

Affordable Rental Housing Program

Q: I am interested in developing an affordable rental housing project in my community, is there funding available to assist me?

A: Yes, under the Affordable Rental Housing Program.

Q: What is the Affordable Rental Housing Program?

A: The objective of the Affordable Rental Housing Program is to increase the supply of affordable rental housing units for low and moderate income households throughout New Brunswick.

Q: Who is eligible to develop projects?

A: Eligible sponsors are private entrepreneurs, non-profit corporations, and co-operatives.

Q: What types of projects are eligible for funding?

A: Eligible projects must create basic affordable rental units. Projects may be developed through new construction and the purchase/rehabilitation of existing properties.

Q: What types of projects are ineligible?

A: Ineligible projects are those which do not meet the criteria of properties operated as bona fide rental enterprises and include such projects as:

- Residential care facilities;
- Nursing homes;
- Emergency shelters.
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Q: How long is this program for?

A: Current funding is for two years. All funds must be committed by March 31st 2011 and all projects completed and funding disbursed prior to March 31, 2012.

Q: Who is responsible for the administration of this program?

A: The Province of New Brunswick (Social Development/New Brunswick Housing Corporation) is responsible for setting program criteria, approving applications, commitment of funding and verifying approved projects have been completed as per the terms of the Federal/Provincial agreement.

Q: How many new housing units will be created under the new phase IV housing agreement?

A: It is anticipated 554 new affordable rental housing units will be created under the extension of the existing Affordable Rental Housing Program. Of the total number of new units, 396 will receive rental subsidies and be targetted to low-income households.

Q: Can you explain how the funding works for the Affordable Rental Housing program?

A: To assist in reducing construction costs, the maximum forgivable contribution to non-profit groups and co-operatives is \$40,000 per unit and may include up to 100% of the units in the project. Private entrepreneurs are eligible for \$40,000 per unit, for up to 50% of the total units within a project.

Rental subsidies may also be available from the province to ensure the units remain affordable to low income households. Tenants qualifying for assistance will have their rents reduced to 30% of their household income. Landlords will receive from Social Development the difference between the rent paid by the tenant and the agreed upon market rent.

Q: What are the steps required to apply for funding under this program?

A: Inquiries and preliminary proposals are submitted to the regional offices. Proposals are compared with each other to ensure those which best meet Social Development's delivery plan, program objectives and are most cost effective will be selected for further development.

Q: Where does the funding for this program come from?

A: Funding comes through the Canada-New Brunswick Affordable Housing Initiative Agreement. Capital grants are funded federally and rent supplement assistance is provincially funded.

Q: What are the incentives for developers to build affordable housing under this agreement?

A: Capital grant funding is available in the form of a forgivable loan to offset the construction cost. Rent supplement assistance is also provided that will guarantee a long term revenue stream.

Q: What is a forgivable loan?

A: A forgivable loan is a loan that does not require repayment as long as program requirements are met. A percentage of the loan is earned each year until the mortgage matures.

Q: How do project developers receive the remainder of their financing for these developments?

A: The developer must demonstrate their ability to secure the remaining financing necessary to complete the project through private lenders or their own personal equity.

Q: Who are considered eligible tenants for affordable housing?

A: Eligible tenants include families, seniors, non-elderly singles, disabled households and persons with special needs. Supportive housing models that assist vulnerable individuals maintain or resume independent living may also be eligible.

Q: How are tenants selected for rental of affordable housing units?

A: Tenants occupying units designated for rent supplement assistance will be identified by Social Development. A needs assessment is completed to determine if an individual or household is eligible for social housing.

Q: What responsibilities do project developers have to tenants?

A: The standard landlord tenant relationship applies (*Residential Tenancy Act*). The responsibility of Social Development is limited to monthly rent supplement assistance payments.

Q: Do all projects need to be mixed-income developments?

A: Private entrepreneurs are required to develop income mixed projects (funding only available for up to 50% of the units). Non-Profit and co-op groups are also encouraged to develop mixed-income projects.

Q: Who can I speak with to provide me with more detailed information?

A: Regional program officers can answer questions and provide guidance regarding the Affordable Rental Housing Program.