

November 1, 2006

Hon. Diane Finley, PC, MP
Minister of Human Resources and Social Development
and Minister Responsible for CMHC
House of Commons
Ottawa ON K1A 0A6

Dear Minister,

Since 1998, NDP MPs have written to a long list of Housing Ministers demanding assistance and support for British Columbia homeowners and housing cooperatives impacted by the leaky condo crisis. Each Housing Minister has, in turn, disappointed the thousands of affected homeowners with their inaction.

Thousands of our constituents are facing, or have faced, extensive repair bills, bankruptcy and potential health problems because they, through no fault of their own, purchased poorly constructed homes. We had hoped that, with a new government in place, we might finally see some federal action on this file, some measures put in place to ease the burden on those homeowners impacted by premature building envelope failure.

In 2002, the Homeowner Protection Office estimated that 65,000 households would suffer building envelope failure, and that the collective repair costs would total \$1.5 billion. With the ever-increasing costs of construction, we expect that final costs will easily exceed that estimate.

We were very disappointed by your recent letter on this matter to our colleague and NDP Housing Critic Irene Mathysen, in which you advise that you are “studying options”, rather than acting on Stephen Harper’s campaign promise to investigate the role played by the Canada Mortgage and Housing Corporation (CMHC) in the construction regulations that led to the leaky condo crisis in BC.

In that letter you also highlighted federal action and expenditures on this file since 1995. With respect, spending of \$2 million in research and a one-time \$27.7 million in assistance to homeowners and housing cooperatives over 12 years is hardly sufficient investment given the costs incurred by our constituents and communities.

We are collectively urging you to take action to finally provide the necessary federal assistance and intervention on this matter and:

- Implement the recommendations of the Barrett Commission, including: forgiveness of GST on repair and restoration costs; income tax deduction of repair costs; fair and flexible CMHC grants to leaky housing cooperatives; and penalty free access to RRSPs to fund repairs;
- Fulfill the Conservatives campaign promise and, as long-requested by those affected, strike an inquiry into the role the CMHC played in dealing with construction regulations and the related faulty construction that resulted in the ongoing leaky condo crisis.

Regarding affected Housing Co-ops, we understand that negotiations are ongoing between CMHC and the Cooperative Housing Federation with regard to a new lending framework relating to repairs on the 69 identified housing co-ops in BC with building envelope failure. This is especially urgent for several housing co-ops facing foreclosure.

It is appalling that CMHC and the federal government have delayed so long in ensuring there are adequate funds to address this situation, especially in light of the CMHC \$5.2 billion surplus. This is clearly a federal responsibility. We trust that CMHC has your support to reach an agreement on a new lending framework without further delay, and that the required funding for rehabilitation of these housing co-ops will follow immediately on that agreement being reached.

We appreciate your attention to this matter and look forward to working together toward an immediate solution for BC condominium and co-op housing owners.

Sincerely,

Original signed by

Dawn Black, MP
New Westminster – Coquitlam

Original signed by

Libby Davies, MP
Vancouver East

Original signed by

Peter Julian, MP
Burnaby – New Westminster

Original signed by

Penny Priddy, MP
Surrey North

Original signed by

Bill Siksay, MP
Burnaby-Douglas