



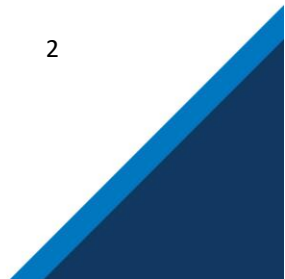
BRIEF SUBMITTED TO THE STANDING COMMITTEE ON
HUMAN RESOURCES, SKILLS AND SOCIAL
DEVELOPMENT AND THE STATUS OF PERSONS WITH
DISABILITIES

AS PART OF THE GOVERNMENT OF
CANADA'S CONSULTATIONS ON THE
FINANCIALIZATION OF HOUSING

JUNE 13, 2023

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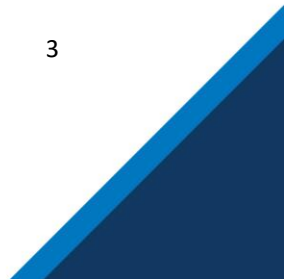
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1. About us

Founded in 1978, Interloge is recognized as a social enterprise and a charitable organization. Its core mission is to provide affordable housing for low- income households and improve their quality of life. Its housing stock currently consists of 920 units, rented at well below market value. These units are rented on a priority basis, mainly to households living below the low income cut-off before tax. Interloge is also committed to supporting the lasting social and economic development of the neighbourhoods in which it operates, with property assets of \$175 million.

Interloge is one of the founding members of the Alliance des corporations d'habitations abordables du territoire du grand Montréal (ACHAT). Along with the other members, we share a desire to implement a plan for growth in an effort to scale up and reach a greater number of households in need.



2. The Canadian economic context and the housing crisis

In 2017, the federal government and the Canada Mortgage and Housing Corporation (CMHC) launched an ambitious National Housing Strategy (NHS), in which INTERLOGE is already actively involved, in line with its key principles focused on innovation and the rapid creation of affordable housing. Together with our ACHAT partners in the Montreal area, we are currently in discussions with several partners, including the member municipalities of the Communauté métropolitaine de Montréal (CMM), the Community Housing Transformation Centre, and the Fondation Lucie et André Chagnon, which are all committed to implementing concrete solutions to the housing crisis.

Our scalable business model offers immediate solutions to several known and documented consequences of Canada's housing crisis:

- Uncontrolled rent increases, especially in urban centres
- Real estate speculation creating an artificial increase in market values and a decrease in supply in terms of people's real needs
- Increasingly abusive or illegal eviction schemes (renovictions)
- Decreased purchasing power of low and middle-income households
- Relocation of skilled workers to the suburbs (urban sprawl)
- Increased economic insecurity and homelessness
- Erosion of the rental stock in favour of temporary tourist accommodation (e.g., Airbnb)

At a time when Canadians are worried about their future, Interloge, like the other members of ACHAT, guarantees that we will not reproduce or worsen these consequences that harm our nation's economy. **What's more, we're resilient in times of economic crisis, cannot be sold to foreign or speculative interests and our presence contributes greatly to maintaining a healthy and balanced real estate market.**

Interim report and declaration from Chantier Montréal abordable released April 12

On April 12, 2023, Chantier Montréal abordable (CMA), a group of private sector, community, union and public sector representatives, released an interim report and declaration that we believe should resonate throughout Quebec and Canada, where housing supply and affordability are also concerns.

[Chantier Montréal abordable \(CMA\)](#)

Given inflation and the housing crisis, CMA proposes breaking down Montreal household income by quintile. Its report shows that it is the wealthiest two quintiles that are currently able to afford housing at market price with a reasonable ratio of 30% of household income dedicated to housing. Very low vacancy rates throughout Montreal and Quebec, and rising construction costs for new housing, mean that new homes for sale on the private market will only be accessible to a smaller and smaller portion of the population, while more and more people will need to reduce their grocery, drug, transportation and leisure budgets to absorb rising housing costs. The report also shows that, for the lowest income household quintile, only a significant investment in social housing can adequately meet their housing needs and become the instrument of choice for escaping poverty and insecurity. The new homelessness we're seeing everywhere in recent years includes many people who had a roof over their heads not so long ago.

In terms of solutions, the CMA calls on all stakeholders to work together to remove financial barriers and barriers around issuing permits, regulations, taxes and fees for

stakeholders building perpetual social and affordable housing. Its first three proposals appear to be particularly relevant in terms of the Committee's work, namely that government must take action to create perpetual affordable housing across the board (P1), that approval processes and regulatory frameworks promote the rapid construction of perpetual affordable housing (P2), and that differentiated zoning be made possible to bring added value to perpetual affordable projects (P3).

3. Why work together?

- **We offer immediate solutions that respond to the housing crisis and the NHS's objectives**

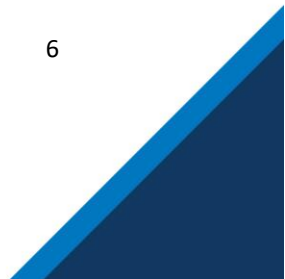
Despite the challenges facing our sector (labour shortages, high construction costs, inflation, ever-changing funding programs), we're able to deliver affordable housing projects and grow faster year over year, while seeing a decrease in subsidy costs per door through a portfolio approach.

- **We have extensive real estate, urban planning and social expertise**

Our team is used to developing social and affordable housing projects in partnership with municipalities; local community, political and business stakeholders; and residents. We're familiar with housing issues in Quebec, as evidenced by the many projects we're involved in, and we're used to working closely with various stakeholders in the ecosystem.

- **We're agile, innovative and committed to the common good**

We're an effective, human-scale non-profit organization committed to the success of our partners, be they public, private, community or philanthropic.



4. Vision: Housing as a pillar of economic development

Interloge proposes—in partnership with several stakeholders in the housing sector—to immediately scale up to significantly increase the impact of our activities on housing. Jointly with our ACHAT member partners, we proposed, as part of the consultations in Quebec on Bill 16 by the Committee on Planning and the Public Domain, as we did in Quebec's recent pre-budget consultations, setting a target of 20% of Quebec's non-profit rental stock to ensure a definitive solution to the housing crisis. As collective enterprises, Interloge and other members of ACHAT have reached a level of maturity and size that enables us to use our real estate assets and expertise efficiently, in partnership with governments and private and philanthropic financial players. By significantly increasing the number of units per year of our non-profit, affordable housing, we're helping to build perpetual market inventory, in tune with the public objectives of Canada, Quebec and municipalities in terms of land development, social development, public health and climate action.

5. Proposals for Canada 2023

First, we recommend continuing (and accelerating when possible) the implementation of

the NHS. We agree with several of the visionary elements in the programs stemming from this national strategy and applaud the ambition of the government and the CMHC teams to achieve it. Nonetheless, here are some proposals to improve the partnership between the Government of Canada and collective real estate stakeholders:

- **Use the federal government's tools to support the NHS;** for example, **create a real, non-profit, affordable housing industry**, including industrial policies to help achieve a target of 20% of the Canadian housing market

owned and operated by non-profit organizations (NPOs or COOPs).

- **Exempt new capital investments in non-profit, affordable housing from the GST**, a measure that was in the 2015 Liberal platform but that was not implemented. For example, this measure would represent a savings of \$1 million for a project of 168 affordable student housing units, which is currently being developed in downtown Montreal. As an NPO, this type of savings translates directly into more affordable housing units.
- **Invest more in funding programs**, such as NHCF or RHI, making them more flexible, for example by approving procurement projects in the existing market and approving proposals on an ongoing basis, rather than through calls for proposals, and ensuring that projects that are 100% perpetually affordable developed by NPOs are given priority rather than treated the same as private projects that include only a percentage of affordable housing for an uncertain term;
- **Provide financial support**, now and in a flexible manner, for the organizational development of social economy real estate organizations (NPOs and COOPs) in exchange for the objectives of increasing their housing stock and certain organizational performance parameters;
- **Financially support the replicability of the ACHAT model** (training, strategy sharing) to help solve the housing crisis across Quebec and Canada.
- Please see [a public letter from ACHAT members published in La Presse](#) (in French only) and a [brief tabled as part of the Quebec government's pre-budget consultations](#) (in French only).

We are available to appear before the Committee to discuss our recommendations further.