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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

Date: 10/27/2020 11:28:43 AM

Subject: Summary of Federal Announcement - Rapid Housing Initiative

Attachments: Q&As - RHI Major Cities Stream.pdf

Dear Mayor and Council,

Earlier this morning the Federal Government announced the details of their new \$1 billion Rapid Housing Initiative (RHI). The RHI program, split into two streams of \$500 million each (Major Cities and Projects), will enable cities and community partners to secure buildings, land and modular housing to use for supportive or deeply affordable housing.

Under the Major Cities stream, the City of Vancouver will receive \$51.5 million (100% grant for capital costs) to secure at least 106 units of net new affordable and/or supportive housing. This comes as a result of four months of advocacy work and close partnership between the Vancouver's Intergovernmental Relations team (supported by staff from ACCS, PDS, Finance and REFM), the Mayor's Office, the Big City Mayors' Caucus, the Federation of Canadian Municipalities and other major Canadian cities across the country who are all grappling with challenges of homelessness and a lack of supportive and affordable housing.

Staff are working with CMHC to develop an investment plan for how the City plans to spend the \$51.5 million and will review our recommendations with Council in camera. The plan must be submitted to CMHC before November 27, 2020 in order for the money to be directly allocated to the City of Vancouver before December 31, 2020.

CMHC has developed clear guidelines on what will be considered in and out of scope for these funds which can be found in the Q&A document attached.

The full press release can be found [here](#)

Background:

The federal government estimates the RHI will support up to 3,000 permanent supportive or deeply affordable housing units across Canada to help address urgent housing needs for the most vulnerable Canadians. Funding will be delivered by CMHC under the National Housing Strategy.

The \$1 billion investment will be delivered in two funding streams:

- **Projects Stream:** \$500 million in application-based funding, where eligible proponents include municipalities, provinces, territories, non-profits, Indigenous governing bodies and organizations, including non-profit housing providers. Applications will be accepted until December 31, 2020, and projects must be completed within 12 months of a signed agreement.
- **Major Cities Stream:** \$500 million in immediate support to be allocated to 15 municipalities that have been identified based on areas of highest need.

Please let me know if you have any questions.

Best,
Sadhu

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Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

RAPID HOUSING INITIATIVE (RHI)
QUESTIONS AND ANSWERS FOR MUNICIPALITIES UNDER THE MAJOR CITIES
STREAM

Q1. Is the allocation provided to municipalities under the Major Cities Stream a forgivable loan? Does it need to be repaid?

A1. The funding provided under the RHI is a capital contribution. It does not need to be repaid provided the terms of the agreement are met.

Q2. How long will it take to receive funding under each individual funding stream?

A2. Municipalities selected under the Major Cities Stream will receive their allocation immediately following the signature of their agreements; investment plans are required within 30 days of being advised of their allocation.

For the Projects Stream, the application window will be open until December 31, 2020 and CMHC will review applications within 30 days of the end of the application window. Once an agreement has been signed funding will flow.

Municipalities under the Major Cities Stream do not need to submit an application for the Projects Stream if their investment plans submitted prior to November 27, 2020 provide details of projects for additional funding consideration under the Projects Stream.

Q3. What types of projects can be funded under RHI?

A3. Costs associated with one of the three categories noted below to develop permanent housing under the RHI:

1. Acquisition of land and construction of modular housing,
2. Acquisition of land and existing buildings for the purpose of conversion,
3. Acquisition of land and rehabilitation of housing.

Construction must be completed within 12 months of agreement. For clarity, construction, conversion and rehabilitation costs are included in addition to the acquisition of land and buildings.

Q4. What other expenses are eligible under RHI?

A4. Costs related to the pre-development, pre-construction (e.g. environmental site assessments, cost consultant reports, permits, architectural or engineering reports, legal/closing costs related to acquisition of land and buildings) will be eligible as part of an application to develop permanent affordable housing. RHI funding cannot be used to cover operational expenses.

Expenses listed below are only eligible if they form part of the construction costs of units eligible under RHI. CMHC will not fund costs related to non-residential space.

- Deposits to secure eligible goods or services related to project development
- Off-site fabrication and delivery of housing units
- Costs related to relocation of units, including transportation and insurance

Q5. If a municipality has been selected to receive funding but does not think it can deliver within the allotted timelines, can it opt out of the Initiative?

A5. Yes, if a municipality does not wish to receive its allocation under the Major Cities Stream, it can opt out of the initiative. In such cases, the allocation will be reallocated to other municipalities within the Major Cities Stream.

Q6. Is there a maximum amount of funding a municipality can receive under both combined funding streams?

A6. There is no maximum amount that a municipality can receive under the combined RHI streams, however funding under the Projects Stream will be prioritized based on level of need, duration of affordability, expediency of delivery, availability of operational funding and additional capital contributions, and prioritization of certain vulnerable groups.

Q7. Why is modular the only type of new construction that's eligible? How is modular defined?

A7. Modular housing is an efficient method for delivering housing quickly. One of the objectives of RHI is to deliver housing rapidly to people and populations who are vulnerable, modular housing is being included along acquisitions and conversions.

For the purposes of RHI, modular housing is defined as housing units which 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.

Q8. How was the funding allocation determined for municipalities under the Major Cities Stream?

A8. The allocation methodology considers cities with the highest incidence of renters in severe housing need according to 2016 Census data and number of people experiencing homelessness according to point-in-time count data. The final allocation was indexed to the average cost per unit for each city to account for varying housing market realities across municipalities.