CMHC’s Affordable Housing Centre

Advancing Affordable Housing Solutions
New Westminster Affordable Housing Symposium, June 21\textsuperscript{st}
Background

CMHC’s Affordable Housing Centre

Financial Incentives

Resources & Tools
Background

- 1991: The Canadian Centre for Public-Private Partnerships in Housing (CCPPPH) is established.
- Established to help non-profit groups develop affordable housing without long-term federal subsidies.
- 2007: Renamed the CMHC Affordable Housing Centre
- AHC’s team of expert can make it easier to create affordable housing.
CMHC’s Affordable Housing Centre

- **A Team of experts**
  with a diverse background of knowledge and expertise;

- Offer unbiased information and advice on affordable housing;

- Help navigate through the financial, operational and social challenges involved in creating affordable housing

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- Proposal Development Funding
- MLI Flexibilities

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Financial Incentives: Up to $20,000 in SEED Funding

1.a

- SEED Funding Grant

1.b

- SEED Funding Loan

Proposal Development Funding (loan)

- For projects that are in the very early stages of development
- Up to $10,000 in Seed Funding Grant
- Up to $10,000 in Seed Funding Loan – no interest
Financial Incentives: Up to $20,000 in SEED Funding

Eligible activities:

- Need and demand studies
- Preparation of a business plan
- Preliminary financial viability analysis
- Preliminary design
- Incorporation
Financial Incentives: Up to $100,000 in PDF

- Interest free loan up to $100,000
- To support activities during the early stages of development of an affordable housing project to the point where financing can be obtained
- A portion of the loan may be forgiven (up to 35%) if the project meets CMHC’s Affordability Criteria
- PDF is not available for projects that receive federal government subsidies
Financial Incentives: Up to $100,000 in PDF

Eligible Activities:

- Soil loan bearing tests
- Environmental site assessments
- Project drawings and specifications
- Professional fees
- Cost estimates
- Management plan
- Option to purchase
- Development permits
- Contract documents and application fees
Financial Tools: Mortgage Loan Insurance Flexibilities

**Homeowner:**
- More flexible sources of down payment
- Longer amortizations (without premium surcharge)
- Flexible borrower qualifications (higher GDS)
**Mortgage Loan Insurance Flexibilities**

**Rental Housing:**

- Loan-to-value up to 95%
- Mortgage loan insurance premium reduction
- Amortization up to 40 years
- Elimination of the rental achievement holdback
Eligible Projects

Eligibility Criteria

✓ Proposal must demonstrate that it will increase stock of affordable housing:
  - **Homeowner**: Sale price must be lower than average market price for similar unit
  - **Rental**: *Min. 50% of the units must meet CMHC’s affordability criteria*

✓ Project must be for a minimum of 5 units:
  - **New Construction**
  - **Conversion**: non-residential to residential
  - **Renovations**: to prevent from demolition

✓ Units must be **modest** in size and design

✓ **Demonstrated need** for the proposed housing
Information Tools and Resources

- Affordable Housing Project Profiles, Success Stories & Videos
- Affordable Housing Strategies & Case Studies
- Interactive Web Forums
- Housing Development Checklist & Fact Sheets
- Research Highlights
- Project Viability Assessment Tool
Your Key To Advancing Affordable Housing Solutions

Reach your team of BC Corporate Representatives and let us help make your affordable housing initiative a success:

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Karen Ungerson 604 737-4063
kungerso@cmhc.ca
Lee King 250 363-8050
lking@cmhc.ca
THANK YOU

For more information regarding affordable housing, please visit the Affordable Housing Centre:

www.cmhc.ca/affordablehousing

View Affordable Housing Centre videos on our official channel at

http://www.youtube.com/CMHCca