



PRESS RELEASE



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Housing Ministers Announce More Funding for Affordable Housing

WINNIPEG, Manitoba, April 25, 2005 — The federal and provincial governments today announced an additional \$23.08 million to create more affordable housing for Manitoba residents who need it the most.

The announcement was made at the signing of Phase II of the Canada-Manitoba Affordable Housing Initiative by the Honourable Reg Alcock, Minister Responsible for the Canadian Wheat Board and President of the Treasury Board, on behalf of the Honourable Joe Fontana, Minister of Labour and Housing; and the Honourable Christine Melnick, Manitoba Minister of Family Services and Housing.

"This agreement strengthens the Government of Canada's partnership with the province, and allows us to move forward on our commitment to provide more affordable housing in Manitoba," Minister Alcock said. "We are pleased to be able to provide safe and affordable housing to those who need it the most such as Aboriginals, recent immigrants, and people with disabilities."

"The additional funding and extending the AHI reflects past successes and the clear need for more housing for people with low incomes, in Manitoba," said Minister Melnick. "It is gratifying to see the results of the projects already completed which were all accomplished through our on-going approach of working cooperatively with local groups on goals that are community-based."

The new agreement will see each level of government contribute an additional \$11.54 million for affordable housing, and extends the original agreement by one year to 2008. Federal funds will be used for capital grants to reduce the cost of housing under four provincially-designed affordable rental housing and home ownership programs.

The governments of Canada and Manitoba will now each contribute \$36.9 million to the Canada-Manitoba Affordable Housing Initiative. Support from municipalities, the private and voluntary sectors, co-operatives and charities will add significantly to this investment in affordable housing in Manitoba.

The Governments of Canada and Manitoba signed Phase I of the Affordable Housing Initiative on September 20, 2002. It provides for \$50.78 million in federal funds to renovate or create approximately 2,500 units. To date, construction is complete, underway or committed for over 1,900 units, which accounts for approximately \$37 million of program funding. Manitoba is the fifth province in Canada to sign the second phase of the agreement.

For further information, please contact:

Jason Cobb
Communications Canada Mortgage and Housing Corporation
(403) 585-1497

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John B. Thorpe
Communications Services Manitoba
(403) 515-2903

Backgrounder — Canada-Manitoba Affordable Housing Agreement

First Phase:

The Governments of Canada and Manitoba signed an Affordable Housing Initiative on September 20, 2002 — the first phase provided federal funding of \$25.39 million together with matching contributions of \$25.39 million from the Province of Manitoba and our housing partners. This agreement provides funding for a new rental housing supply program, a rehabilitation/conversion program, a new homebuyer down-payment program, and a home ownership supply program.

Second Phase:

Today's announcement increases the total investment under the Canada-Manitoba Affordable Housing Initiative by \$23.08 million in funding by 2008. This investment is being equally shared by the Government of Canada, and the Province of Manitoba and its housing partners. Phase II funding will be used for:

- a new rental housing supply program which aims to increase the supply of new rental affordable housing for low-income renters;
- a rehabilitation/conversion housing program which will rehabilitate severely deteriorated properties into rental or ownership affordable housing for low-income households;
- a homebuyer down-payment assistance program which will enable low-income renters become first time homebuyers by providing down-payment assistance to purchase new or recently renovated affordable housing developed under Affordable Housing programs and;
- a new homeownership supply program which will increase homeownership by encouraging new housing supply in targeted urban revitalization and remote areas

As well, federal assistance is increased to 50 per cent of capital costs to a maximum of \$75,000 per unit. This is an increase from the \$25,000 maximum per unit under Phase I. The units funded will remain affordable and occupied by low-income households for a minimum of 10 years. Phase II is targeted to people on or eligible to be on a social housing waiting list.

Other Government of Canada Housing Support in Manitoba

The Government of Canada annually supports housing with approximately \$126.5 million in grants, contributions and subsidies which primarily serve some 42,850 lower-income families, seniors, persons with disabilities, Aboriginal people, and victims of domestic violence.

This includes funds for renovations under the Residential Rehabilitation Assistance Program (RRAP), Home Adaptations for Seniors' Independence (HASI), Emergency Repair Program (ERP) and the Shelter Enhancement Program (SEP).

Other Government of Manitoba Housing Support Programs

The provincial government offers a number of programs to help lower-income households maintain, acquire, or rent safe, adequate, and affordable housing. It provides annual grants and subsidies through the Manitoba Housing and Renewal Corporation; proposal development funding for non-profit and co-operative housing organizations to help them develop project proposals for affordable housing for seniors, persons with disabilities, and persons with low

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incomes; it supports the provision of private sector financing for affordable housing projects developed and delivered by non-profit organizations; and also provides grants and loans for home repairs.

The Affordable Housing Initiative complements existing renovation and repair programs, including the Residential Rehabilitation Assistance Program (RRAP). Manitoba cost-shares RRAP, the Home Adaptations for Seniors' Independence Program, the Emergency Repair Program and the Shelter Enhancement Program with the federal government. The Manitoba government also funds and delivers the Homeowner Emergency Loan Program.