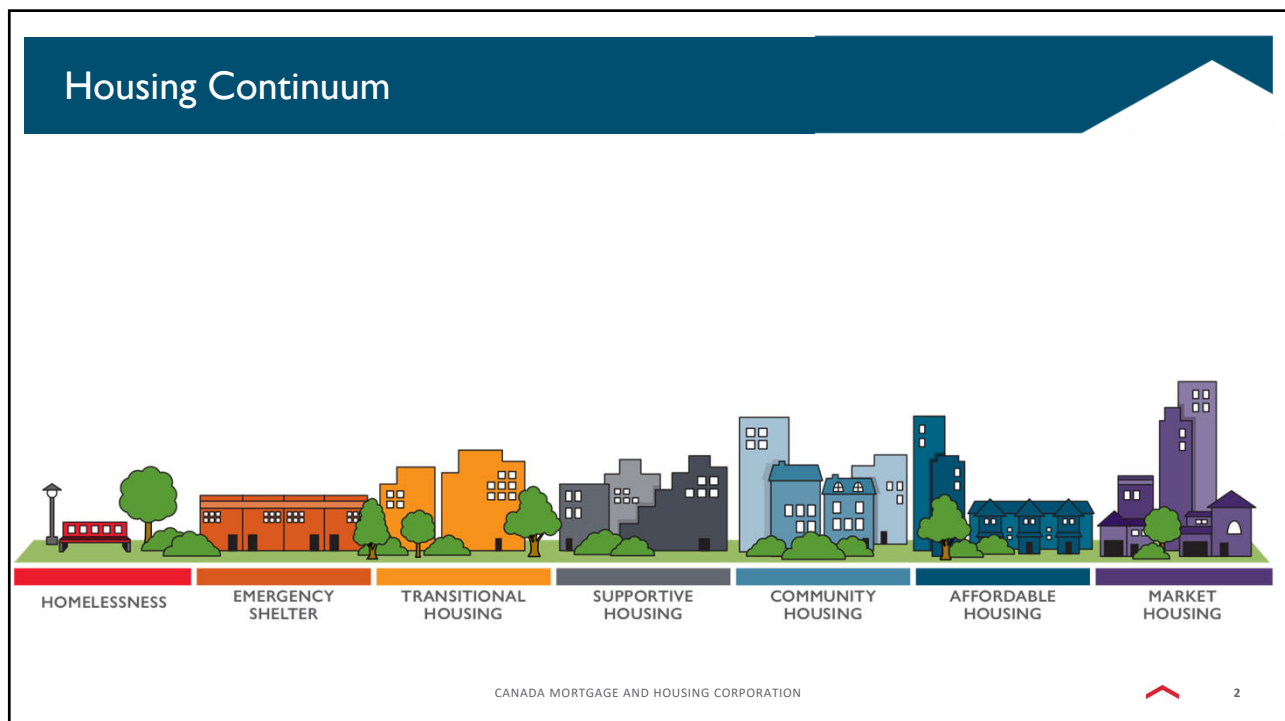




CMHC Housing Solutions

Canada 

 CMHC SCHL



A Vision for Inclusive Housing

Housing is more than just a roof over our heads

People

Communities

Partnerships



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Continuum of housing solutions

FUNDING SOLUTIONS

- Seed Funding
- Co-Investment Fund
- Rental Construction Financing
- Federal Lands Initiative
- Innovation Fund



MORTGAGE LOAN INSURANCE

- Flexibilities for affordable housing
- Mortgage loan insurance for market properties

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Phases of development and CMHC product offerings

	Phases of development		
	Pre-development	Construction	Rent up/ stabilization
Affordable Housing Solutions	Seed Funding (for soft costs)		
		Co-Investment Fund	
		Innovation Fund	
		Federal Lands Initiative	
		Rental Construction Financing initiative (loan + insurance)	
		Mortgage Loan Insurance for Affordable Housing	
Commercial Products		Mortgage Loan Insurance for Market Rental Housing	

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Project types and CMHC product offerings

Project Type	Programs/Initiatives		Products	
	Seed Funding Co-Investment Innovation Fund Lands	Rental Construction Financing initiative	Affordable Housing MLI - Flexibilities	Commercial MLI
Standard apartment	✓	✓	✓	✓
Student housing				✓
Single room occupancy (SRO) housing	✓		✓	✓
Retirement housing (basic & assisted needs)	✓		✓	✓
Supportive housing	✓		✓	✓

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Overview

**Non-repayable
contributions**

_____ and/or _____

Interest free loans

New construction stream

a contribution of up to \$150K and/or
an interest-free loan of up to \$350K

Preservation stream

up to \$50K per community housing project
a contribution of up to \$75K in some cases



Eligibility

New construction stream

Community
housing
providers

Municipalities,
provinces &
territories

Indigenous
governments
& organizations

Private sector
groups



Preservation stream

Those previously
under an operating
agreement or
transferred under
a Social Housing
Agreement

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Benefits

New construction stream

Pre-development
activities for new
affordable
housing

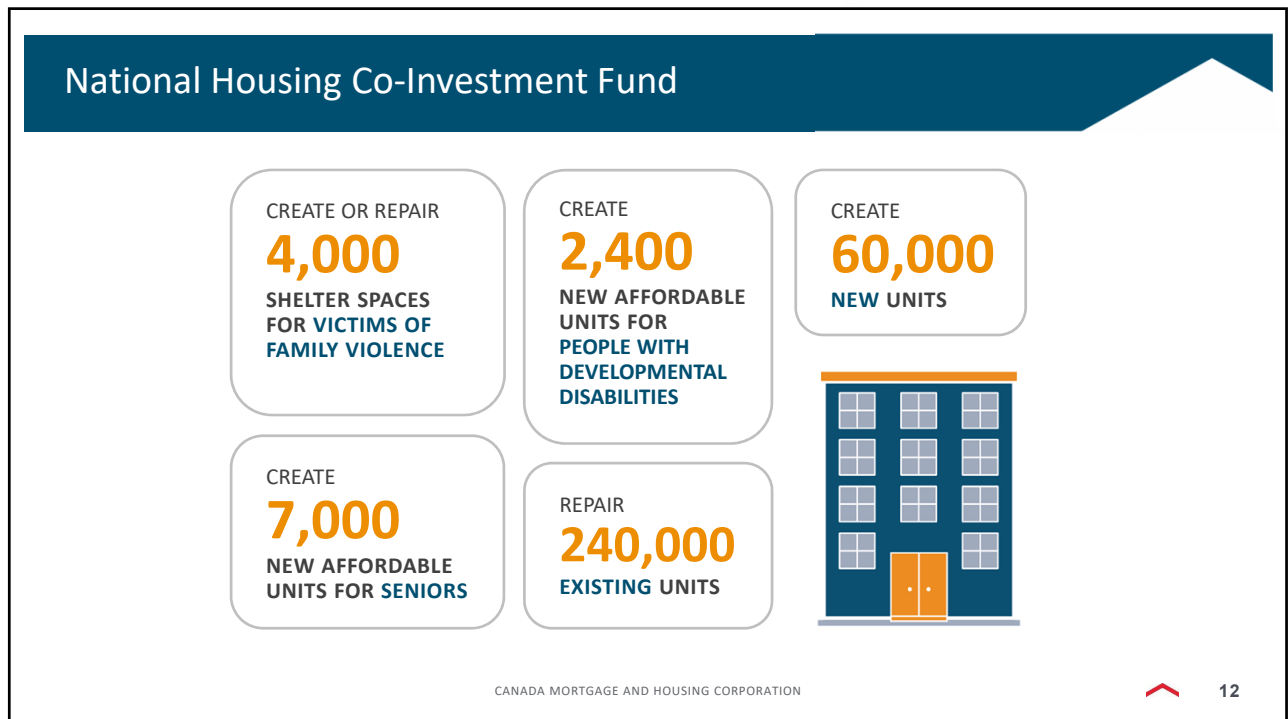


Preservation stream

Preservation
activities for
existing housing

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Funding – New Construction

**\$5.19
BILLION**

AVAILABLE THROUGH
**LOW-COST REPAYABLE
LOANS OVER 20 YEARS**

**\$2.26
BILLION**

AVAILABLE THROUGH
CAPITAL CONTRIBUTIONS

Combination of both to offset higher costs of meeting or exceeding minimum requirements or where cash flow is insufficient to support additional financing

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Eligibility

Groups

Community housing
providers (public,
private, non-profit,
rental, co-op)

Municipalities,
provinces &
territories

Indigenous
governments
& organizations

Private
sector



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Eligibility

Projects

Urban Indigenous
community housing

Mixed-use market
and/or affordable
rental housing

New construction
and/or conversion
from a non-
residential use to
affordable multi-unit
housing

Shelters

Transitional and
supportive housing

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Project requirements



**Have at least 5 units or
beds.**



**Ensure primary use is
residential.**



**Meet minimum
requirements for:**

Partnerships, financial viability,
affordability, energy efficiency,
and accessibility.

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Minimum Requirements

National Housing Co-Investment Fund

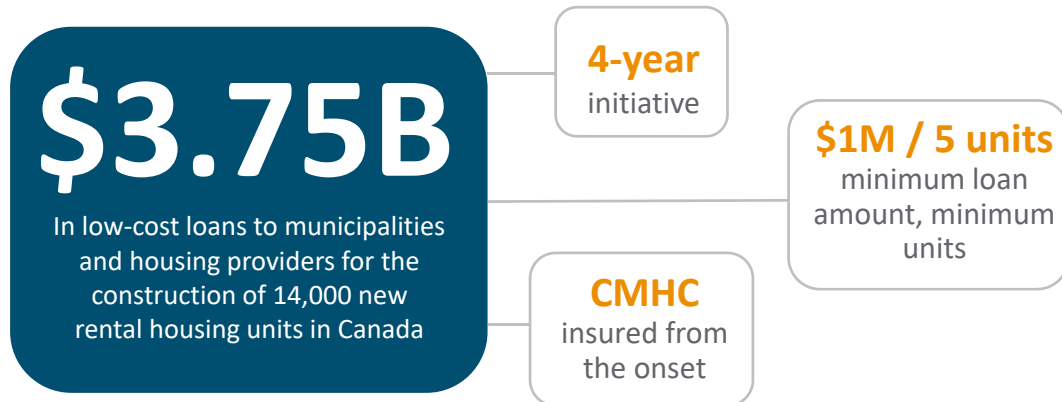
Affordable	
NEW	RENEWAL AND REPAIR
30% of units must have rents at less than 80% of median market rents, for a minimum of 20 years	30% of units must have rents at less than 80% of median market rents, for a minimum of 20 years
Green	
NEW	RENEWAL AND REPAIR
At least 25% reduction in energy consumption and greenhouse gas emissions over national building and energy codes must be achieved	At least 25% reduction in energy use and greenhouse gas emissions relative to past performance must be achieved
Accessible	
NEW	RENEWAL AND REPAIR
20% of units must meet accessibility standards and projects must be barrier-free or have full universal design	20% of units must meet accessibility standards and projects must be barrier-free in common areas

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Rental Construction Financing

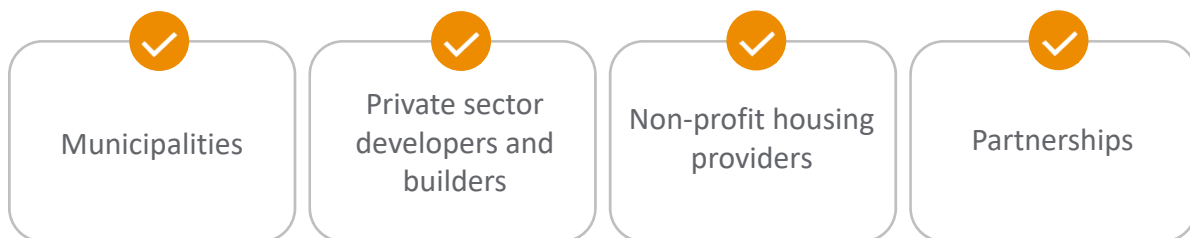
Rental Construction Financing initiative



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Eligible borrowers



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Eligible projects

STANDARD APARTMENTS

Excludes niche-type housing such as retirement homes, single room occupancy and student housing

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Minimum Eligibility requirements

SOCIAL OUTCOMES



Borrowers must demonstrate an **affordability commitment for a minimum of 10 years** from first occupancy under the CMHC Loan.

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Minimum Eligibility Requirement- Financial viability

- ✓ Borrowers must demonstrate their financial and operational ability to carry the project without ongoing operating subsidies.
- ✓ Borrowers must provide evidence of the financial viability of the proposed project itself, as well as their capacity to deal with development risks such as cost over-runs and delays in construction.
- ✓ Minimum DCR of **1.10 on the residential** component and **1.40 on the non-residential** component. Viability is assessed with an additional 100 bps shock above the indicative rate.
- ✓ Up to 100% loan to cost on the residential, up to 75% on the non-residential

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Minimum Eligibility requirements - Affordability

1

- The total residential rental income must be at least 10% below its gross achievable residential rental income; and
- **20%** of units with rents at or below **30%** of the median household income
- Affordability maintained for at least 10 years

OR

2

- Proposal already approved under other government housing program
- Programs/initiatives aimed at developing affordable rental housing (capital grants, concessions, expedited planning processing);
- Affordability maintained for at least 10 years

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Minimum Eligibility requirements - Energy efficiency



Minimum

Must achieve a minimum of a

15%

decrease in energy use and greenhouse gas emissions, relative to the 2015 model building codes (NECB or NBC)

Over and above

Higher Prioritization

for efficiency increases over and above the min. 15% decrease, with max points for net zero ready or equivalent performance

1. >15% / <25%
2. > 25% / <50%
3. >50%
4. Net Zero

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Minimum Eligibility requirements - Accessibility

Minimum eligibility considerations

10% of units must meet or exceed the local accessibility requirements (municipality or province/territory) or accessibility requirements of the **2015 National Building Code**

Access to the project and to its **common areas** must be **barrier-free**

Higher prioritization

Project contains **adaptable units**, in addition to minimum 10% of unit accessible requirement.

Project contains units with **universal design**, in addition to minimum 10% of unit accessible requirement.



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Benefits

- ✓ Offers low-cost loans during the riskiest phases of financing development (construction and stabilization/rent-up)
- ✓ Delivers financing features not available in the private market, such as fixed-rate construction/stabilization loans and mortgage loan insurance from the onset
- ✓ Stimulates rental housing construction sector
- ✓ Complements and is compatible with local affordable housing initiatives
- ✓ Incentivizes projects for great social outcomes



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Federal Lands Initiative

Federal Lands Initiative

Support the transfer surplus federal lands and buildings to eligible participants at discounted to no cost to encourage the development of affordable homes.

The discount on the land will depend on the maximization of socio-economic and environmental outcomes achieved.

Once transferred, the property will be developed into affordable, sustainable, accessible and socially inclusive developments

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Project Requirements

- ✓ **30%** of units must be less than **80%** of Median Market Rent
- ✓ **25%** decrease in energy consumption and greenhouse gas emissions
- ✓ **20%** of units must be accessible and access to project and common areas is barrier free
- ✓ Required length of affordability is **25 years**
- ✓ Minimum DCR of **1.10**

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Application Process



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Thank You

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