



PRESS RELEASE



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More Funding for Affordable Housing in New Brunswick

SAINT JOHN, New Brunswick, May 2, 2005 — The federal and provincial governments today announced an additional \$15 million to create more affordable housing for New Brunswick residents who need it the most.

The announcement was made at the official signing of Phase II of the Canada-New Brunswick Affordable Housing Agreement by Paul Zed, Member of Parliament for Saint John, on behalf the Honourable Joe Fontana, Minister of Labour and Housing, and the Honourable Tony Huntjens, Minister of Family and Community Services for New Brunswick.

"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 New Brunswick," said Member of Parliament Zed. "We are very pleased with the work we are doing with our provincial partner to address housing needs, and this additional federal funding demonstrates our continued commitment to help provide safe and strong communities throughout New Brunswick."

"Our main objective with the Canada-New Brunswick Affordable Housing Agreement has always been to help low-income New Brunswickers, not only in building new housing units, but also in keeping them affordable," said Minister Huntjens. "We are pleased that the second phase of the Agreement will continue to focus investments on those who need it most."

Today's announcement brings the total investment under the Canada — New Brunswick Affordable Housing Program Agreement to \$45 million in funding. This investment is being equally shared by the Government of Canada, and the province of New Brunswick.

New Brunswick is the seventh province in Canada to sign the second phase of the agreement. To date, investments of over \$18 million have been announced by the Government of Canada and the Government of New Brunswick for the construction of 245 units in the province.

For further information, please contact:

Robert Duguay
Communications
Family and Community Services
(506) 444-3684

Todd Selby
Marketing and Communications Consultant
Canada Mortgage and Housing Corporation
(506) 851-2229

Backgrounder

Canada-New Brunswick Affordable Housing Agreement

Phase I

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 up to 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 for a total of \$29.96 million.
- 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.

Phase II

Today's announcement increases the total investment under the Canada-New Brunswick Affordable Housing Program Agreement by \$15.14 million in funding by 2008. The Government of New Brunswick will contribute at least 50 per cent of the matching funding; up to 10 per cent may come from municipalities and other third parties.

Under Phase II, funding will be:

- used for the Rental Housing Program in Phase I plus a new rent supplement program;
- targeted to urban areas with considerable housing needs; and
- targeted to persons on or eligible to be on a waiting list for social housing.

As well, federal assistance is increased to 50 per cent of capital costs to a maximum of \$75,000 per unit. The units funded will remain affordable and occupied by low-income households for a minimum of 10 years (maximum of five years for rent supplements).