

## **Support program for the predevelopment of affordable housing by non-profit organizations and housing cooperatives**

Program available from April 1, 2024, to December 31, 2026

**Objective:** The support program for the predevelopment of affordable housing unit projects is intended for non-profit organizations (NPOs) and housing cooperatives wishing to develop affordable housing projects.

The program provides non-repayable contributions to help offset expenses incurred during the proof-of-concept phase of developing an affordable housing project. The project may include a mix of market-rate and affordable housing, but a minimum of 50% of the units in the project must be affordable housing, with a rental cost that does not exceed the median market rent, according to CMHC. The program is open to a variety of not-for-profit providers, large and small, with varying degrees of experience in the real estate sector, who are considering affordable housing projects in Edmundston.

The program will help cover the costs of planning and preparatory activities and overcome barriers faced by NPOs and housing cooperatives in accessing capital and federal/provincial funding.

These grants are not intended to cover all project development costs up to the stage of financial commitments or final project commitment. Applicants must fund a portion of these costs themselves or seek other sources of funding, such as the Regional Development Corporation (RDC) or CMHC.

### **Eligible projects:**

The program is for community housing providers, such as non-profit housing organizations and non-profit cooperative housing associations who are looking to explore opportunities to create affordable housing in the "missing middle" such as duplexes, triplexes, condos, townhouses, apartment buildings with 3 storeys or less, apartment buildings with 4 or more storeys.

### **Definitions:**

**CMHC** means Canada Mortgage and Housing Corporation

**HAF** designates CMHC's Housing Accelerator Fund

**Net new dwelling** means a dwelling created under this program that increases the number of dwellings located on a property.

**Affordable housing** means that the cost of renting must not exceed the median market rent, according to data published by CMHC in its annual Rental Market Report, for housing of the same type in the same area.

**Program terms and conditions:**

- The program is available until December 31, 2026, i.e., during the period covered by the CMHC HAF program or until funds are exhausted.
- The program is retroactive for eligible projects whose building permits were issued after April 1, 2024.
- Projects will be assessed, and funds allocated on a first-come, first-served basis.
- The applicant will be required to ensure that all accounts are in good standing with the City of Edmundston (electricity and water/sewer).

**Eligibility criteria:**

- To be eligible, affordable housing projects must
  - Create new net affordable housing units for low and moderate income households in Edmundston;
  - Involve a minimum of six (6) units;
  - Create housing for use as a main residence and used for long-term rental (lease for more than six months). Projects to create short-term rental housing are not eligible.
  - Planning a new construction or conversion of a non-residential building into a multi-unit residential building.
- The rental unit must be complete and independent. Residence/rooming house type units are not eligible.
- The project may include a mix of market-priced and affordable housing, but a minimum of fifty percent (50%) of the units in the project must be affordable housing, as defined above.
- Units must be in Edmundston.
- The project will have to comply with the Edmundston Zoning By-law and the Edmundston Building By-law, all in their most recent version.
- The project will need to be connected to municipal water and sanitary sewer services.

**Eligible costs (examples):**

- Analysis of demand and needs
- Feasibility study and business plan
- Preliminary financial viability study
- Preliminary plans

- Technical drawings and project specifications
- Surveying, expertise, soil analysis, environmental site assessments
- Construction cost estimates/quantitative studies
- Professional services (consultants, architects, engineers)

**Ineligible costs (examples):**

- Costs incurred for activities undertaken prior to a program commitment (including application development);
- Expenses related to construction activities, including site preparation and other construction costs;
- Land, infrastructure and capital purchases;
- Applicant's operating expenses;
- Representation expenses;
- Fundraising campaigns;
- Legal Fees;
- Any expenses not related to the development of the affordable housing project.

**Contribution level:**

Successful applicants can benefit from a non-repayable contribution of up to 15% of eligible costs, up to a maximum of \$15,000 per project.

In accordance with CMHC's requirements for CAFL programs, City contributions associated with the HAF may be used with other provincial, CMHC or federal government programs, as appropriate and available.

Grants awarded under this program cannot be used in conjunction with other City initiatives/grants under the HAF.

**Application process :**

Interested applicants should contact the City of Edmundston's Housing Coordinator to schedule an initial meeting. This meeting will provide an opportunity to discuss the potential project and obtain the application form for the program, which must be completed and submitted before starting the predevelopment process for an affordable or mixed-price housing project.

Applications will then be reviewed and processed in the order in which they are received. They will be evaluated by a committee made up of the following people:

- Housing Coordinator
- Land Use Planning Coordinator (or representative)

- Municipal Treasurer (or representative)

Grant applications will be evaluated based on the following criteria:

- Clarity of the request
- Project concept
- Clear definition of the target clientele of the project
- Partnerships
- Feasibility and organizational capacity
- Potential impact on the community environment and the housing sector

If the grant application is not approved, a letter explaining the reason for the refusal will be sent to the applicant.

If the application is approved, a letter of offer will be sent to the applicant within thirty (30) days of receipt of the completed and signed application form. This will include the list of conditions to be met by the applicant.

If multiple applications are received at the same time, funds will be committed to approved projects in the order they were received.

The availability of grants is conditional on the receipt of federal funding for the HAF. The grant program may be cancelled by the City of Edmundston if the HAF is exhausted or revoked. The City of Edmundston also reserves the right to modify this program without notice.

**Payment of contributions:**

- All grants will be paid by direct deposit only.
- Applicants must begin the pre-development process within three (3) months of the first instalment and the contribution must be fully disbursed and invested within twelve (12) months.
- Fifty percent (50%) of the amount will be paid upon signing the letter of offer.
- Upon receipt of the supporting documents for the expenditure of the first advance, additional funds (25%) will be granted based on the supporting documents submitted.
- The final amount (25%) will be paid upon receipt of a final report and proof of payment, in a form acceptable to the City of Edmundston, detailing achievements to date, future activities and next steps in the housing creation process.
- Any funds advanced that have not been used by the end of this period must be returned to the City of Edmundston, which will use them to finance other projects. If the applicant has not received full funding by the time of expiry, the unpaid amounts will be used to fund other projects.
- A rationale must be provided if the applicant decides not to proceed with the project.
- All other conditions of the grant program must be met.

**For more information:**

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