



PRESS RELEASE



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Canada and New Brunswick Sign \$30 million Affordable Housing Agreement

FREDERICTON, New Brunswick, April 14, 2003 — David Collenette, Minister of Transport and Minister responsible for Canada Mortgage and Housing Corporation (CMHC), together with Steve Mahoney, Secretary of State (Selected Crown Corporations) and Joan MacAlpine, Minister of Family and Community Services of New Brunswick, signed a \$29.96 million Canada-New Brunswick Affordable Housing Agreement today, demonstrating a joint commitment to increase the supply of affordable housing in the province. The creation of over 700 affordable housing units in New Brunswick, over the next four years, means affordable housing will be easier to access for low- and moderate-income residents

"More residents of New Brunswick will be able to gain access to affordable housing thanks to this agreement", said Mr. Collenette following the signing of the agreement. "This latest in a series of bilateral provincial and territorial agreements signed by the federal government, over the past 16 months, demonstrates our commitment to stronger, safer communities throughout Canada."

"The Government of Canada is committed to the creation of affordable housing and continues to provide additional funds to achieve that goal," added Mr. Mahoney.

"It was extremely important for us that the housing created under this initiative be affordable to New Brunswick's low- to moderate-income residents" said Minister MacAlpine. "Those needs are best met with a combination of new, affordable housing units and additional rent supplements to benefit the people of our province."

Funding under this agreement will be used for a provincially designed affordable rental housing program to create and sustain housing for low- to moderate-income households through new construction or rehabilitation. Federal funding will be matched by the province. Rent supplements, through the province, will help make the units even more affordable.

"This announcement is very positive news for the residents of New Brunswick", added Claudette Bradshaw, Minister of Labour. "This housing partnership enables the province to address its housing priorities through a made-in-New Brunswick approach."

"I am pleased the federal and provincial governments have been able to work together to make affordable housing a reality for more people in our province" said Minister MacAlpine.

Stimulating the creation of more affordable housing was part of the Government of Canada's Speech from the Throne, in January 2001 and the \$680 million in federal funding was confirmed in the December 2001 federal budget. The 2003 budget added an additional \$320 million.

For further information, please contact:

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Affordable Housing Program Agreement Summary

Objectives:

- To create and sustain rental housing for low- to moderate-income New Brunswick households through new construction or rehabilitation
- Housing must be affordable for at least 10 years

Program:

Funding under this agreement will be used for a **Rental Housing Program:**

- The program will create and sustain more than 700 units of rental housing for low- to moderate-income households
- Funding is available to private non-profits, cooperatives, community or private developers interested in developing projects for low-income families, seniors, non-elderly singles, disabled persons and persons with special needs

Administration:

- The program will be administered by the New Brunswick Department of Family and Community Services
- Family and Community Services is responsible for the selection of affordable housing projects

Financial Provisions:

- Maximum CMHC funding under the agreement is \$14.98 million to be matched by the Province of New Brunswick
- Overall average CMHC funding will not exceed \$25,000 per unit
- Province of New Brunswick will provide rent supplements for low- and moderate-income households who occupy their housing

Accountability:

- New Brunswick will provide annual audit and performance reports on the use of CMHC funding
- CMHC will lead a national evaluation of the program in 2006 and the province will be invited to participate.

Communications:

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

Background: Affordable Housing Initiative

Federal/provincial/territorial housing ministers first began discussing an affordable housing initiative in Fredericton in 2000. In 2001, the federal 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 in 2001 to

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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, 2001 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.

The 2001 federal budget confirmed \$680 million for this initiative.

To date, bilateral agreements have been signed with British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Northwest Territories, Nunavut and Yukon.

The addition of \$320 million for affordable housing in the 2003 federal budget will build on the initial \$680 million. This will bring the total federal investment in affordable housing to \$1 billion by the end of 2007-08.

Other Government of Canada Housing Support in New Brunswick

The \$14.98 million federal contribution over the next five years builds on current Government of Canada expenditures on housing in New Brunswick. The Government of Canada annually supports housing, with approximately \$55 million in grants, contributions and subsidies which serve some 19,000 low-income families, seniors, persons with disabilities, Aboriginal people and victims of domestic violence.

As part of the 2003 Budget, CMHC's existing renovation programs, which help low-income Canadians, will be extended by \$384 million over three years.

Other Government of New Brunswick Support in Housing

The provincial contribution of \$15 Million for this specific initiative, in the form of rental subsidies, over the next 10 years further demonstrates the Province's on-going commitment to social housing in New Brunswick. Annually, the government of New Brunswick provides approximately \$30 million in grant contributions and subsidies in support of 19,000 low-income households. This funding provides households with adequate and affordable accommodations that address health and safety concerns, including modifications for disabled households and accommodations for persons with special needs.

CMHC - New Brunswick - Affordable Housing Program Agreement