

For Immediate Release
July 14, 2011

Governments of Canada and Prince Edward Island reach agreement on delivery of investments for Canadians in housing need

CHARLOTTETOWN, PEI -- The Government of Canada and the Province of Prince Edward Island today announced a combined investment of close to \$7 million under the renewal of the existing Affordable Housing Initiative and renovation programs for the 2011-2014 period. This funding will help Canadians in housing need, including seniors, persons with disabilities and families, through programs such as new construction, renovation (including accessibility modifications), new homeownership assistance, and rent supplements.

The renewal comes as a result of the recently announced Affordable Housing Framework 2011-2014 agreement between the federal, provincial and territorial governments. The Framework recognizes the diversity of affordable housing needs of Canadians and that a range of solutions – from existing programs to new approaches – is the most effective in meeting local needs and priorities. It also recognizes that provinces and territories have responsibility under this Framework for the design and delivery of affordable housing programs in order to address their own specific housing needs and priorities in their jurisdictions.

The Honourable Gail Shea, Minister of National Revenue and Regional Minister for Prince Edward Island, on behalf of the Honourable Diane Finley, Minister of Human Resources and Skills Development and Minister Responsible for Canada Mortgage and Housing Corporation (CMHC) along with the Honourable Janice Sherry, Minister of Community Services, Seniors and Labour, Province of Prince Edward Island, made the announcement today.

“Our government is committed to working with the Province of Prince Edward Island to develop and implement local solutions to housing,” said Minister Shea. “This investment will continue to help people on the Island access safe and affordable housing that meets their needs.”

The announcement was made at the O’Leary Apartment project, which received \$200,000 from the 2009 extension of the Canada-P.E.I. Affordable Housing Program Agreement, in addition to \$142,500 from Human Resources and Skills Development Canada’s Homelessness Partnering Strategy. The project is a conversion of the former O’Leary Lions Club building which will now provide seven apartments for people with disabilities.

“Today’s renewal of the Affordable Housing Initiative and renovation programs contracts allows our government to pursue the creation and renovation of affordable homes for Islanders in need,” said Minister Sherry. “The O’Leary Apartment project is one example of the importance of this renewed funding partnership.”

“The development of the Community Inclusions site in O’Leary represents a significant step forward in providing residential services for persons with intellectual disabilities in the West Prince area,” said Community Inclusions Chairperson Raeanne Adams. “Upon completion, the O’Leary project will provide seven semi-independent residential units in addition to much

needed office space for Community Inclusions. Community Inclusions wishes to recognize its partnership with provincial and federal governments in funding this project.”

In September 2008, the Government of Canada committed to a five-year investment of more than \$1.9 billion in housing and homelessness to address the needs of low-income Canadians, those at risk of homelessness, and the homeless. This included a two-year renewal of the Affordable Housing Initiative and renovation programs until March 31, 2011 with a commitment to consult on the use of the investments for the 2011-2014 period.

In the fall of 2009, federal, provincial and territorial governments, as well as municipalities, public and private stakeholders, engaged on how best to use federal funding from 2011 to 2014. Federal, provincial and territorial housing ministers also met in December 2009 to discuss the future of these investments.

These investments are part of the Government of Canada’s \$1.9-billion commitment for housing and homelessness programs announced in 2008. Canada’s Economic Action Plan built on this with an additional one-time investment of \$2 billion for the construction of new and the renovation of existing social housing, plus \$2 billion in low-cost loans to municipalities for housing-related infrastructure.

To learn more about Affordable Housing on Prince Edward Island and supports available for people with disabilities, visit www.gov.pe.ca/sss.

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-schl.gc.ca/housingactionplan. For more information on Canada’s Economic Action Plan, call 1-800-O Canada or visit www.actionplan.gc.ca.

BACKGROUND

INVESTMENT IN AFFORDABLE HOUSING 2011-2014 FRAMEWORK AGREEMENT

Introduction

Stable, affordable and good quality housing contributes to positive outcomes for individuals, families and communities. Housing influences many aspects of life: individual health and wellbeing, educational achievement, social connections, labour market attachment, and community identity. From a broader economic perspective, the housing sector provides employment, creates investment opportunities, and stimulates and supports economic activity.

This Framework establishes the approach that will guide bilateral arrangements for the combined affordable and renovation housing funding envelope of federal housing funds between 2011 and 2014.

Federal, provincial and territorial governments are continuing to work together in many ways to address the needs of households in Canada with respect to affordable, sound, suitable and sustainable housing.

Nothing in this document shall be construed to derogate from the respective governments' jurisdictional responsibilities.

Vision

A balanced approach to housing is a tool to promote economic and social independence, personal accountability, and meaningful individual choice. Good housing is required to meet basic human needs while developing individual resources and capabilities to achieve positive longer-term outcomes such as self-reliance for individuals and families. This vision promotes healthier people, stronger neighbourhoods, a greener environment, and safe, quality, affordable housing. Within this Framework, federal, provincial and territorial governments recognize that:

- A continuum of program responses is required to respond successfully to the differing needs of households across their life courses.
- Sustainable practices to housing responses, such as enhancing the energy efficiency of housing, not only value and respect the environment but also help realize savings that improve housing affordability over the long term.
- Partnerships among federal, provincial and territorial governments will help provinces and territories work with community groups, individuals and the private sector to strengthen housing conditions in their jurisdictions.

Objective

The objective of this Framework is to improve the living conditions of Canadians in need by improving access to affordable, sound, suitable and sustainable housing.

Intended Outcome

The overall intended outcome of this Framework is to reduce the number of Canadians in housing need by improving access to affordable housing that is sound, suitable and sustainable for Canadians in need.

Spending Categories

Housing responses may vary depending upon market conditions and housing needs. Investments that flow under this Framework will support housing responses in one of the following areas of action:

1. Increase the supply of affordable housing across Canada. Initiatives may include new construction or conversion, and homeownership or rental, all targeted to households in need.

2. Improve housing affordability for vulnerable Canadians. Initiatives may include rent supplements, shelter allowances to address affordable housing needs, and homeownership assistance, all targeted to households in need.

3. Improve and/or preserve the quality of affordable housing. Initiatives may include renovation and rehabilitation of existing affordable housing to improve and preserve the quality of affordable housing for households in need (excluding existing social housing stock under F/P/T long-term agreements).

4. Foster safe independent living. Support for new housing construction, housing modifications and renovations that extend independent living for households in need being seniors and persons with disabilities. Initiatives may also include accommodations for victims of family violence.

Principles

Federal, provincial and territorial governments recognize that initiatives that respond to identified and demonstrated needs, and that are built on the best evidence of what works, produce the best desired outcomes. Achieving success requires cooperation and respect for one another's roles and responsibilities, and a clear understanding of funding relationships.

Federal, provincial, and territorial governments agree that the following principles will guide the arrangements between federal, provincial and territorial governments for housing investments that flow under this Framework.

- P/Ts have responsibility for the design and delivery of affordable housing programs in order to address their own specific needs and priorities.
- P/Ts require flexibility to address PTs' specific affordable housing needs and priorities. Flexibility to move federal funds between years is subject to CMHC approval.
- Federal contributions may be used for upfront capital contributions or ongoing subsidies. Contributions by Others (provincial/territorial government, non-profits, municipalities, private sector) must be equal to or greater than the envelope of federal contributions.
- Housing supported under this Framework and related bilateral agreements will be modest in terms of size and amenities and will remain affordable for ten years or a mutually agreed upon period of time.
- Energy efficiency and water conservation measures will be promoted wherever possible in order to reduce the environmental impact of housing, such as greenhouse gas emissions and to improve housing affordability.
- Governments must be accountable to the public for the use of public funds through an open and transparent process which identifies expected outcomes, measures performance, reports on results to the public and provides for follow-up. In this context, each government is responsible for reporting annually to the public regarding the investments and achievement of intended

outcomes under this Framework. The information provided by P/Ts, which will be agreed upon in the bilateral agreements, will enable the federal government to be accountable to Canadians.

- Administrative requirements must be streamlined so as not to adversely impact program delivery.
- Bilateral arrangements are to include a communications protocol providing for joint communications activities and products as well as open, transparent, effective and timely communications that equitably reflect the contributions of federal, provincial and territorial partners.
- Copies of signed bilateral agreements will be distributed to Provinces and Territories for information purposes. Any revisions or addendums to agreements granted by the federal government to a P/T under this Framework would, upon request, be extended to each Province and Territory who so wishes.

Bilateral Arrangements

This Framework will serve as the basis for bilateral arrangements between the federal government represented by CMHC and each Province or Territory who so chooses. Federal funding flow will be conditional on bilateral arrangements pursuant to this Framework that are signed with a Province or Territory. Where a Province or Territory does not conclude bilateral arrangements under this Framework, federal funding will flow through the extension of existing arrangements (AHI and renovation programs).