



## PRESS RELEASE



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### **Canada / British Columbia Sign Contract to Manage Repair Process for Moisture Damaged Co-ops**

**VANCOUVER, British Columbia, November 25, 2003** — Canada Mortgage and Housing Corporation (CMHC) and BC Housing have signed a contract to have the provincial crown agency manage the technical assessment and repair process of co-operative housing projects affected by moisture damage.

The announcement was made today by the Honourable Steven Mahoney, Secretary of State responsible for CMHC and George Abbott, Minister of Community, Aboriginal and Women's Services and Minister responsible for BC Housing.

This contract is one of the new measures, announced earlier this year, to assist British Columbia housing cooperatives faced with high repair costs related to moisture problems.

"The management of this process by BC Housing will streamline the process so that housing co-operatives can address their moisture related problems quickly and efficiently," said Secretary of State Mahoney. "This contract is part of a commitment to provide financial assistance and a more integrated, flexible approach to work with cooperatives to address these issues."

"This partnership is good news for co-op members living in buildings affected by moisture damage," said Housing Minister Abbott. "BC Housing's expertise and proven track record with building envelope repairs will be an asset in helping co-op members deal with this unfortunate situation."

This contract with BC Housing builds on the work undertaken by CMHC earlier this year, to find affordable, workable solutions to the unique problem of BC's moisture damaged cooperative housing projects. Depending on how many co-operatives are eligible for the financial assistance components, the cost of the additional financial assistance measures is approximately \$10 million.

CMHC has identified approximately 65 housing co-operatives within the federally administered co-operative housing programs that have been affected by moisture damage. The level of assistance will vary from co-op to co-op and will depend on the assessment of each application.

Housing co-operatives continue to be eligible for the no-interest repair loan from the provincial Homeowner Protection Office. The costs of the interest payments are shared equally by both the federal and provincial governments.

CMHC also provides assistance to homeowners of moisture-damaged condominiums through flexibilities offered through the mortgage insurance program. These flexibilities enable the homeowner to access a CMHC-insured second mortgage or refinance their current mortgage to cover the additional loan required to pay for repair costs.

CMHC spends approximately \$209 million each year in B.C. to support housing, including the co-operatives.

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**Backgrounder**

Canada / British Columbia Building Envelope Assessment and Remediation Services Agreement on Moisture Damaged Cooperatives

Under the Canada /British Columbia agreement the province, through the British Columbia Housing Management Commission (BC Housing) will lend its expertise in the assessment and remediation of building envelope failure.

**Some of BC Housing's responsibilities will be to:**

Contact co-op boards to review needs and explain the remediation process

Assess unit conditions and report findings, including costs, to CMHC and the co-op

Help the co-op obtain a building envelope consultant and assess the report

Ensure the financing is solely for the repair and rehabilitation of the building envelope problem and that costs are reasonable

Act as liaison between the consultant and the co-op during the renovation phase

Assist the co-op in selecting the Licensed Building Envelope Renovator and preparing the contract documents. BC Housing will also administer the contract on behalf of the co-op

Monitor the quality of the work