




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	December 8, 2022
SUBJECT:	Rapid Housing Initiate Round 3 (RHI3) (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Angela Burden General Manager, Healthy and Safe Communities
SIGNATURE:	

Good Morning Mayor and Members of Council,

In November, the federal government announced the third round of the Rapid Housing Initiative (RHI). By way of background, as stated on the RHI website,

*“RHI provides funding to facilitate the rapid construction of new housing and the acquisition of existing buildings for the purpose of rehabilitation or conversion to permanent affordable housing units. The \$1.5 billion funding for the third round of RHI will be divided into two streams: **Project Stream** and **Cities Stream**. This investment is expected to create at least 4,500 more affordable housing units for Canadians in severe housing need across the country, with 25% of investments going towards women-focused housing projects.”*

This program round includes \$1 billion in funding under the Project Stream (competition for funds nationwide) and \$500 million under the Cities Stream (funding allocated to each City to deliver a specific number of units). The Cities Stream funding is the same amount as Round 2 announced in June 2021 but is now spread over 41 cities instead of 30 cities in previous rounds.

Staff in our Housing Services division have been working since the announcement to understand the criteria and CMHC priorities. As the timelines do not lend themselves to a Request for Proposal (RFP) process, we are in the process of reviewing projects and having conversations with providers about specific projects with respect to how and if these projects meet criteria.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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Under the Cities Stream, CMHC has stressed that the most important criteria is tenant occupancy by November 2024, preferably earlier, and confirmed financial viability. Providers can submit directly to the Project Stream, which has more aggressive criteria and timelines, but support from the municipality is encouraged. In our role as Service Manager, the City is obligated to ensure that construction timelines and financial viability are realistic and achievable – failure to deliver on projects can impact the funding that Hamilton receives in the future.

Please note that the funding allocation and number of units required is confidential until such time that CMHC has publicly announced the City of Hamilton funding, however we can share that the financials work out to approximately 265K per door. Given the rise in construction costs, and the obligation for the municipality to cover construction overages, this funding is far less than ideal, and staff will be evaluating projects thoroughly for financial viability and making recommendations cautiously.

We will be bringing a report to Emergency and Community Services in January 2023, which will include recommendations on which projects Council support for this round of funding.

Details of the RHI3 program can be found through the following website: <https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/rapid-housing>

Warmly,

Angie