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Please see attached letter to Ann Mulvale from Minister Joe Fontana
and Minister David Caplan

Please Deliver To: Regional Municipality of York
Bill Fisch
Chair

REGION OF YORK
CLERK'S OFFICE

FILE No. -

137

Chair



Ministry of Public
Infrastructure Renewal

Office of the Minister
8th Floor, Frost Building South
7 Queen's Park Crescent
Toronto, Ontario M7A 1Y7

Ministère du Renouvellement de
l'infrastructure publique

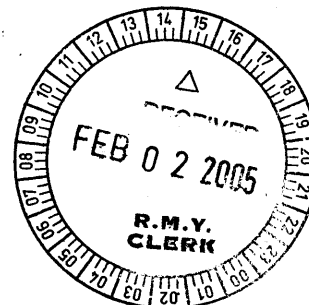
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Minister of Labour
and Housing



Ministre du Travail et
du Logement

Ottawa, Canada K1A 0J2



January 19, 2005

Her Worship Ann Mulvale
Chair, AMO Affordable Housing and Homelessness Task Force
Association of Municipalities of Ontario
393 University Ave., Suite 1701
Toronto, Ontario M5G 1E6

Dear Mayor Mulvale:

RE: STATUS UPDATE ON THE AFFORDABLE HOUSING PROGRAM

We are writing to thank you for your participation in the Affordable Housing Program. Working with our municipal partners participating in the Affordable Housing Program, the Government of Canada and the Province of Ontario have successfully allocated over \$64.6 million in funding to create 3,279 homes. The initial success of the program has been, in large part, the result of municipal action and local innovation.

As we begin 2005, we thought this was an important time to provide our municipal housing partners with an update on the Affordable Housing Program. At the present time, negotiations on the new Canada-Ontario Affordable Housing Program Agreement are underway and proceeding well. As you are aware, the Province is committed to matching federal funding for the program over time. These additional funds should help considerably in reducing the up-front capital costs and thereby assist in making housing more affordable to future residents.

We are pleased to inform you of the progress already made. For example, the acquisition and repair of existing buildings for re-use as affordable housing for low-income households will be eligible under the program. We continue to make progress on other key issues, such as timing. We are looking at extending the program to give us the time we need to develop the greatest number of units possible under this program.

In light of this progress, We are confident that in the very near future a new Affordable Housing Program Agreement can be reached between the federal and provincial governments. Once the new Canada-Ontario Agreement is signed, we will be able to move forward on the new program. As an interim measure, the Province is working on further improvements to the pilot program, including financial enhancements. There will be more information to share with you soon.

Provincial staff members have been meeting with the Association of Municipalities of Ontario (AMO), through the Ontario-AMO memorandum of understanding, and the City of Toronto on the re-design of the Affordable Housing Program. These meetings and other consultations on the program have been very positive and are providing useful feedback and suggestions for the new program.

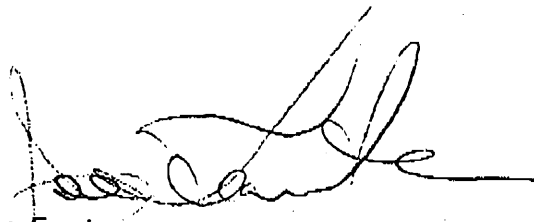
We hope this update provides you with an assurance that the provincial government greatly values municipal commitment and partnership toward creating new affordable housing. We know that it has taken some time to move forward with the new Affordable Housing Program Agreement, but we are committed to working with you to get this program right and working in Ontario's communities. We hope that we can count on your continued commitment, innovation and financial support for this initiative.

We look forward to continuing our work on this important initiative and to further strengthening our partnership to increase the supply of affordable housing in our communities in 2005 and beyond.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Caplan", written in a cursive style.

David Caplan
Minister

A handwritten signature in black ink, appearing to read "Joe Fontana", written in a cursive style.

Joe Fontana
Minister