



## PRESS RELEASE



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### **Public and Private Sector Join to Launch Affordable Ownership Housing Project**

**OTTAWA, Ontario, June 16, 2006** — The Government of Canada, the Government of Ontario, the City of Ottawa, the Anglican Church of St. John the Evangelist, the Multifaith Housing Initiative and Teron Inc., a private sector development company, held a ceremony today to launch a new model of affordable housing, combining ownership and rental apartments.

The project, Somerset Gardens, at 138 Somerset Street West in downtown Ottawa demonstrates that the private sector can build 100 per cent affordable housing according to the City of Ottawa's Official Plan guidelines. The partnership between the City and Teron will allow households whose annual income is \$56,798 or less to purchase one of the units.

Ten units in this project have been purchased by the Multifaith Housing Initiative, a registered charity focussing on affordable housing, to provide rental housing to low-income families with the help of \$600,000 from the Canada – Ontario Affordable Housing Program and a \$300,000 capital investment from the City of Ottawa.

Jim Watson, Minister of Health Promotion and MPP for Ottawa West – Nepean, Karen Kinsley, President, Canada Mortgage and Housing Corporation (CMHC), Russell Mawby, the City of Ottawa's Director of Housing, Reverend Canon Garth Bulmer, Rector of St. John's Anglican Church and President of the Multifaith Housing Initiative, and William Teron, Chairman of Teron Inc, attended the ceremony.

"Canada's new Government is very proud to be working innovatively and effectively with provincial governments and the private sector to make affordable housing a reality," said the Honourable Diane Finley, Minister of Human Resources and Social Development.

"The McGuinty government understands that in order to build strong communities, we need a broad range of housing options to meet the diverse needs of Ontarians," said Watson. "Our goal is to help provide affordable housing for Ontarians who need it by working closely with various levels of government and the private sector."

"The City is excited to be a partner in this project, it demonstrates that affordable housing can be created in partnership with the private and non-profit sectors. This is a concrete example of the type of leadership faith communities and developers can bring to Ottawa," said the City of Ottawa's Director of Housing, Russell Mawby.

St. John's Church provided the downtown building site at market value on the condition that the developer build affordable housing according to the City of Ottawa's criteria. Teron lowered its price below market to achieve the City's affordability housing price target and income affordability criteria. The apartment units are priced at \$147,000 to \$207,870 for one-bedroom units of 594 to 712 square feet. Somerset Gardens is a \$21 million, 11 storey condominium with 119 units. Seventy-five units were sold prior to the start of construction.

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William Teron explained, "This project proves that 100 per cent affordable housing projects can be built without any financial assistance from government. Then, with government incentives, the private sector can help even lower income families to access home ownership in these projects. This is a model that we hope to duplicate many times in the future."

The City of Ottawa and Teron have created an "Assisted Home Ownership Program" (AHOP) to assist households who are at or below the 40th income percentile in Ottawa (earning \$56,798 or less per year). Through AHOP, homeowners will not spend more than 30 per cent of their income on housing, thereby meeting the City's Official Plan criteria for affordable housing. The City is deferring its development charges and related building fees on each unit that is sold to a qualifying purchaser and Teron is matching this amount, for a total of \$560,000. The combined assistance of \$11,315 per unit requires no payment while the family lives in the unit, even if this is for life, or if the unit is sold to another qualifying purchaser. This program enables a purchaser to buy a unit with as little as one per cent down payment and amortize their mortgage for up to 35 years with mortgage loan insurance from Canada Mortgage and Housing Corporation, which helps families with lower incomes realize their dream of home ownership.

The Multifaith Housing Initiative brings together more than 40 Christian, Hindu, Muslim and Jewish faith communities and many individuals. It has created an "ethical investment fund" to provide equity through gifts, low or no interest, equity loans, and RRSP mortgage loans from its supporters. In this way, the Multifaith Housing Initiative will provide 10 rental units to families on the City's social registry and to other families that qualify.

The Canada – Ontario Affordable Housing Program comprises a commitment of \$301 million from each of the two levels of government. With this commitment, the federal, provincial and municipal governments will invest \$734 million through the Canada – Ontario Affordable Housing Program. In total, the program will help 20,000 Ontario households by 2010.

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