

# Frequently Asked Questions

May 2023



## Action Plan Initiatives

### 1. Could updating an existing policy be considered an initiative and be included within the action plan?

Yes, it could. Interested applicants are encouraged to review the list of initiative examples in the Pre-application Reference Guide on CMHC's [website](#). Refer to section 7 entitled "action plans" and then "action plan initiatives". These initiatives will be available as drop-down options on the application form. Applicants will also be able to add other initiatives using the "other" option.

## Incentive Funding

### 2. To clarify, the action plan must contain a minimum of 7 or 5 initiatives depending on the stream, but the funding can be used towards those initiatives, plus affordable housing, housing-related infrastructure, and community-related infrastructure? That is, the latter three do not need to be included in the action plan?

Correct, HAF incentive funding can cover the costs associated with the action plan initiatives, or any other prescribed permitted use. It is up to the proponent to

decide how best to maximize their HAF incentive funding and ensure that any use of funding is for a permitted use. The proponent is responsible for managing the funding and will be required to report on how funds were used.

The types of initiatives that are to be included in the action plan are outlined in the Pre-application Reference Guide available on CMHC's [website](#). Refer to section 7 entitled "action plans" and then "action plan initiatives". These initiatives will be available as drop-down options on the application form. Applicants will also be able to add other initiatives using the "other" option.

### 3. Are the funds per unit in each category the same for each local government?

Per unit amounts have not been finalized yet, CMHC has provided estimates as outlined in the Pre-application Reference Guide. Once the per unit amounts are finalized, they will apply to all eligible applicants except for the territories and Indigenous-related applications who will receive a higher base funding amount. Interested applicants can sign up to be notified when new information is available on CMHC's [website](#).

### 4. What is the maximum total amount that one applicant can get? Is there a limit?

There is no prescribed maximum; however, CMHC will be monitoring take up and interest and ensure that the program is supporting local governments across the entire country

under both streams. This may result in adjusting the per unit amounts or limiting funding. This determination will be made once CMHC receives sufficient applications under the program.

### **5. One of the categories under the funding framework refers to “rapid transit,” what does this mean?**

Rapid transit refers to a system that operates frequent service with high capacity and priority over other modes of transportation typically achieved through an exclusive right-of-way. There are several communities within Canada that have rapid transit systems. If a particular city is unsure about whether it has a rapid transit system, below are some supplementary explanations and resources.

- Rapid transit features high-capacity vehicles, priority over general traffic, and service that goes beyond what is achieved with conventional transit. (Source: [Translink](#)).
- While exclusive right of way is typical of rapid transit, rapid transit can also run along the same route as a local service. Most bus rapid transit, light rail transit, rapid streetcars, and limited-stop bus lines run on this service pattern. (Source: [NACTO – Transit Route Types](#)).
- Service frequency of rapid transit is defined as moderate to high. (Source: [NACTO – Transit Frequency and Volume](#), NACTO stands for National Association of City Transportation Officials: <https://nacto.org/>).
- Moderate volume is defined as:
  - 10–15 minutes or shorter headways, generally 5–10 minutes at peak times
  - 4–10 buses per hour
  - 100–750 passengers per hour.
- High volume is defined as:
  - 2–6 minutes combined headways
  - 10–30 buses per hour
  - 500–2,000 passengers per hour.

### **6. What happens if a jurisdiction does not have rapid transit?**

There is no requirement for the local government to have rapid transit within their jurisdiction to be eligible for the HAF program. Permitting multi-family housing in proximity to rapid transit provides an applicant with additional funding on a per incented unit basis. Successful applicants will still receive funding for multi-family housing units that are not in close proximity to rapid transit.

### **7. One of the categories under the funding framework refers to “missing middle”, what does this mean?**

Multi-unit housing characterized as missing middle refers to ground-oriented housing. This includes garden suites, secondary suites, duplexes, triplexes, fourplexes, row houses, courtyard housing, and low-rise apartments (4 storeys or less). Missing middle refers to the built form rather than a specific tenure or level of affordability, with a common focus of gentle density that is ground-oriented: each unit is accessed at ground level, or at grade, from a street, laneway or strata road. You may need to walk up or down stairs to get to a dwelling unit, but generally the front door is accessible to residents and visitors.

Please note that CMHC adjusted the definition based on feedback from interested parties. The definition now refers to 4 storeys or less, whereas originally it stated less than 4 storeys. This change has also been made to the Pre-application Reference Guide on CMHC’s [website](#).

### **8. How long do successful proponents have to spend the HAF incentive funding on a permitted use?**

There will be annual reporting obligations for successful proponents on how HAF funds are used. To provide flexibility, some funds may be carried forward if not all used in the year that follows the annual scheduled advance. However, all HAF funds must be used prior to and in support of the last reporting period (referred to as the fifth reporting period in the Pre-application Reference Guide).

## Permitted Uses of Funds

### 9. If an initiative within the action plan requires internal staffing within the local government to implement, are the associated staffing costs an eligible use of the HAF incentive funding?

Yes, it falls under the category “Investments in Housing Accelerator Fund Action Plans”, which includes any costs associated with an initiative included in the action plan.

### 10. If a successful applicant would like to put their HAF incentive funding towards affordable housing as per the prescribed list of permitted uses, does the local government have to construct the building?

No, a local government can partner with any entity that it wishes, including other levels of government, the private or non-profit sectors. It is up to the proponent to decide how best to maximize their HAF incentive funding and ensure that any use of funding is for a permitted use. The proponent is responsible for managing the funding and will be required to report on how funds were used.

## Local Governments in Quebec

### 11. Are local governments within the Province of Québec eligible to apply?

CMHC has begun discussions with the Province to determine how the Fund can best benefit local communities in Québec. While local governments in Québec are eligible for funds under HAF, they are also subject to the provincial M-30 legislation and will require provincial government approval to enter into a contribution agreement.

## Application Intake Period

### 12. Is there a firm date on when the application portal will open? How long will applicants have before the window closes?

The exact date for the portal opening has not yet been set but CMHC is targeting June 2023. The window will be open for approximately 45 days. It is for this reason that CMHC is encouraging interested applicants to start working on their action plans right away. It is also why a significant amount of guidance has been prepared and made available on CMHC’s website. You can sign up to receive updates for when new information is available.

## Projections and Targets

### 13. What is the time period for the projections requested under the program?

Projections should be based on a three-year period ending no later than September 1, 2026. Refer to Appendix A of the Pre-application Reference Guide for additional information on the targets and other estimates. The guide is available on CMHC’s [website](#).

### 14. The program requires applicants to commit to a housing supply growth target within the action plan that increases the average annual rate of growth by at least 10%. The growth rate must also exceed 1.1%. What are the formulas for these calculations?

Formulas for these calculations are available in the Pre-application Reference Guide. Refer to Appendix A (rows 9 and 8).

### 15. What happens if targets are not met within the prescribed timelines of the program?

Provided the proponent implemented the initiatives outlined in their respective action plan and adhered to the program requirements, CMHC would look to see what was achieved by way of targets when the fourth and final advance is requested by the proponent. It is acknowledged that there are many factors outside of the control of the local government that could hinder building permit issuances. Consideration may be given to a partial payment for the last scheduled annual advance if targets are not achieved as expected. There would be no impact to earlier advances under such a scenario.

## Program Measurement and Reporting

### 16. For permitted housing units, does CMHC mean development permit, or building permit?

For program measurement purposes, the HAF will be using the Statistics Canada building permit and demolition reporting guidelines to count new residential building permits issued. Residential building codes are available on Statistics Canada's [website](#). Conditional building permits will not be acceptable.

CMHC will be publishing a template and instructions on reporting requirements to support the HAF program on CMHC's website. The material should be made available in September 2023. Please sign up to receive updates on CMHC's [website](#).

For program eligibility purposes, local governments within Canada, including First Nations, Métis and Inuit governments who have delegated authority over land use planning and development approvals are eligible to apply to the HAF. In the absence of a municipal-level authority, a regional

district or province or territory that has authority for land use planning and development approvals may also apply to the HAF.

### 17. The Pre-application Reference Guide indicates that proponents will need to report on the number of net new units permitted for residential buildings and that demolitions and conversions will be taken into account when determining the number of permitted units. What does this mean?

Any units that are lost to the housing stock by way of demolitions or conversions from residential to non-residential will be subtracted from the number of permitted residential units to arrive at the net total.

### 18. The program includes various annual reporting obligations, including a progress report on the commitments outlined in the action plan, a report on residential building permits and a report on the use of HAF funding. When are these reports due? What is the reporting period for these reports?

**Submission deadline:** The reports are due to CMHC within a prescribed period (e.g., 30 or 90 days following the anniversary of the effective date of the contribution agreement). The Pre-application Reference Guide outlines the deadlines for report submission. Refer to section 13.

**Reporting dates:** To ensure that proponents can report details on whole months, the reporting period for each report will start on the 1st of the month following the effective date or the anniversary of the effective date.

**Example:** The following table outlines an example of the submission deadlines and reporting dates for the annual reports.

If the effective date of the contribution agreement is September 15, 2023:

	Submission Deadline	Reporting Dates
<b>1<sup>st</sup> anniversary of the effective date is September 15, 2024</b>	Reports due within 30 days (October 14, 2024)	October 1, 2023 to September 30, 2024
<b>2<sup>nd</sup> anniversary of the effective date is September 15, 2025</b>	Reports due within 30 days (October 14, 2025)	October 1, 2024 to September 30, 2025
<b>3<sup>rd</sup> anniversary of the effective date is September 15, 2026</b>	Reports due within 30 days (October 14, 2026)	October 1, 2025 to September 30, 2026
<b>4<sup>th</sup> anniversary of the effective date is September 15, 2027</b>	Report (use of funds only) due within 90 days (December 14, 2027)	October 1, 2026 to September 30, 2027

**Note:** there are two additional reporting obligations that are not annual in nature:

- (1) There is a mandatory initial 6-month check-in whereby the proponent must submit to CMHC a letter (in a prescribed form) attesting that it is on track to undertake items outlined in its action plan and otherwise fulfil its reporting obligations under HAF. No supporting details are required to be submitted unless expressly requested by CMHC at that time.
- (2) There is a requirement for the proponent to update CMHC (using a prescribed form), no less frequently than twice per year, with any new material information known to the proponent regarding any previously disclosed capital project or new capital project.

CMHC will be issuing all reporting templates and instructions for each item in the coming months.

All interested applicants are highly encouraged to read the HAF Pre-application Reference Guide available on CMHC's [website](#).

Still have questions about the Housing Accelerator Fund? Please contact CMHC by phone: 1-800-668-2642 or by email: [contactcentre@cmhc.ca](mailto:contactcentre@cmhc.ca).