

SUBMISSION BY



RECOMMENDATIONS

1. AFFORDABLE & HEALTHY HOUSING

A. Protect Existing Affordable Housing

- i. ACORN members demand that federal funds should be used to protect housing and not destroy affordable housing by gentrifying affordable housing and renovicting / demovicting sitting tenants.
 - CMHC needs to put affordable housing preservation conditions on all financing agreements with developers.
 - Immediately end the tax exemptions to Real Estate Investment Trusts or REITs by closing the tax loophole in the Income Tax Act.
 - Create a national non-profit acquisition strategy by funding and giving non-profits and co-operatives the right of first refusal on all apartment building sales and provide them with capacity building resources to participate in the market.
- ii. Immediately mandate full rent control in all provinces.
- iii. Create a rent relief fund so that people falling through the cracks are not evicted for not being able to pay rent.

B. Build new and deeply affordable housing

- i. Build a minimum of 1.2 million units of affordable housing in the next decade.
- ii. The federal housing initiatives must target people in core housing need. The affordable housing programs delivered through the CMHC must ensure that any money given to developers is contingent on these conditions:
 - it targets people with household income between \$10,000 and \$30,000/ year;
 - the housing is kept affordable for perpetuity (not 21 years as currently done).

2. FAIR BANKING/END PREDATORY LENDING

- Lower the criminal interest rate from 60% to 30% for installment loans. Ensure that the maximum rate includes all associated lending costs: Fines, fees, penalties, insurance, or any related cost. Including NSF fees.
- The Criminal Code maximum rate of interest must include all consumer credit in the market today or in the future.
- Lower the NSF fees from \$45 to \$10.
- The federal government must mandate banks to provide an affordable loan for low-and-moderate income people back-stopped by the Government of Canada, so they can avoid predatory lenders in a time of personal financial crisis.

3. INTERNET FOR ALL

- Provide affordable, high speed internet access by mandating the telecom industry to enhance the Connecting Families Program to include all low-income people and fixed-income seniors for \$10/month at speeds of 50Mbps download and 10 Mbps upload.

4. MODERNIZING EI

- Immediately start a **comprehensive review** of EI.
- Fund EI. For the last 30 years, the federal government has not been funding EI.
- Make EI Accessible for all workers and lower the hour requirement consistently across the country to 300 hours or 12 weeks of insurable work, whichever is better for the worker. It's impossible for many low-wage and precarious workers in part-time and/or temporary jobs to access the system even when they pay into it.
- Expand the qualifying period to at least 2 years making it easier to allow hard working people who have paid into the system to use it.
- Raise the benefit rates for all workers to 75% of earnings; and raise benefits to 100% of earnings for low wage workers.
- Increase accessibility for all workers. Many workers currently pay into EI but are barred access. The government must provide EI access for temporary foreign workers, seasonal agricultural workers, and international students who currently cannot access EI due to work permit restrictions.
- Expand EI to include 'quit/fire,' 'refuse work,' or school attendance. Many women workers (who leave due to care responsibilities, harassment, etc.) and vulnerable workers in unsafe working positions should be able to access EI.
- Develop permanent ways for precarious workers to access EI, including the self-employed. Workers are also increasingly misclassified as independent contractors or self-employed.
- Ensure better support for educational opportunities as many workers might have to transition from their jobs to another sector.

5. TAX THE RICH

- Introduce an excess profits tax,
- Introduce a wealth tax
- Closes many tax loopholes used by the most wealthy that drain money out of the public purse.

ACORN Canada is a national, grassroots community union with over 140,000 members in 24 neighbourhood chapters across 16 cities. We believe that social and economic justice can best be achieved by **building community power for change**.

The pandemic has exposed and entrenched the deep inequities in Canada. Job loss during the pandemic hit lowest wage workers the hardest and the need for the government to provide and expand basic services and programs was needed and understood like no other time in this generation. It is now time for us to rebuild, putting **people before profits** and Federal Budget 2022 is a great opportunity to prioritize the right issues and provide adequate resources to make sure they are realized.

Here we highlight the issues ACORN members would like the federal government to prioritize while preparing the Budget for 2022.

1. **Affordable and Healthy Housing:** Affordable, adequate and a healthy home is critical to our dignity and well-being. More than 1.6 million Canadian households live in core housing need. This is housing that is substandard, inadequate or unaffordable. 1.2 million households were in core housing need because of unaffordable housing. At the same time, the combination of weak provincial rent control laws and financialization of housing is rapidly destroying our existing affordable rentals at a pace much faster than the creation of affordable housing. All of this on the heels of a global pandemic that saw the biggest job loss and disruption to lower wage and precarious employed people. This led to over 250,000 renters with over \$350 million in rent arrears nationally. If these renters were evicted, they will need to pay much higher rents for comparable units. ACORN members need federal leadership on this critical issue.

ACORN members demand the following:

A. Protect Existing Affordable Housing

i. ACORN members demand that federal funds should be used to protect housing and not destroy affordable housing by gentrifying affordable housing and renovicting / demovicting sitting tenants. In particular, Real Estate Investment Trusts (REITs) and big corporate landlords are eroding Canada's affordable rental housing by buying up affordable housing, pushing out tenants so they can raise the rent, and neglecting capital repairs. Yet governments are incentivizing billionaire landlords like CAPREIT, Hazelview, Starlight, Killam and many others to raise our rents and make us live in substandard conditions.

- CMHC needs to put affordable housing preservation conditions on all financing agreements with developers.
- Immediately end the tax exemptions to Real Estate Investment Trusts or REITs by closing the tax loophole in the Income Tax Act.
- Create a national non-profit acquisition strategy by funding and giving non-profits and co-operatives the right of first refusal on all apartment building sales and provide them with capacity building resources to participate in the market.

ii. Immediately mandate full rent control in all provinces. Although not traditionally in the federal government's jurisdiction, it has the power and should use it to protect and promote the right to housing.

iii. Create a rent relief fund so that people falling through the cracks are not evicted for not being able to pay rent.

B. Build new and deeply affordable housing

- Build a minimum of 1.2 million units of affordable housing in the next decade.
- The federal housing initiatives must target people in core housing need. The affordable housing programs delivered through the CMHC must ensure that any money given to developers is contingent on these conditions:
 - it targets people with household income between \$10,000 and \$30,000/ year;
 - the housing is kept affordable for perpetuity (not 21 years as currently done).

2. **Fair banking/ End predatory lending:** Millions of people lack access to fair banking, they are unbanked or underbanked. The failure of banks to serve low-and-moderate income people is leading to massive growth of predatory lenders that charge 60% - 500% interest, depending on the size of the loan. [Recent ACORN study](#) shows that the usage of installment loans saw an increase of 400% between 2016 and 2020, which means higher amounts and much longer periods of debt.

ACORN members demand the following:

- Lower the criminal interest rate from 60% to 30% for installment loans. Ensure that the maximum rate includes all associated lending costs: Fines, fees, penalties, insurance, or any related cost. Including NSF fees.
- The Criminal Code maximum rate of interest must include all consumer credit in the market today or in the future.
- Lower the NSF fees from \$45 to \$10.
- The federal government must mandate banks to provide an affordable loan for low-and-moderate income people back-stopped by the Government of Canada, so they can avoid predatory lenders in a time of personal financial crisis.

3. **Internet for all:** More than 11% of people in Canada do not have broadband internet access at home, many others suffer with low speeds and high prices – some of the highest in the world. In a recent ACORN study, a quarter of respondents said they have sacrificed food in order to pay for internet services. The federal government's Connecting Families program fails to cover all Canadians who need affordable, high-speed internet.

ACORN members demand the following:

- The federal government should provide affordable, high speed internet access by mandating the telcom industry to enhance the Connecting Families Program to include all low-income people and fixed-income seniors.
- The program needs to provide broadband internet for \$10/month at 50/10 mbps.

4. Modernizing EI

The pandemic exposed the inherent gaps in the current EI system forcing the government to start a completely new benefit to assist all workers. However, the changes made to the EI system are incomplete and temporary. Before COVID, only 40% of workers received income support from EI, and the situation is far worse in urban centres. Several low-wage, precarious workers have been continuously failed by the current EI system. Not only do we need these changes to be made permanent but the government needs to take further actions to ensure that no one is left behind.

ACORN members demand the following:

- Immediately start a **comprehensive review** of EI.
- **Fund EI.** For the last 30 years, the federal government has not been funding EI.
- Make EI Accessible for all workers and lower the hour requirement consistently across the country to 300 hours or 12 weeks of insurable work, whichever is better for the worker. It's impossible for many low-wage and precarious workers in part-time and/or temporary jobs to access the system even when they pay into it.
- Expand the qualifying period to at least 2 years making it easier to allow hard working people who have paid into the system to use it.
- Raise the benefit rates for all workers to 75% of earnings; and raise benefits to 100% of earnings for low wage workers. While changes have been made setting the minimum EI rate at \$500 a week with a maximum of \$573 per week, these are temporary.
- Increase accessibility for all workers. Many workers currently pay into EI but are barred access. The government must provide EI access for temporary foreign workers, seasonal agricultural workers, and international students who currently cannot access EI due to work permit restrictions.
- Expand EI to include 'quit/fire,' 'refuse work,' or school attendance. Many women workers (who leave due to care responsibilities, harassment, etc.) and vulnerable workers in unsafe working positions should be able to access EI.
- Develop permanent ways for precarious workers to access EI, including the self-employed. Workers are also increasingly misclassified as independent contractors or self-employed. We recommend that the federal government makes paying into EI special benefits mandatory for all self-employed workers.
- Ensure better support for educational opportunities as many workers might have to transition from their jobs to another sector.

5. Tax the Rich

Globally billionaires increased their wealth by 54% in the first year COVID-19. In Canada, the top 47 billionaires increased their wealth by \$78 billion. The bottom 40% of Canadians own 1.2% of all wealth in Canada. A 1% tax on wealth over \$20 million would raise \$10 billion in the first year alone.

ACORN members and allies demand that the government:

- Introduces an excess profits tax,
- Introduces a wealth tax
- Closes many tax loopholes used by the wealthiest that drain money out of the public purse.