



PRESS RELEASE



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Quebec Launches Affordable Housing Program

MONTREAL, Quebec, March 5, 2002 — Today, Mr. André Boisclair, the Minister d'État aux Affaires municipales et à la Métropole, à l'Environnement et à l'Eau, and the Honourable John Manley, Deputy Prime Minister of Canada, Minister of Infrastructure and Crown Corporations, officially launched the "Affordable Housing Quebec" program. This program will produce 6,500 affordable rental housing units in the territory of Quebec in 2002 and 2003.

Last December 21, an agreement concerning affordable housing was made between the Canada Mortgage and Housing Corporation (CMHC) and the Société d'habitation du Québec (SHQ). The agreement foresees a total contribution of \$323.3M in order to increase the availability of affordable housing in Quebec, that is \$161.65M from the federal government, \$104 M from the Quebec government and \$57 M from the municipalities that will benefit from the new program. According to this agreement, the SHQ will be the prime contractor for all interventions on its territory.

The Affordable Housing Quebec (AHQ) Program is divided into two components:

- The social and community component targets the non-profit organizations of the municipalities, along with residential developers who want to implement housing projects. Some 5,000 housing units for low to modest income households are foreseen in the framework of this component;
- The private component, which will lead to the production of approximately 1,500 housing units for moderate income households, mainly targets private sector residential developers.

Social and Community Component

The social and community component applies to the entire Quebec territory. It targets the construction of new housing units, the conversion or recycling of buildings not currently used for residential purposes, as well as the renovation of severely deteriorated housing units. The new construction and recycling projects may only be carried out in municipalities where the housing unit vacancy rate is less than 3%, whereas the renovation projects may be carried out in all areas of Quebec, whether urban or rural.

The maximum financial assistance is 75% of eligible production costs, including a contribution by the municipality of at least 15%.

The housing units produced within the framework of this component will be offered at an affordable rent to low or modest income households, that is between \$350.00 and \$500.00 a month for a heated, 2-bedroom unit. For a period of 15 years, rent increases may not exceed a maximum set by the SHQ.

Private Component

The private component will apply mainly to municipal territories that have a low vacancy rates for rental units. Housing projects for elderly people with slightly diminishing abilities and individuals in difficulty with special housing needs

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may receive financial support in any of Québec's municipalities. This component targets the production of rental housing through new construction or through the conversion of buildings not currently used for residential purposes.

For the private component of the program, La Société d'habitation du Québec (SHQ) has established basic criteria which municipalities must respect when drawing up their own affordable housing programs. An eligible municipality must thus create a municipal program for the production of affordable housing units on its territory, adopt that program through a by-law and then have it approved by the SHQ.

The owner must agree to respect the maximum rents and subsequent SHQ authorized increases for a period of 10 years. During this 10-year period, the owner may not convert the residential units into condominiums.

"This is an important opportunity", said John Manley, Deputy Prime Minister of Canada, Minister of Infrastructure and Crown Corporations. "The bilateral agreement between our two levels of government is significant for people in Quebec who need affordable housing. This agreement will have beneficial effects on the Quebec economy. I am happy with the contribution of the Government of Canada, which, in a concrete way, can improve the well-being of the Quebec population."

Minister André Boisclair wished to highlight the scale of the public investments and the concerted efforts of all of the partners to quickly make this extensive, affordable housing operation in Quebec a reality. "I call on the collaboration and the imagination of all those involved in housing, as much in private enterprise as in the municipal and community sectors, to accelerate the start-up of all the housing projects. I am convinced that together and with the support of the Minister délégué à l'Habitation, Mr. Jacques Coté, we will bring real solutions to the most urgent housing needs", concluded the minister.

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Press Conference — Launch of the Affordable Housing Quebec program
Montréal, Quebec March 5, 2002

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The Honourable John Manley, Deputy Prime Minister, Minister of Infrastructure and Crown Corporations, at the official launch of the "Affordable Housing Quebec" program.



Honourable John Manley, Deputy Prime Minister, Minister of Infrastructure and Crown Corporations (left), Mr. Jacques Gariépy, President and CEO of the Société d'habitation du Québec (SHQ), Minister André Boisclair, Quebec Minister of State for Municipal Affairs and Mr. Jean-Claude Villiard, President of CMHC (right).



Honourable John Manley, Deputy Prime Minister, Minister of Infrastructure and Crown Corporations (left), Mr. Jacques Gariépy, President and CEO of the Société d'habitation du Québec (SHQ) and Mr. André Boisclair, Quebec Minister of State for Municipal Affairs (right).