

Canada Mortgage and Housing Corporation (CMHC) Funding Opportunities

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Report Summary

This report provides recommendations regarding two funding opportunities with Canada Mortgage and Housing Corporation (CMHC); the Rapid Housing Initiative (RHI), Round 3 for the creations of additional affordable housing, and the National Housing Co-Investment Fund – Repair stream to address the capital shortfall in the municipally owned stock (Greater Sudbury Housing Corporation).

Resolution

THAT the City of Greater Sudbury approves the applications to Canada Mortgage and Housing Corporation (CMHC) for the Rapid Housing Initiative, Round 3 and the National Housing Co-Investment Fund, Repair Stream, as outlined in the report entitled “Canada Mortgage and Housing Corporation (CMHC) Funding Opportunities”, from the General Manager of Community Development, presented at the City Council meeting on December 13, 2022.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report relates to Housing as identified in the Strategic Plan and Health Impact Assessment, and Compact, Complete Communities and Efficient Buildings in the Community Energy & Emissions Plan (CEEP).

Financial Implications

This report relates to applications for two different CMHC funding streams.

Rapid Housing Initiative, Round 3 application relates to capital funding to develop new, permanent affordable housing.

CMHC Co-Investment - Repair Stream Funding relates to improvements to existing units for energy efficiency and accessibility. There are currently two components of funding under this stream, a cost shared component at 70% municipal funding with 30% federal funding to a maximum of \$10,000 per unit. The

second component is a grant, for eligible repair costs incurred over the past 2 years. Staff are recommending pursue this funding component as it has no tax levy implications.

If the Co-Investment funding application is approved, the rebate funds will be placed into reserves to be used for future housing repairs and or redevelopment.

If funding applications are approved, staff will return to Council for approval of the respective projects as well as related funding source.

Background

CMHC Rapid Housing Initiative – Round 3

The Rapid Housing Initiative (RHI) is delivered by Canada Mortgage and Housing Corporation (CMHC), under the federal National Housing Strategy (NHS). This program provides capital funding contributions to develop new, permanent affordable housing by covering costs associated with multi-unit rental construction; conversion of non-residential to affordable multi-residential homes; and rehabilitation of buildings in disrepair and/or abandoned to affordable multi-residential homes.

The RHI funding is available to the following groups: municipalities, provinces, territories, Indigenous organizations and non-profit organizations. CMHC will provide a capital contribution to cover eligible residential construction costs. CMHC does not fund non-residential costs.

The RHI has two streams: the Cities Stream and Project Stream. The Cities Stream consists of 41 preselected municipalities who were selected based on the number of renters in severe housing need, regional coverage, and the local market cost of housing in their respective rental housing market. The Project Stream is an application-based stream where eligible applicants must submit applications for a specific housing project.

The target populations of the RHI consist of the following: people experiencing or at risk of homelessness and others who are among the most vulnerable, including: women and children fleeing domestic violence, seniors, young adults, Indigenous peoples, people with disabilities, people dealing with mental health and addiction issues, veterans, LGBTQ2+, racialized groups, Black Canadians, and recent immigrants or refugees.

Applications are prioritized based on the following scoring criteria:

1. Expediency - achieving occupancy within 18 months of the contribution agreement.
2. Financial viability - projects must maintain viable for the 20 years of the contribution agreement.
3. Affordability - household is paying less than 30% of gross income on housing costs or the shelter component of any provincial or territorial income assistance as an equivalent.
4. Accessibility and Energy Efficiency - new construction projects are expected to meet a minimum accessibility of 5% or more above the local accessibility requirements and energy efficiency standards.
5. Target population - All affordable units must be targeted to the populations listed above.

The parameters for RHI are:

- Municipalities in the Cities Stream will have until March 15, 2023, to submit their proposed projects through CMHC's online platform.
- Funding will be transferred to the municipality in full upon the successful execution of an RHI agreement that includes the proposed project(s), subject to CMHC approval. Once the application is submitted, CMHC will aim to review all proposed projects and execute an agreement to flow funding within 60 days of the submission deadline.

- While projects will still be required to be completed within eighteen (18) months, projects will be able to employ additional forms of new construction to deliver housing within the timeframe (not limited to modular).
- At least 25% of RHI funding must go towards women-focused housing projects, including under the Cities Stream. CMHC continues to ask that municipalities work with the Indigenous-led organizations to target 15% of funding for urban indigenous peoples. CMHC has also requested that the municipality take a community benefits approach to the build.

This month, the City of Greater Sudbury was advised by CMHC that the municipality was identified for the Cities Stream funding and was requested to prepare a proposal. There are no operating dollars being provided by either level of senior government at this time.

Housing is one of Council's Strategic Priorities identified in the 2019-2027 Strategic Plan. This goal reflects Council's desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing options.

The City's Housing and Homelessness Plan also identifies the need for additional supportive services coupled with permanent housing (both supportive housing and supports in private homes). Social Services and Housing Services have been working towards ensuring the supports are available for individuals to achieve and maintain housing stability; ensuring there is adequate permanent housing linked with supports, and reducing barriers to accessing housing, services and supports.

A council resolution is required to confirm the municipality's commitment for this funding application.

CMHC Repair Funding

CMHC contacted the Manager of Housing Services to extend an offer to municipal service managers who can undertake the repair of their government owned housing stock. (Local Housing Corporation/Greater Sudbury Housing Corporation). This offer is under the National Housing Co-Investment Fund, that has specific requirements regarding affordability, energy efficiency and accessibility. CMHC indicated there are two streams of funding, a cost shared and rebate stream.

Under both funding streams, CMHC would cover up to 30% of the total cost of the repairs (maximum \$10,000/unit), and the municipality would be responsible to cover the balance. In addition, any municipal dollars spent in the last two (2) calendar years that can be attributed to energy efficiency/GHG reductions, affordability and accessibility would be eligible for a 30% rebate to a maximum of \$10,000 per unit.

Housing Operations has completed a review of the municipally owned stock and have advised CMHC that approximately 765 units would be eligible for rebate portion of this funding.

A council resolution is required to confirm the municipality's commitment for this funding application.

Next Steps

If the City's two proposals are approved by CMHC, two Contribution Agreements would be executed by the General Manager of Community Development. Staff will begin to identify eligible projects and provide Council with an update.

Resources Cited

Canada Mortgage and Housing Corporation, Rapid Housing Initiative,
<https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/rapid-housing>

Ten Year Housing and Homelessness Plan
<https://www.greatersudbury.ca/live/community-housing/housing-services1/ten-year-housing-and-homelessness-plan/>

City of Greater Sudbury Strategic Plan 2019-2027
<https://www.greatersudbury.ca/city-hall/reports-studies-policies-and-plans/report-pdfs/2019-2027-strategic-plan/>