

Seed Funding (New Construction Stream)



Seed Funding can provide contributions and/or loans to assist with the planning costs of building a new affordable housing project.

IS YOUR PROJECT ELIGIBLE?

Check out the Seed Funding Program website at cmhc.ca/seedfunding for more information.

PURPOSE OF FUNDING

New construction

Support costs for completing pre-development activities related to the construction of new affordable housing supply.

PROPERTY TYPE AND SIZE

- No restrictions on the type, building form or future residents of the project
- Must have a minimum of five affordable units (beds)
- Primary use must be residential

ELIGIBILITY

Eligible proponents include, but are not limited to:

- the community housing sector (for example, non-profit housing organizations and rental co-operatives)
- municipal, provincial, and territorial governments, including their agencies
- Indigenous governments and organizations (including First Nation bands and tribal councils)
- private entrepreneurs/builders/developers

Eligible project types include:

- Indigenous community housing
- community and affordable housing
- mixed-used market / affordable rental
- shelters, transitional housing and supportive housing
- conversion of non-residential buildings to affordable multi-residential
- renovation of existing affordable units at risk of being abandoned or demolished

ELIGIBLE ACTIVITIES

Eligible activities¹ may include, but are not limited to:

- Analysis of need and demand for the proposed project
- Special purpose surveys
- Preliminary financial feasibility
- Business plans
- Incorporation
- Option to purchase (loan only)
- Registration of security (loan only)
- Professional appraisal
- Site surveys
- Planning fees (for example, rezoning, development agreement costs)
- Preliminary design
- Project viability study
- Environmental site assessments
- Geotechnical reports (soil load bearing tests)
- Energy modelling study (cost-benefit analysis)
- Accessibility modelling study (cost-benefit analysis)
- Engineering studies (for example, wind, shadow, and traffic impact analyses)
- Project drawings and specifications
- Construction cost estimates
- Quantity surveyor
- Contract documents
- Development permits
- Final viability report
- Completion appraisal

MANDATORY MINIMUM REQUIREMENTS

Affordability

- Proposed rents must be affordable as determined by the municipality, province or territory, or as otherwise accepted through CMHC programs
- Must have a minimum of five affordable housing units (beds)

PRIORITIZATION FOR FUNDING

In addition to meeting the mandatory minimum requirements, projects will be prioritized and scored higher where it's clearly demonstrated that the activities will directly support the following focus areas:

- Housing for those in greatest need (vulnerable Canadians)²
- Housing for those in the North (Yukon, NWT and Nunavut)
- Partnerships/collaborations
- Social sustainability
- Economic sustainability
- Environmental sustainability

¹Expenses/costs related to eligible activities carried out and invoiced prior to the approval date of Seed Funding are not eligible.

²Vulnerable Canadians include: women and children fleeing family violence, seniors, Indigenous peoples, people with physical or developmental disabilities, those dealing with mental health and addiction issues, veterans, newcomers and the chronically homeless, etc.

MAXIMUM FUNDING

Maximum loan

- Up to \$350,000 (security to be provided where required)

Maximum contribution

- Co-operatives, non-profits, Indigenous groups—up to 40% of the total approved funding, to a maximum of \$150,000 (whichever is less)
- Municipal, provincial, territorial governments—up to 30% of the total approved funding, to a maximum of \$150,000 (whichever is less)
- Private sector—up to 15% of the total approved funding, to a maximum of \$75,000 (whichever is less)

Proponents could receive a contribution increase of up to 10% if they clearly demonstrate how their project will support the above-mentioned focus areas.

ADVANCING

Advances will be processed once invoices are provided, activities are completed and supporting documentation is received.

DOCUMENTATION REQUIREMENTS

Refer to Seed Funding Application (New Construction) – Document Requirements.