

To:	Warden Halliday and Members of Grey County Council
Committee Date:	September 13, 2018
Subject / Report No:	HDR-CW-18-18
Title:	National Housing Co-investment Fund
Prepared by:	Anne Marie Shaw, Director of Housing
Reviewed by:	Kim Wingrove
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee of the Whole as presented per Resolution CW216-18; Endorsed by County Council on September 27, 2018 per Resolution CC90-18.

Recommendation

1. That report HDR-CW-18-18 on the Co-investment Fund through the National Housing Strategy be received for information.

Executive Summary

The National Housing Co-investment Fund provides low interest loans for municipalities, non-profits and private sector developers to build affordable housing. There are a number of minimum requirements in order to qualify for a loan including a funding contribution from a government partner in addition to the federal government. The Co-Investment Fund is another option for parties interested in building affordable housing.

Background and Discussion

Canada's first National Housing Strategy was released in June 2018. The goal of the strategy is to ensure Canadians have access to housing that meets their needs and is affordable. The strategy will focus on the most vulnerable Canadians first. The strategy prioritizes:

- women and children fleeing domestic violence
- seniors
- indigenous peoples
- people experiencing homelessness
- people with disabilities
- veterans
- those dealing with mental health and addiction issues

- veterans
- young adults
- racialized groups
- newcomers

In order to be successful, the strategy requires participation of the public, private and non-profit sectors to provide affordable housing. One of the released programs of the strategy is the **National Housing Co-Investment Fund (NHCF)**. The Fund provides capital contributions and low-cost loans for the creation of affordable housing and the repair and renewal of existing community and affordable housing.

The primary funding available through NHCF is a low interest loan. The loan offers a 10 year term (closed to pre-payment) with a fixed interest rate, up to a 50 year amortization period with the ability to borrow up to 95% of project value for non-profits and 75% of project value for municipalities and private sector. The funding is available for the next 10 years or until funding is gone.

There are federal capital contributions available to support projects where loans are not a viable option or as a top up to close the gap with existing financial support.

The maximum loan and capital contribution amounts are determined through a scoring and prioritization process. Federal capital contributions range from 0 to 10% for a private proponent to 0-30% for a non-profit housing provider.

Minimum Requirements of the National Housing Co-Investment Fund

The Co-Investment Fund is open to municipalities, provinces, non-profits, community housing, indigenous organizations and private sector. All projects must have a minimum of five units; be primarily residential; meet minimum requirements for partnerships; and demonstrate financial viability, affordability, energy efficiency and accessibility.

Partnerships: central feature of Co-Investment fund, federal funding must be supplemented by investors from another level of government.

Financial Viability: demonstrate financial ability to carry project, evidence of viability of proposed project, capacity to deal with development risks.

Affordability: rents for a minimum of 30% of units must be maintained at 80% of market rent, with a commitment for a minimum of 20 years.

Accessibility: 20% of all units within the project meet or exceed accessibility standards as prescribed, access to the project and its common areas are barrier free.

Energy Efficiency: required to achieve 25% decrease in energy consumption and GHG emissions relative to the most recent national building and energy codes.

Funding Eligibility

Determining the amount of funding that the project will be eligible for is based on a scoring process that awards points based on the following criteria:

- Affordability
- Accessibility
- Environmental Efficiency
- Financial Partnerships
- Proximity to local amenities
- On-site support (Social inclusion and focus on federal priority groups)

Eligible Loan and Contribution Amounts

Eligible loan and contribution amounts as a percentage of project cost are determined by scores generated by the Prioritization Scoring Grid. The percentages are outlined below.

New Units			
Primary Funding – Loans			
Prioritization Score Percentage	Non Profits/Co-ops and Indigenous people	Provincial, Territorial & Municipal Governments	Private Sector
0-39%	Up to 75%	Up to 40%	Up to 40%
40-89%	Up to 85%	Up to 50%	Up to 50%
90%+	Up to 95%	Up to 75%	UP to 75%

Primary Funding – Contributions			
Prioritization Score Percentage	Non Profits/Co-ops and Indigenous people	Provincial, Territorial & Municipal Governments	Private Sector
0-29%	Up to 10%	Up to 5%	Up to 2.5%
30-59%	Up to 15%	Up to 10%	Up to 5%
60-89%	Up to 20%	Up to 15%	Up to 7.5%
90%+	Up to 30%	Up to 20%	Up to 10%

For more details on the Co-Investment Fund:

[National Housing Co-Investment Fund - New Construction Stream](#)

Possible Scenarios for Co-Investment Fund

The Co-investment Fund is another option for proponents interested in building affordable housing. The low interest loan may be of interest to some builders. There is opportunity to use funding through the Provincial Investment in Affordable Housing Program or County funds as the alternate level of government funder. As the Service Manager, Grey County is responsible for assisting potential proponents with the application and process for this fund.

Legal and Legislated Requirements

None at this time

Financial and Resource Implications

Federal Funding requires contribution from another level of government

Relevant Consultation

- Internal:
- External: Canadian Mortgage and Housing Corporation

Appendices and Attachments

None