

Canada-Ontario  
Community Housing  
Initiative (COCHI) and  
Ontario Priorities  
Housing Initiative (OPHI)  
– Effective April 1, 2023

PROGRAM GUIDELINES FOR INDIGENOUS  
PROGRAM ADMINISTRATORS

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# Program Guidelines Summary

## Introduction

Ontario's Community Housing Renewal Strategy<sup>1</sup> is a multi-year plan to stabilize and grow Ontario's community housing (including social and affordable housing) sector, with the aim of achieving the following outcomes and measures of success:

Strategic Outcomes	Desired Intermediate Outcomes
 <p><b>Increased supply and appropriate mix of affordable and adequate housing</b></p>	<ul style="list-style-type: none"> <li>• Increased non-profit, co-op and municipal affordable rental supply</li> <li>• Housing stock is in better state of repair and meets the housing needs of the people of Ontario</li> <li>• Greater involvement of the private sector to support more opportunities for affordable and mixed-income buildings</li> </ul>
 <p><b>People have improved access to affordable housing and supports that meet their needs to achieve housing stability</b></p>	<ul style="list-style-type: none"> <li>• People are better connected to housing assistance and supports that are responsive to their complex and changing needs</li> <li>• People live in safe and well-maintained housing</li> <li>• People have more choice about their housing and opportunities to participate in the economy and their community</li> <li>• People experiencing homelessness obtain and retain housing</li> </ul>
 <p><b>Improved efficiency of the community housing system to ensure value for money and long-term sustainability</b></p>	<ul style="list-style-type: none"> <li>• Improved system and inter-ministerial coordination to better identify and respond to people's needs</li> <li>• Improved system management and provider sustainability to better provide a range of housing options</li> <li>• Increased administrative efficiency</li> <li>• Reduced pressure on other service systems including health, social services, emergency, criminal justice</li> </ul>

Over time, the Community Housing Renewal Strategy will help people in Ontario be more connected to housing assistance and supports that better meet their needs, live in safer and well-maintained buildings, find housing more easily, and have more opportunities to participate in the economy and their community.

The Community Housing Renewal Strategy is complemented by the province's Housing Supply Action Plans<sup>2</sup>, which are focused on enhancing housing supply and attainability in the broader housing market, with a goal of building 1.5 million new homes by 2031. The Province has introduced initiatives under More Homes, More Choice (2019), More Homes for Everyone (March 2022), and More Homes Built Faster (October 2022), and plans to continue this work with future Housing Supply Action Plans.

Together, Ontario's Community Housing Renewal Strategy and the Housing Supply Action Plans demonstrate the government's commitment to supporting the creation of housing that responds to all Ontarians' needs, across all incomes. Leveraging the nine-year (2019-20 to

<sup>1</sup> <https://www.ontario.ca/page/community-housing-renewal-strategy>

<sup>2</sup> <https://www.ontario.ca/morehomes>

2027-28) federal government investments under the National Housing Strategy is important to achieving the goals and objectives of these initiatives.

On April 30, 2018, Ontario and the Canada Mortgage and Housing Corporation signed a Bilateral Agreement regarding the National Housing Strategy.

The Bilateral Agreement defines community housing as:

- Community-based housing that is owned and operated by non-profit housing corporations and housing co-operatives or housing owned directly or indirectly by provincial, territorial, or municipal governments or district social services administration boards and includes Social Housing.

For the purposes of these programs, in Ontario, social housing is defined as follows:

- A project that was administered under the Rural and Native Rental Housing Program and continues to be administered under that Program or its successor, the Rural and Urban Indigenous Housing Program.

Consistent with the Community Housing Renewal Strategy, the nine-year National Housing Strategy investments will be delivered in three three-year funding periods:

- Phase I - (2019-20 through to 2021-22)
- Phase II - (2022-23 through to 2024-25)<sup>3</sup>
- Phase III - (2025-26 through to 2027-28)

Similar to Phase I, Phase II includes the following two National Housing Strategy funding streams:

- Canada-Ontario Community Housing Initiative (COCHI) - to protect affordability for households in social housing, to support the repair and renewal of existing social housing supply, and to expand the supply of community housing over time. This stream is available only for Ontario Aboriginal Housing Services (OAHS), one of the two Indigenous Program Administrators in Ontario.
- Ontario Priorities Housing Initiative (OPHI) - to address local housing priorities, including affordability, repair, and new construction.

## **Scope of the Guidelines**

These Program Guidelines describe the program priorities and requirements for COCHI and the program components and requirements of OPHI for the 2023-24 and 2024-25 program years. The Program Guidelines are designed to support Indigenous Program Administrators in implementing the programs at the local level.

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<sup>3</sup> While the Province continued to negotiate with CMHC on Phase II, an interim one-year Action Plan (for 2022-23) was launched as a part of Phase II to ensure continuity in program delivery.

## COCHI and OPHI Program Parameters

Although COCHI and OPHI are separate programs under the Bilateral Agreement, they are designed to share as many common elements as possible.

### What's New

#### Investment Plans

- Indigenous Program Administrators will be required to submit an Investment Plan covering both 2023-24 and 2024-25 program years as soon as possible.
  - The timeline for quarterly Investment Plan updates has been adjusted to allow Indigenous Program Administrators to provide data for the entire period up to the end of the quarter for Q2 and Q3 reporting.

#### COCHI Repair Component

- Funding under COCHI Repair has been limited to \$50,000 per unit to align with OPHI Ontario Renovates.
- Funds for COCHI Repair will be advanced to Indigenous Program Administrators on a quarterly basis based on their projected planned commitments in the approved Investment Plan.

#### COCHI Communications

- Communications requirements for COCHI Capital and Operating Components have been added.

#### OPHI Rental Housing

- Rent affordability criteria is clarified as follows:
  - Units must be rented at or below CMHC Average Market Rent
  - Projected weighted average rent must be at or below 80 percent of CMHC Average Market Rent
- The requirements for Alternate Average Market Rent requests for Rental Housing projects have been clarified and will be based on strong rationale specific to project viability.

#### OPHI Homeownership

- For OPHI Homeownership:
  - Indigenous Program Administrators may submit a business case to request support for an alternative arrangement with a non-profit affordable home ownership provider that meets the objectives of the Homeownership Component.
  - Eligibility has been expanded to include first-time home buyers in addition to renter households.

- Eligibility has been expanded for households larger than one person to include household income up to the 70<sup>th</sup> percentile of the SM area or the province, whichever is lower.
- The maximum funding amount of \$50,000 per eligible unit has been removed. The funding limit of 10 percent of the purchase price of the unit remains.

**OPHI Ontario Renovates**

- Under OPHI Ontario Renovates Component:
  - The requirement that the average funding across the Indigenous Program Administrator’s area must not exceed \$25,000 has been removed

Indigenous Program Administrator may provide funding up to 75 percent of the total project cost per unit or \$50,000 per unit, whichever is more, to create an additional unit (e.g., secondary or garden suite).

Ontario Aboriginal Housing Services (OAHS) is encouraged to view COCHI and OPHI as companion stackable programs as there are common eligibility parameters (e.g., repair under the COCHI Repair Component and OPHI Ontario Renovates Component; rent supplements under the COCHI Operating Component and OPHI Rental Assistance Component new rental construction under COCHI New Build Component and OPHI Rental Housing Component).

**Uses of Funding**

The Bilateral Agreement sets out the following broad uses of funding for COCHI and OPHI, which will assist in achieving the goals of Ontario’s Community Housing Renewal Strategy:

Initiative	COCHI	OPHI
<b>Capital Expenditures</b>		
New Supply	✓ • Community Housing New Construction/Acquisition and/or Rehabilitation/Conversion	✓ • Community Housing New Construction/Acquisition and/or Rehabilitation/Conversion • Affordable Homeownership
Repair	✓ • Social Housing	✓ • Affordable Ownership Housing • Community Rental Housing



Initiative	COCHI	OPHI
Homeownership Down Payment Assistance	✗	✓
Operating Expenditures		
Rent Supplements	✓	✓
Housing Allowances	✗	✓
Support Services*	✗	✓
Transitional Operating Funding for Housing Providers	✓	✗

\*Please refer to Appendix C for a non-exhaustive list of eligible support services.

### Funding Stacking Provisions

There are common eligibility parameters for uses of funding within the COCHI and OPHI Components. As such, funding under COCHI and OPHI can be stacked as follows:

- **COCHI & OPHI capital funding may be stacked**
  - If funding is being stacked under COCHI New Build and OPHI Rental components, they must be for separate and distinct units under the two program components and combined funding must not exceed 75 percent of the project cost.
  - COCHI Repair and OPHI Ontario Renovates funding may be stacked only for social housing projects. While a project can receive both COCHI and OPHI funding, the funding must be used for a different purpose and scope of work (e.g., if COCHI Repair funding is being used for roof repairs, OPHI Ontario Renovates funding cannot be used for the same roof repairs).
- **COCHI/OPHI funding stacking with other Provincial capital funding programs**
  - Funding must be for separate and distinct units. In addition, the IPA must follow the requirements under the respective programs for each of the funded units.

## Ontario Targets to be Achieved

The Bilateral Agreement includes nine-year targets agreed to by the Province and the Canada Mortgage and Housing Corporation. Funding under the Bilateral Agreement is to be used to ensure that the same number of units under the Canada-Ontario Social Housing Agreement in place as of April 1, 2019 will continue to be offered as community housing over the period of 2019-20 to 2027-28.

## **Role of the Indigenous Program Administrator**

Indigenous Program Administrators (IPAs) are responsible for:

- Entering into a Transfer Payment Agreement with the Province
- Completing and updating an Investment Plan outlining how their confirmed funding allocations will be used under COCHI and OPHI
- Developing application processes for COCHI and OPHI, if applicable
- Selecting, recommending, and where applicable, approving projects
- Entering into funding agreements with housing providers/proponents/landlords/service providers/recipients, including ensuring required security registration documents are provided, where applicable
- Advancing payments to proponents, housing providers, service providers or recipients based on agreed upon payment schedules
- Monitoring projects to ensure timely start, completion, and occupancy. IPAs must notify the Ministry as soon as possible if any projects are experiencing delays.
- Fulfilling reporting requirements as per the Transfer Payment Agreement
- Adhering to indemnification provisions as per the Transfer Payment Agreement
- Preventing and resolving issues for projects that encounter difficulties
- Participating in communication events pertaining to the National Housing Strategy as per the Communications Protocol Requirements outlined in Schedule F of the Transfer Payment Agreement

IPAs retain all responsibility for the delivery of COCHI and OPHI even if third party delivery agencies or providers are engaged.

The Ministry is available to assist IPAs with the implementation of COCHI and OPHI. For any questions or more information, IPAs are encouraged to contact the Ministry.

## **Transfer Payment Agreement**

IPAs previously entered into a Transfer Payment Agreement with the Ministry to participate in COCHI and OPHI for the 2019-20 to 2021-22 program years and were required to sign an amending agreement with the Province in order to extend the Transfer Payment Agreement for the 2022-2023 program year. IPAs will be required to sign a new Transfer Payment Agreement with the Province for the 2023-24 and 2024-25 program years.

The Transfer Payment Agreement contains an accountability framework between the Province and IPAs and outlines the roles and responsibilities of the IPA.

The Transfer Payment Agreement outlines:

- Financial provisions (e.g., administration fees, payment dates and financial accountability)
- Eligibility criteria
- Indemnification and repayment provisions
- Risk management protocols for projects facing difficulties
- Reporting and other accountability provisions
- Other requirements (e.g., French Language Services)

In order to participate in the program in the 2023-24 and 2024-25 fiscal years, the IPAs must enter into a new Transfer Payment Agreement. To ensure IPAs are well-positioned to move forward with implementation and to facilitate the flow of funding, the signed COCHI and OPHI program TPA should be returned to the Ministry as soon as possible.

## **Investment Plan, Reporting and Monitoring Approach**

### **Investment Plan**

To balance IPA flexibility and the Province's need to be accountable to the Canada Mortgage and Housing Corporation for spending under the Bilateral Agreement, IPAs will be required to develop an Investment Plan.

The Investment Plan will be used as the main budget setting and quarterly reporting tool.

The Investment Plan will outline how the annual COCHI and OPHI funding allocations will be used in 2023-24 and 2024-25. Investment Plans must be Council/Board (or delegated authority) approved. The Ministry will review and approve the Investment Plans to ensure consistency with the Bilateral Agreement and Program Guidelines.

The Investment Plan is intended to be a concise document that identifies:

- The COCHI and OPHI components the IPA will deliver in each program year and narrative information about how the selected components address the needs of the communities being served;
- How, in the COCHI and OPHI capital components, IPA decisions will reflect value for money and prudent use of public funds;
- The number of units expected to be created and repaired and the number of households to be assisted under the selected COCHI and OPHI components in each program year;
- The amount of funding to be used for the COCHI and OPHI selected components, and the projected and actual commitments on a quarterly basis;
- Any targeted vulnerable sub-populations under the selected program components, according to the groups defined under the National Housing Strategy<sup>4</sup>, as applicable;

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<sup>4</sup> NHS vulnerable sub-populations: Seniors, Indigenous peoples, persons with disabilities, women and girls, particularly those fleeing situations of domestic violence, veterans, visible minorities, refugees, people suffering from mental illness or substance dependence, individuals and families experiencing homelessness.

- The amount of funding to be used for administration.

### Reporting

The Investment Plan will also serve as the baseline reporting tool to enable the Ministry to monitor program achievements and to report back to Canada Mortgage and Housing Corporation per the Bilateral Agreement. As such, IPAs will be required to provide quarterly updates to the Investment Plan. All reporting is maintained through the Transfer Payments Ontario (TPON) system. Timely reporting is important as it may impact ability to flow quarterly advances, especially for the operating components.

The Ministry is committed to achieving streamlined reporting requirements across all transfer payment programs to minimize administrative burden and maximize the focus on achieving outcomes, while providing necessary accountability for the expenditure of government funds. In the case of the COCHI and OPHI programs, the Ministry must meet minimum requirements in order to access federal funding and must work towards progressively meeting the full requirements of Canada Mortgage and Housing Corporation, as outlined in the Bilateral Agreement, for reporting to the federal government. The Ministry is also committed to working with OAHS and Canada Mortgage and Housing Corporation towards a streamlined and efficient reporting approach.

IPAs are required to provide the following information in the Investment Plan quarterly reports for all components under COCHI and OPHI:

- Details on initial budget by component for both COCHI and OPHI
- Quarterly updates on actual disbursements to date (this will include a comparison of initial projected disbursements to actual disbursements)
- Changes to the budget by component

In addition, through the year-end report, IPAs will be required to provide the following:

- Confirmation of compliance with the French Language Services Act (FLSA) for those services provided in designated municipalities under the FLSA.
- Confirmation regarding communication sent to all recipients of COCHI funding that the program is administered by the provincial government and is cost shared between the federal government and the province through the Rural and Urban Indigenous Housing Program.

The details identified in the Investment Plan and quarterly reports will help to inform quarterly payments made by the Ministry, progress on spending, and targets. This information will then be used to update reports such as the Progress Reports and Quarterly Claims required by Canada Mortgage and Housing Corporation under the Bilateral Agreement.

The Province is required to submit an Annual Audited Statement of Disbursements to the Canada Mortgage and Housing Corporation for each fiscal year. The information provided

through the year-end Investment Plan is due to the Ministry by May 31 of each year for the previous fiscal year. This will be aggregated at the provincial level, audited, and presented to the Canada Mortgage and Housing Corporation as part of the Annual Audited Statement of Disbursements requirement under the Bilateral Agreement.

Please note there are other reporting requirements for components under COCHI and OPHI that are specified under each component in the Program Guidelines.

IPAs are required to update their Investment Plans and include details on progress (i.e., actual disbursements against projected disbursements) and revised forecasts per the schedule below:

Due Date	Description	Purpose
As soon as possible	Initial Investment Plan to Ministry due. Includes: <ul style="list-style-type: none"> <li>• Budget by component for both COCHI and OPHI</li> <li>• For applicable components, projected disbursements by quarter for both COCHI and OPHI</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a budget breakdown by component for COCHI and OPHI to be inputted into TPON for program spending requirements</li> <li>• The forecast spending by quarter allows the Ministry to know how to flow quarterly payments</li> </ul>
October 15 each year Quarter 2 Report	Updates to the Investment Plan. Includes: <ul style="list-style-type: none"> <li>• Year to Date (YTD) actual disbursements for both COCHI and OPHI</li> <li>• Projected disbursements for remainder of the year for both COCHI and OPHI</li> </ul>	<ul style="list-style-type: none"> <li>• YTD information allows for program monitoring</li> <li>• Projected disbursements by quarter allows for updated payment information</li> </ul>
January 15 each year Quarter 3 Report	Updates to the Investment Plan. Includes: <ul style="list-style-type: none"> <li>• YTD actual disbursements for both COCHI and OPHI</li> <li>• Projected disbursements for remainder of the year for COCHI and OPHI</li> <li>• Attestation that IPA intends to fully take up all funding by fiscal year end</li> </ul>	<ul style="list-style-type: none"> <li>• YTD information allows for program monitoring</li> <li>• Projected disbursements for remainder of the year allows for updated payment information</li> </ul>

Due Date	Description	Purpose
March 15 each year Investment Plan Update	Updates to Investment Plan for the following fiscal year. Includes: <ul style="list-style-type: none"> <li>• Updated budget by component for both COCHI and OPHI</li> <li>• For applicable components, projected disbursements by quarter for both COCHI and OPHI</li> </ul>	<ul style="list-style-type: none"> <li>• Provides an updated budget breakdown by component for COCHI and OPHI for program spending requirements</li> <li>• The forecast spending by quarter allows the Ministry to know how to flow quarterly payments</li> </ul>
May 31 each year for the previous program year Year-End Report	Final year-end reporting to annual Investment Plan. Includes: <ul style="list-style-type: none"> <li>• Updated actual disbursements for both COCHI and OPHI</li> <li>• Report confirming continued compliance with the French Language Services (FLS) requirements</li> <li>• Report confirming communication has been sent to all recipients of COCHI funding regarding how program is administered and funded</li> <li>• Any other updates if necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Allows the Ministry to complete final reconciliation</li> <li>• The final information will be used to form the Annual Audited Statement of Disbursements requirement of CMHC</li> <li>• FLS reporting is to comply with provincial legislation</li> <li>• COCHI Communications report required to comply with Bilateral Agreement and Action Plan</li> </ul>

Note: If any dates fall on a weekend or holiday, the reports will be due on next business day.

### Monitoring

The quarterly updates to the Investment Plan will serve as a tool for the Ministry to monitor program progress. Although operating payments will be made up-front based on the projected disbursements in the Investment Plan, the Ministry will use the information provided in the quarterly updates to the Investment Plan to adjust quarterly payments to reflect IPA needs.

### **Funding Commitments**

Funding allocations are provided on a “use it or lose it” basis. For operating components, all funds must be disbursed within the prescribed program timelines to the recipient in the program year in which the funding was committed.

Any operating or capital funds not committed by the required timelines may be reallocated to another IPA or Service Manager as funding from one year cannot be reprofiled by the Ministry to future years. Reallocation to another IPA or Service Manager will help to maximize federal funding received in one year to reach overall desired program outcomes. Details on what constitutes a commitment are provided in the subsequent COCHI and OPHI sections.

As part of the Bilateral Agreement, the Ministry is required to provide the Canada Mortgage and Housing Corporation with project level details for both capital and operating expenditures under COCHI and OPHI. If this information is not provided to the Ministry by the key dates identified, IPAs risk losing funding as per the “use it or lose it” provision.

If a capital project is cancelled, or the amount of committed funding is reduced, IPAs may recommit the affected funding as long as the new commitment is made before the final commitment date (March 31<sup>st</sup>) for that program year. To recommit affected funding within the program year, IPAs may submit a new project for Ministry approval. IPAs may also propose to recommit funding through the “top-up” of an existing project(s) approved within the same fiscal year as the original commitment. Otherwise, the affected funding must be returned to the Ministry.

## **Payments**

Where applicable and unless otherwise stated in the Program Guidelines, the Ministry will provide quarterly payments based on the information requested through the Investment Plan and quarterly updates.

Upon receipt of an executed Transfer Payment Agreement and Investment Plan, the Ministry will proceed to initiate your first operating payment based on your cash flow requirements as outlined in your Investment Plan up to 50 percent of the total allocation. If additional funding above this amount is required, IPAs are required to submit a rationale to the Ministry outlining the need for additional cash flow in Quarter 1.

Generally, payments to IPAs will be made on a quarterly basis in the following months:

- May/June (retroactive to April)
- July
- November
- February

These dates may be adjusted and are depending on the timely submission of the Investment Plan updates.

## **Administration Costs**

IPAs may use up to five percent of each of their annual COCHI and OPHI funding allocations to assist with the administration costs for delivering the respective initiatives. IPAs are responsible for determining the amounts required by program year and identifying these amounts in their Investment Plans.

IPAs are encouraged to reduce their administration costs below five percent to provide more funding to program recipients.

Administration costs will be paid to IPAs quarterly based on the annual Investment Plan.

## French Language Services

IPAs providing a service to the public in connection with COCHI or OPHI and that have an office (including the offices of sub-contractors) located in or serving a designated area must:

- Ensure services are provided in French; and,
- Make it known to the public (through signs, notices, other information on services, and initiation of communications in French) that services provided to and communications with the public in connection with the initiatives are available in French.

The list of designated areas can be found in Appendix A.

IPAs are required to submit annual French Language Services Reports confirming their continued compliance with the French language services requirements by May 31 of each year so that it aligns with the final year-end reporting.

## Environmental Assessment

Projects approved under COCHI and OPHI are subject to all relevant and applicable federal environmental assessment legislation, regulations, and policies. IPAs are required to check for compliance with the CMHC-provided checklist in Appendix B and provide confirmation to the Ministry. Environmental compliance does not apply to the Homeownership, Rental Assistance, or Housing Support Services components of OPHI or the operating component of COCHI.

## Communications Protocol

IPAs participating in COCHI and OPHI must agree to adhere to the Canada Mortgage and Housing Corporation-Ontario Bilateral Agreement – Communications Protocol. This is to ensure open, transparent, effective, and proactive communications with citizens through ongoing public information activities that recognize the contributions of each party.

### Important Dates

Date	Description
As soon as possible	<ul style="list-style-type: none"> <li>• Signed Transfer Payment Agreement due to ensure timely quarterly payments</li> </ul>
October 15 each year	<ul style="list-style-type: none"> <li>• Deadline for IPAs to formally request realignment of funding between Capital and Operating components, and vice versa, within each of the COCHI and OPHI allocations. The Ministry will attempt to accommodate these requests, but approval is not guaranteed.</li> </ul>
November 30 each year	<ul style="list-style-type: none"> <li>• Final day to submit Project Information Forms (PIFs) in TPON:               <ul style="list-style-type: none"> <li>○ COCHI New Build projects</li> <li>○ OPHI Rental projects</li> </ul> </li> </ul>



Date	Description
December 15 each year	<ul style="list-style-type: none"> <li>• OPHI Rental and COCHI New Build - Final day to submit signed Contribution Agreements and Confirmation of Registered Security into TPON to commit funding</li> <li>• OPHI Ontario Renovates, Homeownership and COCHI Repair – Must have 90 percent of funding under these components committed by this day.</li> </ul>
January 31 each year	<ul style="list-style-type: none"> <li>• OPHI Ontario Renovates, Homeownership and COCHI Repair - Final day to input Project Information Forms and, where applicable, Contribution/Loan Agreements as well as other required documents into TPON and to commit remaining funding under these components</li> </ul>

Note: These dates are in addition to the reporting dates in the table on page 8.

# Canada-Ontario Community Housing Initiative (COCHI)

## Introduction

When the responsibility for social housing was transferred from the federal to the provincial government in the late 1990s, a distinction was made between social housing projects that were built under programs funded solely by the federal government, and programs that received some form of provincial funding.

Social housing projects that were solely federally funded retained their original operating agreement and mortgage as required by the Canada-Ontario Social Housing Agreement. This is also the case for units funded through federal rent supplement programs. Together, these units account for approximately 25 percent of the social housing supply in Ontario:

- These projects are owned and operated by non-profits, co-ops, and private landlords (for rent supplements)
- This category also includes Urban Native Housing programs
- These projects are governed by the rules and requirements outlined in their original operating agreement; specific requirements vary on an agreement-by-agreement basis
- After the operating agreement ends, neither the Province nor IPAs have authority over these projects unless IPAs and housing providers have entered into some form of agreement that addresses ongoing obligations

Consistent with the goals of Ontario's Community Housing Renewal Strategy, COCHI has been designed to provide a flexible approach to help IPAs address these issues and modernize the community housing system to move towards greater housing provider sustainability and self-sufficiency.

## Objective

COCHI funding can be used to repair, regenerate and expand community housing and to protect affordability support for tenants under the Rural and Urban Indigenous Housing Program.

## Program Components

COCHI offers the following program components to IPAs:

- New Build Component
- Repair Component (previously called the Capital Component)
- Operating Component

## COCHI New Build Component

The New Build component:

- Supports social & community housing regeneration and expansion which involves building new affordable rental units, including additions on community housing sites
- Supports ongoing social housing provider sustainability
- Ensures that safe, adequate, and affordable rental housing is available to Ontario households

Eligible projects must be developed by non-profits, co-operatives, municipalities or DSSABs. Projects proposed by, or in partnership with, private sector proponents are **not eligible** under the COCHI New Build component.

Subject to the above eligibility rule, New Build developments must comply with all requirements and follow the same procedures set out for the OPHI Rental Housing Component.

## COCHI Repair Component:

Support for social housing providers could take the form of repair and renovation funding.

Where capital expenditures are planned, the Ministry encourages IPAs to utilize COCHI funding for strategic capital repairs which preserve and extend the functional lifespan of the social housing supply, such as investments based on capital needs identified in current building condition audits and that help support ongoing housing provider sustainability.

Eligible work could include:

- Replacing and/or repairing core building systems, and sub-systems (e.g., heating and/or cooling, leaking roof systems, water issues, structural repairs, etc.)
- Carrying out health and safety repairs (e.g., accessibility renovations)

Housing providers/projects that receive funding under the COCHI Repair Component must remain affordable for a ten-year period after the completion of the funded retrofit work, including a minimum of five (5) years during which it will operate under the Rural and Urban Indigenous Housing Program. This requirement applies regardless of any operating agreements or mortgage obligations or agreements between an IPA and an eligible housing provider.

## COCHI Operating Component:

Protection for RGI tenants and support for housing providers that can demonstrate their potential for long-term sustainability could take the form of operating funding.

## **Rent Supplements**

Where operating expenditures are planned, eligible costs could include a rent supplement. A rent supplement is a subsidy paid to the landlord on behalf of a household in need of rental

assistance.

IPAs are encouraged to prioritize households residing in social housing and affected by expiring operating agreements and/or mortgage maturity.

Providing rent supplements is intended to promote housing stability for tenants who would otherwise face affordability challenges.

### **Transitional Operating Funding**

COCHI funding may also be used as a short-term transitional operating subsidy. The expectation is that housing providers would use this funding to address immediate areas of concern with the clear objective of reaching an operational and financial status that does not require an ongoing government subsidy but could transition to a rent subsidy agreement that is not an ongoing subsidy.

For example, transitional operating subsidy funding could help a housing provider to address:

- Asset management planning services, such as building condition audits and technical assessments of significant repairs that must be addressed within identified timelines
- Business streamlining/operations analysis
- Enabling acquisitions and mergers of housing providers/assets to improve operating efficiencies and economies of scale

### **Funding Allocation**

The Ministry undertook a COCHI funding model review and updated the allocation methodology to help ensure that:

- Future allocations better reflect current need across the province
- A consistent, equitable approach for allocating funding occurs each year
- The Ministry is able to prioritize using funds to achieve COCHI and broader NHS objectives and meet 9-year NHS targets by allocating funding based on criteria that includes prioritizing areas with greater housing affordability, adequacy, and suitability challenges (Core Housing Need).

### **Funding Commitments**

Funding allocations are provided on a “use it or lose it” basis, as funds are provided by the federal government on the same basis. Funds that are not committed by the required timelines may be re-allocated by the Ministry to another IPA or Service Manager. Since funding from one year cannot be allocated by the Ministry to future years, realignment to another SM/IPA would ensure utilization of all available federal funding in each year.

The following documentation is required to commit funds under COCHI:

- New Build Component – Contribution Agreement and confirmation of security
- Repair Component – Approved project information in TPN and executed Funding

#### Agreement

- Operating component (Rent Supplements; Transitional Operating) – Approved Investment Plan & Commitment letter from the Ministry. **NOTE:** Operating funding must be fully disbursed to the recipient in the program year in which the funding was committed. Funding cannot be extended beyond the program year.

**New Build component** funding allocations must be committed by December 15 of each program year.

For the **Repair component**, no more than 10 percent of this component's funding allocation may be planned for take-up in the fourth quarter of the respective program years. A minimum of 90 percent of the annual funding allocations for the Repair component must be committed by December 15 of each program year.

Notwithstanding the above, any funding that remains to be committed by January 31 of each program year may be reallocated to another IPA or Service Manager.

### Reallocation

To ensure all funds are committed, IPAs may move funding from one COCHI component to another within the same program year if the original planned commitment for funding cannot be met, as follows:

- If an IPA wishes to realign funding from the Operating component to either the Repair or New Build components or vice versa, a request for realignment must be submitted to the Ministry by October 15 of each program year. The Ministry will attempt to accommodate such requests but cannot guarantee approval.
- Funding can be realigned between the New Build component and the Repair component. This realignment can be done in a quarterly Investment Plan update and by informing Ministry staff of the movement in funding.

All annual funding allocations must be committed to projects within the specified timelines in each program year; otherwise, the outstanding funding allocation may be reallocated to another IPA or Service Manager. The Ministry will review the IPA's third quarter Investment Plan updates for each program year to determine whether funding targets will be met and whether reallocation is needed. Any funding remaining to be committed after January 31 of each program year may be re-allocated. Any funding that is re-allocated from an IPA will be deducted from that IPA's total overall allocation.

### General Eligibility

Housing providers/projects are eligible to receive COCHI funding if:

- As of April 1, 2019, the project was administered under the Rural and Native Rental Housing Program of Schedule C to the CMHC-Ontario Social Housing Agreement

dated November 15, 1999, and the project continues to be administered under that Program or its successor, the Rural and Urban Indigenous Housing Program, at the time of the commitment and use of the COCHI funding for the project

## **Uses of Funding**

As outlined in the Bilateral Agreement, COCHI funding is to be used solely in social housing and community housing to:

- Be used solely in social housing and community housing; and
- Protect, regenerate, and expand social housing and to reduce housing need in social housing

To support Ontario's Community Housing Renewal Strategy, IPAs are encouraged to use COCHI funding for:

- Protecting rent-geared-to-income tenants in non-profit and co-operative housing projects with expiring operating agreements/mortgages
- Preserving social housing supply through repairs and renovations
- Supporting social housing providers that can demonstrate their potential for long-term sustainability through transitional operating funding

## **Project Submission/Approval Process**

### *COCHI New Build Component*

The project submission and approval process for the New Build Component will follow the same processes as the OPHI Rental *Housing Component* on *Pages 27 and 28*.

### *COCHI Repair Component:*

IPA funding is provided in the form of a forgivable loan to the housing provider based on the estimated cost of reviewed work items. IPAs must not reduce existing subsidy payments to social housing providers as a result of COCHI funding.

The IPA is responsible for selecting and approving all eligible COCHI projects, monitoring progress and completion of projects, quality of work and for the advancement of funds.

Once an eligible project has been approved by an IPA, a completed Project Information Form along with required documents must be entered and approved in TPON to confirm the program take-up. IPAs must submit a separate Project Information Form for each address. IPAs must not approve a funding request unless the housing provider has agreed to operate the project as per the affordability requirements included on Page 18 in the *COCHI Repair Component* section.

The Ministry reserves the right to return a COCHI repair project application and resubmission if it is not consistent with these Program Guidelines. IPAs and housing providers are encouraged to liaise early with building departments to avoid code compliance issues (e.g., building permits).

IPAs are also responsible for creating and entering into project funding agreements with each eligible housing provider that will receive COCHI Repair Component funding. IPAs must ensure project status is updated to confirm repair start and repair completion and documents are posted in TPON for each project on an on-going basis.

Repairs must commence within 120 days of signing the funding agreement and completed by the end of the subsequent Fiscal Year, (i.e., March 31, 2025 for projects approved in the 2023-24 funding year). Projects that do not meet these timelines may have their funding reallocated. IPAs must inform the Ministry as early as possible if a project will be delayed in commencing repair work or completion and can request an extension, subject to Ministry approval. IPAs should connect with the respective Housing Programs Account Manager for more information.

Funding is provided to the proponent based on the cost of the work items approved by the IPA. The IPA may vary the amount of funding per unit to address local priorities, to a maximum of \$50,000 per unit. Funding for projects must not be greater than the cost of repairs net any HST rebates.

Copies of all financial invoices must be attached in TPON when the project completion report is submitted for reporting and audit purposes. Invoices cannot be dated prior to the start of the fiscal year in which the project was funded. For repair projects with a significant number of invoices IPAs may be required to submit an itemized spreadsheet along with the invoices.

A minimum of 90 percent of the annual Repair component funding allocation must be committed to eligible housing providers by December 15 of each program year. If an IPA has not met this threshold, the Ministry reserves the right to reallocate funds to another IPA or Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 31 of each program year may be re-allocated to another IPA or Service Manager.

### *COCHI Operating Component:*

Allocations will be committed at the beginning of each program year through a letter from the Ministry based on the projected disbursements identified in the Investment Plan submitted by the IPA through the Transfer Payment Ontario (TPON) System.

IPAs are required to report-back on a quarterly basis and demonstrate program take-up through updates of their actual disbursements in their Investment Plans. Please see page 8 for details on reporting requirements and due dates.

Once the Ministry has reviewed the annual Investment Plans and the individual projects receiving COCHI operating component funding are approved by the IPA, the IPA will enter project details into TPON.

## **Payment Process**

### **COCHI New Build Component:**

The Ministry will make payments using the same process as the OPHI Rental Component, as outlined in the OPHI Program Guidelines.

### **COCHI Repair Component:**

The Ministry will advance funds on a quarterly basis to IPAs based on their projected planned commitments in the Investment Plan.

Payments to IPAs will not be based on development milestones of individual projects; IPAs must flow funds to the housing providers based on pre-established project milestones for their respective projects.

### **COCHI Operating Component:**

The Ministry will provide quarterly payments based on quarterly projected disbursements identified in the Investment Plan.

Funds are transferred electronically to IPAs. IPAs must ensure that the Ministry has their latest banking information to receive these funds.

IPAs will advance regular payments to housing providers after signing agreements with the housing providers.

## **Reporting**

IPAs will be required to report Rural and Urban Indigenous Housing Program expenditures that match the annual COCHI allocation provided.

### **COCHI New Build Component:**

IPAs will be required to submit reports using the same process as the OPHI Rental Component, as outlined in the OPHI Program Guidelines.

### **COCHI Repair Component:**

IPAs are required to report to the Ministry on the status of each project during its repair, retrofit and regeneration activities. IPAs must update progress on project activities and payments to housing providers regularly through TPON. IPAs must submit confirmation of construction start and completion for each project in TPON.

IPAs must also monitor compliance with the ten-year affordability period for each project that receives COCHI Repair funding. IPAs are required to file project reports annually to the Ministry for the first three years following project completion. After this period, the Ministry will audit a sample of IPAs/Service Managers every year. Every IPA and Service Manager will be audited at least once over the remaining seven years of the affordability period.



### COCHI Operating Component:

COCHI reporting consists of updating and submitting the Investment Plan with IPA progress on a quarterly basis. Quarterly reports should be completed and submitted through TPON. Please see Page 8 for dates and reporting requirements.

For quarterly updates, IPAs are required to track disbursements and recipient numbers separately for each stream. Quarterly Investment Plan updates must include the number of occupied units.

IPAs are also required to track and report on the following information for the social housing projects receiving COCHI funding:

- Landlord agreements and, if applicable, agreements with third-party delivery agencies
- Where the funding specifically targets any of the targeted vulnerable sub-populations listed on Page 8, the numbers of units supported.

This reporting ensures compliance with the provisions of the Canada Housing and Mortgage Corporation-Ontario Bilateral Agreement, the IPA Transfer Payment Agreement, and other established program parameters.

### **Communications**

Public announcements of projects under the COCHI New Build component are subject to the Canada Mortgage and Housing Corporation-Ontario Bilateral Agreement – Communications Protocol. As such, IPAs are required to inform the Ministry of their intent to announce a project prior to any announcements being made.

IPAs are required to inform the recipients of COCHI funding that the program is administered by the provincial government and is cost shared between the federal government and the province. This can be done in two ways:

### COCHI Capital Components:

For projects funded through the COCHI capital components, this requirement can be met by ensuring that any signage on the project, either during construction or at completion, include the following wording:

- The project is funded by the federal government through the Canada-Ontario Community Housing Initiative (COCHI) administered by the provincial government under the National Housing Strategy and is cost matched by the province.

### COCHI Operating Component:

Communication to recipients participating in the COCHI operating components can be done through a letter to the recipient, such as an initial Eligibility Letter or a Subsidy Renewal Letter. Please ensure that the following wording is included in such communication to meet this new requirement:

- Your rent supplement subsidy is funded by the federal government and is administered by the provincial government through the Canada-Ontario Community Housing Initiative (COCHI) under the National Housing Strategy.

### *Year-End Attestation*

IPAs are required to attest that they have met the COCHI communications requirement at year-end. This attestation is to be completed in the Transfer Payment Ontario System when submitting the year-end report.

# Ontario Priorities Housing Initiative (OPHI)

## Program Components

OPHI offers the following program components to Indigenous Program Administrators:

- Rental Housing component
- Homeownership component
- Ontario Renovates component
- Rental Assistance component
- Housing Support Services component

Details on each component are included in these Guidelines.

Indigenous Program Administrators have the flexibility to select the components they will deliver each year using their OPHI approved and planned funding allocations. Planned commitments and projected take-up for selected program components must be identified in each Indigenous Program Administrator's Investment Plan – see page 7.

## Funding Allocations

The following documentation is required to commit funds under OPHI:

- Rental Housing – Contribution Agreement and confirmation of security
- Homeownership – Approved project information in Transfer Payment Ontario (TPON) System and Agreement of Purchase and Sale, or Funding/Contribution Agreement with non-profit developer and confirmation of security
- Ontario Renovates – Approved project information in Transfer Payment Ontario (TPON) System, confirmation of security (mortgage or promissory note), either an executed Letter of Agreement or Funding Agreement
- Rental Assistance – Commitment letter from the Ministry
- Housing Support Services – Services Agreement with a Support Services Agency or equivalent, payments for services if applicable

**NOTE:** Funding allocations are provided on a “use it or lose it” basis, since funding from one year cannot be reprofiled by the Ministry to future years. Therefore, funding for both operating components – Rental Assistance and Housing Support Services – must be disbursed in the program year in which the funding was committed. Funding cannot be extended beyond the program year.

## Funding Commitments

Funding allocations are provided on a “use it or lose it” basis. For operating components, all funds must be disbursed within the prescribed program timelines to the recipient in the

program year in which the funding was committed.

Any operating or capital funds not committed by the required timelines may be reallocated to another Indigenous Program Administrator or Service Manager as funding from one year cannot be reprofiled by the Ministry to future years. Reallocation to another Indigenous Program Administrator or Service Manager will help to maximize federal funding received in one year to reach overall desired program outcomes. Details on what constitutes a commitment are provided in the subsequent OPHI component sections.

As part of the Bilateral Agreement, the Ministry is required to provide the Canada Mortgage and Housing Corporation with project level details for both capital and operating expenditures under OPHI. If this information is not provided to the Ministry by the key dates identified, Indigenous Program Administrators risk losing funding as per the “use it or lose it” provision.

If a capital project is cancelled, or the amount of committed funding is reduced, the Indigenous Program Administrator may recommit the affected funding as long as the new commitment is made before the final commitment date (March 31st) for that program year. To recommit affected funding within the program year, Indigenous Program Administrators may submit a new project for Ministry approval. Indigenous Program Administrators may also propose to recommit funding through the “top-up” of an existing project(s) approved within the same fiscal year as the original commitment. Otherwise, the affected funding must be returned to the Ministry.

### Capital Components

Rental Housing component funding allocations must be committed by December 15 of each program year.

For the Homeownership and Ontario Renovates components, no more than 10 percent of each component’s funding allocation may be planned for take-up in the fourth quarter of the respective program years. A minimum of 90 percent of the annual funding allocations for each component must be committed by December 15 of each program year. Notwithstanding the above, any funding that remains to be committed by January 31 of each program year may be reallocated to another Indigenous Program Administrator or Service Manager.

### Operating Components

Allocations for the Rental Assistance component will be committed at the beginning of each program year through a letter from the Ministry based on the projected disbursements identified in the Indigenous Program Administrator’s approved Investment Plan. Housing Support Service funding will be committed based on the submission of Services Agreements (or equivalent if delivered directly by the Indigenous Program Administrator)

Indigenous Program Administrators who deliver the Rental Assistance component and/or the Housing Support Services component are required to report on program take-up through their quarterly Investment Plan updates. The Ministry will provide quarterly payments to Indigenous Program Administrators based on projected disbursements. Indigenous Program Administrators will be required to provide copies of rent supplement Landlord Agreements and

Services Agreements under the Housing Support Services component to demonstrate program take-up.

## **Reallocation**

To ensure all funds are committed, Indigenous Program Administrators may move funding from one component to another within the same program year if the original planned commitment for funding cannot be met, as follows:

- Funding originally planned for the capital components (Rental Housing, Homeownership and the Ontario Renovates) can be reallocated to another capital component
- Funding originally planned for an operating component (Rental Assistance component's Rent Supplement stream and Housing Allowance stream or the Housing Support Services component) can be reallocated another operating component (for more information on delivery streams please refer to Page 47)
- If an Indigenous Program Administrator wishes to realign funding from the capital components to either the Rental Assistance or the Housing Support Services component, or vice versa, a request for realignment shall be submitted to the Ministry by October 15 of the applicable year for which the realignment is requested. The Ministry will attempt to accommodate such requests but cannot guarantee approval.

Under the capital components, all annual funding allocations must be committed to projects within the specified timelines in each program year; otherwise, the outstanding funding allocation may be reallocated to another Indigenous Program Administrator or Service Manager. The Ministry will review Indigenous Program Administrators' third quarter Investment Plan updates for each program year to determine whether funding targets will be met and whether reallocation is needed.

Any funding remaining to be committed after January 31 of each program year may be reallocated. Any funding that is reallocated from an Indigenous Program Administrator will be deducted from that Indigenous Program Administrator's total overall allocation.

# Rental Housing Component

The Rental Housing component will:

- Increase the supply of community rental housing for off-reserve Indigenous households on, or eligible to be on, social housing waiting lists
- Ensure that safe, adequate, and affordable rental housing is available to Ontario households

## Eligibility Criteria - Projects

Eligible projects must be non-profit/municipal/co-operative developments or partnerships, and be one of the following:

- New construction, including additions and extensions
- Acquisition and, where required, rehabilitation of existing residential buildings to maintain or increase the affordable rental housing stock
- Conversion of non-residential buildings or units to purpose-built rental buildings/units

Projects that are **not eligible** include:

- Projects proposed by private sector proponents without non-profit/municipal/co-operative partnership\*
- Additional units (secondary or garden suites) in owner-occupied housing (eligible only under the Ontario Renovates component)
- Nursing and retirement homes
- Shelters and crisis care facilities
- Owner-occupied housing
- Student residences

\*Canada Mortgage and Housing Corporation has made available other programs – for example, the National Housing Co-Investment Fund – to support the development of affordable units by private developers. The Ministry is interested in focusing OPHI funding on the development of community housing that will provide longer-term public benefit.

## Eligibility Criteria – Units

Units must be modest in size and amenities relative to other housing in the community. Units are expected to be self-contained. Proponents who wish to develop congregate living buildings (rooms with shared living spaces) for supportive housing may be eligible for program funding and should provide a rationale in order to receive funding.

Indigenous Program Administrators may establish size and amenity requirements. If Indigenous Program Administrators do not set size requirements, the following provincial minimum and average size requirements can be used as a guideline for new construction projects.

	<b>Bachelor</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>
<b>Minimum</b>	40.0 m <sup>2</sup>	48.7 m <sup>2</sup>	60.4 m <sup>2</sup>	83.6 m <sup>2</sup>	102.2 m <sup>2</sup>
<b>Average</b>	41.8 m <sup>2</sup>	55.0 m <sup>2</sup>	67.4 m <sup>2</sup>	92.9 m <sup>2</sup>	109.2 m <sup>2</sup>

Up to 30 percent of the total available space may be used for non-residential purposes, including common areas and services used directly with the residential accommodation such as office space for support services providers.

## **Project Submission Process**

Indigenous Program Administrators will solicit proposals and select Rental Housing projects to recommend to the Ministry for funding approval.

Indigenous Program Administrators will submit recommended projects for the Ministry's consideration within the allocation set out in their Investment Plans.

Recommended projects shall:

- Be approved by the Board of Directors based on board procurement practices
- Be able to sign a Contribution Agreement and confirm registration of security (in a format that is applicable) no later than **December 15** of each program year
- Be able to start construction within 120 days after signing a Contribution Agreement and be completed within four years
- Be financially viable from a construction and operating cost perspective – based on Indigenous Program Administrator confirmation
- Meet the current Ontario Building Code and comply with the CMHC-provided checklist in Appendix B
- Have rents that on average for the project are at or below 80 percent of the Canada Mortgage and Housing Corporation Average Market Rent for the community or as approved by the Ministry for a minimum of 20 years (see “Affordability Criteria and Rents” on page 30 for additional details)
- Provide the required equity, if applicable – 4 percent for partnerships between private sector and non-profit organizations; 0 percent for non-profit organizations
- Be designed to maximize achievable reductions in energy consumption and greenhouse gas emissions relative to minimum requirements (i.e., meet or exceed the current National Energy Code or Ontario Building Code requirements for new construction; and maximize the achievable energy savings where possible when planning work or retrofits for renovations/repairs). The Ministry will provide guidance and requirements for energy consumption and greenhouse gas emissions reductions in a separate communication to IPAs.
- Have an occupancy plan in place to ensure that units will be occupied in a timely manner

Further, Indigenous Program Administrators are encouraged to give priority consideration to projects that:

- Have Contributions by Others, including the local municipality, and proponent – to be used in partnership with OPHI Rental Housing funding
- Include family-sized (multi-bedroom) units
- Are fully accessible and/or have units that are accessible to persons with disabilities
- Provide community employment benefits (for project with total contributions \$10M or above) including:
  - Work contracts for small and medium-sized businesses (As per Statistics Canada, a small enterprise has fewer than 100 employees and a medium enterprise has 100 to 499 employees)
  - Job creation for apprentices, Indigenous peoples, women in construction, veterans, and newcomers to Canada
- Have support service funding in place, if applicable

Recommended projects for funding should be submitted to the Ministry no later than November 30 of each program year. All projects must be submitted through TPON along with additional project background information such as that contained in Board reports.

## **Project Approval Process**

Project approval will be based on construction readiness, the ability to meet the program's eligibility criteria, financial viability and value for money, and alignment with the Investment Plan.

Indigenous Program Administrators are required to create and submit Project Information Forms through TPON. Once approved, a project will receive a Conditional Letter of Commitment (CLC) from the Ministry, which confirms Ministry approval and outlines the steps to take prior to signing a Contribution Agreement.

The Contribution Agreement describes the legal obligations and reporting requirements for the project. All Indigenous Program Administrators are required to enter into Contribution Agreements directly with proponents. If Indigenous Program Administrators are delivering projects directly (i.e., the Indigenous Program Administrator is the project proponent), they are required to enter into project-specific Transfer Payment Agreements with the Ministry.

## **Funding**

Indigenous Program Administrator funding for the Rental Housing component is provided as a forgivable capital loan.

The OPHI Rental Housing component will fund up to 75 percent of the pro-rated share of the capital costs of the affordable units. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates.



To encourage the development of family-sized units, and in recognition of the variance in costs across the province, per unit funding caps have been eliminated under the OPHI Rental Housing component. Indigenous Program Administrators are encouraged to consider factors such as unit bedroom size, unit type (e.g., low-rise apartment, high-rise apartment, townhouse), or geographic location of the project when determining project funding amounts. The Ministry, however, will only approve projects that are determined to provide value for public money and are modest relative to other housing in the community.

Indigenous Program Administrators are required to perform their due diligence to ensure that a project is financially viable from a construction cost and on-going operating context, that costs per unit are accurate and that the program expenditures represent a prudent and best value use of public dollars.

The Ministry, at its discretion, may require further information from the Indigenous Program Administrator or an independent analysis to confirm project financial viability including soft, hard and land costs (including any details regarding acquisition and local market conditions) to develop affordable housing units.

## **Funding Commitment**

As funding allocations must be committed for the program, the deadline to execute Contribution Agreements and confirmation of security is December 15 of each program year to allow time for reallocation of funds if necessary. Indigenous Program Administrators that have not signed a Contribution Agreement or have not begun construction by the required dates may have their funding reallocated.

## **Contributions by Others**

In addition to the mandatory program requirements, Indigenous Program Administrators, municipalities, and proponents are encouraged to provide additional contributions in order to increase the financial viability of the project and/or to provide deeper affordability for tenants.

Contributions by Indigenous Program Administrators and/or municipalities may include: planning approvals application fees; building permit fees; and full property tax exemptions as well as contributions of municipal grants, and municipally-owned land.

Contributions by proponents may include land or cash, including that from fundraising and donations.

## **Payment Process**

The Ministry will advance funding directly to Indigenous Program Administrators, who will be responsible for making project payments to housing proponents. Indigenous Program Administrators will advance funds to proponents based on the completion of construction milestones and compliance with the program requirements.

Funding will be advanced to Indigenous Program Administrators based on the following

instalments:

- 50 percent at signing of the Contribution Agreement and confirmation of registration of security.
- 40 percent at confirmation of structural framing for new construction or 50 percent completion for acquisition and rehabilitation projects.
- 10 percent at confirmation of occupancy, submission of Initial Occupancy Report, including actual capital costs.

The Ministry may consider accelerated payments for acquisition/modular projects on a case-by-case basis.

All final payments are required to be made within four years of signing the Contribution Agreement. Indigenous Program Administrators are required to ensure that all projects are completed and request the final payment prior to this deadline.

## **Income Verification**

Indigenous Program Administrators are required to establish maximum income levels for OPHI-funded Rental Housing units at the time of initial tenancy; however, all households must be on, or eligible to be on, the waiting list for social housing. Indigenous Program Administrators must establish an approach for income verification to ensure that households in need are targeted. Annual income verification is at the Indigenous Program Administrator's discretion.

## **Affordability Criteria and Rents**

Projects approved under the Rental Housing component must remain affordable for a minimum period of 20 years. Affordability is defined as having rents for the project that are at or below 80 percent of Canada Mortgage and Housing Corporation Average Market Rent (CMHC AMR) at the time of occupancy. Average rent is calculated using actual rents paid by tenants and includes any rent supplements.

While individual unit rents may be set above or below the 80 percent threshold, in no instance shall an OPHI-funded Rental Housing unit have a rent that is greater than the Canada Mortgage and Housing Corporation Average Market Rent for the area.

Projects may include both OPHI Rental Housing and market units, but only units with rents that meet affordability requirements will receive OPHI funding.

If rent supplements are used for OPHI-funded units to provide deeper affordability for tenants, the Indigenous Program Administrator shall ensure total rent received by a Proponent, including rent from the tenant and any rental supplements from the Indigenous Program Administrator or other party shall not exceed 100 percent of Canada Mortgage and Housing Corporation Average Market Rent. In addition, the total of the rent paid by the tenant and any federal and/or provincially funded rent supplements paid to the proponent must be used to calculate the weighted average rent in a project.

Rent increases after initial occupancy must be made in accordance with rules established in the *Residential Tenancies Act, 2006*. New rental buildings (no part of which was occupied for residential purposes on or before November 15, 2018) are technically exempt from the *Residential Tenancies Act, 2006* rent increase guidelines but are subject to terms and conditions in the Transfer Payment Agreement. The Transfer Payment Agreement states that rent increases follow the *Residential Tenancies Act, 2006* rent increase guidelines but must still remain at or below 100 percent of Canada Mortgage and Housing Corporation Average Market Rent and that average rents for the project must not exceed 80 percent of Canada Mortgage and Housing Corporation Average Market Rent.

### Alternate Average Market Rent Values

The intent of the Rental housing component is to develop affordable rental housing units for low to moderate income households and to provide longer-term public benefit. As such, the units created under this component must adhere to the affordability rule of being at or below 80 percent of CMHC AMR.

If Canada Mortgage and Housing Corporation Average Market Rents are not available for certain communities, or the Indigenous Program Administrators believes that the Canada Mortgage and Housing Corporation Average Market Rents may impact project viability, the Indigenous Program Administrators may request alternate average market rent values. Indigenous Program Administrators may request alternate average market rent values by submitting a business case to the Ministry for a project that includes a strong rationale for alternate average market rent values to justify project viability. All such requests will be reviewed on a case-by-case basis and approval is not guaranteed.

## **General Requirements**

The following general program requirements apply to projects approved under the Rental Housing component:

### Construction

- Projects must start construction within 120 days of signing a Contribution Agreement
- Projects that do not start construction within 120 days of signing a Contribution Agreement may, at the Ministry's discretion, have program funding withdrawn and reallocated to another Indigenous Program Administrator or Service Manager.
- Written confirmation of construction start must be provided to the Ministry
- Site inspections will be conducted at the discretion of the Ministry
- Projects must complete construction within four years of signing a Contribution Agreement

Indigenous Program Administrators must inform the Ministry as soon as possible if a project is at risk of not being completed within the four-year deadline.

## Equity

- Minimum four percent equity must be provided for projects sponsored by partnerships between private companies and non-profit organizations.
- No equity contribution is required for projects sponsored by non-profit or co-operative housing organizations to encourage participation by these groups in the program.
- Please note that private lenders may have additional equity requirements.

## **Indemnification and Repayment**

There are obligations for all OPHI parties with regard to the indemnification and recovery of government funding. Specific obligations and provisions are included in the Transfer Payment Agreement.

In cases where an OPHI Rental Housing project encounters difficulties, the risk mitigation strategies outlined in the Guide may assist proponents and Indigenous Program Administrators.

## **Reporting**

In addition to individual project submission through the TPON, Indigenous Program Administrators are required to update their Investment Plans with their funding commitment projections under the Rental Housing component on a quarterly basis. Please refer to Page 8 for reporting requirements and due dates. Proponents will be required to report accordingly to their Indigenous Program Administrator.

Quarterly updates to the Investment Plan will be supplemented by regular milestone updates through TPON along with progress reports to the Ministry contacts describing project progress and potential issues of concern that might delay or jeopardize the project.

Indigenous Program Administrators will be required to submit documentation in TPON as follows:

- Within 120 days after signed Contribution Agreement: first available Building Permit, Confirmation of Construction Start
- At completion of structural framing: confirmation of structural framing through building inspection report
- An audited capital cost statement within six months following the initial occupancy date, or such additional time acceptable to the Ministry

Indigenous Program Administrators are also required to complete and file with the Ministry an Initial Occupancy Report once projects are completed and occupied, and Annual Occupancy Reports for the first three years after project completion. After the first three years, filing of the Annual Occupancy Report is not required although the Indigenous Program Administrator is still required to complete the Annual Occupancy Report and may be requested to submit the report periodically.

This reporting ensures compliance with the provisions of the CMHC-Ontario Bilateral Agreement under the National Housing Strategy and other established program requirements. All reports and updates are to be submitted through TPON, where possible.

## Homeownership Component

The Homeownership component aims to assist low to moderate income off-reserve Indigenous renter households and first-time home buyers to purchase affordable homes by providing down payment assistance in the form of a forgivable loan.

Specific objectives are:

- To provide renter households and first-time home buyers with an opportunity to move into homeownership
- To ease the demand for rental housing by assisting renter households to purchase affordable homes
- To encourage non-profit affordable homeownership developers to build affordable ownership units

### **FOR OPHI NON-PROFIT HOMEOWNERSHIP**

Homeownership component funding may be provided to non-profit affordable home ownership providers during the construction phase of affordable ownership units to help providers secure and reduce the cost of construction financing. Funding must be secured on title to the lands. Similar to the Rental Housing component, Indigenous Program Administrators would enter into contribution/funding agreements with the proponent to commit the funding.

The associated per unit funding would then be provided to home buyers as down payment assistance at the time of closing of the purchase of the unit. The requirements of the Homeownership component (e.g., eligibility criteria, loan and repayment provisions) outlined below will apply to the down payment assistance.

Indigenous Program Administrators interested in working with a non-profit affordable home ownership provider that wish to use a different model than the one outlined in these guidelines may submit a business case to the Ministry for consideration. For example, a non-profit affordable home ownership provider may have an existing successful approach for developing affordable homes that would benefit from funding under the Homeownership Component. Each business case would be subject to approval by the Ministry and would require a Contribution Agreement between the Indigenous Program Administrator and the non-profit that:

- Meets the objectives of the Homeownership Component,
- Complies with the purchaser eligibility criteria,
- Achieves the minimum 20-year affordability period requirement, and
- Ensures projects complete construction and all payments are made to the developer within four years of signing a Contribution Agreement.

The business case could propose providing the non-profit with Homeownership Component funding or funding from the Indigenous Program Administrator's Homeownership Revolving Loan Fund.

## **Purchaser Eligibility Criteria**

To be eligible for down payment assistance, prospective purchasers must:

- Be a renter household or a first-time home buyer (as defined in the TPA) buying a sole and principal residence in a participating Indigenous Program Administrator area.
- Have household income for the Service Manager area where the home is being purchased or the province, whichever is lower, at or below:
  - The 60<sup>th</sup> percentile income level for a household that includes one person, or
  - The 70<sup>th</sup> percentile for a household that includes more than one person.
  - The Ministry will provide Indigenous Program Administrators with a table of income percentiles by Service Manager area each year.
- Meet any additional criteria as established and communicated by the Indigenous Program Administrator.

Household income verification is the responsibility of the Indigenous Program Administrator.

Purchasers must be selected and approved through a fair and open process developed by the Indigenous Program Administrator based on local criteria and defined needs specified in the Indigenous Program Administrator's Investment Plan.

## **Purchase Price**

The purchase price of a home must not exceed the average resale price in the Service Manager area where the home is being purchased. Indigenous Program Administrators may establish their own maximum house prices, provided they are lower than the average resale price in the Service Manager area where the home is being purchased. Maximum house prices will be updated on an annual basis and provided by the Ministry.

## **Eligible Unit Types**

Resale or new homes (including conversions from non-residential use that include a new home warranty) are eligible unit types under the Homeownership component.

Homes may be detached, semi-detached, town (condo and freehold), stacked homes, row houses, apartments or other similar built forms approved by the Ministry. Indigenous Program Administrators may also choose to include duplexes as eligible units.

Homes must have a closing date no later than 90 days from the end of the fiscal year in which the funding is allocated (i.e., June 30, 2024 for funding allocations under fiscal year 2023-24). Homeownership projects approved under the non-profit affordable homeownership sub-component are exempt from this deadline.

Homes must be modest in size, relative to community norms, in terms of floor area and amenities, as determined by the Ministry and/or the Indigenous Program Administrator.

Home inspections are required for all resale homes and are strongly recommended for new homes.

## **Education and Training**

Indigenous Program Administrators must ensure education and training on the home buying experience – including financial guidance around the up-front and on-going costs of homeownership – and on the obligations and benefits of being a homeowner are offered to purchasers approved under the Homeownership component.

The Canada Mortgage and Housing Corporation website has a number of tools, worksheets, calculators, and guides to assist and inform interested home buyers. This information can be found at <https://www.cmhc-schl.gc.ca/en/buying>.

## **Indigenous Program Administrator Revolving Loan Fund (RLF)**

Creation and maintenance of a dedicated account / revolving fund is a prerequisite of program participation. Indigenous Program Administrators with an already-established Revolving Loan Fund of 20 years are eligible to receive OPHI Homeownership component funding.

Indigenous Program Administrators that do not have a Revolving Loan Fund established will need to ensure that one is created and maintained for at least a 20-year period with the option of phasing out after 15 years.

## **Funding**

Funding is provided as a down payment assistance loan for eligible purchasers. Assistance is forgiven after a minimum of 20 years – the affordability period for the Homeownership component. Indigenous Program Administrators may choose to require a forgiveness period of more than 20 years.

The amount of down payment assistance for each eligible purchaser will be determined by the Indigenous Program Administrator, as follows:

- The funding for purchasers (except those being purchased from non-profit groups) must not exceed 10 percent of the purchase price of the unit
- The funding for eligible non-profit groups must not exceed \$50,000 per eligible unit or 10 percent of the project cost per eligible unit, whichever is greater

If an Indigenous Program Administrator elects to provide less than five percent down payment assistance, the primary lending institution and/or insurance provider may require additional equity to be contributed by the purchaser.

## **Partnerships**

Indigenous Program Administrators may wish to partner with non-profit affordable



homeownership providers (such as Habitat for Humanity) in the delivery of the Homeownership component.

## **Funding Commitment**

A minimum of 90 percent of the annual Homeownership component funding allocation must be committed to eligible purchasers of eligible units by December 15 of each program year. If an Indigenous Program Administrator has not met this threshold, the Ministry may reallocate funds to another Indigenous Program Administrator or Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 31 of each program year may be reallocated to another Indigenous Program Administrator or Service Manager.

## **Payment Process**

Indigenous Program Administrators are to provide down payment assistance to eligible purchasers at the time of closing on the purchase of the home when a mortgage can be registered on title. Please note that OPHI Homeownership component funding may not be used for deposits toward eligible units.

### **FUNDING SCHEDULE FOR NON-PROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPERS**

Funding will be advanced to Indigenous Program Administrators in three instalments:

1. 50 percent at signing of the Contribution Agreement and confirmation of registration of security
2. 40 percent at confirmation of structural framing
3. 10 percent at confirmation of construction completion

Once an eligible purchaser has been approved by the Indigenous Program Administrator, the required project information – along with a copy of the Agreement of Purchase and Sale – must be submitted to the Ministry through TPON.

Payments to Indigenous Program Administrators will be made within 15 business days of project approval, or within seven days of the closing date of the sale of the unit, whichever is later. For non-profit affordable homeownership developers, projects must complete construction and all payments must be made to the developer within four years of signing a Contribution Agreement.

## **Conditions for Repayment by Homeowner**

Repayment of the original down payment contribution must be made if the following situations occur while the OPHI Homeownership loan is outstanding:

- The unit is sold or leased
- The unit is no longer the sole and principal residence of the loan recipient

- The loan recipient becomes bankrupt or insolvent
- The loan recipient misrepresented their eligibility for the program
- The loan recipient used the proceeds of the loan for a purpose other than the acquisition of the unit
- The death of the loan recipient

Traditional interest will not be charged on the assistance. The original loan amount and the percentage share of the realized capital gains proportionate to the down payment assistance must be repaid in the above cases. For example, if the purchaser was assisted with five percent of the purchase price, the loan amount plus five percent of any capital gains/appreciation would have to be repaid.

If a unit is sold for less than the original purchase price, the difference between the down payment assistance and the depreciated amount will be repayable.

- Amount payable = Loan – (original purchase price – resale price)

For example, if the down payment assistance was \$10,000 for a home originally purchased at \$100,000 and then sold for \$92,000:

- Amount payable = \$10,000 - (\$100,000 - \$92,000) = \$2,000
- If the same home is sold for \$85,000, the principal shall be forgiven

The Indigenous Program Administrator must be satisfied that the sale was at fair market value.

If a purchaser chooses to repay the down payment assistance without selling the home within the affordability period, the purchaser is still required to repay the proportionate percentage of any notional capital gain\* as of the date of repayment.

Only the principal amount would have to be repaid in the event of the death of a homeowner prior to the expiry of the affordability period.

Repayments are to be made into the Revolving Loan Fund and redistributed under the Homeownership component in the Indigenous Program Administrator's service area.

*\*Notional capital gains will be calculated based on the current fair market value of the home at the time of repayment of the loan. Fair market value shall be based on an independent appraisal acceptable to the Indigenous Program Administrator.*

## **Canada Mortgage and Housing Corporation**

In support of the Homeownership component, the Canada Mortgage and Housing Corporation will recognize down payment assistance as owner's equity in its underwriting evaluation.

## **Reporting**

Indigenous Program Administrators are required to update their Investment Plan with their approved progress under the Homeownership component on a quarterly basis. Please see

Page 8 for reporting requirements and due dates.

In addition, as part of the project submission process, the Indigenous Program Administrator must provide the following information on a per project basis:

- Number of households assisted through the program
- Number of occupants
- Price of unit
- Actual occupancy and closing dates
- Amount of OPHI subsidy

Indigenous Program Administrators are also required to report annually on loan repayments to, and loans funded from, the Revolving Loan Fund.

This reporting ensures compliance with the provisions of the CMHC-Ontario Bilateral Agreement under the National Housing Strategy and other established program requirements. All reports and updates are to be submitted in TPON, where possible.

## **Documentation Required for Records**

Indigenous Program Administrators are responsible for retaining the following documents over the life of the program:

Eligibility information:

- The signed application form, including a declaration that all information is accurate
- The Notice of Assessment for all members of the household
- Copies of photo identification
- Unit eligibility information

Loan information:

- Agreements of Purchase and Sale
- OPHI Homeownership loan agreement
- Mortgage registration documentation
- Title search

Payment documents and default actions:

- Records of all payments and defaults
- Confirmation of compliance with the terms of the Loan Agreement (e.g., letter confirming that the unit remains the sole and principal residence of the eligible purchaser)
- Record of actions taken by the Indigenous Program Administrator and the participant on any defaults

## Ontario Renovates Component

The Ontario Renovates component provides financial assistance to renovate and/or rehabilitate affordable ownership and rental properties including off-reserve community housing.

The objectives of the Ontario Renovates component are:

- To improve the living conditions of off-reserve Indigenous households in need through financial assistance to repair deficiencies in affordable ownership and rental properties including community housing.
- To foster independent living of seniors and persons with disabilities by providing financial assistance to support modifications and renovations to increase accessibility of affordable rental and ownership properties.
- To increase the supply of affordable rental housing by providing assistance to create additional units in existing primary residences

The Ontario Renovates component consists of two sub-components:

- *Home Repair* to assist low to moderate income homeowner households to:
  - Repair their home to bring to acceptable standards while improving the energy-efficiency of the unit.
  - Increase accessibility of their unit through modifications and adaptations.
- *Multi-Unit Rehabilitation* to assist:
  - Landlords of eligible affordable rental buildings and community housing providers to rehabilitate units that require essential repairs and/or modify units to increase accessibility.
  - Low to moderate income homeowners to create a new affordable rental unit in an existing primary residence.
  - In repairing, rehabilitating, and improving existing shelters.

### General Eligible Activities and Costs

Eligible repairs for Ontario Renovates may include the following activities:

- Repairs and rehabilitation required to bring a home/unit to an acceptable standard while improving energy efficiency. Examples include, but are not limited to:
  - Heating systems
  - Chimneys
  - Doors and windows
  - Foundations
  - Roofs, walls, floors, and ceilings
  - Vents, louvers

- Electrical systems
  - Plumbing
  - Septic systems, well water, and well drilling
  - Fire safety
  - Other repairs may be considered, with supporting documentation, at the discretion of the Indigenous Program Administrator
- Remediation for an overcrowded dwelling through the addition of habitable living space.
  - Modifications to reduce physical barriers related to housing and reasonably related to the occupant's disability. Examples include, but are not limited to:
    - Ramps
    - Handrails
    - Chair and bath lifts
    - Height adjustments to countertops
    - Cues for doorbells/fire alarms
    - Other modifications may be considered, with supporting documentation, at the discretion of the Indigenous Program Administrator
  - Creation of self-contained additional units (also known as secondary suites or garden suites) for affordable rental purposes.

Other eligible costs may include labour and applicable taxes, building permits, legal fees, certificates, appraisal fees, inspection fees, drawing and specification and any other costs that the Indigenous Program Administrator deems reasonable and that are agreed to by the Ministry.

Repairs and upgrades to Rural Urban Indigenous Housing Program (RUIHP) units are eligible under Ontario Renovates.

Repairs must commence within 120 days of the date of the funding agreement/letter of agreement. Copies of all financial invoices must be attached in TPON at the time of submission of the project completion report, for reporting and audit purposes. Invoices must be dated after the start of the fiscal year in which the project is funded.

## **Affordability Criteria**

### *Home Repair*

Under the Ontario Renovates *Home Repair* subcomponent, eligible households must:

- Have a household income at or below the 60th income percentile for the Service Manager area where the home is located or the province, whichever is lower. Indigenous Program Administrators are responsible for household income verification. The Ministry will provide Indigenous Program Administrators with a table of income percentiles by Service Manager area each year.
- Own a home that is their sole and principal residence with a market value at or below

the average resale price for the Service Manager area where the home is located as updated annually by the Ministry. In communities where data is non-existent, market values may be determined by the Indigenous Program Administrator.

The Ministry will supply annual updates to the 60<sup>th</sup> percentile income figures. Indigenous Program Administrators may use these or more restrictive ceilings or figures, such as Household Income Limits (HILs).

### *Multi-Unit Rehabilitation*

Under the Ontario Renovates *Multi-Unit Rehabilitation* subcomponent, units must be modest relative to community norms in terms of floor space and amenities, with rents at or below the Canada Mortgage and Housing Corporation Average Market Rent for the Service Manager area where the units are located for the entire loan forgiveness period.

Renovations to rooming houses are eligible activities for funding under the *Multi-Unit Rehabilitation* subcomponent. Rooming house units must have rents at or below 60 percent of Average Market Rent levels for 1-bedroom units in the Service Manager area where the rooming house is located.

Renovations and upgrades to existing shelters are eligible under the *Multi-Unit Rehabilitation* subcomponent.

The creation of affordable additional units (secondary suites or garden suites) on the property lot of an existing primary residence are also eligible activities under the *Multi-Unit Rehabilitation* subcomponent. The household income of the incoming tenant must be at or below the 60<sup>th</sup> income percentile for the Service Manager area where the units are located or the province, whichever is lower; however, Indigenous Program Administrators may establish more restrictive income limits. Indigenous Program Administrators must establish an approach for income verification to ensure that households in need are targeted. House value and income limits of the homeowner household may be set by, and are at the discretion of, the Indigenous Program Administrator.

## **Energy Efficiency**

The Ministry strongly encourages the use of energy-saving products or systems for the required repairs to housing under the Ontario Renovates component such as ENERGY STAR certified products

## **Ineligible Projects**

The following projects are not eligible for Ontario Renovates funding:

- Retirement Homes, Long-Term Care Homes (including nursing homes), and crisis care facilities.
- Units not subject to the Residential Tenancies Act, 2006 (except shelters and transitional housing).
- Creation of new rental units (except for additional units, such as secondary suites or

- garden suites on the property lot of a primary residence).
- Any project that has been previously approved for Ministry funding for the same scope of work.
- Projects that commenced repair prior to the program fiscal year. For example, a project under construction before April 1, 2023, is ineligible for funding approval in 2023-24.

## **Project Submission Process**

The Indigenous Program Administrator is responsible for selecting and approving all eligible Ontario Renovates projects, monitoring progress and completion of projects, reviewing the quality of work and for the advancement of funds.

Once an eligible project has been approved by the Indigenous Program Administrator, a completed project information form along with proof of loan security (promissory note or mortgage registration) if required must be entered and approved in TPON to confirm funding take-up. The Ministry reserves the right to return an Ontario Renovates project application for revision and resubmission if it is not consistent with the Program Guidelines.

*Please note, Indigenous Program Administrators must submit a separate project information form for each address.*

Loans may be secured by promissory notes. If funding exceeds \$25,000, a mortgage registered on title is required upon project completion. Loan security is not required for social housing projects.

Indigenous Program Administrators must confirm that property taxes and mortgage payments are up to date. Insurance coverage should be in place for the full value of the home or project.

For *Home Repair* projects, Indigenous Program Administrators must provide a sign-back letter of agreement to each homeowner outlining the scope of work, funding commitment and roles and responsibilities of both the homeowners and the Indigenous Program Administrator.

For *Multi-Unit Rehabilitation* projects, the Indigenous Program Administrator must verify the following additional conditions:

- Certificate of insurance is provided, as appropriate.
- For affordable rental housing projects, the Indigenous Program Administrator and the proponent or homeowner have signed a Funding Agreement, which confirms that:
  - Rental projects must remain affordable for a minimum of 15 years (maintain rent levels at or below Canada Mortgage and Housing Corporation Average Market Rents, and
  - Forgiveness of funding is earned at an equal rate per year for the minimum 15-year period.
- For RUIHP units, the Indigenous Program Administrator must confirm that:
  - The projects will remain affordable for a minimum of a ten-year period after the

- completion of the funded repair work, including a minimum of five years during which it will operate as social housing under RUIHP.
- The requirement must apply regardless of any operating agreements or mortgage obligations or agreements.

Indigenous Program Administrators must ensure project status is updated and documents are posted in TPON on an on-going basis.

## **Funding**

Funding is provided in the form of a forgivable loan to the proponent / homeowner based on the cost of the work items approved by the Indigenous Program Administrator. Indigenous Program Administrators may vary the amount of funding per unit to address local priorities, to a maximum of \$50,000 per unit. However, Indigenous Program Administrators may provide the amount of funding up to 75 percent of the total project costs per unit to create an additional unit (e.g., secondary or garden suite). Funding for projects must not be greater than the cost of repairs net any HST rebates.

The period of forgiveness for *Home Repair* projects is a minimum of 10 years and for *Multi-Unit Rehabilitation* projects it is a minimum of 15 years, with the exception of social housing projects. Forgiveness is earned at an equal rate per year over the affordability period beginning on the date of repair completion.

Funding for accessibility repairs made to a home and/or unit, up to a maximum of \$5,000 is in the form of a contribution without an affordability period and does not require repayment provided the funds are used for their intended purpose.

The applicant is considered to be in default and any outstanding loan amount must be repaid if the following situations occur:

- The unit or project is sold
- Rent levels are increased beyond allowable limits
- Homeowners cease to occupy the unit as sole and principal residence

If any of the following situations occur, the applicant is considered to be in default and the original loan amount must be repaid:

- Misrepresentation occurs related to eligibility for the program
- Funding is used for other purposes

Repayments made to the Indigenous Program Administrator during the affordability period as a result of default are to be reinvested into Ontario Renovates projects unless otherwise directed by the Ministry.

## **Funding Commitment**

A minimum of 90 percent of the annual Ontario Renovates component funding allocation must



be committed to eligible homeowners or landlords by December 15 of each program year. If an Indigenous Program Administrator has not met this threshold, the Ministry reserves the right to reallocate funds to another Indigenous Program Administrator or Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 31 of each program year may be reallocated to another Indigenous Program Administrator or Service Manager.

## **Payment Process**

The Ministry will transfer funds electronically on a quarterly basis to Indigenous Program Administrators based on their projected planned commitments in the Investment Plan.

Once an eligible project has been approved by the Indigenous Program Administrator, a completed Project Information Form along with a promissory note or mortgage registration and funding agreement/letter of agreement must be entered and approved in TPON to confirm program take-up. Indigenous Program Administrators must ensure the project status is updated in TPON to confirm repair start and repair completion for each project and documents are posted on an ongoing basis. Repair activities must start within 120 days of the date of the funding agreement/letter of agreement.

Indigenous Program Administrators are responsible for project selection and approval, monitoring progress and completion of projects, quality of work and for the advancement of funds. Repair activities must be completed by the end of the subsequent fiscal year (i.e., March 31, 2025 for the 2023-24 funding year).

Indigenous Program Administrators must ensure project status is updated in TPON. Should project details – for example, completion dates – not be updated as required, payments to Indigenous Program Administrators may be reduced.

The Ministry will monitor Indigenous Program Administrators' progress under the Ontario Renovates component in TPON throughout the year. In particular, the Ministry will review progress at the end of the third quarter of each program year. Indigenous Program Administrators that have not demonstrated take-up of 90 percent or more of their yearly Ontario Renovates allocation by December 15 of each program year may risk losing their funds. Any funding remaining to be committed after January 31 of each program year will be reallocated to another Indigenous Program Administrator or Service Manager.

## **Reporting**

Indigenous Program Administrators are required to update and submit their Investment Plans with their approved progress under the Ontario Renovates component on a quarterly basis. Please see Page 8 for reporting requirements and due dates.

Indigenous Program Administrators will also be required to prepare and file with the Ministry the following reports in TPON:

- Project Repair Completion Report upon the completion of project

- Post-Repair Occupancy Report upon the completion of *Multi-Unit Rehabilitation* Projects
- Copies of all financial invoices upon completion
- Annual Report (includes Annual Occupancy Reports for *Multi-Unit Rehabilitation* projects throughout the affordability period of all Ontario Renovates projects) for the first three years after project completion. After the first three years, filing of the Annual Report is not required although the Indigenous Program Administrator is still required to complete the Annual Report and may be requested to submit the report periodically.

Indigenous Program Administrators are required to create and submit reports through TPON and ensure that Project Information Forms and rents are updated on an ongoing basis.

This reporting ensures compliance with the provisions of the CMHC-Ontario Bilateral Agreement under the National Housing Strategy and other established program requirements. All reports and updates are to be submitted through TPON, where possible.

## Rental Assistance Component

The objective of the Rental Assistance component is to address affordability issues of off-reserve Indigenous households in rental units across the province.

The Rental Assistance component consists of two streams:

- Rent Supplement
- Housing Allowance

A Rent Supplement is a subsidy paid to the landlord on behalf of a household in need of rental assistance. A Housing Allowance is a subsidy paid directly to a household in need of rental assistance. Housing Allowance payments may be made directly to landlords where the recipient has chosen this approach and provided written direction and consent.

Indigenous Program Administrators are allotted funding for the Rental Assistance component at the beginning of each year of the program, based on the commitments for each stream identified in their Board-approved Investment Plans.

### Household Eligibility

For the purposes of the Rental Assistance component, “household” is defined as any family unit or single individual renting either a self-contained unit or a room in shared accommodation. Households in receipt of social housing rent-geared-to-income subsidy or payments under any other rent support programs are not eligible.

To be eligible for funding under the Rental Assistance component, households must be on, or be eligible to be on, social housing waiting lists and have household incomes that do not exceed the applicable Household Income Limits in the annually amended Ontario Regulation 370/11 under the *Housing Services Act, 2011*.

Indigenous Program Administrators must establish a clear set of rules to determine whether the applicant’s household income is at, or below, Household Income Limits. These rules must be in writing and available to the general public.

Indigenous Program Administrators must conduct annual income testing of households to ensure continued eligibility for the Rental Assistance component, but may exempt specific types of households (e.g., seniors with fixed incomes). Indigenous Program Administrators are solely responsible for establishing the necessary rules, forms, and procedures to meet this requirement.

### Unit Eligibility

Units may be in private buildings or in non-profit and co-operative projects. However, only market rent units in social housing developments are eligible, as program funding cannot be combined with rent-geared-to-income assistance.

### Rent Supplement

Rent Supplement units must be modest as determined by the Indigenous Program Administrator. Self-contained units and congregate living arrangements are both eligible for funding.

Rent supplement units must meet local occupancy standards. Indigenous Program Administrators must establish occupancy standards and include them in program information available to the general public.

### **Funding Commitment**

Allocations will be committed at the beginning of each program year through a letter from the Ministry based on the planned commitments identified in each Indigenous Program Administrator's Investment Plan.

Funding allocations are provided on a "use it or lose it" basis, since funding from one year cannot be allocated by the Ministry to future years. Therefore, Rental Assistance funding must be fully disbursed to recipients in the program year in which the funding was committed.

Funding cannot be extended beyond the program year.

### **Payment Process**

The Ministry will provide quarterly payments based on quarterly projected disbursements.

Funds are transferred electronically to Indigenous Program Administrators. Indigenous Program Administrators must ensure that the Ministry has their latest banking information to receive these funds.

Indigenous Program Administrators will advance regular payments to landlords after signing agreements with the landlords and receiving updated unit occupancy figures from the landlords. Under the Housing Allowance stream, Indigenous Program Administrator pay households directly.

### **Monthly Subsidy Amounts**

Indigenous Program Administrators must determine amounts to be paid to households (Housing Allowance streams) or landlords on behalf of each household (Rent Supplement stream). To ensure program alignment, Indigenous Program Administrators are encouraged to consider a benefit calculation similar to the calculation under the provincial Portable Housing Benefit Framework.

## Reporting

In the initial Investment Plan, Indigenous Program Administrators are required to break down their Rental Assistance component funding by streams and indicate the subsidy levels and estimated number of units/households to be assisted. Please see Page 8 for reporting requirements and due dates.

Indigenous Program Administrators are required to provide quarterly projected disbursements on the initial Investment Plan and demonstrate program take-up by updating their actual disbursements through their quarterly Investment Plan updates.

OPHI reporting consists of updating and submitting the Investment Plan with Indigenous Program Administrator progress on a quarterly basis. Reports will be completed and submitted through TPON.

For quarterly updates, Indigenous Program Administrators are required to track disbursements and recipient numbers separately for each stream. Quarterly Investment Plan updates must include, in the case of the Rent Supplement stream, the number of occupied units, and in the case of the Housing Allowance stream, the number of eligible households.

Indigenous Program Administrators are also required to track and report on the following information:

- Landlord agreements and agreements with third-party delivery agencies
- Approved applications
- Target groups assisted

This reporting ensures compliance with the provisions of the CMHC-Ontario Bilateral Agreement under the National Housing Strategy, the Indigenous Program Administrator Transfer Payment Agreement, and other established program parameters.

## **Housing Support Services Component**

Support services are beneficial to tenants who may need extra support – either temporary or permanent – to achieve housing stability. Housing stability results in improved health outcomes, less reliance on other emergency services, while promoting social inclusion. Funding for support services is more cost-effective for IPAs and the system as a whole.

The objective of the Housing Support Services component is to ensure housing retention, greater self-reliance, and social inclusion for tenants.

Indigenous Program Administrators may not exceed five percent of the funding allocation for the Housing Support Services component.

### **Eligibility Criteria**

Housing Support Services component funding can only be used to provide housing support services to eligible tenants in existing social housing, affordable housing units created under previous programs, as well as to those tenants in units established through OPHI.

Indigenous Program Administrators may provide a variety of support services (see Appendix “D” for a sample list of eligible services) to recipients either directly, or through partnerships with external community agencies. Supports funded should help ensure housing retention, greater self-reliance, and social inclusion for tenants. Indigenous Program Administrators are encouraged to work with providers that have familiarity with the addiction and mental health system, Indigenous organizations and, where appropriate, with Ministry of Children, Community and Social Services (MCCSS) regional offices, the Ministry of Health (MOH), and local community agencies that provide supportive housing and homelessness-related services.

### **Funding Allocations**

Indigenous Program Administrators are required to fully disburse their annual allocation from a program year – as outlined in their Investment Plans – by the end of the fiscal year. The Ministry may reallocate funds to another Indigenous Program Administrator or Service Manager in instances where allocations are at risk of not being fully disbursed within the relevant fiscal year. Indigenous Program Administrators are required to demonstrate program take-up by updating their actual disbursements through their quarterly updates to their Investment Plans.

### **Payment Process**

The Ministry will provide quarterly payments based on initial quarterly projected disbursements. Funds are transferred electronically to Indigenous Program Administrators. Indigenous Program Administrators must ensure that the Ministry has their latest banking information to receive these funds.

## **Reporting**

### **Initial Investment Plan**

In the initial Investment Plan, Indigenous Program Administrators are required to provide projected disbursements for Housing Support Services on a quarterly basis along with the number of households to be assisted.

### **Investment Plan Updates**

On-going Housing Support Services component reporting consists of updating and submitting quarterly updates to the Investment Plan indicating actual disbursements by the Indigenous Program Administrator along with the number of households assisted. Reports will be completed and submitted through TPON. Please see Page 8 for reporting requirements and due dates.

Indigenous Program Administrators are also required to maintain copies of services agreements with community agencies, to support the expenditure information included in the Disbursements Applet in TPON. Indigenous Program Administrators may enter into multi-year services agreement with community agencies; however, the agreements must clearly identify the funding requirements for each fiscal year.

This reporting ensures compliance with the provisions of the CMHC-Ontario Bilateral Agreement under the National Housing Strategy and other established program requirements.

## Appendix A: List of Designated Areas under the French Language Services Act<sup>5</sup>

Service Manager	Designated Area(s)
City of Toronto	All
<b>Central Region</b>	
City of Hamilton	As boundaries existed on Dec. 31, 2000
Regional Municipality of Niagara	Cities of Port Colborne and Welland
Regional Municipality of Peel	City of Mississauga; City of Brampton
Regional Municipality of York	City of Markham
County of Simcoe	Town of Penetanguishene; Townships of Tiny and Essa
<b>Eastern Region</b>	
City of Cornwall	County of Glengarry; Township of Winchester; County of Stormont
City of Kingston	City of Kingston
City of Ottawa	All
United Counties of Prescott and Russell	County of Prescott; County of Russell
County of Renfrew	City of Pembroke; Townships of Stafford and Westmeath
<b>Western Region</b>	
Municipality of Chatham-Kent	Town of Tilbury; Townships of Dover and Tilbury East
City of London	City of London
City of Windsor	City of Windsor; Towns of Belle River and Tecumseh; Townships of Anderdon, Colchester North, Maidstone, Sandwich South, Sandwich West, Tilbury North, Tilbury West, and Rochester
<b>Northeast Region</b>	
Algoma District Services Administration Board	District of Algoma
Cochrane District Social Services	All

<sup>5</sup> See: <https://www.ontario.ca/page/government-services-french#section-1>



<b>Service Manager</b>	<b>Designated Area(s)</b>
Administration Board	
City of Greater Sudbury	All
Manitoulin-Sudbury District Services Board	District of Sudbury
District of Nipissing Social Services Administration Board	District of Nipissing
District of Parry Sound Social Services Administration Board	Municipality of Callander
District of Sault Ste. Marie Social Services Administration Board	The part of the District of Algoma that is part of the district for the District of Sault Ste. Marie Social Services Administration Board
District of Timiskaming Social Services Administration Board	All
<b>Northwest Region</b>	
Kenora District Services Board	Township of Ignace
District of Thunder Bay Social Services Administration Board	Towns of Geraldton, Longlac, and Marathon, Townships of Manitouwadge, Beardmore, Nakina, and Terrace Bay

## **Appendix B: Canadian Environmental Assessment Act (CEAA) Pre-screening Guidelines**

The *Canadian Environmental Assessment Act, 2012* (the “CEAA 2012”) has replaced the *Canadian Environmental Assessment Act, 1992*. Under CEAA 2012, housing- related activities do not currently constitute physical activities as described in the *Regulations Designating Physical Activities*. Accordingly, the Pre-Screening Guideline (the “Guideline”) has been simplified and updated to reflect the provisions of the CEAA 2012 and replaces all previous versions of the Guideline.

IPAs are required to consider this checklist when recommending project proposals to the Ministry for funding approval. IPAs must confirm to the Ministry that the proposed project complies with the CEAA 2012, as per Canada Mortgage and Housing Corporation requirements. The answers to the two questions must be “NO” for the CEAA 2012 to be complied with.

- Is the project carried out on federal lands\*?
- Has the project been specifically identified by the Minister of the Environment in an Order Designating Physical Activities?

\*NOTE: “federal lands” includes lands that belong to, or that may be disposed of by, Her Majesty in right of Canada, but does not include lands under the administration and control of the Commissioner of Yukon, the Northwest Territories, or Nunavut.

## Appendix C: Examples of Eligible Support Services

The types of support services that are eligible to be funded include, but are not limited to, the following:

- Provision of traditional healing and wellness practices to help clients remain housed.
- Counselling, case management, crisis prevention, harm reduction, and intervention services
- Support with physical and cognitive disabilities
- Household set-up assistance, including: obtaining personal identification; moving; transportation; basic furnishings; and rent / utility deposits
- Development of support service plans, to document recipients' goals, activities, and levels of support to be provided
- Assistance with maintaining rental tenancy, including information about: rights and responsibilities; tenant-landlord relations and orientations; and information about how to be a good neighbor and crisis intervention / eviction prevention
- Assistance with basic needs, including: personal care (e.g., bathing, hygiene, and dressing); exercise; shopping; purchasing food and meal preparation; house cleaning; laundry; money management (e.g., budgeting, banking, financial goals); dispensing medication; and conflict resolution
- Assistance with referrals to gain access to services including: income support; employment, job placements, vocational counselling, education, and skills training; parenting courses and childcare; legal services; and recreational activities
- Assistance with the coordination of opportunities for social engagement and inclusion in community life, including: volunteer experiences; participation in social clubs, organizations, and sports; and transportation to events
- Support to connect with peers and strengthen positive relationships with family members and friends
- Recruitment and / or employment of staff members and peer support workers to deliver support services to recipients, either on-site or through external community agencies
- Community worker who connects people experiencing difficulty to the right community-based supports