



## PRESS RELEASE



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### **Canada and Prince Edward Island Announce First Project Under Affordable Housing Agreement**

**CHARLOTTETOWN, Prince Edward Island, August 12, 2003** — The Honourable Steven Mahoney, Secretary of State responsible for Canada Mortgage and Housing Corporation, and the Honourable Jamie Ballem, Prince Edward Island Minister of Health and Social Services announced today that the first project to receive funding under the Canada-Prince Edward Island Affordable Housing Agreement would be built in partnership with Habitat for Humanity.

The seven unit project on Fairmount Crescent is located on a portion of land donated by the Province of Prince Edward Island under the Joint Affordable Housing Agreement. The land, valued at over \$130,000 was donated to create housing for low- to moderate-income households.

"This partnership clearly demonstrates how governments can work effectively with community groups such as Habitat for Humanity in helping low-income families to access home ownership," said Secretary of State Mahoney. "The Government of Canada continues to be committed to working with our partners to create more affordable housing in Prince Edward Island."

"We are pleased to be working once again with Habitat for Humanity to create more long-term, affordable housing for Island families," said Health and Social Services Minister Jamie Ballem. "Through the Affordable Housing Agreement, we will continue to partner with individuals, communities and the private sector to purchase, build or renovate homes in order to create affordable housing opportunities in our province."

"It will take all levels of government, the volunteer sector and the business sector working together to create affordable housing opportunities on Prince Edward," said Jim Wicks, President of Habitat for Humanity PEI. "The money invested in this project will be used over and over again to build more homes in our community, as Habitat partner families return those investments to the Habitat Building Fund through their mortgage payments."

The Canada-Prince Edward Island Affordable Housing Agreement will provide \$5.5 million to create 140 housing units over the next four years. The Government of Canada is contributing \$2.75 million to be matched by the Province and other partners.

Habitat for Humanity is a volunteer organization that makes home ownership possible for low-income families. They are currently building their seventh house in PEI.

Prince Edward Island residents may obtain additional information about the Affordable Housing Initiative by telephoning Janet Wood, Department of Health and Social Services at 368-6178.

#### **Information on this release:**

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The Honourable Steven Mahoney, Secretary of State Responsible for CMHC



(Left to right) : Elmer MacFadyen - MLA Sherwood-Hillsborough, Hon. Jamie Ballem - Minister Health & Social Services, Hon. Steven Mahoney - Secretary of State responsible for CMHC, Jim Wicks - President, PEI Habitat for Humanity, and Shawn Murphy - Federal MP Hillsborough.

## **Affordable Housing Program Agreement Summary**

### Objectives:

- To increase and sustain the supply of new affordable housing in Prince Edward Island
- Housing must be affordable for at least 10 years

### Program:

Funding under this agreement will be used to:

- Create new rental and homeownership and to rehabilitate or convert existing affordable housing units

### Administration:

- The program will be administered by the Prince Edward Island Health and Social Services
- PEI is responsible for the selection of affordable housing projects

Financial Provisions:

- Maximum CMHC funding under the agreement is \$2.75 million to be matched by the Province of Prince Edward Island, municipalities and others
- Overall average CMHC funding will not exceed \$25,000 per unit

Accountability:

- PEI 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:

- PEI 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 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. The 2003 federal budget added \$320 million in additional funds, for affordable housing, to build on the initial allocation. This will bring the total federal investment in the Affordable Housing Initiative to \$1 billion by the end of 2007-08.

Also as part of the 2003 Budget, Canada Mortgage and Housing Corporation's existing renovation programs, which help low-income Canadians, will be extended by \$384 million over three years.

Other Government of Canada Housing Support in Prince Edward Island

The \$2.75 million, out of the \$680 million federal contribution over the next five years, builds on current Government of Canada expenditures on housing in Prince Edward Island. The Government of Canada annually supports housing, with approximately \$1 million in grants, contributions and subsidies which serve some 3,750 low-income families, seniors, persons with disabilities, Aboriginal people and victims of domestic violence.

**Government of Prince Edward Island Background: Affordable Housing Initiative**

- The objective of the new affordable housing initiative is to increase the supply of affordable housing through creation or sustainment. Options include: construction, acquisition, renovation, rehabilitation, conversion and/or rent supplement.
- Affordable housing is housing which is modest in terms of floor area and amenities, based on household and community norms, and is priced at or below median unsubsidized housing rents or prices in a community or

area.

- Proposals will be funded based on identified priority needs of families, persons with special needs such (as survivors of traumatic brain and spinal cord injuries and persons experiencing serious and persistent mental illness) and persons with disabilities in Island communities.
- Projects, proposals, units approved under the program will include documentation detailing terms, conditions and or schedules which ensure quality and levels affordable to low- income Islanders.
- The Prince Edward Island Housing Corporation will determine eligibility, modesty assurance, affordability assurance, areas for revitalization, and strategic needs within Island Communities.
- The provincial government offers a number of programs to help lower-income households maintain, acquire, or rent safe, adequate and affordable housing. Through housing authorities, we own and operate over 1,600 rental housing units for families and seniors. Rent is based on household income (25% for families, 30% for seniors). We also provide grants, loans, leases and mortgage funds to purchase or build modest houses through programs such as: social housing, rural community and rural native housing, and the residential rehabilitation assistance program.

## **Habitat for Humanity**

Habitat for Humanity PEI is a volunteer organisation which makes home ownership possible for low-income families. Habitat for Humanity built its first home on PEI in 1999 on land donated by the City of Charlottetown. Habitat for Humanity PEI is currently building its seventh home in Prince Edward Island.

The group seeks donations from a variety of sources to assist in their home building efforts. The Province, through the PEI Housing Corporation has provided assistance in the form of donated land under the auspices of the federal-provincial affordable housing program agreement.

- The Province has entered into a land development agreement with Habitat for Humanity PEI to allow them to manage the disposition of approximately seven acres of land located in the Hillsborough Park area of Charlottetown owned by the PEI Housing Corporation. The land will assist Habitat for Humanity in meeting its home building program needs over the next three to four years.
- To qualify, families must have an annual income between \$15,000 and \$25,000, live in Queens County, be able to meet mortgage commitments, and volunteer 500 hours toward the building of the home.
- Further information is available on the Habitat for Humanity Web site [www.habitat.ca](http://www.habitat.ca)

For more information on program elements please contact Janet Wood, Department of Health and Social Services at 368-6178.