress home buying. Perhaps in a case of 'be careful what you wish for,' there is now strong evidence of cooling real estate markets and average home price decline in some markets.[22]

CONCLUSIONS

Reflecting on the rising trajectory of spending in the late 1960s, a seminal text on housing was aptly titled "Programs in Search of a Policy."[23] This indictment holds just as true in

2013, and is an apt encapsulation of the Harper Conservatives' management of this issue since first forming a minority government in 2006.

Arguably, the recent peak level of federal expenditures is an accidental happenstance. Much of this spending was inherited, and was then abetted by economic conditions that emphasized opportunistic stimulus benefits of housing investment. As such this is not an outcome of a purposeful policy agenda, shaped by a careful analysis of how to strengthen Canada's housing system.

The housing file is complex and it is neither easy nor inexpensive to implement significant change. It is also not an area, especially the affordable housing part, that has the potential to garner significant votes; but like many policy areas, there is always political risk in implementing cuts to existing funding or programs.

Accordingly, the approach of the Harper government has been to manage the housing file, without making significant waves. When handed a pragmatic opportunity to pull the easy levers around stimulus, it did so, not because of any ideological commitment to housing issues, or in response to political pressure to address persistent unmet need, but because it made sense – it would, and did, have a significant impact on economic matters.

In short, housing under Harper has been a beneficiary of a highly pragmatic political agenda. But in the absence of a purposeful policy framework and identified outcomes, and amidst pressures for expenditure restraint, federal expenditures may have peaked and are now poised to steadily decline over the coming decade.

Key Policy and Funding Changes

Year	National Homeless Initiative/Homeless Partnering Strategy	Affordable Housing and Renovation	Mortgage Insurance and Securitization	Economic Stimulus
Inherited (previous government)	NHI due to expire March 2006	Ongoing Phase 2 AHP	Ongoing insurance and securization	n/a
2006	One-Year Renewal of NHI at $135 million	Affordable Houisng Trusts (total 1.4B) ($800 B urban; $$300B North; $300B Aboriginal); two year extension of RRAP	Reduced minimal downpayment to 0% and extended maximum amortization to 40 years; New initiative for s First Nations Market Housing Fund to finance mortgages on Reserve ($300 million loan fund)	
2007	Homelessness Partnering Strategy replaces NHI and is funded for 2007-2009 (i.e. two years at $134,8 million annually)	RRAP renewed for 2 years (to March 2009) to $128million/yr	Revised loan-value threshold for insured mortgage loans from 75% to 80%	
2008	Consolidated Housing and Homeless budget of $1.9 million includes $135 million in annual funding (2009-14) for HPS (announcement only,)	Consolidated Housing and Homeless budget of $1.9 million includes $125 million in annual funding for AHI and $128m for RRAP (2009-14) plus $135m for HPS (announcement only,)	Revisions to regulations on insured loans: reintroduce minimum 5% downpayment and reduce max amortization to 35 years	Canada Economic Action Plan: Insured Mortgage Purchase Program and New Investments in Social Housing and Retrofit; and Municipal Infrastructure loans
2009	H &H Programs formalized in 2009 Federal Budget (commitments only for first 2 years)	H &H Programs formalized in 2009 Federal Budget (commitments only for first 2 years)		CEAP continues, IMPP extended and expanded. First Home Buyer Tax Credit and increase to RRSPHome Buyer Plan limit increased from $20,000 to 25,000)
2010				CEAP continues, IMPP extended and expanded
2011	Remaining 3 years of Consolidated Housing and Homeless Programming confirmed (2011-14)	Remaining 3 years of Consolidated Housing and Homeless Programming confirmed (2011-14) at $383m total per year - all 3 streams	Insured Loan Maximum amortization reduced to 30 years	
2012			Insured loans maximum amortization reduced to 25 years and maximum LTV on refinancing reduced from 85% to 80%	

ENDNOTES

[1] Albert Rose, *Canadian Housing Policies 1935-1980*. Toronto: Butterfield and Co., 1980; Michael A. Goldberg, *The Housing Problem: A Real Crisis?* Vancouver: UBC Press, 1983.

[2] Mark Boléat, *The Canadian Housing Finance System*. London, UK: Building Societies Association, 1980; George Fallis, *Corporate Sponsorship of Housing*. Ottawa: Canada Mortgage and Housing Corporation, 1990; Duncan Maclennan, "Trunks, Tails and Elephants: Modernising Housing Policies," *International Journal of Housing Policy* Vol. 8, No. 4, 423-440, 2008.

[3] John Bacher, *Keeping to the Private Market : the Evolution of Canadian Housing Policy : 1900-1949*. MA Thesis, University Toronto, 1985; J. David Hulchanski, *Canada's Dual Housing Policy*: *Assisting Owners, Neglecting Renters.* Centre for Urban and Community Studies (CUCS) Research Bulletin #38, University of Toronto, 2007.

[4] The government was called upon to bail out the Mortgage Insurance Fund following large claims related to collapsing values and defaults, mainly in Alberta in the mid 1970's, largely associated with Graduated Payment Mortgages and the Assisted Rental Program.

[5] Albert Rose, *Canadian Housing Policies*, 1980; Michael A. Goldberg and Jonathan H. Mark, "The Role of Government in Housing Policy: A Canadian Perspective and Overview," *Journal of the American Planning Association* Vol.51, No.1, 1985.

[6] George Fallis, *Corporate Sponsorship of Housing*, CMHC, 1990; Goldberg, *The Housing Problem*, 1983.

[7] Canada Mortgage and Housing Corporation, "The Evolution of Social Housing in Canada," in Canada Mortgage and Housing Corporation, *2011 Canadian Housing Observer*. Ottawa: Canada Mortgage and Housing Corporation, 2011.

[8] Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*. Ottawa: Canada Mortgage and Housing Corporation, 1984. Table 29.

[9] Tom Carter, "Current Practices for Procuring Affordable Housing The Canadian Context", *Housing Policy Debate*, 1997, Vol 8, 593-632.

[10] Some agreements have already expired and since 1996 annual federal expenditures on pre-existing programs had already declined by over $134 million (Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, 1996, 2011).

[11] Dale Falkenhagen, *The History of Canada's Residential Rehabilitation Program*. Ottawa: Canada Mortgage and Housing Corporation, 2001.

[12] Carter, "Current Practices" 1997.

[13] Of the $753 million, a portion was allocated to CMHC for rooming house rehabilitation and the renovation of emergency shelters, and some to Public Works to compensate for surplus federal lands provided for homeless developments; a total of $426 million went to HRSDC for 4 components (SCPI, Aboriginal , Youth and Research).

[14] The initial press communiqué referred to both an "Affordable Housing Program Framework and an Affordable Housing Initiative, so that the funding is variously referred to as either AHP or AHI. Here, for consistency, we use AHI.

[15] Canada Mortgage and Housing Corporation, Press Release, December 1, 2001.

[16] G. Bruce Doern, "The Harper Conservative Agenda: True Blue or Liberal-Lite?" in G. Bruce Doern, *How Ottawa Spends, 2006-2007: In From the Cold: The Tory Rise and the Liberal Demise*. Montreal: McGill-Queen's University Press, 3-26, 2006.

[17] Pomeroy, Steve, 2007 *Designing an Affordable Housing Tax Credit Program for Canada.* Ontario Non-Profit Housing Association (ONPHA) and Canadian Housing and Renewal Association (CHRA).

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[20] David Macdonald, *The Big Banks' Big Secret: Estimating Government Support for Canadian Banks During the Financial Crisis*. Ottawa: Canadian Centre for Policy Alternatives, 2012.

[21] Nick Falvo, *Calm Before the Storm: The Great Recession's Impact on Homelessness*. Paper Presentation at Annual Conference of the Canadian Economics Association. Quebec, QC. 2010.

[22] Canadian Association of Accredited Mortgage Professions – CAAMP Stats, November 2012, based on Lepage Quarterly Home Price Survey which identifies year over year price declines in a number of markets.

[23] Michael Dennis and Susan Fish, *Programs in Search of a Policy*. Toronto: Hakkert, 1972.