Dear Mayor Di Ianni:

I am writing in response to your letter of March 16, 2006, addressed to the Right Honourable Stephen Harper, regarding off-reserve Aboriginal housing. As you know, the Office of the Prime Minister and Indian and Northern Affairs Canada have referred your correspondence to me for consideration. Please accept my apologies for the delay in my reply.

I appreciate your views and would like to assure you that the new Government of Canada recognizes the importance of good housing and we believe that all Canadians, including Aboriginal people, should enjoy access to affordable housing.

Consistent with the 2006 Speech from the Throne, the recent federal budget delivers on the Government of Canada’s five key priorities of child care, tax reduction, health care, crime prevention and improved accountability. The 2006 budget indicates that the new Government will introduce a range of new and tangible measures in support of families, safer communities and a stronger country. This budget will deliver real results for people in a focussed and fiscally responsible way to build a better Canada.

In this regard, the federal budget provides for a one-time investment of up to $1.4 billion towards helping Canadians find safe, adequate and affordable housing in all provinces and territories. This investment will be made through the establishment of three housing trusts with provinces and territories to invest in affordable housing. This includes an affordable housing trust of up to $800 million, a Northern housing trust of up to $300 million and a trust for off-reserve Aboriginal housing of up to $300 million. Funding for these housing trusts, which will be allocated notionally over three years, is contingent on sufficient funds being available from the 2005/2006 surplus in excess of $2 billion. The Budget Plan indicates that Ontario’s share of the funding would be $392.5 million.

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I am sure you would agree that this funding will go a long way to address immediate pressures with regard to housing needs. In particular, this new funding would be a source for housing solutions for Aboriginals and address the cost of housing and extent of housing need in the far north.

I have encouraged provinces and territories to work closely with Aboriginal organizations consistent with the Housing Partnership principles endorsed by the Government of Canada, provinces and territories last November in Kelowna. In the budget, the federal government re-confirmed that it is committed to meeting the targets agreed upon at the First Ministers’ meeting with Aboriginal leaders, and will work with Aboriginal leaders, provinces and territories on pragmatic solutions to address these targets. For your information, Budget 2006 also includes an investment of $450 million over two years for education, water services and housing on reserves, and to generally improve socio-economic outcomes for Aboriginal women, children and families.

I would like to take this opportunity to describe what the federal government is and will be doing to address the need for affordable housing in communities in Ontario and across Canada. Over $366 million has been allocated to Ontario under the Affordable Housing Initiative (AHI). As of March 31, 2006, 5,835 affordable housing units have been committed or announced, representing federal funding of over $120.7 million. The Province of Ontario and others are matching the federal AHI investments. Under the terms of the AHI, the Province is primarily responsible for housing program design, allocations to municipalities and program delivery.

As you may know, the federal budget announced an immediate one per cent reduction of the Goods and Services Tax (GST), which will help all Canadians deal with the rising cost of living, put money back in people’s pockets and stimulate the economy. This reduction will also have a positive impact on the overall housing industry by making housing more affordable to Canadians.

Housing strategies should seek to maintain the existing affordable housing stock, in addition to creating new units. In this regard, funding for the Residential Rehabilitation Assistance Program and several related housing renovation and adaptation programs has been renewed for 2006/2007, effective April 1, 2006. The renovation programs extension will cost $128.1 million.

In addition, Human Resources and Social Development Canada’s National Homelessness Initiative (NHI), including its cornerstone community-based program the Supporting Communities Partnership Initiative (SCPI), has been extended by one year to March 2007, with funding in the amount of $134.8 million. This extension will ensure that essential shelters and related support services for homeless people are maintained in urban and rural communities across Canada.

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As of March 2006, the Government of Canada will have approved over $671 million through the NHI for programs addressing issues such as emergency and transition housing and other support programs for homeless people.

As the Government of Canada believes that all Canadians should have a fair chance to own or rent their own home, they continue to support some 633,000 existing social housing units in Canada. In 2004/2005, approximately $2 billion was spent to ensure that this stock remains affordable for low-income households. In Ontario, some $705.5 million was spent in support of some 237,000 lower-income households.

Once again, thank you for sharing your views.

Yours sincerely,

Diane Finley, P.C., M.P.
Minister of Human Resources and Social Development

c.c. The Honourable Jim Prentice, P.C., M.P.
Ms. Chris Charlton, M.P.
Mr. David Christopherson, M.P.
Mr. Wayne Marston, M.P.
Mr. David Sweet, M.P.