



*The*  
**CO-OPERATIVE  
HOUSING  
FEDERATION**  
*of Canada*



**CHF Canada's  
stimulus lobby**





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The **CO-OPERATIVE HOUSING FEDERATION** of *Canada*

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# Canada's economy in the autumn of 2008

- Not nearly as adversely affected as other economies by credit crisis
- Canada's banks came through relatively unscathed – no US-style bailouts
- Canada's housing market a balloon not a bubble



# Canada's economy in the autumn of 2008

But:

- automobile sector meltdown had a big impact on the industrial sector in Ontario
- many jobs lost
- bank credit confidence radically eroded
- high levels of consumer debt



# Canada's economy in the autumn of 2008

- Corporate bond spreads at all-time high
- Canadian export economy highly dependent on US economy – especially housing starts and demand for energy
- Interest rates already very low – Central bank options limited by the Zero Lower Bound
- Canada officially in recession



# Canadian federal politics in 2008

- Minority Conservative government
- Together, three opposition parties (including a sovereignty party from Quebec) hold balance of power
- Government fiscally conservative but has track record of housing spending – close to \$3 billion announced over 2006 – September 2008



# November 2008 Fiscal Update

- Government delivers its Economic and Fiscal Statement in the House of Commons – an update on the state of the economy
- The recession is acknowledged but no new stimulus measures are proposed; government falls back on previously announced infrastructure spending and tax breaks, controls public sector wages, axes subsidies for political parties
- The technical description of what happens next...



# November 2008 Fiscal Update

...All hell breaks loose!

- opposition parties unite in a coalition, declare they will vote down the update, which is a ways and means bill and a confidence motion
- Conservatives ask Canada's governor general to prorogue parliament to save its neck; GG consents. Prime Minister promises to come back with a new stimulus budget in late January 2009



# CHF Canada's government relations agenda

Main themes up to the fall of 2008:

- reduce affordable housing need through careful targeting of housing spending
- expand a successful government lending program for government sponsored housing programs (Direct Lending) to permit reinvestment in aging stock
- create a revolving energy retrofit loan program



# CHF Canada's government relations approach

- No party bias – issues driven
- Not shy to be labelled a special interest group
- Adhere to the “art of the possible” – focus on what might be attainable in the life of the government
- Work with like-minded stakeholders but maintain our own political identity



# CHF Canada's reaction to the political crisis

- Clear that without a strongly stimulus-focused budget, government will fall
- Our agenda fits perfectly with a stimulus agenda
- We devise a short, intensive pre-budget lobby campaign based on the stimulus effect of housing spending; we have less than two months, with the holidays intervening



# CHF Canada's pre-budget lobby

What we proposed:

- provide repayable federal loans for affordable housing repair and renovation through Direct Lending
- create a \$30 million loan fund for energy-saving retrofits for federally administered housing co-ops
- enrich the funding for the existing Affordable Housing Initiative, specifically allocating a further \$1 billion over five years targeted towards affordable housing development



# CHF Canada's pre-budget lobby

How we lobbied:

- mail campaign: sent pre-budget brief to cabinet ministers, PMO and government MPs; also targeted key opposition MPs with the brief
- organized grassroots lobby campaign in the constituency of the Liberal opposition leader – days after he assumed his party's leadership
- arranged 7 meetings in 1 week in mid-December with Liberal MPs including the shadow minister of finance; arranged meetings with key MPs in one other opposition party



# The Conservatives' pre-budget consultation

- With two weeks to go until the budget, CHF Canada made a key presentation to the Conservatives' pre-budget consultation
- Offered a surgical analysis of the stimulus value of our proposals, benefit to government of loan programs. Meeting chaired by Chair of the Standing Committee on Finance. Presentation very well received
- Meetings also held with top bureaucrats including officials responsible for drafting budget
- CHF Canada the only housing group offering practical advice on stimulus



# The media campaign

- Lobby campaign featured a media component, with radio television and print media targeted
- Emphasis on our understanding of the economic consequences of our proposals rather than just the social justice case for housing spending



# The setback

- Four days before budget day we meet the senior policy advisor Canada's de facto housing minister, the minister responsible for Canada Mortgage and Housing Corporation (CMHC)
- Meeting was a disaster; our proposal for a loan program, which would be delivered by CMHC, was shot down by the minister's top advisor. We revise our expectations
- Soon after word comes out from the minister of finance: you are going to be happy on budget day. Mixed messaging leaves us unsure of what to think



# Budget day

Minister announces investments in housing – we have won everything, but not as expected: the government commits to:

- \$1 billion in grants for renovations and energy retrofits for up to existing social housing; leverages a further \$1 billion through cost matching by other levels of government
- funding for new housing for seniors (\$400 million), persons with disabilities (\$75 million) and for new housing and repairs to existing housing on-reserve and in Canada's North (\$600 million)
- but no loan programs – outright grants instead



# Post budget

- CHF Canada immediately puts out press release and does media interviews praising the housing spending
- Participates with ministers in a series of spending announcements at housing co-ops – the only housing group to be so invited
- Our credibility with the Conservative government greatly enhanced
- Spending significantly improves the condition of social housing in Canada, including many housing co-ops; we stay in the picture to help our members make successful funding applications



# Post Mortem

Why were we successful?

- The right proposal at the right time, for the times
- A blanket call for unconditional housing spending (the default message of some housing advocates in Canada) would not have succeeded
- We understood and communicated the economic case for housing spending in a recession
- We were fortunate that the political and economic climate provided a special opportunity
- We converted good luck into a winning lobby strategy through a highly organized team effort

