



## 2008 Election Update

September 19, 2008

### Incentive program for home ownership

On Sept. 16, the Conservatives announced a \$5,000 tax credit for new home buyers. The credit will be structured so that the maximum tax reduction is \$750. That is not an amount to get excited about, although CFAA is opposed in principle to incentives for home ownership.

For the arguments against incentive programs for home ownership, click [here](#).

### Renewal of housing and homelessness programs

On Sept. 17, the Conservatives announced the renewal of the three housing programs which were to expire in March 2009. The commitment is \$387.9 million per year for five years for a total of \$1.9 billion. The money is divided fairly evenly among the three programs, which are:

- Residential Rehabilitation Assistance Program (RRAP);
- Homelessness Partnering Strategy; and
- Affordable Housing Program.

CFAA is very much in favour of Rental RRAP, and wishes its funding were increased. CFAA is also in favour of the Homelessness Partnering Strategy, although we have some small concerns about the program design. CFAA is also in favour of an Affordable Housing Program, but we want it to be reformed so that federal funding can flow into portable housing allowances and other income-based programs (such as rent supplements) rather than being restricted to subsidies for building new housing.

The status of the announcement is unclear since it was reportedly made by Environment Minister Baird as well as the out-going Minister responsible for housing, Monte Solberg. Some media reports call the announcement an election promise, but others report that it is a government commitment. There is an announcement of the program renewal on the CMHC website, which supports the view that it is a government announcement.

Whichever party forms the next government we can be sure that the amounts in question, or more, will be spent on the three housing and homelessness programs, or on modified programs with somewhat similar goals.

Based on the statements of all the parties and the past actions of the Conservatives and the Liberals, CFAA's goal of seeing federal funding flow into housing allowances and other income-based programs rather than into building new "affordable" housing is most likely to be achieved under a Conservative government, but it could also be achieved under a Liberal government. See CFAA's [election bulletin](#) for the background on housing policies, and the positions of the NDP and the Green Party.