

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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09-3426

June 9, 2009

Mr. Ray Chenier
Chair

District of Manitoulin-Sudbury Social Services Administration Board
210 Mead Boulevard
Espanola ON P5E 1R9

Dear Chair Chenier:

I am happy to tell you that the Ministry has recently signed an Agreement with the federal government for the new social and affordable housing programs announced in our respective 2009 Budgets. We are now in a position to move ahead with implementation.

As announced on March 20, 2009, the province will invest \$622 million to match the federal funding announced under its Economic Action Plan, for a total commitment of over \$1.2 billion. Specifically, the federal and provincial governments will cost share the following investments on a 50-50 basis over the next two years:

- \$704 million for the renovation, repair and retrofit of social housing units to make them more energy efficient under the Social Housing Repair and Retrofit Program (SHRRP)
- \$365 million to create affordable rental housing for low income seniors and persons with disabilities
- \$175 million to extend the Canada-Ontario Affordable Housing Program

We are responding to the concerns many of you have raised regarding the need to be able to help the most vulnerable families in your communities by raising per unit capital funding contribution levels.

Under the SHRRP, the maximum combined contribution will generally be \$28,000 per unit with an average of \$14,000 per unit. Larger scale regeneration projects, which can account for up to 10 per cent of total SHRRP funding, will be subject to a maximum of \$150,000 per unit.

Under the AHP Extension, which includes dedicated funding for seniors and persons with disabilities, the average combined federal/provincial contribution for new rental construction will be \$120,000 per unit with a maximum of \$150,000 per unit. For Northern repairs, the maximum funding available will be \$50,000 per unit with an average cost of \$25,000 per unit. For new built Homeownership, the average down payment assistance should not exceed 10 per cent of the purchase price of the unit.

Chair Chenier

The key priority of the AHP Extension and SHRRP is economic stimulus over the next two years. As a result, funding is subject to strict “use it or lose it” provisions. Federal funding to Ontario that is not committed by the end of each year will lapse and may be reallocated to other Provinces and Territories. Funding for specific projects may be reallocated if onsite construction or repair work does not begin within three months of signing a funding commitment. We will be actively monitoring project progress and reallocating funding to where it is needed so Ontario can take full advantage of the federal funding that is available.

A number of you submitted early proposals in response to letters from Ms. Kathleen Blinkhorn, Assistant Deputy Minister of our Housing Division, requesting a list of quick start social housing capital repair and construction ready affordable rental projects that can proceed in 2009. The response was very positive and Service Managers will be receiving direction shortly.

For the SHRRP funding, we have assigned notional allocations to all Service Managers. We expect that Service Managers will take up their entire allocations in the limited two-year timeline. These allocations may be subject to change based on the Service Manager’s ability to commit their allocations on this schedule.

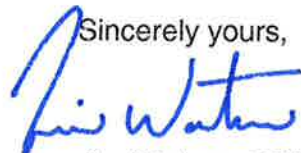
Please note that 10 per cent of the total SHRRP allocation, or \$70.4 million, will be allocated to initiatives under the new *Green Energy Act*. This legislation will ensure Ontario’s green economic future by: building a stronger, greener economy with new investment, creating well-paying green jobs and more economic growth for Ontario, better protecting our environment, combating climate change and creating a healthier future for generations to come. More details on this initiative will be issued in the near future.

The AHP Extension will focus on funding construction ready projects based on submissions from Service Managers and regional fairness. A decision on the distribution of the balance of the funding - based on local demand and construction readiness – will be made in the near future.

Further details and program guidelines for both the SHRRP and the AHP Extension will follow shortly.

The tight timelines are a major challenge, and my ministry is committed to working with you and all housing stakeholders and partners to make these programs a success. I know this may mean Councils will have to hold special meetings in the summer months. I am counting on you to move quickly for the benefit of communities across Ontario. I also expect all proper procedures and rules to be followed, and that staff ensure good value for dollars spent.

I look forward to working with you to help make these housing investments in your communities a success.

Sincerely yours,

Jim Watson, MPP
Minister

Chair Chenier

c: Mr. Michael A. Brown, MPP, Algoma-Manitoulin
Ms. France G  linas, MPP, Nickel Belt
Mr. Norm Miller, MPP, Parry Sound-Muskoka