



July 14, 2011

The Honourable Diane Finley  
Minister of Human Resources and Skills Development  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Minister:

RE: Recent Housing Agreement

The Right to Housing Coalition (Manitoba) acknowledges with appreciation that your government has continued to honour its 2008 commitment to a five year \$1.9 billion plan to fund housing and homelessness projects. Your half of the \$62 million investment in affordable housing in Manitoba will help our province as it tries to mitigate a growing problem of chronic affordable housing shortages and homelessness.

Without in anyway detracting from this current agreement, it needs to be said that much more needs to be done to solve the housing crisis in Canada. Right to Housing Coalition joins housing advocates across the country in asking the Federal Government to assume a much more proactive position in this regard. We were a strong supporter of Bill C-104 to create a long term, sustainably funded housing strategy for the country. This remains a major requirement if Canada is to overcome our current market failure in housing creation. We know that our existing social housing stock is being significantly eroded as operating grants for social housing expire and rent subsidies become unavailable. We urge the Government to allocate surpluses from C.M.H.C. to provide rent subsidy grants to provinces as they try to cope with this unforeseen problem.

One of the biggest causes of the housing shortage in Canada is that changes to our taxation system have, over several decades, made it increasingly difficult for the private sector to make a profit in the creation of affordable rental housing. Without private investment in affordable housing, governments at all levels are left with the impossible

task of becoming the major funders for housing one third of our population. We strongly urge your Government to review the taxation policies of the C.R.A regarding the creation of affordable rental properties and to make modifications that will stimulate more private investment. Current tax breaks benefit homeowners and home builders far more than renters and rental housing builders. Tax credits, capital cost allowances, deduction of soft costs, and reductions and/or elimination of GST/HST on affordable housing projects are but a few of the ways that the Federal Government could entice private sector construction back into the affordable rental market without needing to expend inordinate tax revenue.

As Minister of Human Resources and Skills Development, I know that you are aware of how negatively the lack of housing security impacts people and the economy. For the good of our country and our low and moderate income populations, we urge you to continue your collaborative initiatives with the provinces and together create a national housing strategy. Such a housing strategy would replace the short term, piecemeal plans and initiatives that make up our current housing response and replace them with a collaborative plan containing long term goals and plans to end homelessness, create safe and affordable housing for all and assure the resources to make it happen.

Yours sincerely,

Clark Brownlee  
Right to Housing Coordinator

CC  
The Honourable Kerri Irvin Ross  
Minister of Housing and Community Development  
358 Legislative Building  
450 Broadway  
Winnipeg, MB R3C 0V8  
Province of Manitoba

The Honourable James Flaherty  
Minister of Finance  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Peter Squire  
Winnipeg REALTORS Association  
1240 Portage Avenue  
Winnipeg, Manitoba  
Canada R3G 0T6