



PRESS RELEASE



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Canada - B.C. Social Housing Agreement Signed

OTTAWA, Ontario, June 19, 2006 — The Honourable Diane Finley, Minister of Human Resources and Social Development, on behalf of the Government of Canada, and the Honourable Rich Coleman, B.C. Minister responsible for Housing, announced an agreement to transfer the administration of social housing resources from the Government of Canada to the Government of British Columbia.

"Canada's new Government is proud to be assisting our provincial partners to ensure that affordable housing in British Columbia is available to those most in need," said Minister Finley.

The transfer will help streamline and simplify administration in B.C. and allow the province to provide access to housing services through one-window delivery. The province can use savings generated through the efficient use of federal funds to maintain the existing stock and to reinvest in housing for low income people.

Over the term of the 30-year agreement, the Government of Canada will provide annual funding to the province to support existing social housing units. In the first full year of the agreement, the federal government will transfer \$140 million to B.C.

"We want to ensure that we help as many people as possible with our housing resources in B.C.," said Minister Coleman. "With the Province now responsible for the vast majority of social housing we can make sure that every unit we have is targeted to British Columbians who need it most."

There are approximately 72,500 federally-assisted social housing units in B.C. which receive funding from the Government of Canada. This agreement covers some 51,600 units of which about 27,400 of these are already administered by the province. Approximately 12,650 co-operative housing units will remain with Canada Mortgage and Housing Corporation (CMHC) as well as just over 5,000 housing units on-reserve.

The Province intends to transfer administration of 2,660 off-reserve Aboriginal social housing units to the Aboriginal Housing Management Association (AHMA). In 2004, B.C. became the first province in Canada to transfer management of Aboriginal social housing to the Aboriginal community, when 189 units of provincial Aboriginal housing were transferred to AHMA.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country. For more information, call 1-800-668-2642.

BC Housing is a provincial crown agency that develops, manages and administers a wide range of subsidized housing options for those in greatest need. For more information, visit www.bchousing.org or call 1-800-257-7756.

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Backgrounder

Highlights of the Social Housing Agreement between Canada Mortgage and Housing Corporation (CMHC) and B.C. Housing Management Commission

Overview

- There are approximately 72,500 social housing units located in B.C. which receive funding from the Government of Canada. The agreement covers some 51,400 units of which about 27,450 of these are already administered by B.C.
- Under the new Canada – B.C. Social Housing Agreement, B.C. will receive social housing funding directly from the Government of Canada every year for the remaining term of the commitments for the housing units currently making up the portfolio. During the first year under the new agreement, B.C. will receive nearly \$140 million.
- Ongoing federal financial support will provide stability and predictability to the provision and administration of social housing programs in B.C. in future years. These commitments, which were made over a period of some 30 years, will expire on a staggered basis over the next 30 years.
- Approximately 12,650 of co-operative housing units will remain with CMHC as will some 5,000 housing units on-reserve.

New Directions

1. Transfer of Programs

- The Social Housing Agreement with B.C. is the same as the new agreements that have been signed with six provinces and the three territories. The Government of Canada offers provinces and territories the opportunity to take over the management of federal social housing resources in order to better integrate social housing clients and make efficient use of taxpayer's money.

2. Principles

- The Canada – B.C. Social Housing Agreement stipulates the use of ongoing Government of Canada funding based on a specified set of principles.

Implementation

1. Authorities and Responsibilities

- B.C. Housing Management Commission will manage and administer the portfolio of programs, subject to the requirements of the agreement. It may contribute its own funding to housing or these programs in addition to federal funding.
- The federal government, through CMHC, will provide the agreed level of annual funding as set out in the agreement and will ensure that the requirements of the accountability framework are being followed.

2. Rights of Third Parties

- B.C. Housing Management Commission has agreed to assume CMHC's rights and obligations under existing agreements with third parties relevant to programs in the portfolio, e.g. private non-profit housing groups which previously reported to CMHC. Existing project operating agreements with third parties will continue to be legally binding and can only be changed by the mutual agreement of the parties concerned.

3. Federal Funding

- **CMHC Payments** — The new agreement contains a schedule setting out the total amount of federal funding which will be provided each year, commencing April 1, 2006, and continuing until the term of commitments is reached.
- **Stable and Predictable Contributions** — The amount of federal funding provided annually will not change for any reason during the life of the commitment.

4. Accountability

- **Audit** — The new agreement sets out the purpose, scope and standards for independent audits which must be conducted annually on the portfolio of social housing programs which B.C. Housing Management Commission is managing and administering under the agreement. These audits will need to verify that federal funding and related expenditures were in accordance with the financial terms and conditions of the agreement and in compliance with its principles and other provisions.
- **Performance Reporting** — B.C. Housing Management Commission will provide CMHC with an annual performance report on the results achieved by each program in the portfolio of social housing programs receiving federal funding. These reports will focus on the amount and type of funding provided, the number of households assisted and the average incomes of those receiving targeted assistance.
- **Evaluation** — The agreement also sets out a requirement for cyclical program evaluations to determine if programs continue to be consistent with priorities, are effective in meeting their objectives within budget and without unwanted outcomes, and are the most appropriate and efficient means of achieving their objectives.
- **Recourse** — CMHC has the right to hold back federal funding should agreed reporting requirements not be met by B.C. Housing Management Commission. Federal funding not expended in accordance with the principles, or B.C. Housing Management Commission's authorities and responsibilities, as set out in the agreement must also be refunded to CMHC.



The Honourable Diane Finley and the Honourable Rich Coleman sign an agreement to transfer the administration of social housing resources from the Government of Canada to the Government of British Columbia.