



ACTION

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THE SECOND COMPONENT OF THE GOVERNMENT'S ACTION PLAN

The second component of the action plan announced in the **2002-2003 Budget Speech** to respond to difficult circumstances involves the public sector and investments in the amount of \$3 billion.

The government is accelerating public investments of \$2.5 billion, while government corporations are going ahead with investments worth \$500 million.

The public investments include a major effort to improve housing. To that end, investments reaching nearly \$500 million are being made ahead of schedule.

INVESTMENT IN HOUSING: CLOSE TO \$500 MILLION

The housing scarcity makes it hard for Québec families to find suitable affordable housing. Low-income households are particularly hard hit by this situation. In addition, some households in older neighbourhoods of cities and in certain rural areas live in dwellings that require major renovations.

To improve their situation, the **2002-2003 Budget Speech** announces the accelerated investment of nearly \$500 million for the construction and renovation of over 40 000 dwellings, 36 300 of which will be during the next two years:

- \$362 million for the construction of 13 000 low-cost and affordable housing units through
 - the introduction of a new affordable-housing program, representing \$105 million over two years;
 - the renewal and enhancement of the *AccèsLogis* program for a period of five years, for an injection of \$257 million;
- \$111 million for the renovation of more than 27 000 dwellings occupied mainly by low-income households through
 - the renewal and enhancement of the Revitalizing Older Neighbourhoods Program. This measure represents an investment of \$95 million over two years;
 - enhancement of the *RénoVillage* program, representing \$16 million in additional commitments over two years by the Société d'habitation du Québec (SHQ).

GOVERNMENT INVESTMENT IN HOUSING¹

(in millions of dollars)

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	Total
Construction of low-cost and affordable housing						
New affordable-housing program	26.1	78.5	—	—	—	104.6
<i>AccèsLogis</i> program	57.0 ²	50.0	50.0	50.0	50.0	257.0
Sub-total	83.1	128.5	50.0	50.0	50.0	361.6
Renovation						
Revitalizing Older Neighbourhoods Program	37.5	57.5	—	—	—	95.0
<i>RénoVillage</i> program	8.0	8.0	—	—	—	16.0
Sub-total	45.5	65.5	—	—	—	111.0
Total	128.6	194.0	50.0	50.0	50.0	472.6

1. The public-sector investment acceleration plan provides for total investments of \$457 million in the new affordable-housing program, the *AccèsLogis* program and the Revitalizing Older Neighbourhoods Program. The *RénoVillage* program represents annual commitments by the SHQ of \$8 million over the next two years, or spending in the amount of \$5 million in 2002-2003, \$7 million in 2003-2004 and \$4 million in 2004-2005.
2. Including \$7 million for 2001-2002.

\$362 million for the construction of low-cost and affordable housing

Two initiatives intended to accelerate residential construction for low-to modest-income households are announced in the **2002-2003 Budget Speech**: the creation of a new affordable-housing program and the renewal and enhancement of the *AccèsLogis* program.

□ *New affordable-housing program*

The SHQ is in the process of negotiating the terms of a Québec–Canada shared-cost program aimed at stimulating the supply of affordable housing.

As soon as the agreement is signed, this new program will enable construction of 6 500 new affordable housing units, primarily for modest-income households. The government will invest \$105 million over two years.

□ *AccèsLogis program*

The *AccèsLogis* program allows housing cooperatives and non-profit organizations to offer community housing to low- to moderate-income families. Since 1997, the program has enabled construction of some 1 300 dwellings per year.

The *AccèsLogis* program is being renewed and improved through an injection of \$50 million per year over five years, which will enable construction of 6 500 housing units.

CONSTRUCTION OF 13 000 LOW-COST AND AFFORDABLE DWELLINGS

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	Total
New affordable-housing program						
- Investment (millions of \$)	26.1	78.5	—	—	—	104.6
- Number of units	1 600	4 900	—	—	—	6 500
AccèsLogis program						
- Investment (millions of \$)	57.0 ¹	50.0	50.0	50.0	50.0	257.0
- Number of units	1 300	1 300	1 300	1 300	1 300	6 500
Total						
- Investment (millions of \$)	83.1	128.5	50.0	50.0	50.0	361.6
- Number of units	2 900	6 200	1 300	1 300	1 300	13 000

1. Including \$7 million for 2001-2002.

\$111 million for residential renovation

The other two measures will enable renovation, over two years, of more than 27 000 dwellings in the older neighbourhoods of cities and in rural areas, for investments totalling \$111 million.

□ *Revitalizing Older Neighbourhoods Program*

The Revitalizing Older Neighbourhoods Program aims to support major cities in their residential renovation, neighbourhood enhancement and architectural heritage preservation efforts.

To better meet the revitalization needs of eligible cities and extend government action to small and average-sized cities, the **2002-2003 Budget Speech** provides for investments totalling \$95 million between 2002-2003 and 2003-2004.

This initiative will enable restoration of over 21 000 dwellings.

□ *RénoVillage program*

The *RénoVillage* program offers financial assistance to low-income homeowners in rural areas to enable them to repair major defects in their property.

The **2002-2003 Budget Speech** announces the renewal of this program for 2002-2003 and 2003-2004. With a \$16-million commitment by the SHQ over two years, this measure will enable renovation of 6 000 dwellings over the same period.

**RENOVATION OF MORE THAN 27 000 DWELLINGS
IN OLDER NEIGHBOURHOODS AND RURAL AREAS**

	2002-2003	2003-2004	Total over 2 years
Revitalizing Older Neighbourhoods Program			
- Investment (millions of \$)	37.5	57.5	95.0
- Number of units	8 400	12 800	21 200
RénoVillage program			
- Commitment (millions of \$)	8.0	8.0	16.0
- Number of units	3 000	3 000	6 000
Total			
- Investment (millions of \$)	45.5	65.5	111.0
- Number of units	11 400	15 800	27 200

Appendix 1: Program descriptions

Construction of low-cost and affordable housing

New affordable-housing program

The SHQ expects to sign a Québec-Canada shared-cost affordable housing agreement by December 31, 2001. This agreement will create an affordable-housing program targeting the construction of 6 500 new rental units, chiefly for modest-income households.

The duration of the program was initially four years. However, the term was shortened to two years under the public-sector investment acceleration plan.

The total investment will be \$485 million for 2002-2003 and 2003-2004, including a contribution of \$105 million by the SHQ.

AccèsLogis program

The Québec government created the AccèsLogis program in 1997 under the Fonds québécois d'habitation communautaire, allocating it initial funding of \$215 million over five years. This amount was raised to \$230 million in October 2000 to cover special housing needs: conjugal violence, drug or alcohol addiction, homelessness.

The program consists of three components, the first for families, people living alone and independent seniors, the second for seniors with slightly diminishing abilities and the third for people with special housing needs, whether permanent or temporary.

Financial assistance is in the form of a grant covering between 45% and 66% of the cost of eligible work. Since November 1999, communities can contribute as little as 5% of the cost of eligible work. A mortgage loan covering the balance of the costs is fully guaranteed by the SHQ.

From 1997 to 2002, this program will have resulted in the creation of 6 400 community and social housing units.

Residential renovation

Revitalizing Older Neighbourhoods Program

The chief purpose of the Revitalizing Older Neighbourhoods Program, created in 1996, is to stimulate residential renovation in favour of households in the older neighbourhoods of 43 Québec municipalities with a high concentration of deteriorated dwellings.

Under the terms of financing renovation and revitalization projects in older neighbourhoods, the government matches the municipality's contribution dollar for dollar. The owner must cover at least one third of the cost of the renovations. The federal government funds a portion of projects.

In 2000, 26 municipalities signed an agreement with the SHQ under the Revitalizing Older Neighbourhoods Program, providing for the renovation of 7 291 dwellings.

RénoVillage program

The RénoVillage program was introduced under the government's 1997-2001 action plan on housing. The program provides financial assistance to low-income homeowners in rural areas for the purpose of carrying out major repairs required to their dwellings.

Financial assistance is provided in the form of a grant covering as much as 90% of the cost of eligible work, up to \$6 500. Eligible work consists of repairs to correct major defects relating to the structure, the frame, the plumbing, heating or electrical system, or fire safety.

In 2000, the RénoVillage program enabled renovation of 2 245 dwellings. Between the program's inception in 1998 and the end of 2000, some 7 500 low-income households have benefited from the program.

2002 › 2003 BUDGET

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ensure the economic and social
security of Quebecers. //

Pauline Marois
Deputy Prime Minister
and Minister of State for the
Economy and Finance