



Rapid Housing Initiative



OVERVIEW

The Rapid Housing Initiative (RHI) provides funding to expedite the delivery of affordable housing units to vulnerable people and populations targeted under the National Housing Strategy (NHS), especially those affected by COVID-19.

Funding is available through two separate streams. For the first stream, RHI will expedite funds to municipalities with highest need. For the second stream, an application portal will be open to governments, Indigenous governing bodies and organizations, and non-profit organizations where applications will be prioritized based on the strength of the application. The initiative targets rapid housing and delivery of units within 12 months.

OUTCOMES

The initiative provides:

- A total of \$1 billion in capital contributions.
- Funding to help support the creation of up to 3,000 new permanent affordable housing units. More units may be created if other resources are leveraged.
- Affordable housing for vulnerable people in severe housing need specifically people at risk of or experiencing homelessness, or living in temporary shelters because of the COVID-19 pandemic.
- Support for immediate housing needs with the goal:
 - To commit all funds before March 31, 2021.
 - To ensure housing is available within 12 months.
- Long-term, permanently affordable housing for a minimum of 20-years.

FUNDING

CMHC will contribute up to 100% of funding to cover eligible residential construction costs. (CMHC will not fund non-residential costs).

Purpose of Funding

Eligible recipients will receive funding for one of three eligible forms of housing listed below:

New Construction (only Modular):

- Support the construction of a modular multi-unit rental project, which includes the acquisition of the land.

Modular is defined as housing units that are partially or fully built in off-site (e.g. a factory, warehouse, or similar facility) by a qualified manufacturer and delivered to the site in whole or in parts and installed on an appropriately zoned and serviced lot. This may range between single, scattered units up to larger multi-unit housing projects.

Conversions/Rehabilitations:

- Support the acquisition and conversion of a non-residential building to an affordable rental project.
- Support the acquisition of an existing building in state of disrepair or abandoned for the purpose of rehabilitation where units were previously lost from the housing stock.

Two Funding Streams

Funding will be committed under two separate streams of \$500M in allocated contributions (Major Cities Stream and Projects Stream).

Major Cities Stream: Immediate Support for Identified Municipalities

Identified municipalities will receive a pre-determined allocation based on the severity of the housing need in the subject market. Municipalities will be expected to create a minimum number of units with the allocated funding related to local market costs.

Municipalities will be encouraged to take a community benefits approach and push for projects targeting women, and the urban Indigenous population.

Projects Stream: Application-Based Process

Provinces, territories, municipalities, Indigenous governing bodies and organizations, as well as non-profit organizations are eligible to apply for funding. CMHC will accept applications starting October 27 and ending December 31, 2020. CMHC will review the applications and will prioritize applications based on program criteria.

CMHC reserves the right to prioritize strong applications prior to the closing of the intake window.

Additional windows will take place if needed.

PROJECTS STREAM

Eligibility and Criteria

Property Type and Size requirements

- Standard rental, transitional, permanent supportive housing, single room occupancy and seniors housing (excludes delivery of healthcare)
- Must have a minimum of five units or beds (flexibilities will be available for projects in the North, on-reserve or in remote locations)
- Minimum contribution request of \$1M
- Primary use is residential
- Permanent housing (long-term tenancy, 3 months or more)

Eligibility Requirements

Eligible applicants:

- Municipal, Provincial, and Territorial Governments including their agencies
- Indigenous governing bodies and organizations
- Non-profit organizations

Property Management Experience:

- Non-profit and Indigenous Organization applicants must have a minimum of 5 years demonstrated experience operating a housing project of similar type and size as the proposed project with similar tenancy (in lieu, a formal property management contract with a professional third party firm or alternate as approved by CMHC).

Construction Management Experience:

- Non-profit and Indigenous Organization applicants must have successfully completed within the last 5 years a similar project on time and within budget. Alternatively, recipients must enter into a fixed price contract with a general contractor who has experience building projects of similar size, cost, building form and construction type in the same market area. Proponents must have a demonstrated ability to withstand unexpected increases in construction cost.

For newly formed groups, alternate covenants, collateral and mitigation may be considered.

Mandatory Minimum Requirements

Expediency

Proponents will be required to achieve occupancy within 12 months of the approval of their investment plan (Major Cities Stream) or the effective date of the contribution agreement with CMHC (Projects Stream).

Flexibility to the delivery within the 12-month timeline may be available for projects located on-reserve, northern and remote housing or where seasonality is a factor for construction or reasonable delays due to the COVID-19 pandemic.

Financial Viability

Non-profits and Indigenous Organizations must provide confirmation of secured operational funding sufficient to cover the ongoing monthly operating and programming expenses. Such confirmation must be in the form of a letter from the government or organization providing the funding or copy of the contribution agreement confirming the terms and conditions of the agreement.

Affordability

All units must serve and be affordable (household is paying less than 30% of gross income on housing costs) to targeted people and populations who are vulnerable and who are also, or otherwise would be, in severe housing need* or people experiencing or at high risk of homelessness** as described below.

Affordability must be maintained for a minimum of 20 years.

***A household in severe housing need** pays 50% or more for their current dwelling, and is a subset of core housing need households. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

****Homelessness** is described as the situation of an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it.

Populations at imminent risk of homelessness are defined as individuals or families whose current housing situation will end in the near future (for example, within 2 months) and for whom no subsequent residence has been established.

Energy Efficiency and Accessibility

1. Major Cities Stream:

Energy Efficiency

- Modular construction projects expected to meet a minimum energy efficiency of 5% or more above the energy efficiency standards as set out in the 2015 National Energy Code for Buildings (NECB) or meet the local/regional standard, whichever is higher.
- Conversions/rehabilitations are not required to meet a minimum requirement above code for energy efficiency.

Accessibility

- Modular construction projects must exceed the accessibility requirements of their jurisdiction by providing an additional 5% of accessible units above the local requirements.
- Conversions/rehabilitations are not required to meet a minimum requirement above code for accessibility.

2. Projects stream:

Energy Efficiency

- The RHI will give priority to modular construction projects that can exceed the energy efficiency standards as set out in the 2015 National Energy Code for Buildings (NECB) or local/regional standard (whichever is higher)

Accessibility

- Modular construction projects that can exceed the local accessibility requirements in their jurisdiction will be given greater priority.

Target Populations

All affordable units must be dedicated to people and populations who are vulnerable and targeted under the National Housing Strategy (NHS), especially people experiencing or at risk of homelessness or living in temporary shelters because of the COVID-19 pandemic. These population groups include:

- Homeless people or those at risk of homelessness
- Women and their children fleeing domestic violence
- Black Canadians
- Indigenous peoples
- Racialized groups
- Seniors
- Young adults
- People with disabilities
- People dealing with mental health and addiction issues
- Veterans
- LGBTQ2+
- Recent immigrants or refugees

RHI will request that municipalities receiving funds under the Major Cities Stream have projects targeting women and urban Indigenous population and to take a community benefit approach to the development of their projects.

PRIORITIZATION CRITERIA

In addition to meeting mandatory minimum requirements, the RHI will further prioritize projects based on the following criteria:

1. **Need:**
 - Located in areas of highest need (Including Indigenous Land, Northern Housing and projects located in remote communities).
2. **Duration of confirmed Subsidy:**
 - Incremental scoring provided for confirmed subsidy from a Municipality/Province or Territory or Indigenous governing body.
3. **Cost Sharing/Support from another level of government:**
 - Funding or waivers that lower the construction budget and/or funding required from the RHI. Support can be provided in a form such as, but not limited to, grants, contributions, concessions on property taxes and/or concessions on levies, waiver of development cost charges or other provincial/municipal fees, waiver of community amenity contributions, land donation, etc.
4. **Expediency:**
 - Project is completed and/or available for occupancy earlier than the minimum requirement of 12 months.
5. **Land Status**
 - Land that is either owned in fee simple or leasehold interest where the lease term is greater than 20 years or land that is under an agreement of purchase and sale.
6. **Duration of Affordability:**
 - Projects that provide a duration of affordability going beyond the minimum 20-year affordability period.
7. **Energy Efficiency:**
 - Modular projects that exceed the energy efficiency standards as set out in the *2015 National Energy Code for Buildings (NECB)* or local/regional standard whichever is higher.
8. **Accessibility:**
 - Modular projects that exceed the local accessibility requirements in their jurisdiction (by percentage of additional accessible units).
9. **People or populations who are vulnerable:**
 - Projects specifically targeting Black Canadians, women and their children and/or Indigenous People.

These criteria are prioritized over regional concerns. Please consult with your **Specialist** to discuss your project.

Advancing

Advancing is not subject to the project generating a percentage of potential rental revenues.

Major cities stream:

The full contribution will be advanced once both CMHC and the Municipality duly execute the contribution agreement.

Projects stream:

For other levels of government, the full contribution will be advanced once both CMHC and the government duly execute the contribution agreement.

For non-profit and Indigenous Organizations, a Quantity Surveyor or alternate qualified consultant approved by CMHC will release funds through construction draws with supporting documentation.

Security Type

The contribution will be unsecured unless security is deemed necessary by CMHC, at its sole discretion.

Reserve Requirements

None required unless deemed necessary by CMHC, at its sole discretion.

Documentation Requirements

Refer to RHI Documentation Requirements.

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