



PRESS RELEASE



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Canada and Newfoundland and Labrador Sign \$30 Million Affordable Housing Agreement

ST. JOHN'S, Newfoundland and Labrador, May 27, 2003 — The Honourable Steven Mahoney, Secretary of State responsible for Canada Mortgage and Housing Corporation, the Honourable Gerry Byrne, Minister of State (Atlantic Canada Opportunities Agency), the Honourable Oliver Langdon, Newfoundland and Labrador's Minister of Municipal and Provincial Affairs and Minister Responsible for Housing, and the Honourable Tom Lush, Minister of Intergovernmental Affairs, announced today the signing of a \$30.28 million Canada-Newfoundland and Labrador Affordable Housing Agreement. This will create approximately 600 affordable housing units in the province over the next four years.

"More residents of Newfoundland and Labrador will be able to access affordable housing thanks to this agreement", said Secretary of State Mahoney. "I look forward to seeing the first projects come to fruition now that we have completed this important step."

"This is good news for residents of Newfoundland and Labrador and will generate economic benefits in addition to meeting housing needs", noted Minister Byrne.

Minister Langdon commented, "Today's agreement is indeed a positive step for the development and enhancement of supportive housing needs and affordable rental housing in Newfoundland and Labrador. It also represents a significant investment in the lives of many people and will contribute to their health and independence."

Tom Lush, Minister of Intergovernmental Affairs for the Government of Newfoundland and Labrador welcomed the signing of the Affordable Housing Agreement and said, "This agreement is an excellent example of government partnership in action to meet specific public policy objectives."

Funding under this agreement will be used for two provincially designed programs. One will stimulate the production of new affordable rental housing and the rehabilitation of severely deteriorated existing rental housing for low- to moderate-income households. The other will assist new affordable homeownership housing, and the rehabilitation of severely deteriorated affordable housing for ownership by low- to moderate-income households in Labrador.

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 federal budget added an additional \$320 million bringing the total investment in affordable housing to \$1 billion in total by the end of 2007-08.

Individuals and organizations may obtain additional information about the Affordable Housing Initiative by contacting the Programs Division of Newfoundland and Labrador Housing at: (709) 724-3123.

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A backgrounder is attached

Affordable Housing Program Agreement Summary

Objectives:

- to increase the supply of off-reserve affordable housing in Newfoundland and Labrador
- the housing must be affordable for at least 10 years

Programs:

Funding under this agreement will be used to:

1. stimulate the production of new rental affordable housing and the rehabilitation of severely deteriorated existing rental affordable housing for low- to moderate-income households
2. create new affordable ownership housing and to rehabilitate severely deteriorated existing affordable ownership housing for low- to moderate-income households in Labrador

Administration:

- the program(s) will be administered by the Newfoundland and Labrador Housing Corporation (NLHC)
- NLHC is responsible for the selection of affordable housing projects

Financial Provisions:

- Maximum CMHC funding under the agreement is \$15.14 million to be matched by the Province of Newfoundland and Labrador, municipalities and others
- Overall average CMHC funding will not exceed \$25,000 per unit
- \$5.0 million in federal funding is allocated to remote areas (Labrador)

Accountability:

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

Communications:

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

Government of Canada Background: 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 in 2001 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, 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.

Bilateral agreements have been signed with British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Northwest Territories, Yukon, Nunavut and Prince Edward Island.

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 Newfoundland and Labrador

The \$15.14 million federal contribution over the next four years builds on current Government of Canada expenditures on housing in Newfoundland and Labrador. The Government of Canada annually supports housing, with approximately \$63 million in grants, contributions and subsidies which serve approximately 12,600 low-income families, seniors, persons with disabilities, Aboriginal people and victims of domestic violence.

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

Further information is available from the CMHC Web site: www.cmhc.ca

Other Government of Newfoundland and Labrador Support in Housing

Through Newfoundland and Labrador Housing Corporation (NLHC), the provincial government provides safe and affordable housing to approximately 18,000 individuals through the following federal/provincial cost-shared programs:

- **Non-Profit Rental Program**

The corporation administers and maintains approximately 5,800 non-profit rental social housing units in the province. Funding for this portfolio allows seniors, non-elderly singles, and low-income families to obtain safe, affordable housing that may not be available in the private rental market. Rental costs for this program do not exceed 30 per cent of the monthly household.

- **Community-Based Housing Program:** Further assistance is provided to some 5,100 community-based non-profit units throughout the province. Through partnerships with 60 community groups around the province, the specific housing needs of people in individual regions and communities are addressed.
- **Rent Supplement Program:** NLHC partners with private landlords in the province to provide rental housing to low-income tenants. Approximately 1,000 rental units in the private market remain affordable for lower-income households through this program.
- **Provincial Home Repair Program (PHRP):** This program provides home repair assistance in the form of grants and repayable loans. Low-income homeowners are assisted with critical repairs or adaptations to permit accessibility or to alleviate difficulties in daily living.

Further program details are available from the Newfoundland and Labrador Housing Corporation Web site:
www.nlhc.nf.ca.