

Housing-Enabling Water Systems Fund (HEWSF) – Intake II
- Frequently Asked Questions

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Applicant Eligibility

1) Who is eligible to apply to the program?

Municipalities (i.e., lower, upper, single tiers) that own water, wastewater and stormwater infrastructure will be eligible to apply, provided they did not apply or are not successful applicants or co-applicants from the first HEWSF intake.

Single-Tier municipalities who do not currently own water assets but through the project will own assets at the completion of the project and beyond are eligible to apply.

Municipalities that have 'New Deal' agreements in place are not eligible to apply.

2) How does the application process and eligibility for the program impact upper and lower-tier municipalities?

Lower-tier (LT) municipalities that own and operate water assets are eligible to submit an application. For upper-tier (UT) municipalities that own and operate the asset on behalf of the LTs, the UT is eligible to submit an application for the program.

In the event that an UT owns and operates multiple eligible assets, each servicing different LTs in a region, the UT will only be permitted to submit one application.

Municipalities, including associated Upper and Lower-Tiers, that support the same housing development are required to submit as a joint application.

3) Is a municipality allowed to submit more than one application?

Each single municipality is allowed to submit only one application. Should a municipality choose to submit a joint application with another municipality, that submission would be counted as their sole application. That is, a municipality cannot submit a joint application in addition to a stand-alone application.

4) Can municipalities re-submit the same application previously submitted for HEWSF I?

Yes, municipalities that were unsuccessful for HEWSF I intake may submit the same project under HEWSF II, but will have to download and complete the new application form. The new application has some updates from the first intake so please ensure you are reviewing all questions and updating where necessary.

5) Can an upper tier municipality that received funding in HEWSF I be a co-applicant for a lower tier municipality that was not successful under HEWSF I?

Municipalities that are receiving funding under the first HEWSF intake, including as a co-applicant, or through New Deal agreements are not eligible for this intake.

Project Eligibility

6) What type of projects will be eligible for the program?

A project can be a new build, rehabilitation, reconstruction, replacement or expansion.

7) Which asset types are eligible for the program?

The following asset types will be eligible for the program:

- Drinking water assets (e.g., treatment plants, reservoirs, local pipes including the distribution system watermain and the municipal portion of service lines, pump stations).
- Wastewater assets (e.g., lagoon systems, pump stations, lift station, linear assets, treatment plants, storage tanks and collection systems).
- Stormwater assets (e.g., management facilities, linear assets including conveyance piping/ditches/culverts).

8) Can a project submission include eligible costs from a combination of water (e.g., distribution system), wastewater (e.g., pump station and linear) and stormwater (e.g., management facilities) assets? For projects where more than one eligible asset type is included, where can information on the other asset(s) included in the project be submitted?

Applicants must select only one primary asset type but may bundle more than one eligible asset type as part of the project. For example, a project may have both water and wastewater components. Bundled projects must demonstrate that each component of the project is inter-related and meets eligibility requirements.

Projects with more than one asset type in the same or different locations must be under “one system.” That is, the other asset(s) included in the project should **be inter-related**. For example, a project may include the expansion of lagoon systems and the rehabilitation of pump stations in the same or two different locations, both of which fall under a wastewater asset system.

Note: The project must meet all necessary provincial regulatory requirements (i.e., Duty-To-Consult), funding limits, and program conditions.

You can provide additional information pertaining to the other asset(s) included in the project by way of supporting documentation that can be uploaded to TPON. See Question #8 (within the “Appendix A: Technical Schedule” tab) of the TPON Application Form for instructions:

“8. Supporting Documentation: Upload to Transfer Payment Ontario any supporting documentation e.g., engineering assessments, inspection reports, design reports, compliance letters/reviews and photographs.”

9) If a municipal road/bridge project is being submitted under the Municipal Housing Infrastructure Program – Housing Enabling Core Servicing stream (MHIP-HECS), can a water project that enables housing units in the same area as that of the MHIP-HECS project be submitted?

As the MHIP-HECS stream is providing funding for eligible assets distinct from other provincial housing-enabling infrastructure programs, municipalities may submit their water projects for provincial consideration under the Housing-Enabling Water Systems Fund.

Please feel free to indicate in open comment areas of the application such as the project description and in the technical area of the application mentioning the linkages between the two projects and any other information that you would like MOI and reviewing ministries to know.

10) If water infrastructure is being built by the development community on behalf of the municipality and the ownership of the infrastructure will ultimately be with the municipality, would this project be eligible for funding?

The applicant must own the asset at the time of application or, for single tiers, at the time of project completion.

11) Are projects located on private land, where the municipality has an easement that allows construction and maintenance, eligible?

Applicant must own the asset at the time of application or for single tiers at the time of project completion. Where there are some smaller adjacent pieces of land, such as easements, that still need to be acquired, the entire project will still be considered eligible however applications should include details that confirm these pieces will be acquired in a timely manner to not delay the broader project.

12) Do all the necessary Environmental Assessment studies need to be completed to be eligible for this funding? If they are not completed does this make a project ineligible?

It is not necessary to have all of the Environmental Assessment (EA) studies completed. However, priority will be given to those projects that are complete or more advanced in planning and design (e.g., Stage 4 of Environmental Assessment). Additionally, project approval will be assessed and prioritized based on program requirements, applicant eligibility, application completeness, assessment criteria and the overall demand of funds in the program.

13) Will projects that have been tendered/awarded but not actually started yet be eligible? Can we tender before funding is awarded?

Projects that are tendered and awarded would be eligible as long as capital work (e.g., construction, site preparation, etc.) has not started and the projects meet all other program conditions.

Projects cannot start construction or site preparation until the provincial government has confirmed in writing that the Duty to Consult (DTC) requirements have been met.

Project Conditions

- 14) Can a single project include multiple tenders for phased work within a continuous area?**

One single project may include multiple tenders; however, all of the work must be inter-related.

- 15) What exactly is identified as a project in the planning phase? Does this include projects identified in infrastructure master plans?**

Projects identified in infrastructure master plans can be considered eligible only if that project is in the process of or completed design and planning at the time of application. However, the project must also meet all other provincial regulatory requirements and program conditions.

Key Dates

- 16) What is the application intake period and how can applications be submitted?**

Application intake launched **August 14, 2024**, and applicants will have until **November 1, 2024, at 4:59 p.m. EST** to submit their applications. Applications must be submitted through the [Transfer Payment Ontario \(TPON\)](#) page where applicants can access the application form, a the program guidelines document, and can upload supporting documents.

- 17) Will applications be reviewed only after the November 1, 2024 deadline or on an ongoing basis?**

All applications will be reviewed after the November 1, 2024 deadline.

18) What are the eligible start and end dates for projects under the second intake?

Projects must start no later than **September 30, 2025**, and must be completed **no later than March 31, 2028**. The project start could include pre-construction soft costs (i.e., design, planning, engineering, project management, etc.) or construction (i.e., shovels in the ground). Project soft costs can be retroactive to **April 1, 2023**.

However, construction must not start prior to project approval by the province and the successful applicant has received confirmation in writing from the province that Duty to Consult requirements have been met.

19) What is the duration of the program?

Successful applicants will have until March 31, 2028, to complete their project.

Assessment Process

20) How will applications be evaluated?

Applications that are complete and include all supporting documentation will undergo a comprehensive evaluation. Applications will be initially evaluated on application completeness, eligibility, water project readiness and meeting program outcomes (housing enabling).

Applications which pass Stage 1 – Mandatory Requirements will move onto Stage 2 where applications will be evaluated against technical merit, financial capacity, housing development readiness, critical health and safety and joint applications.

21) Where can applicants submit additional information (e.g., supporting documents)?

You can provide additional information by way of supporting documentation that can be uploaded to TPON. See #8 (within the “Appendix A: Technical Schedule” tab) of the TPON Application Form for instructions:

“8. Supporting Documentation: Upload to Transfer Payment Ontario any supporting documentation e.g., engineering assessments, inspection reports, design reports, compliance letters/reviews and photographs.”

22) What types of maps must be submitted with the application?

Please include a project map clearly identifying all components in the project description in KML format. Applicants are also required to submit a copy of the applicable official plan schedule(s) and zoning by-law map(s) with the anticipated housing development lands clearly delineated, a detailed explanation of how the proposed development aligns with provincial planning priorities and outcomes, and a clear explanation of the status/stage of the housing development(s) that will be enabled by the infrastructure (e.g. proper zoning in place, plan of subdivision draft approved, site plan application submitted, etc.).

Asset Management Plan (AMP)

23) Which AMP should applicants use to ensure their project is aligned with AMP?

Applicants must use their most up to date AMP that includes the proposed project. If applicants have not met the July 1, 2024, regulatory deadline, they may use their AMP developed for the July 1, 2022, regulatory deadline.

24) What if the municipality’s AMP is not compliant with the 2024 regulation, is it ineligible?

The AMP would still be eligible if the applicant has submitted an AMP for the July 1, 2022, regulatory deadline. However, if the municipality has not submitted an AMP that meets the requirements of July 1, 2024, please provide a link to your updated, public-facing and Council-approved plan as soon as possible to municipalassetmanagement@ontario.ca.

25) Will the AMP be used for assessment?

No, it will not.

26) What if my proposed project has not been determined based on the lifecycle activities prioritized in my AMP?

Proposed projects may not always align with applicant's current approved AMP, please provide information as to why it is not aligned and how the applicant will ensure future alignment with the municipality's AMP work.

Financial Matters

27) What is the maximum funding available per project, and are joint projects allowed?

Through the Housing-Enabling Water Systems Fund – Intake II, the province is investing an additional \$250 million over three years to help municipalities build, repair, rehabilitate and expand critical drinking water, wastewater and stormwater infrastructure. The province will fund a maximum of 73% (up to \$35 million) of eligible project costs with the municipality required to fund all remaining project costs.

Joint projects between eligible applicants are encouraged. For joint applications, the primary applicant can apply for up to \$35 million in provincial contribution on total eligible costs, times the number of applicants. For example, a joint project with three eligible co-applicants can submit a project with a combined provincial contribution of up to \$105 million (i.e., \$35 million multiplied by three eligible applicants equals \$105 million).

Municipalities, including associated Upper and Lower-Tiers, that support the same housing development are required to submit as a joint application.

28) What other types of funding are allowed for the program? (i.e., stacking)

Successful applicants are permitted to stack other municipal and federal funds to fund the 27% minimum recipient contribution. Applicants are responsible for determining if federal funding can be used towards the project being submitted to the Province. Provincial stacking will not be permitted, with the exception of funding received from the Building Faster Fund (BFF) and the Ontario Community Infrastructure Fund (OCIF).

29) Does the replacement of road infrastructure qualify as eligible expenses because of impacts of the water project (e.g., digging up roads to put in larger pipes)?

Eligible project costs under HEWSF include the restoration of all assets to pre-construction condition. For example, if sidewalks are required to be dug-up for the undertaking of the water project, then the cost to restore sidewalks to their pre-

existing condition can be included. Enhancements that did not exist prior to the undertaking of the project are not considered eligible costs. For example, if bike lanes are added and they did not exist prior to the project, then they are not eligible for reimbursement under HEWSF. The Applicant must own the asset at the time of application or for single tiers at the time of project completion.

Duty to Consult Requirements

30) Will a Duty to Consult (DTC) review be required?

Yes. Projects may only begin capital work (e.g., physical construction, removal of vegetation or site preparation) prior to September 30, 2025, provided that funding approval has been received from the province and it has been confirmed in writing that Duty to Consult (DTC) requirements have been met.

Projects that proceed with construction or site preparation **prior to program approval** or receiving written confirmation from the province that DTC requirements have been met will not be eligible for funding.

31) What is the Duty to Consult (DTC) review process?

The Province of Ontario and municipalities may have a Duty to Consult (DTC) and, where appropriate, accommodate Indigenous communities (e.g., First Nation, Inuit and Métis peoples) if an activity is contemplated that may adversely impact an Aboriginal or treaty right.

DTC assessments will begin while project approvals are being conducted (i.e., before Transfer Payment Agreements (TPAs) have been developed). DTC assessments will be based on evaluating the project's potential impacts on Indigenous communities, including engagement history, regulatory approvals, and any known or potential concerns related to the project site(s). Recipients will be notified in writing on the outcome of this assessment.

Projects **must not** begin construction, removal of vegetation or site preparation until the provincial government has confirmed in writing that the Duty to Consult has been met.

HEWSF I

32) Is there a published list of projects that received funding from HEWSF I intake?

The list of successful projects through the first intake will be posted in the coming weeks following some more local announcements that we've seen rolling out since August.

33) Our municipality's application for HEWSF I was not selected. Could we receive reasoning for this decision to assist us in applying for HEWSF II intake?

The Ministry is happy to provide feedback on unsuccessful applications under the first intake. If you haven't already, please email HEWS@ontario.ca and we will provide feedback specific to your application.

Contact Information

34) What is the contact information to ask questions for HEWSF II?

For program related inquiries the Housing-Enabling Water Systems Fund team can be reached by email at HEWS@ontario.ca. For inquiries related to the TPON system, please contact TPON at TPONCC@ontario.ca.