

Pre-application Reference Material

HAF Round 2



To request an alternate format, please contact us at:
1-800-668-2642 700 Montreal Road,
contactcentre@cmhc.ca Ottawa, ON K1A 0P7



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1. PURPOSE OF THIS GUIDE

This reference document will help applicants to get ready to apply to the second round of the Housing Accelerator Fund (HAF2) administered by the Canada Mortgage and Housing Corporation (CMHC). It informs applicants about program requirements and information that they will need to submit as part of their application. Potential applicants are local authorities as described in section four (4).

Through the provision of incentive funding, the HAF is intended to drive transformational change within the sphere of control of the local government regarding land use planning and development approvals with the overall objective to “accelerate supply” of housing.

As part of the application process, applicants must outline the actions that they will take to increase housing supply and reflect these initiatives in an action plan.

The 2024 application form is available on the CMHC website. It is possible that certain information will be requested within the application form that is not referenced in or that differs from this document.

2. PROGRAM BUDGET

With the launch of the HAF2, \$400 million in funds may be available to local authorities (see definition in section four (4)) to incentivize the implementation of local actions that remove barriers to housing supply, accelerate the growth of supply, and support the development of communities that are aligned with several priorities as described in section three (3).

3. OBJECTIVES

The primary objectives of the program are to create more supply of housing at an accelerated pace and enhance certainty in the approvals and building process, while also supporting the following priorities:

- Supporting the development of complete communities that are walkable, consisting of appropriate residential density and a diverse mix of land uses, providing access to a wide variety of amenities and services through public and active transportation.

- Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum.
- Supporting the development of low-carbon and climate-resilient communities.

As a result of investments towards these objectives and priorities, HAF2 is expected to result in permits being issued for 12,000 more housing units than would have occurred without the HAF, in addition to the 100,000 additional permitted units expected from the first round of HAF funding.

4. ELIGIBLE APPLICANTS

To be eligible for the second round of HAF, applicants must have submitted an application under the first round and been declined for funding. This includes local governments within Canada, including First Nations, Métis and Inuit governments who have delegated authority over land use planning and development approvals.

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.

5. APPLICATION STREAMS

There are two application streams, as follows:

- **Large/Urban:** A jurisdiction located anywhere in Canada with a population* equal to or greater than 10,000, excluding those within a territory or an Indigenous community.
- **Small/Rural/North/Indigenous:** A jurisdiction located anywhere in Canada with a population* less than 10,000 or within one of the territories or an Indigenous community.

*Population based on 2021 census data.

6. MINIMUM REQUIREMENTS

To be eligible for incentive funding from HAF2, the applicant must:

- Develop an action plan as part of their HAF application, including satisfying the prescribed minimum number of initiatives as outlined in section seven (7).
 - Under HAF2, all action plan initiatives should align to the 10 HAF Best Practices published on the [CMHC website](#).
 - The purpose of the action plan is to outline a housing supply growth target and the specific initiatives that the applicant will undertake to grow housing supply and speed up housing approvals.
- Commit to implementing 4 units as-of-right bylaws (for applicants from the Large/Urban stream*) as part of the action plan, or have already implemented 4 units as-of-right prior to application submission. More guidance is available on the [CMHC website](#).
- Commit to a housing supply growth target within their action plan that increases their average annual rate of growth by at least 10%. The growth rate must also exceed 1.1%**.
- Complete or update a housing needs assessment report*** and include a reoccurring scheduled review date within the report to ensure that the needs assessment is kept current.
 - The requirement to complete or update a housing needs assessment report may be waived if the applicant recently completed or updated their housing needs assessment. Applicants that have completed or updated their housing needs assessment within two years of the 2024 federal budget announcement (April 16, 2024) can request that this requirement be waived. If there is no reoccurring scheduled review date on this existing housing needs assessment report, there remains a requirement to add a reoccurring scheduled review date.

- Submit periodic reports to CMHC in the form and timelines prescribed. See section 12 for additional details. This includes:
 - Progress reporting on the initiatives and commitments within the action plan.
 - Micro-level permit data for residential buildings for all permitted units.
 - Details that support that HAF funding was used for a permitted purpose.

*CMHC may consider an exception for applicants from the Large/Urban stream who are predominantly rural in nature.

**CMHC may consider growth targets that fall outside these program guidelines on a case-by-case basis considering actual applications received. Applicants are encouraged to put forward the strongest application possible. Refer to section nine (9) for details on the evaluation criteria.

***For those that need to complete or update their housing needs assessment, resources are available on CMHC's website. Municipalities with populations of 30,000 or greater who are completing a new housing needs assessment must use the federal template published on the Infrastructure Canada website. The report is not required to be completed at the time of application submission, but it must be completed within the prescribed timeframe (i.e., the third reporting period). See section 13 for details on the reporting schedule.

7. ACTION PLANS

Applicants must provide an action plan as part of their application, which will assist CMHC in selecting applicants. If selected by CMHC, the action plan will form part of the contribution agreement.

Each applicant must assess its own housing needs, challenges, and opportunities in considering whether to apply under the HAF2. Applicants are encouraged to consider regional matters in developing their action plans. Applicants may wish to consult the information available on the Statistics Canada website as part of its assessment. [Table 98-10-0002-02](#) provides information on population and dwelling counts for provinces, territories, and census subdivisions.

Housing supply growth target

Within the action plan submitted as part of the application for HAF2, the applicant will be required to provide two projections to CMHC as outlined below. The applicant must calculate their own projections based on reasonable assumptions and data sources, including Statistics Canada and/or its own administrative data. There is no prescribed formula; however, projections should be based on a three-year period ending December 31, 2027.

- The total number of permitted housing units projected **without** HAF.
- The total number of permitted housing units projected **with** HAF. This second projection is what is referred to as the “housing supply growth target.”

For the purpose of determining if the committed growth rate satisfies the minimum 10% increase and exceeds 1.1%, the following formulas will be used by CMHC:

- The annual projected growth rate without HAF: $\frac{\text{total number of permitted housing units projected without HAF/3 years}}{\text{current total number of dwellings}} * 100\%$.
- The annual projected growth rate with HAF: $\frac{\text{total number of permitted housing units projected with HAF/3 years}}{\text{current total number of dwellings}} * 100\%$.

The current total number of dwellings should be consistent with the applicant’s 2021 census data adjusted for additional dwellings built since that reporting period.

Additional targets

Applicants will also be able to set targets based on the type of housing supply that is projected to be permitted with the support afforded by the HAF program. These additional targets will increase the amount of funding available to the proponent if selected to participate in the program. The targets can be set for housing types that align with the priorities of the HAF program, which include:

- Multi-unit housing (in close proximity to rapid transit)
- Multi-unit housing (missing middle)
- Multi-unit housing (other)
- Affordable housing units.

Refer to section 10 for an overview of the funding methodology and definitions for each type of housing.

Action plan initiatives

The action plan must include initiatives that will help the applicant achieve their committed housing supply growth target and any additional targets. The action plan items must support enhancements achievable within the program’s timeframe, but the intent is for changes to outlive the HAF.

The minimum number of initiatives depends on the application stream, as follows:

- **Large/Urban:** A minimum of seven initiatives.
- **Small/Rural/North/Indigenous:** A minimum of five initiatives.

Under HAF2, initiatives included within the action plan should be aligned to the 10 HAF Best Practices, and the majority of them should be initiatives that were not started prior to the Budget 2024 announcement of April 16, 2024. “Started” refers to the commencement of activities required for the actual implementation of the initiative; this excludes preliminary studies or other initial planning work related to the initiative.

In exceptional circumstances, CMHC will consider initiatives that were part of the 2023 application to HAF that are ongoing or have been completed, if applicants continued to implement the activities. For applicants from the Large/Urban stream, a maximum of 3 ongoing or completed initiatives from the 2023 application will be considered, and for applicants from the Small/Rural/North/Indigenous stream, a maximum of 2 ongoing or completed initiatives from the 2023 application will be considered.

The applicant must indicate how each initiative will increase the supply of housing and associated timelines, as well as any other expected results.

The applicant must identify and explain how each proposed initiative supports at least one of the objectives of the program (see section three (3)). Actions that do not support the objectives of the program will not be considered.

Under HAF2, all action plan initiatives should align to the 10 HAF Best Practices published on the [CMHC website](#), which includes additional guidance for HAF2 applicants, drawing on successful initiatives from the first round.

The following list provides a summary view of the 10 HAF Best Practices:

1. End exclusionary zoning by increasing as-of-right permissions, including four units as-of-right in low-density neighbourhoods and greater density and height in urban cores, near transit, and near post-secondary institutions
2. Leverage surplus and underused lands for housing
3. Increase process efficiency through e-permitting, streamlined reviews and new digital tools
4. Fast-track approvals for affordable housing and purpose-built rentals
5. Review fees and charges including waivers for affordable housing
6. Reduce or eliminate parking requirements
7. Eliminate restrictions (e.g., setbacks, floor area) to promote housing diversity and supply
8. Develop or enhance affordable housing community improvement plans
9. Introduce design guidelines and pre-reviewed building plans for accessory dwelling units and missing middle housing
10. Implement grant and incentive programs for priority housing types

It is the responsibility of the applicant to determine and confirm that it has the requisite authority, expertise, capacity, and resources to implement any and all chosen initiatives. The contribution agreement shall include a representation and warranty by the applicant confirming the above and CMHC will be relying on the representation and warranty without any independent investigation. All action plans must be approved by elected Council (or equivalent, including delegated authority) and include an attestation of the applicant's Chief Financial Officer (or equivalent) on the viability of the plan using the prescribed form. The attestation must be obtained by the applicant before applying to the HAF. The approval may be obtained by the applicant before applying to the HAF and is required before the contribution agreement is signed.

Note: CMHC may provide successful applicants with an opportunity to propose additional initiatives and increase their housing supply growth target in the event there is unused funding in the later years of the program.

8. INCENTIVE FUNDING AND PERMITTED USES

The HAF is about driving transformational change and creating the conditions for more housing supply over the short and longer term. The HAF is intended to incent applicants to commit to change, show progress and be provided with funding in return.

For clarity, HAF is not directly underwriting specific housing projects or reimbursing proponents for specific costs incurred. Rather, HAF funding can be used in support of housing under any of the following four categories. For further details on how HAF funding would be advanced refer to section 13.

Permitted uses of HAF funding:

- Investments in Housing Accelerator Fund Action Plans
 - any initiative included in the proponent's action plan and approved by CMHC.
- Investments in Affordable Housing
 - construction of affordable housing
 - repair or modernization of affordable housing
 - land or building acquisition for affordable housing.
- Investments in Housing-related Infrastructure
 - drinking water infrastructure that supports housing
 - wastewater infrastructure that supports housing
 - solid waste management that supports housing
 - public transit that supports housing
 - community energy systems that support housing
 - disaster mitigation that supports housing
 - brownfield redevelopment that supports housing
 - broadband and connectivity that supports housing
 - capacity building that supports housing
 - site preparation for housing developments.

- Investments in Community-related Infrastructure that supports housing
 - local roads and bridges
 - sidewalks, lighting, bicycle lanes
 - firehalls
 - landscaping and green space.

Proponents will be asked to estimate how much of their funding will be allocated to each category as part of their application (% of total estimated funding). If approved to participate in the program, proponents must report on how HAF funding was used in the form and timelines prescribed. Additional information on reporting requirements can be found in section 12.

Subject to the permitted uses outlined above, HAF funding can be used in conjunction with other CMHC or federal government programs, unless expressly prohibited under the terms of such initiatives. Please note that funding from the HAF will not be considered as local or PT (Provinces & Territories) cost-matching under the existing CMHC-PT NHS bilateral agreements, which exclude contributions from Government of Canada sources or from CMHC.

9. EVALUATION CRITERIA

CMHC will review all applications to determine if they meet program requirements of the HAF. The evaluation of the application will be based on the criteria listed in Table 1. All applications will be assessed and scored.

All initiatives outlined in the action plan will be individually assessed and scored; however, for prioritization purposes only the top five initiatives under the Small/Rural/North/Indigenous stream or top seven initiatives under the Large/Urban stream will be considered. While only the top five or seven initiatives will be used for prioritization purposes, additional initiatives should still be put forward within the action plan as required to support the committed housing supply growth target and alignment with HAF priorities.

The evaluation criteria are used to assess the application and to determine which applicants are selected to participate in the HAF. It will **not** dictate funding amounts. There is a separate funding framework for those that are selected to participate in the program. Refer to section 10 for the funding methodology.

Table 1: Evaluation criteria

Criteria	Assessment and Prioritization
<p>The commitment to increase housing supply</p> <p>Total available points: 10</p>	<p>Strong proposals will demonstrate a commitment to increase the supply of housing above the minimum requirements of the program.</p> <ul style="list-style-type: none"> • Annual growth rate: <ul style="list-style-type: none"> – over 2.5% - 5 points – 1.5% to 2.5% - 3 points – 1.1% to 1.4% - 1 point. • Annual growth rate percentage change: <ul style="list-style-type: none"> – over 20% - 5 points – 15% to 20% - 3 points – 10% to 14% - 1 point.
<p>The relevance of the initiative outcome(s) to one or more of the objectives of the HAF</p> <p>Total available points: NA (pass/fail)</p>	<p>Proposed initiatives within the action plan will be assessed to confirm if they support one or more of the following objectives, including priority areas:</p> <ul style="list-style-type: none"> • Creating more supply of housing at an accelerated pace and/or enhancing certainty in the approvals and building process. • Supporting the development of complete communities that are walkable consisting of appropriate residential density and a diverse mix of land uses providing access to a wide variety of amenities and services through public and active transportation. • Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum. • Supporting the development of low-carbon and climate-resilient communities.
<p>The effectiveness of the initiative on increasing the supply of housing</p> <p>Total available points: 20</p>	<p>Proposed initiatives within the action plan will be assessed based on:</p> <ul style="list-style-type: none"> • Implementation: The time it will take to complete the initiative. <ul style="list-style-type: none"> – within 1 year - 5 points – within 2 years - 3 points – over 2 years - 1 point. • Supply Impact: The extent to which the initiative will improve housing and community outcomes. <ul style="list-style-type: none"> – high degree of improvement - 5 points – medium degree of improvement - 3 points – low degree of improvement - 1 point. • Timeliness: The time it will take to start to achieve additional permitted units as a result of the initiative. <ul style="list-style-type: none"> – within 1 year - 5 points – within 2 years - 3 points – over 2 years - 1 point. • System Impact: The extent to which the initiative increases stability and predictability in the housing system. <ul style="list-style-type: none"> – high degree of stability and predictability - 5 points – medium degree of stability and predictability - 3 points – low degree of stability and predictability - 1 point.
<p>The need for increased housing supply</p> <p>Total available points: 5</p>	<p>While not a mandatory requirement at the time of application submission, strong proposals will demonstrate housing needs as evidenced by a current housing needs assessment report.</p> <ul style="list-style-type: none"> • Yes, a current report is available - 5 points • No, a current report is not available - 0 points.

There is only one planned intake window. CMHC will consider take-up across jurisdictions and may adjust application rankings to support a national distribution. CMHC will make formal recommendations to the Minister of Housing, Infrastructure and Communities of Canada. Once approvals and final funding decisions are made, CMHC will advise applicants of the outcome.

10. FUNDING METHODOLOGY

For those applicants that are selected for participation in the HAF program (see section nine (9)), a funding framework will be used to determine the amount of funding per successful applicant.

There are three components of the funding framework: (1) base funding, (2) top-up funding and (3) an affordable housing bonus. For the base funding, the per unit amount will be higher for applications pertaining to the territories or Indigenous communities.

While the funding envelope is determined on the basis of per unit amounts, the HAF incentive funding is designed to support the costs associated with the initiatives within the action plan, as well as any other permitted use of funds in order to accelerate the supply of housing in Canada (see section eight (8) for permitted uses of funds). The proponent will have flexibility in how HAF funding is used provided it is for a permitted use.

Components of the funding framework:

1. **Base funding** is designed to incent all types of supply across the housing spectrum. Base funding is estimated at \$20K per HAF incited unit (\$40K per HAF incited unit for applications pertaining to the territories or an Indigenous community). The per unit amount will be

multiplied by the number of HAF incited units. HAF incited units refers to the difference between two projections: (1) the number of permitted units that are anticipated **without** the support afforded by the HAF program and (2) the number of permitted units that are anticipated **with** the support afforded by the HAF program. The latter would establish the housing supply growth target, which would be included in the action plan and reflected in the contribution agreement.

2. **Top up funding** is designed to incent certain types of housing supply. Top up funding will depend on the type of housing and the associated projected increase in the number of permitted units. There is no top up funding available for single detached homes. The value ascribed to each category will be multiplied by the associated projected increase in the number of permitted units. The targets established for each unit type would be included in the action plan and reflected in the contribution agreement.

3. **Affordable housing bonus** is designed to reward an applicant that can increase its share of affordable housing units relative to the total projected permitted units with the support afforded by the HAF. The percentage growth will be multiplied by the ascribed value and then by the total projected permitted units with the support afforded by the HAF. The target would be included in the action plan and reflected in the contribution agreement.

The following tables provide an illustrative example of the funding framework.

Table 2: Base Funding

	Total projected permitted units without HAF	Total projected permitted units with HAF	HAF incited units	Per unit amount	Base funding amount
Base funding	5,500	6,000	500	\$20,000	\$10,000,000

A total of 500 HAF incited units * \$20K per unit = \$10M.

Table 3: Top-up Funding

	Total projected permitted units without HAF by type of housing	Total projected permitted units with HAF by type of housing	Increase in housing type (#)	Per unit amount	Top-up funding amount
Single detached homes	2,000	2,100	100	\$0	\$0
Multi-unit housing (in close proximity to rapid transit)	400	450	50	\$15,000	\$750,000
Multi-unit housing (missing middle)	1,000	1,250	250	\$12,000	\$3,000,000
Multi-unit housing (other)	2,100	2,200	100	\$7,000	\$700,000
Total units	5,500	6,000	500		
Top up funding					\$4,450,000

For example, an increase of 250 missing middle housing units * \$12K per unit = \$3M.

Table 4: Affordable Housing Bonus

	Total projected affordable units permitted without HAF (%)	Total projected affordable units permitted with HAF (%)	Increase in the share of affordable housing units (%)	Per unit amount	Affordable housing bonus amount
Affordable housing bonus	2.00%	3.50%	1.50%	\$19,000	\$1,710,000

An increase in the share of affordable housing units of 1.50% * 6,000 total projected permitted units with HAF * \$19K per unit = \$1.71M.

Total Incentive Funding: \$16,160,000

Base funding (\$10M) + top up funding (\$4.45M) + affordable housing bonus (\$1.71M) = \$16.16M

The average amount for each HAF incented unit is: \$32,320

Total incentive funding of \$16.16M / the number of HAF incented units of 500 = \$32,320

Definitions

- Single-detached homes refers to a building containing 1 dwelling unit, which is completely separated on all sides from any other dwelling or structure. This includes link homes, where 2 units may share a common basement wall but are separated above grade. It also includes cluster-single developments.
- Multi-unit housing in close proximity to rapid transit refers to any form of multi-unit housing in close proximity (800m) to rapid transit, which operates frequent service with high capacity and priority over other modes of transportation typically achieved through an exclusive right-of-way.
- Multi-unit housing characterized as missing middle refers to ground-oriented housing types. This includes garden suites, secondary suites, duplexes, triplexes, fourplexes, row houses, courtyard housing, low-rise apartments (4 storeys or less).
- Other multi-unit housing refers to all multi-unit housing excluding missing middle and multi-unit housing in close proximity to rapid transit.
- Affordable housing refers to housing units that are intended for households whose needs are not met by the marketplace. The local definition will be used for the purposes of HAF or in the absence thereof the provincial/territorial definition.

11. MINIMUM DOCUMENTATION REQUIREMENTS

To support their application, applicants will be asked to submit the following minimum documentation:

- Completed application form, including action plan
- Signed integrity declaration
- Most recent audited financial statements (if not available publicly)
- Current housing needs assessment report (if available at time of application)
- Attestation letter signed by the applicant’s Chief Financial Officer (or equivalent) using the prescribed form on viability of the action plan.

The applicant should be able to provide analysis or statistics to support the initiatives put forward in the action plan. This supporting information could be referenced directly in the application or be submitted as supporting documentation, for example, the applicant may wish to refer to a recent housing needs assessment, or other report outlining needs or opportunities for increased housing supply growth.

12. REPORTING REQUIREMENTS

There are three main reporting obligations under the HAF. The proponent will be required to adhere to specific reporting requirements, which include:

- Progress on the initiatives and commitments outlined in the action plan.
 - Actual start and completion date of each initiative
 - Percentage complete for each initiative
 - Overall status for each approved initiative (i.e., Completed, On Track, Delayed, Not Started)
 - Start and completion date of the milestone(s) for each initiative
 - Overall status for the milestone(s) for each initiative (i.e., Completed, On Track, Delayed, Not Started)
 - Rationale for the status of each initiative and/or milestone. Where there are delays and/or milestones have not been met, the applicant must provide a detailed rationale, including a proposed plan to get the initiative back on track
 - Number of net new units permitted for residential buildings during the reporting period*.

*Permitted unit refers to units for which building permits for new housing construction were issued during the reporting period for residential buildings. The reference to “net” is to consider any demolitions or conversions that may have also taken place during that period. i.e., 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.

- Permit data for all housing units permitted during the reporting period. CMHC plans to leverage the data points consistent with Statistics Canada Building Permits Survey for consistency purposes.
 - Permit number
 - Submission date of permit request
 - Issue date of permit
 - Construction/demolition location (site address)
 - Type of building code
 - Type of work code
 - Dwelling units created (if applicable)
 - Dwelling units lost (if applicable)
 - Units demolished (if applicable)
 - Secondary suite
 - Number of stories.
- Details on how HAF funding was used during the reporting period.
 - Category and sub-category of incentive funding (see section eight (8) of this document)
 - Annual dollar amount per category and sub-category
 - Cumulative dollar amount per category and sub-category.
 - Details on capital projects facilitated with HAF funding.

There may be additional data points required as part of the reporting requirements listed above.

Proponents will be required to make progress reports and how funds were used public through normal governance mechanisms or other means deemed appropriate by the proponent.

13. ADVANCING AND REPORTING SCHEDULES

There will be a total of four advances to successful applicants (referred to herein as proponents), with one advance planned for each year of the program. Each advance will be subject to conditions including those noted below.

The reporting obligations for proponents will be outlined in the contribution agreement. Reporting will be required at the following intervals: (i) a report on a prescribed form due no later than 6 months following the date the agreement is signed; and (ii) for each subsequent advance, reports on a prescribed form due within 30 days of the anniversary of the agreement. A final report on the use of the HAF funds will be due within 90 days of the fourth anniversary of the agreement.

The reports provided below must be accompanied by an attestation of the applicant's Chief Financial Officer or equivalent (on a prescribed form), which confirms that the proponent remains in compliance with the terms and conditions of the contribution agreement and that the proponent's representations and warranties remain true. Requests for annual payments are dependent on meeting applicable reporting obligations.

Advance	Conditions
<p>Year 1 First advance: 25% of total approved funding*</p>	<p>An upfront advance will be provided to the proponent. The upfront advance is intended to enable the proponent to start the initiatives outlined in their action plan and to pursue other investments in housing provided the funds are used for a permitted use(s).</p> <p>First reporting period (first 6 months of agreement): No later than 6 months following the agreement date 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.</p>
<p>Year 2 Second advance: 25% of total approved funding</p>	<p>Second reporting period (first year of agreement): Within 30 days of the first anniversary of the agreement the proponent must submit to CMHC the following:</p> <ul style="list-style-type: none"> • A progress report on the action plan initiatives and commitments. This report will be on a prescribed form. • A report that includes micro-level permit data for residential buildings for all permitted units issued during the annual reporting period. This report will be on a prescribed form. • A report that outlines how HAF funds were spent by the proponent during the annual reporting period. This report will be on a prescribed form. • A letter attesting that the proponent is on track to completing the items outlined in their action plan and has fulfilled its annual reporting obligations. This letter will be on a prescribed form.
<p>Year 3 Third advance: 25% of total approved funding</p>	<p>Third reporting period (second year of agreement): Within 30 days of the second anniversary of the agreement the proponent must submit to CMHC the following:</p> <ul style="list-style-type: none"> • A progress report on the action plan initiatives and commitments. This report will be on a prescribed form. All initiatives are required to be completed in support of the request for the third annual advance, including the housing needs assessment, as applicable. • A report that includes micro-level permit data for residential buildings for all permitted units issued during the annual reporting period. This report will be on a prescribed form. • A report that outlines how HAF funds were spent by the proponent during the annual reporting period. This report will be on a prescribed form. • A letter attesting that the proponent has completed the initiatives outlined in their action plan, is on track to achieving growth targets and has fulfilled its annual reporting obligations. This letter will be on a prescribed form.

*CMHC may on a case-by-case basis consider adjusting the amount of the first advance.

(Continued)

Advance	Conditions
<p>Year 4 Fourth advance: 25% of total approved funding</p>	<p>Fourth reporting period (third year of agreement): Within 30 days of the third anniversary of the agreement the proponent must submit to CMHC the following:</p> <ul style="list-style-type: none"> • A report confirming achievement of the housing supply growth target and any other targets established in the action plan. This report will be on a prescribed form. • A report that includes micro-level permit data for residential buildings for all permitted units issued during the annual reporting period. This report will be on a prescribed form. • A report that outlines how HAF funds were spent by the proponent during the annual reporting period. This report will be on a prescribed form. • A letter attesting that the proponent has achieved the housing supply growth target and any other targets outlined in the action plan and has fulfilled its annual reporting obligations. This letter will be on a prescribed form.
<p>NA</p>	<p>Fifth reporting period (fourth year of agreement): Within 90 days of the fourth anniversary of the agreement the proponent must submit to CMHC the following:</p> <ul style="list-style-type: none"> • A report that outlines how HAF funds were spent by the proponent during the annual reporting period. It is expected that all funds be spent before this final report is submitted and fully accounted for in the report. This report will be on a prescribed form.

CMHC will consider all relevant circumstances when determining whether to approve a request for advance during the prescribed timelines. CMHC will work with the proponent to address situations where achievement is delayed or not progressing as planned. If satisfactory arrangements to rectify the situation are not implemented, then CMHC may reduce or withhold payment of advances. CMHC will communicate funding decisions in writing.

14. CONTRIBUTION AGREEMENT

To participate in the program, approved applicants will be required to enter into a contribution agreement with CMHC in which it agrees to the commitments and to undertake the initiatives set out in the action plan.

15. APPLICATION PROCESS

The following provides a high-level overview of the application process:

- CMHC publishes program parameters and pre-application reference material.
- Applicants assess their own local context, including housing challenges and opportunities
- Applicants prepare an updated action plan unique to their needs in support of HAF.
- Applicants obtain appropriate approvals
- CMHC invites applicants to apply/portal opens for application submissions
- For HAF2, applicants submit their updated application to CMHC, including their action plan
- CMHC will evaluate and prioritize applications
- CMHC will advise the applicant on the status of their application
- For approved applications, CMHC will confirm the total amount of funding available to incent new housing supply, expectations on progress reports, and the planned schedule of payments
- If approved, the proponent signs the contribution agreement. If not already obtained, Council approval (or equivalent) of the action plan is required before the proponent enters into the contribution agreement
- The action plan will form part of the contribution agreement between CMHC and the proponent.