



PRESS RELEASE



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Canada and British Columbia Sign Affordable Housing Agreement

VICTORIA, British Columbia, December 18, 2001 — The Governments of Canada and British Columbia today announced the signing of an Affordable Housing Agreement which will provide \$177.4 million over the next five years to help increase the supply of affordable housing in the province. Federal funding of \$88.7 million, matched by a provincial contribution of at least an equal value demonstrates both governments' commitment to work together to address the affordable housing problem.

The announcement was made jointly by the Honourable David Anderson, Minister of the Environment, on behalf of the Honourable Alfonso Gagliano, Minister responsible for Canada Mortgage and Housing Corporation (CMHC) and the Honourable George Abbott, Minister of Community, Aboriginal and Women's Services and Minister responsible for housing.

"This is truly an historic occasion," said Minister Anderson at the announcement. "This is the first signing by a province following the meeting of federal, provincial and territorial ministers responsible for housing in Quebec City, on November 30, where the Government of Canada reaffirmed its \$680 million commitment for affordable housing. This bilateral agreement between two levels of government means a great deal to those in need of affordable housing in this province."

"This agreement and funding will make our existing social housing programs more sustainable and allow us to meet the housing needs of our most vulnerable citizens," said Minister Abbott. "We will also explore a longer-term strategy with the federal government to address changes in the tax, regulatory and business environment that will encourage the private sector to build more affordable rental housing."

Under the bilateral agreement the province will receive \$79.44 million over five years from CMHC for urban affordable housing and \$9.26 million for remote housing over the same period. The federal funding will allow BC to move forward to develop more affordable, supportive housing options for seniors and people with special needs. These housing options will help create healthy and inclusive communities.

The province, through BC Housing, will provide annual subsidies to reduce rents to rent-geared-to-income levels for up to 35 years as its contribution. Contributions from other parties may include land at below-market prices, waiving of municipal fees, reduced property taxes, equity or land contribution from non-profit societies, donations and other in-kind contributions.

The Affordable Housing Program was announced in the Speech from the Throne in January as a federal response to the affordable housing situation in this country. The \$680 million in federal funding was confirmed in the 2001 federal budget on December 10.

Persons and organizations interested in more details on this initiative should contact the Coordinator, Program and Implementation, BC Housing at 604.433.1711 ext. 325.

For further information please contact:

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Backgrounder — Affordable Housing Initiative

The 2001 Speech from the Throne indicated the Government of Canada would help stimulate the creation of more affordable rental housing. The federal/provincial/territorial housing ministers met twice to finalize details of an affordable housing initiative that would address the needs and priorities of individual jurisdictions while meeting the goal of increasing the supply of affordable housing. The final framework was developed and agreed to on November 30 and includes the following:

- Provinces and territories have the primary responsibility for design and housing program delivery;
- Provinces and territories require flexible programs to address their housing needs;
- The initiative needs to create affordable housing for low to moderate income households;
- Units funded will remain affordable for a minimum of 10 years and;
- Provinces and territories will be required to match federal contributions overall.

Other Government of Canada Housing Support in British Columbia

The \$88.7 million federal contribution over the next five years builds on current Government of Canada expenditures on housing in the province of British Columbia. The Government of Canada annually supports housing with approximately \$200 million in grants, contributions and subsidies which serve low income families, seniors, persons with disabilities, Aboriginal people and victims of domestic violence.

This includes \$189 million per year for existing social housing and \$11 million for renovation programs such as the Residential Rehabilitation Assistance Program (RRAP), Home Adaptations for Seniors' Independence (HASI), and Emergency Repair Program (ERP).

Government of British Columbia Housing Support in B.C.

The \$88.7 million federal contribution to be matched through provincial contributions will allow BC Housing to move forward to develop more affordable, supportive housing options for seniors and people with special needs. These housing options will help create healthy and inclusive communities.

Since 1994, the province has invested approximately \$800 million in subsidized housing for families, seniors, and persons with special needs through its unilateral HOMES BC program. To date, some 5,074 HOMES BC units are completed and about 1,874 units are currently under construction. The HOMES BC program has evolved since its inception to reflect changing housing needs. For example, supported housing for seniors and multi-service housing for people who are homeless or at risk of becoming homeless are current provincial priorities. In recent years, there has been an increasing focus on equity partnerships. HOMES BC partners include municipalities, non-profit sponsors,

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private foundations, the housing industry and other levels of government.

The federal contribution also builds on the \$20 million provincial SAFER program (Shelter Aid for Elderly Renters) that assists over 12,000 seniors renting in the private market and the Supported Independent Living (SIL) Program that helps about 1,560 people with severe and persistent mental illness. Last year's budget for this program was about \$4.9 million.

Further information is available from the BC Housing website: www.bchousing.org

Affordable Housing Program Agreement Summary

Objectives:

- to increase the supply of affordable housing in British Columbia
- the housing must be affordable for at least 10 years

Programs:

Funding under this agreement is expected to be used in two program areas:

The provincial HOMES BC program which provides affordable non-profit and co-operative housing for low-income families, seniors, and people with special needs. A supportive and assisted living initiative for seniors who require supportive living environment in order to maintain independence.

Administration:

- The program(s) will be administered by BC Housing, a Crown corporation of the provincial government.
- BC Housing will be responsible for the selection of projects

Financial Provisions:

- Maximum CMHC funding under the agreement is \$88.7 million to be matched by the provincial contributions
- Average CMHC funding will not exceed \$25,000 per unit overall

Accountability:

- BC Housing will provide an annual audit and performance report on the use of CMHC funding
- CMHC will lead a cross-Canada evaluation of the program in 2006 and BC Housing will be invited to participate

Communications:

- BCHMC and CMHC have agreed on a communications protocol which will be open, transparent and will recognize the contributions of each party to this initiative