

The Regional Municipality of York

Committee of the Whole
Community and Health Services
December 3, 2020

Report of the Commissioner of Community and Health Services

Rapid Housing Initiative – Upcoming Funding Application

1. Recommendation

Council receive this report for information.

2. Summary

Canada Mortgage and Housing Corporation (CMHC) has announced a new \$1 billion program called the Rapid Housing Initiative (RHI) to support the creation of up to 3,000 new affordable rental homes across Canada that are ready for occupancy by spring 2022.

Key Points:

- RHI requires submission of an application by December 31, 2020 for York Region projects to be considered for funding
- A report back to Council on the specific sites and projects included in the application will be provided in January 2021
- Preliminary projections anticipate an application that could facilitate between 25 to 50 new permanent affordable housing units
- CMHC will advise applicants to the RHI program in February 2021 on the status of their request, and proponents will have until spring 2022 to achieve completion of these projects

3. Background

The federal government's Rapid Housing Initiative is a \$1 billion investment in affordable housing

CMHC released details of its new \$1 billion RHI in October 2020. The program will provide capital funding to successful applicants to facilitate the rapid and efficient construction of new permanent affordable rental units to help address urgent housing needs.

The program offers two streams of funding to support new affordable housing which must be ready for occupancy in spring 2022:

- Municipal Stream - \$500 million in allocations to 15 pre-selected municipalities (in Ontario, these are the City of Toronto, City of Ottawa, Region of Peel, City of Hamilton, City of Waterloo and City of London)
- Project Stream - \$500 million for proponents to be selected on a project by project basis. Applications must be submitted by December 31, 2020, and projects must be completed by spring 2022

York Region is eligible to submit an application to the Project Stream.

Rapid Housing Initiative application will be submitted by December 31, 2020

The RHI will provide capital funding to expedite delivery of affordable housing. The RHI will:

- Support creation of up to 3,000 new permanent affordable housing units
- Cover the cost of construction of modular housing, as well as the acquisition of land, and the conversion/rehabilitation of existing buildings to affordable housing
- Commit all funds by March 31, 2021, and require the housing to be available within 12 months of the funding agreements being made

CMHC will complete a comprehensive review of each application and project. The applications are ranked based on factors such as expediency, financial viability, affordability, energy efficiency, accessibility and targeted populations. Given the emphasis on the fast completion timeframes, the program is specifically promoting the use of modular construction and/or retrofit of existing buildings or facilities rather than a traditional new purpose-built building using standard wood or concrete construction methods.

Staff are reviewing potential projects to determine what can be done within the program deadlines. In addition to projects on Region-owned lands, projects could include a range of partners such as local municipalities, community housing providers and non-profit agencies. An application will be submitted to CMHC by December 31, 2020.

4. Analysis

Review of potential sites and modular home providers is underway

In an effort to consider all potential opportunities for a successful application, staff are conducting a review of all Regionally-owned lands, Housing York Inc. lands and potential sites that could be purchased to locate modular home projects. We have also reached out to the local municipalities. This review focuses on the ability to put forward the strongest application to CMHC. Preliminary analysis indicates the possibility of 25 to 50 affordable housing units to be included in the application.

Staff have also engaged with a number of modular home vendors to review their products and ability to deliver units within the required timeframes. Multiple modular home vendors will likely be required to meet the timelines.

The programs support the Region's Housing and Homelessness Plan, Official Plan, Housing York Inc.'s Strategic Plan and the York Region 2019 to 2023 Strategic Plan

The Region's Housing and Homelessness Plan "*Housing Solutions: A Place for Everyone*" includes a goal to increase the supply of affordable and rental housing. Housing York Inc.'s *Building Better Together: Housing York Inc. 2021 to 2024 Strategic Plan* includes a strategic priority to expand the housing portfolio. The RHI directly contributes to these priorities through the provision of new permanent affordable housing stock.

This funding supports the Healthy Communities priority set by Council in York Region 2019 to 2023 Strategic Plan. The Healthy Communities priority in the 2019 to 2023 Strategic Plan focuses on the health, safety and well-being of the Region's residents through delivering and promoting affordable housing. In addition, the Region's Official Plan directly supports the creation of new affordable housing.

5. Financial

Funding programs provide up to 100% capital contribution

The RHI will provide up to 100% in capital contribution funding to cover eligible residential construction costs. The application process allows for the applicant to indicate the amount of contribution they will make towards the project. The Region's application is intending to include the land as the Region's only capital contribution, with the remaining funds requested as a capital contribution from CMHC, subject to Council approval. Based on the possibility of 25 to 50 affordable housing units, the Region's application for the RHI could be in the range of approximately \$8.3 million to \$16.6 million.

Operating funds are not provided through this program. Operating costs for these affordable housing units may be recovered through rents as well as existing programs. A further operating cost analysis is required through the application process, and will be completed to facilitate the submission.

6. Local Impact

The RHI provides the opportunity to expedite the delivery of affordable housing for residents of the Region. Local municipalities are critical partners in increasing the supply of affordable housing and will be instrumental in providing timely approvals for these developments.

The projects completed through this funding will provide additional affordable, longer-term housing options to serve the Region's communities and local municipalities.

7. Conclusion

Through the RHI program, York Region has the opportunity to provide new affordable housing units by 2022, with capital costs funded through this program. Staff are currently undertaking due diligence to determine what viable projects could be included in the application. Projects submitted for the RHI will be reported back to Council in January 2021, along with any requests for approvals that may be needed. Delivery of the approved projects will provide additional affordable housing options to serve the Region's communities and local municipalities.

For more information on this report, please contact Kathy Milsom, General Manager, Housing Services at 1-877-464-9675 ext. 72091. Accessible formats or communication supports are available upon request.

Recommended by: **Katherine Chislett**
Commissioner of Community and Health Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

November 19, 2020

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