



December 17, 2008

The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance and Member of Parliament for Whitby-Oshawa
House of Commons
Ottawa, ON K1A 0A6

Dear Mr. Flaherty:

Re: Fiscal Stimulus – Budget 2009 Consultations

I am writing to urge consideration of infrastructure investment in affordable housing as a short term economic stimulus for Canadians. The attached brief provides additional details.

An estimated 150,000 to 300,000 Canadians are homeless at an annual public cost of at least \$4.5 billion. This is 4-10 times higher per day for emergency support than the cost of providing transitional or supportive housing. More than 1.4 million low income Canadian households (more than 10 per cent of all Canadian households) spend more than 30% of their income on housing. The possibility of job losses in a recession will have significant impacts on these Canadians. Particularly vulnerable are lower income and fixed income Canadians as well as renters, female lone-parent families, seniors, immigrants and aboriginal households.

An infrastructure investment by the Government of Canada of an additional \$2.5 billion over the next two years will create 30,000 to 50,000 units of affordable housing and will provide the following benefits:

- Using the per capita funding formula of \$75 per Canadian for a total \$2.5 billion investment, this infrastructure stimulus package would positively impact every region of the country;
- The \$2.5 billion investment could lever a minimum of two additional dollars from other sources such as the private sector, provincial and territorial governments, and charitable contributions resulting in a \$7.5 billion impact to the economy;
- This economic stimulus is unique in its ability to ultimately reduce costs to the Canadian taxpayer;
- This investment will directly support Canada's most vulnerable citizens; those likely to suffer the greatest impact of a recession.
- Federal investment in affordable housing will help maintain economic growth in the recession prone construction industry, offset losses in other sectors, and generate significant economic activity; and
- Making affordable housing available will contribute significantly to local economies to ensure local communities can attract and retain lower paid workers.

We further recommend that the federal government move quickly to amend the Income Tax Act to eliminate the capital gains tax on donations of land and buildings to registered public charities for the purpose of providing perpetually affordable housing. This would incent businesses, organizations, philanthropists and individuals to assist with the creation of affordable housing while avoiding tax leakage.

Mr. Minister, we believe an infrastructure investment in affordable housing meets all four criteria identified in Budget 2009 consultation documents. Speaking for the situation in BC's capital region, we believe such an investment is timely; has the maximum impact, as it will lever additional dollars from other sources; is flexible in size and duration, as it accommodates for population and can be spread over two years or compressed into a shorter time period; and is consistent with Canada's long-term goals as articulated in the most recent Speech from the Throne and the government's fiscal policy.

We note that you will be holding consultations across the country and in particular Victoria. We would like to take this opportunity to meet with you directly to discuss the attached proposal and provide a more thorough understanding of the local context for Canadians experiencing or at risk of homelessness in our community.

We thank you for your consideration and would, of course, be pleased to provide any additional details or information.

All the best wishes for the festive season.

With kind regards,



Jill Clements
Executive Director
Greater Victoria Coalition to End Homelessness

cc: The Honourable Ted Hughes, Co-Chair, Greater Victoria Coalition to End Homelessness

The Honourable Gary Lunn, Member of Parliament for Saanich-Gulf Islands and Minister of State for Sport