



PRESS RELEASE



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Canada and Nunavut Sign Affordable Housing Agreement

IQALUIT, Nunavut, February 6, 2002 — The Governments of Canada and Nunavut today announced the signing of an **Affordable Housing Agreement** which will provide funding to help increase the affordable housing supply in the territory. Federal funding of \$4.96 million through Canada Mortgage and Housing Corporation (CMHC), combined with funding from Nunavut, demonstrates the commitment of both governments to work together to address the affordable housing problem.

The announcement was made jointly by the Honourable John Manley, Deputy Prime Minister and Minister of Infrastructure and Crown Corporations and the Honourable Kelvin Ng, Minister of Finance and Minister responsible for the Nunavut Housing Corporation (NHC).

"I'm happy we were able to get moving on this agreement," said Deputy Prime Minister Manley. "This agreement, between our two levels of government, means a great deal to those in need of affordable housing in Nunavut. This signing follows our meeting of federal, provincial and territorial housing ministers in Québec City, on November 30, where we reaffirmed a federal commitment of \$680 million for affordable housing."

Minister Ng said he was also pleased with the agreement. "There's a great need for affordable housing in Nunavut and this agreement means we will see some relief immediately. We will continue to work closely with the federal government to ensure the best possible housing for our citizens over the long term as well."

Under the bilateral agreement Nunavut will use the \$4.96 million for the creation of new assisted housing through capital grants. The NHC will provide additional subsidies to introduce a rent-geared-to-income system for lower income households.

The Affordable Housing Initiative was announced in the federal Speech From the Throne in January 2001 as a federal response to the affordable housing situation in the country. The \$680 million in federal funding was confirmed in the 2001 federal budget on December 10. A total of \$80 million has been allocated to remote areas including the territories.

Persons and organizations interested in more details on this initiative should contact the NHC at (867) 975-6411.

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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 Nunavut

The \$4.96 million federal contribution over the next five years builds on current Government of Canada expenditures on housing in Nunavut. The Government of Canada annually supports housing in Nunavut with over \$50 million in annual grants, contributions and subsidies, primarily used to reduce housing costs and repair substandard housing occupied by low income families, seniors, persons with disabilities, Aboriginal people and victims of domestic violence.

Other Government of Nunavut Housing Initiatives

The Government of Nunavut, through the NHC, is continuing its efforts to create more affordable housing for Nunavummiut. Building on the \$28 million invested in new construction over the last two years, the NHC will contribute a further \$10 million in 2002. Over 200 new units will have been constructed by the end of 2002. Additionally, the NHC provides \$2 million per year for homeowner programs. These include downpayment assistance as well as grants for home and emergency repair and home repair grants for seniors. Together with CMHC, a further \$9 million per year is devoted to renovating existing affordable housing stock. In all, almost \$22 million per year is targeted to building or renovating homes in the territory.

Affordable Housing Program Agreement Summary

Objectives:

- to increase the supply of affordable housing in Nunavut
- the housing must remain affordable for at least 10 years

Programs:

The focus will be on the New Assisted Housing Program, which will increase the stock of assisted housing in communities with the greatest need.

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Funding under this agreement can also be used for three programs.

- Affordable Rental Housing which will create new affordable housing units.
- Conversion of Existing Units which will reduce overcrowding by increasing the size of existing units.
- Downpayment Assistance Program will help first-time buyers purchase or construct a new home.

Administration:

- the program(s) will be administered by the Nunavut Housing Corporation (NHC).
- NHC is responsible for the selection of projects.

Financial Provisions:

- Maximum CMHC funding under the agreement is \$4.96 million and will be combined with NHC funding.
- Average overall CMHC funding will not exceed \$25,000 per unit.

Accountability:

- NHC will provide an annual audit and performance report on the use of CMHC funding.
- CMHC will lead an evaluation of the program in 2006 and NHC will be invited to participate.

Communications:

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