

Canada Infrastructure Fund

Administered by Housing, Infrastructure
and Communities Canada (HICC)



The Government of Canada’s Budget 2024 provided \$6 billion in federal funding over 10 years to establish the Canada Housing Infrastructure Fund (“CHIF”). CHIF will fund capital and planning projects aimed at building new, or expanding or rehabilitating existing drinking water, wastewater, stormwater or solid waste infrastructure to enable more housing.

Housing, Infrastructure and Communities Canada (HICC) will administer two streams within CHIF:

- **Direct delivery stream**, in which HICC will deliver up to \$1 billion over eight years directly to eligible recipients, such as municipalities and Indigenous communities
- **Provincial and Territorial Agreement stream**, in which HICC will provide \$5 billion over 10 years to the provinces and territories which, in turn, will distribute funds to communities. Provinces are required to contribute 33% of total eligible costs to the project

Choosing The Right Stream

Choose Direct Delivery stream if your project...	Choose Provincial and Territorial Agreement stream if...
<ul style="list-style-type: none"> • will directly enable new housing supply. • can demonstrate that the investment in infrastructure will remove barriers to enabling housing supply in the short term. • meets all applicable program requirements and supports CHIF’s objectives and expected outcomes. • demonstrates a housing need, or that growth is expected in the community where the project will take place. • supports increased capacity of municipal infrastructure related to drinking water, wastewater, stormwater, or solid waste management. • will have between \$1 million and \$100 million in total eligible costs. • will be substantially completed by September 2031. 	<ul style="list-style-type: none"> • the project is in the early planning phase. • the project relates to longer-term infrastructure and housing needs. • the applicant is in the process of adopting the housing conditions (more details in eligibility table) • the applicant is from a rural (population 30,000 or less) or northern community, and the project is to preserve existing capacity, or increase reliability and access to drinking water, wastewater, stormwater, solid waste systems for current and future populations.

Note: CHIF uses a **continuous intake**, whereby project applications may be submitted at any time while the intake remains open. Project applications received before the final closing date may be reviewed and approved during the application intake period.

Now, let’s look at what costs are eligible for funding, the terms under which they are provided for each stream, regional and municipal government responsibilities, some assessment criteria, and other considerations that you will need to account for before applying.

What Costs are Eligible for Funding?

Eligible	Ineligible
<ul style="list-style-type: none"> • Costs incurred after project approval and before September 30, 2031 • Capital costs, construction costs, design and planning costs, cost for professionals, technical personnel, consultants and contractors specifically engaged for the project • For natural infrastructure only, land acquisition (see the Step-by-Step Application Instructions in the Funding Portal for more information) • Costs of environmental assessments, monitoring, and follow-up activities, as required by the Impact Assessment Act ("IAA") or equivalent legislation • Costs associated with a public announcement and official ceremony or required temporary or permanent signage that includes the cost of creating and posting signage • Costs for the purpose of Indigenous consultation or engagement activities • Other costs that are considered direct and necessary for the successful implementation of the project and that are approved in advance by HICC 	<ul style="list-style-type: none"> • Project costs incurred prior to project approval, except for expenditures associated with meeting federal requirements related to environmental assessments and Indigenous consultation and, where appropriate, accommodation; • Costs incurred for cancelled projects; • Costs for leasing land, buildings, and other facilities; costs for leasing equipment other than equipment directly related to the construction of the project; real estate fees and related costs; • Recipient employee and overhead costs, except: <ul style="list-style-type: none"> ○ those for the purpose of Indigenous consultation and engagement activities; and ○ incremental costs related to the recipient's employees, if approved in writing by Canada • Costs associated with on-going operating expenses and regularly scheduled maintenance work; • Financing charges, legal fees, mediation or alternative dispute resolution fees, collateral on mortgage financing, and loan interest payments, including those related to easements (e.g., surveys), except for: <ul style="list-style-type: none"> ○ legal fees incurred by Indigenous recipients, excluding those related to litigation or to the purchase of real property (land or building). ○ legal fees incurred by Indigenous peoples whose rights may be affected by project activities funded by the program and that are reasonable, as determined by Canada. ○ construction finance costs incurred for public-private partnership projects. • Any goods and services costs which are received through donations or in kind; • Provincial sales tax, goods and services tax, and harmonized sales tax for which the recipient is eligible for a rebate, and any other costs eligible for rebates; • Costs related to furnishings and non-fixed assets, unless approved by Canada • All capital costs, including site preparation and construction costs, until HICC has confirmed that environmental assessment, other applicable federal environmental legislation and Indigenous consultation and accommodation obligations have been met and continue to be met; • Land acquisition costs not directly linked to the development of natural infrastructure.

Funding Terms

Direct Delivery Stream	Provincial and Territorial Agreement Stream																												
<ul style="list-style-type: none"> • At least 10% of the funding will be dedicated to Indigenous recipients. In recognition of the unique nature of infrastructure and housing needs in Indigenous communities. • This stream is currently accepting applications until March 31, 2025. • Indigenous applicants will have until May 19th, 2025 • The maximum federal share of total eligible expenditures that CHIF may contribute toward a project is based on recipient type: <ul style="list-style-type: none"> ○ Up to 40% for the following provinces entities: municipal or regional governments, public sector bodies, and not-for-profit organizations ○ Up to 50% for municipal or regional governments with a population of 30,000 and under ○ Up to 75% for the following entities in the territories: municipal or regional governments, public sector bodies, and not-for-profit organizations ○ Up to 100% for Indigenous recipients ○ Up to 25% for private sector for-profit bodies 	<ul style="list-style-type: none"> • Supports provincial and territorial priorities while advancing federal housing objectives. • The provinces must dedicate a minimum of 20% of their CHIF funding to rural, northern and Indigenous communities. Indigenous projects are expected to be given due consideration by provinces as part of this envelope. • Project selection will be administered by the provinces and territories in alignment with the requirements of CHIF. The provinces and territories will solicit eligible projects, perform an initial review, and submit eligible projects to HICC for consideration in accordance with CHIF's objectives. • To receive funding, the provinces and territories must enter into bilateral agreements with the federal government. The agreements must be finalized by January 1, 2025, for the provinces, and April 1, 2025, for the territories. <p>Over the next 10 years, upon signature of the agreements, CHIF will invest the following amounts in each province and territory:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Province/Territory</th> <th style="background-color: #0056b3; color: white;">Funding</th> </tr> </thead> <tbody> <tr><td>Alberta</td><td>\$513.7MM</td></tr> <tr><td>British Columbia</td><td>\$590.7MM</td></tr> <tr><td>Manitoba</td><td>\$209.8MM</td></tr> <tr><td>New Brunswick</td><td>\$150.5MM</td></tr> <tr><td>Newfoundland and Labrador</td><td>\$123.1MM</td></tr> <tr><td>Northwest Territories</td><td>\$74.2MM</td></tr> <tr><td>Nova Scotia</td><td>\$170.9MM</td></tr> <tr><td>Nunavut</td><td>\$73.9MM</td></tr> <tr><td>Ontario</td><td>\$1,551.2MM</td></tr> <tr><td>Prince Edward Island</td><td>\$86.2MM</td></tr> <tr><td>Quebec</td><td>\$955.0MM</td></tr> <tr><td>Saskatchewan</td><td>\$187.9MM</td></tr> <tr><td>Yukon</td><td>\$74.2MM</td></tr> </tbody> </table>	Province/Territory	Funding	Alberta	\$513.7MM	British Columbia	\$590.7MM	Manitoba	\$209.8MM	New Brunswick	\$150.5MM	Newfoundland and Labrador	\$123.1MM	Northwest Territories	\$74.2MM	Nova Scotia	\$170.9MM	Nunavut	\$73.9MM	Ontario	\$1,551.2MM	Prince Edward Island	\$86.2MM	Quebec	\$955.0MM	Saskatchewan	\$187.9MM	Yukon	\$74.2MM
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Regional and Municipal Government Responsibilities

Direct Delivery Stream	Provincial and Territorial Agreement Stream
<ul style="list-style-type: none"> • Adopt zoning for "four units as-of-right" per lot in all low-density residential areas with municipal servicing (i.e., water and sewer) in communities with populations greater than 30,000; and • Implement a three-year freeze on increasing development charges above the rates that were in effect as of April 2, 2024 (when CHIF was initially announced) in municipalities or regional governments with populations greater than 300,000, according to Statistics Canada (see List of municipalities subject to Development Charge freezes in Annex B of the Applicant Guide). 	<ul style="list-style-type: none"> • Work with Canada to develop the federal housing design catalogue and support municipalities in implementing measures to enable the adoption of standardized designs within 18 months of the catalogue's publication; • Implement the 2025 and future National Model Codes within 18 months of their publication—as per the Reconciliation Agreement on Construction Codes—work with Canada to support the exploration of housing supply actions, such as single egress construction, modular construction, tiny homes, and code digitalization, which are already under consideration for the 2030 codes update; and • Endorse the federal government's blueprint for a Renters' Bill of Rights and Home Buyers' Bill of Rights, to strengthen renting and home buying systems, including the Bills' overarching principles, which are: ensuring everyone has a safe and affordable place to call home, fostering fairness and transparency, addressing inequity and discrimination, and safeguarding the home buying and renting systems

Additional Assessments for Direct Delivery Stream

Projects that meet all mandatory eligibility criteria under the Direct Delivery Stream will be further assessed and scored against merit criteria in the following areas:

- Project rationale
- Housing needs addressed
 - Housing need
 - Number of housing units enabled
 - Project supports known housing development
 - Densification
 - Housing affordability
- Infrastructure needs addressed
 - Infrastructure capacity
 - Infrastructure benefits
- Benefits to environment and community
- Priority and readiness

Other Considerations

Federal requirements and reporting

- Greenhouse gas mitigation
- Climate resilience
 - Phase 1 - Climate Hazard Identification and Hazard Treatment Attestation
 - Phase 2 - Hazard Treatment Reporting
- No construction can start and no funding can flow until environmental assessment requirements are met
- Indigenous consultation

- Project reporting

Environmental assessment and Indigenous engagement and consultation cost

- Environmental assessment costs: Include costs for environmental assessments, monitoring, and follow-up activities as required by the IAA, modern treaties, or northern regulatory regimes.
 - For projects on federal lands, plan for a potential environmental effects determination (Section 82 of the IAA) and include forecasted costs in the project budget.
- Indigenous engagement and consultation costs: Costs may include providing ceremonial offerings, organizing meetings, and distributing project information to Indigenous community members.
 - Costs may also cover funding for Indigenous peoples to participate in activities that involve a review of the project (e.g., costs associated with attending meetings, providing feedback on documents, and conducting separate studies on archaeological, health or socioeconomic interests).
 - The total costs will depend on the number of consultation activities required based on the nature of the project and the number of communities or organizations that need to be consulted. Costs may vary from one region to another.

Non-competitive procurement

- No additional approval is required for non-competitive contracts that have an estimated value below \$40,000 for construction or goods contracts, or \$100,000 for service contracts.
- The Minister of Housing, Infrastructure and Communities may approve funding for CHIF projects involving non-competitive contracts that:
 - are for less than \$500,000; or
 - are with a public sector entity; or
 - can only be performed by one person or entity; or
 - are with an Indigenous recipient; or
 - are with an Indigenous organization or governing body and there is a benefit to an Indigenous community; or
 - addresses a state of emergency that has been declared.

Contact Nick Gefucia at ngefucia@ellisdon.com to discuss how EllisDon Community Builders can help you advance your project.