



PRESS RELEASE



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Affordable Housing in Ontario Gets a \$1.2 Billion Boost

TORONTO, Ontario, June 09, 2009 — The Government of Canada and the Province of Ontario are partnering on a joint investment to build new and renovate existing affordable housing. This investment will help create jobs, strengthen the economy, and improve the quality of life for residents of Ontario.

Both levels of government officially signed an amendment to the Canada – Ontario Affordable Housing Program Agreement, resulting in a joint investment of more than \$1.2 billion over the next two years.

The Honourable Diane Finley, Minister of Human Resources and Skills Development Canada and Minister Responsible for Canada Mortgage and Housing Corporation (CMHC) and the Honourable Jim Watson, Ontario Minister of Municipal Affairs and Housing, made the announcement today.

“This government is working hard to support Canadians during these challenging economic times, and we are moving aggressively to ensure Canada’s Economic Action Plan is implemented rapidly,” said Minister Finley. “We are helping the most vulnerable, including seniors and persons with disabilities, access suitable, affordable housing, as well as making needed renovations to existing social housing both in Ontario and across Canada.”

“The McGuinty government is pleased to be working with our federal partners to increase the supply of affordable housing,” said Minister Watson. “This investment will stimulate our economy while improving access to safe, healthy and affordable housing. For many people, living on fixed or low incomes, these programs are their opportunity to get a place to call home.”

Today’s announcement includes federal funding of \$535 million over two years under Canada’s Economic Action Plan as part of a one-time investment of more than \$2 billion to build new and renovate existing social housing in Canada. The Province will also contribute \$535 million for these initiatives, over the next two years.

These investments build upon the \$1.9 billion commitment for housing and homelessness programs announced by the Government of Canada in September 2008, which extended the Affordable Housing Initiative and the renovation programs for low-income households for two years.

Overall, the federal contribution from these investments is \$622 million, while the Province is contributing a further \$622 million for the combined investment of more than \$1.2 billion.

CMHC has been Canada’s national housing agency for more than 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes and making vibrant and sustainable communities and cities a reality across the country.

To find out more about how the Government of Canada and CMHC are working to build stronger homes and communities for all Canadians, call CMHC at 1-800-668-2642 or visit www.cmhc.ca/housingactionplan. For more

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information on Canada's Economic Action Plan, call 1-800-O Canada or visit www.actionplan.gc.ca.

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Background

Investments in Affordable Housing for Canadians

The Government of Canada's commitment to affordable housing is significant.

Overall, Canada's Economic Action Plan provides a total of \$7.8 billion to build quality housing, stimulate construction, create jobs, encourage home ownership and enhance the energy efficiency of Canadian homes. In the process, it will provide new and renovated housing for more than 200,000 Canadian households.

Of the \$7.8 billion, more than \$2 billion is provided through CMHC to build new and renovate existing social housing. This will include:

- \$1 billion for social housing renovation;
- \$600 million for new housing and repairs to existing social housing on-reserve and in the North broken down as follows:
 - ◆ \$400 million for on-reserve communities
 - ◆ \$200 million for the North
- \$400 million for housing for low-income seniors; and
- \$75 million for housing for people with disabilities.

Most of this funding, \$1.525 billion of the more than \$2 billion, is being delivered by provinces and territories through amendments to existing agreements. Provinces and territories will design and deliver these initiatives, as well as cost-match the federal investment.

The federal government will directly deliver the remaining \$550 million of this \$2 billion funding: \$150 million for the renovation and retrofit of social housing projects administered by Canada Mortgage and Housing Corporation (CMHC), and \$400 million in new construction and repair for housing on-reserve through CMHC and Indian and Northern Affairs Canada.

These investments build upon the \$1.9 billion commitment for housing and homelessness programs announced by the Government of Canada in September 2008, which extended the Affordable Housing Initiative and the renovation programs for low-income households for two years. Overall, for both the stimulus funding and the AHI extension, the

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federal contribution is \$622 million, while the Province is contributing a further \$622 million for the combined investment of more than \$1.2 billion.

In addition, as part of the two-year extension of the renovation programs, \$73 million in federal funding will be available to assist low income households with needed renovations to their homes.

As well, up to \$2 billion in low-cost repayable loans for housing-related infrastructure projects will be made available to towns and cities across the country.

The Government of Canada, through CMHC, spends approximately \$1.7 billion annually to support almost 625,000 low- and moderate-income households in existing social housing across Canada. In Ontario, the federal government provides almost \$739 million annually to support some 238,500 households.