



PRESS RELEASE



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Canada and Ontario Announce First Phase of Affordable Housing Program

WATERLOO, Ontario, December 6, 2002 — The Government of Canada and the Government of Ontario today announced the allocation of 3,200 units for low to moderate income residents in 12 municipalities under the Community Rental Housing Program. The units were allocated to municipalities with the highest need for affordable housing under the first phase of the Canada/Ontario Affordable Housing Program Agreement.

The Affordable Housing Program will provide \$489.42 million over the next five years to help increase the supply of affordable housing in the province. Government of Canada funding of \$244.71 million, together with matching contributions from the Government of Ontario, municipalities and other private and non-profit partners will help create an estimated 10,500 affordable housing units in Ontario.

"The Government of Canada's commitment to this Program builds on the existing annual contribution of approximately \$676 million in grants, contributions and subsidies which serve some 243,000 Ontario households", said Steve Mahoney, Parliamentary Secretary for CMHC on behalf of the Honourable David Collenette, Minister of Transport and Minister responsible for CMHC. "This federal-provincial partnership underscores our joint efforts to improve housing affordability in Ontario."

"This program is a good first step in encouraging charitable organizations and non-profits to work with the private sector to kick-start the production of affordable housing in our province", said Ontario Minister of Municipal Affairs and Housing Chris Hodgson. "At the same time, all governments - federal, provincial and municipal - must work in partnership to remove barriers and encourage investment in affordable housing."

The Community Rental Housing Program focuses on creating new, affordable rental units in multi-residential buildings. Units built under the program must be similar in size and amenities to other housing in the community, with rents that remain affordable for a minimum period of 15 years. Private-sector companies and non-profit, service club, religious and charitable organizations are eligible for the program.

Ontario's municipalities will play an important role in the Community Rental Housing Program. Municipalities will contribute to the funding of the program, decide how the program works in their own communities and ensure viable projects that are tailored to local social and economic conditions. Municipalities participating in the program will sign agreements with the province and will issue tender calls for project proposals.

"Waterloo Region has been leading the way in Ontario in working with community partners to create safe, affordable and accessible housing for our citizens", said Ken Seiling, Regional Chair. "Additional funding as a result of the agreement between the province and the federal government will allow us to do more. We are pleased that today's announcement will open the door to even more new affordable housing here and across the province."

As a second step in the Community Rental Housing Program, the remaining 35 service managers will be invited to participate in early 2003.

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Funding for other components of the Affordable Housing Program, which includes home ownership and remote projects, will be available in early 2003.

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For more information visit www.mah.gov.on.ca

Factsheet

The Affordable Housing Program Community Rental Housing

Phase 1 Allocation

Service Manager	Allocation (in units)
City of Toronto	1,000
Regional Municipality of Peel	380
City of Ottawa	300
Regional Municipality of York	300
Regional Municipality of Waterloo	200
Regional Municipality of Durham	200
City of Hamilton	200
Regional Municipality of Halton	140
County of Simcoe	140
City of London	140
City of Kingston	100
County of Wellington	100
Total	3,200

- On May 30, 2002, the Government of Canada and the Government of Ontario signed an Affordable Housing Program agreement aimed at stimulating the construction of up to 10,500 units of affordable housing in the province.
- Over a five-year period, \$489.42 million in one-time capital funding and other types of contributions will be available through this program and complementary municipal programs.

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- Community Rental Housing funding is one component of the Affordable Housing Program Agreement. This funding will be available in several stages to proponents through several tender calls managed by municipalities, beginning early in 2003. Funding for other programs covered by the Agreement, which includes home ownership and remote projects, will be available later in 2003.
- The Ministry of Municipal Affairs and Housing has announced the allocation of funding available for rental projects in twelve areas where Service Managers have the highest need. Other Service Managers that have demonstrated a need for affordable rental housing may also receive funding allocations.
- There are 47 Service Managers in the province, designated as delivery agents to manage Ontario Works, child care and social housing, including 36 municipalities in southern Ontario, and 10 District Social Services Administration Boards in northern Ontario, and the City of Greater Sudbury.
- Service Managers that have an allocation and wish to offer the program will issue tender calls and select projects. These Service Managers must have set property taxes at the single-family rate for new rental buildings that will receive program funding. Also, Service Managers must have Capital Facilities By-laws, which define affordable rent at or below the average for the community as set out in the CMHC Rental Market Survey. Any Service Manager or lower tier municipalities may add their own program contributions and requirements that reflect local housing priorities.
- In order to qualify for funding, affordable rental projects must meet all the mandatory program criteria, local housing priorities and affordable rent targets set out in municipal requirements. Qualified projects will then be selected on the basis of the amount of funding requested. Project proposals must indicate the source and value for all contributions to the project. Funding will be awarded to eligible projects, starting from the lowest bid, up to the amount of funding available for each Service Manager area.
- Municipalities are encouraged to make best efforts to use their existing rent supplement programs to make units affordable to low-income households.
- Units built under the program must be similar in size and amenities to other housing in the community, with rents that must remain affordable for a minimum period of 15 years, with a phase out of affordable rents over a five-year period.
- Private-sector companies and non-profit, service club, religious and charitable organizations are eligible for the program.
- Private-sector proponents have the option of entering into head-lease agreements with charitable and non-profit agencies.
- Each selected project will receive an automatic \$2,000 from the province for every eligible unit to offset the cost of the Provincial Sales Tax on construction material, matched by \$2,000 in federal funding.
- Federal funding must be matched by contributions from the province, municipality, the non-profit group and/or the charitable organization for every project. The average contribution of federal funding will be \$25,000 per unit across the province.
- Further information about the CMHC-Ontario Affordable Housing Program is available on the Ministry of Municipal Affairs and Housing Web site at www.mah.gov.on.ca