



# Affordable Housing Presentation

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Date: March 24, 2009

Canada 





## CMHC – Mission statement

**Committed to housing quality,  
affordability and choice for  
Canadians**

# CMHC – What do we do?

- We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality
- How do we do this?
  - Innovative Financing Options
  - Affordable Housing
  - Housing Expertise and Advice
  - Sharing Canadian Housing with the World



# What are some of CMHC's resources?

- [Affordable Housing Centre](#)
- [Market Analysis Centre](#)
- [Research Highlights](#)
- [Canadian Housing Observer](#)
- [Canadian Housing Information Centre \(CHIC\)](#)

# What is the Affordable Housing Center (AHC)?

- The AHC is a team of affordable housing experts who help to make housing projects a reality
  - Reliable, unbiased information and advice
  - Canada's broadest range of information, tools and resources
  - Financial incentives and assistance
  - Mortgage loan insurance
  - Housing Information

## What is the Corporate Representative's role?

- To represent the Corporation in all business lines and activities
- Particular focus is on working with local groups (government, non profit groups, etc) to facilitate the creation of affordable housing

# What is affordability and core housing need?

- **Affordability**
  - Typically, to be considered affordable, the shelter payment should not exceed 30% of household income
- **Core Housing Need**
  - Households who are unable to afford shelter that meets adequacy, suitability and affordability norms

# How can CMHC help?

- CMHC provides funding to help facilitate the creation of affordable housing
  1. Seed funding
  2. Proposal Development Funding
  3. Affordable Housing Initiative
  4. Assistance programs (RRAP, HASI, etc)
  5. Mortgage Loan Insurance Flexibilities

# Seed funding

- What is eligible?
  - Project must be located in Canada
  - Proposal must be for a housing project that will be affordable
- Funding amounts?
  - Up to \$10,000 in the form of a grant
  - Up to an additional \$10,000 may be available as an interest free loan

## Seed funding (cont)

- **What activities are eligible?**
  - May be used to pay for a variety of activities in the early stages of developing a housing project proposal
  - Must be directly related to the development of the housing project proposal
  - Typically funds are used to create business plans, complete need and demand assessments, etc.

## Seed funding (cont)

- What is CMHC looking for from groups?
  - Compatibility with Seed Funding Criteria
  - Applicant capability
  - Evidence of resources
  - Clarity of objectives

# Proposal Development Funding

- What is PDF funding?
  - PDF funding provides interest free loans to help with the up front expenses of developing a project
  - A portion of the PDF loan may be forgiven if the group is successful in adding to the stock of affordable housing
- Funding amounts?
  - Maximum loan amount of up to \$100,000

# Seed funding and PDF loans

- There are additional details and requirements for each of the programs. Please refer to the following sites for full details:
  - [Seed funding](#)
  - [Proposal Development Funding](#)

# Affordable Housing Initiative



# Assistance programs

- Assistance for homeowners
  - Residential Rehabilitation Assistance Program (RRAP)
    - RRAP - Homeowner
    - RRAP for Persons with Disabilities
  - Home Adaptations for Seniors Independence (HASI)
  - Emergency Repair Program (ERP)

# Assistance programs (cont)

- Assistance for multi-unit projects
  - Residential Rehabilitation Assistance Program (RRAP)
    - RRAP - Rental
    - RRAP - Conversion
    - RRAP – Rooming House
    - Secondary/Garden Suite RRAP
  - Shelter Enhancement Program (SEP)



## RRAP - Rental

- Assists in funding costs related to converting a non-residential space into affordable rental units
  - Properties must be environmentally safe and can be feasibly converted into rental accommodations
- Up to \$24,000/unit is available in the form of a forgivable loan

# RRAP - Conversion

- Assists in funding repairs required to bring units up to a minimum health and safety standard
  - Typically must fall under one of the following categories: heating, structural, electrical, plumbing and fire safety
- Up to \$24,000/unit (or \$16,000/bed-unit) is available in the form of a forgivable loan

# Shelter Enhancement Program (SEP)

- Assists in the construction or repair of shelters for women & children, youth and men who are victims of family violence and who require interim accommodation
- For new construction, CMHC may contribute up to 100% of the capital cost
- For renovations, up to \$24,000/unit is available in the form of a forgivable loan

# Mortgage Loan Insurance Flexibilities

- What are the requirements:
  - Minimum 5 units in the project
  - Units must be modest in terms of size, design and amenities in relation to other units in the market
  - Other program specific requirements
    - Homeowner vs. Multi-Unit insurance programs

# Mortgage Loan Insurance Flexibilities (cont)

- What are some of the benefits?
  - Homeowner insurance
    - Broader range of down payment sources
    - Smaller monthly payments
    - Flexibilities to regular underwriting requirements
  - Multi-Unit insurance
    - Reduced premium rates
    - Possibility for LTV's up to 95%
    - Flexibilities to regular underwriting requirements



## Questions or comments?

- Feel free to contact CMHC's Corporate Representative

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