

ONTARIO TRANSFER PAYMENT AGREEMENT

for COCHI/OPHI

Version: April 29, 2019

THE AGREEMENT, effective as of _____, 2019 (the “Effective Date”),

B E T W E E N:

**Her Majesty the Queen in right of Ontario as represented by
the Minister of Municipal Affairs and Housing**

(“Minister”)

- and -

Corporation of the City of London

(“Service Manager”)

BACKGROUND

- Canada Mortgage and Housing Corporation (“CMHC”) and Her Majesty the Queen in right of Ontario as represented by the Minister of Housing (“MHO”) entered into a bilateral agreement under the 2017 National Housing Strategy made as of April 1, 2018 (the “CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy”).
- The Minister is now responsible for the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy signed by MHO.
- The Minister has established a Canada-Ontario Community Housing Initiative (“COCHI”) and an Ontario Priorities Housing Initiative (“OPHI”), pursuant to which the Minister will provide the CMHC funding and Provincial funding as applicable.
- The Minister and the Service Manager have entered into this Agreement for the purpose of establishing the Service Manager’s obligations with respect to the administration of the Program and the Minister’s obligation to provide funding to the Service Manager for the Program.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the Minister and the Service Manager (the “Parties”) agree as follows:

1.0 ENTIRE AGREEMENT

1.1 This agreement (the “Agreement”), includes:

- Schedule “A” - General Terms and Conditions;
- Schedule “B” - Program Specific Information and Additional Provisions;
- Schedule “C” - Canada-Ontario Community Housing Initiative (COCHI);

Schedule "D" - Ontario Priorities Housing Initiative (OPHI);
Schedule "E" - French Language Services;
Schedule "F" - Communications Protocol Requirements;
Schedule "G" - Program Guidelines;
Schedule "H" - Investment Plan; and,
Schedule "I" - Canada-Ontario Community Housing Initiative Sustainability Plan.

any amending agreement entered into as provided for below, and constitutes the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior oral or written representations and agreements.

2.0 CONFLICT OR INCONSISTENCY

2.1 In the event of a conflict or inconsistency between the Additional Provisions and the provisions in Schedule "A", the following rules will apply:

- (a) the Parties will interpret any Additional Provisions in so far as possible, in a way that preserves the intention of the Parties as expressed in Schedule "A"; and
- (b) where it is not possible to interpret the Additional Provisions in a way that is consistent with the provisions in Schedule "A", the Additional Provisions will prevail over the provisions in Schedule "A" to the extent of the inconsistency.

3.0 COUNTERPARTS

3.1 The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

4.0 AMENDING THE AGREEMENT

4.1 The Agreement may only be amended by a written agreement duly executed by the Parties.

5.0 ACKNOWLEDGEMENT

5.1 The Service Manager acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
- (b) Her Majesty the Queen in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
 - (i) to assist the Recipient to carry out the Program and not to provide goods or services to the Minister;
 - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Minister is not responsible for carrying out the Program;
- (e) the Minister is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Minister in connection with the

Program or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act;

- (f) acknowledges that it has read and understands the provisions contained in the entire Agreement; and
- (g) agrees to be bound by the terms and conditions contained in the entire Agreement.

IN WITNESS WHEREOF, the Parties have executed the Agreement on the dates set out below.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by the Minister of Municipal Affairs and Housing	
Name:	Steve Clark
Title:	Minster
Date:	
Signature:	

Corporation of the City of London	
Name:	Ed Holder
Title:	Mayor
Date:	
Signature:	
Authorizing Signing Officer	

Corporation of the City of London	
Name:	Catherine Saunders
Title:	City Clerk
Date:	
Signature:	
Authorizing Signing Officer	

SCHEDULE "A"
GENERAL TERMS AND CONDITIONS

1.0 INTERPRETATION AND DEFINITIONS

1.1 Interpretation. For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) "include", "includes" and "including" denote that the subsequent list is not exhaustive.

Definitions. In the Agreement, the following terms will have the following meanings:

"Additional Provisions" means the terms and conditions referred to in section 11.1 and as specified in Schedule "B";

"Administration Fee" means the amount paid by the Minister to offset the Service Manager's cost of performing tasks under this Agreement;

"Affordability Period" means the period during which a Project is required to be affordable, as determined in accordance with the Program Guidelines or as otherwise established by the Minister;

"Agreement" means this agreement entered into by the Minister and the Service Manager, all of the schedules listed in section 1.1, and any amending agreement entered into pursuant to section 4.1;

"Budget" means the maximum amount the Minister will provide the Service Manager under the Agreement, as provided for in Schedule "B", subject to any re-allocation of funding by the Minister in accordance with section 4.1;

"Business Day" means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business;

"CMHC" has the meaning given to it in the Background;

"COCHI" has the meaning given to it in the Background;

"Component" means any of the respective Components of the COCHI and OPHI Initiatives, as described in Schedules "C" and "D" and in the Program Guidelines;

"CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy" has the meaning given to it in the recitals;

"Effective Date" means the date set out at the top of the Agreement;

"Event of Default" has the meaning ascribed to it in section 17.1;

"Expiry Date" means the date on which the Agreement will expire and is the date provided for in Schedule "B";

“Fiscal Year” means:

- (a) in the case of the first Fiscal Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of the second Fiscal Year, the period commencing on April 1 following the end of the first Fiscal Year and ending on the following March 31;
- (c) in the case of the third Fiscal Year, the period commencing on April 1 following the end of the second Fiscal Year and ending on the following March 31;

“Funds” means the money the Minister provides to the Service Manager pursuant to the Agreement;

“Indemnified Parties” means Her Majesty the Queen in right of Ontario, Her ministers, agents, appointees, and employees;

“Initiative” means either the Canada-Ontario Community Housing Initiative as set out in Schedule “C”, or the Ontario Priorities Housing Initiative as set out in Schedule “D”;

“Investment Plan” means the plan developed by the Service Manager that sets out how the Service Manager will use the funding allocations, attached to this Agreement as Schedule “H”;

“Maximum Funds” means the maximum amount the Minister will provide the Service Manager under the Agreement, as provided for in Schedule “B”;

“Ministry Notification” means a notice in writing from the Minister to a Service Manager regarding the Program;

“Notice” means any communication given or required to be given pursuant to the Agreement;

“Notice Period” means the period of time within which the Service Manager is required to remedy an Event of Default pursuant to section 17.3(b), and includes any such period or periods of time by which the Minister extends that time in accordance with section 17.4;

“OPHI” has the meaning given to it in the Background;

“Parties” means the Minister and the Service Manager;

“Party” means either the Minister or the Service Manager;

“Program” means the COCHI and OPHI Initiatives and any of the respective Components of those Initiatives, as may be more specifically defined in Schedules “C” and “D” or in the Appendices to those Schedules;

“Program Guidelines” means the guidelines attached to this Agreement as Schedule “G”, as amended by the Minister from time to time;

“Project” means affordable or social housing proposed or approved for a Program, as may be more specifically defined in Schedules “C” and “D” or in the Appendices to those Schedules;

“Proponent” means a person or other legal entity that has submitted a proposal;

“Reports” means the reports described in Schedules “C” and “D”;

“TP Hub” means the Transfer Payment Hub system;

2.0 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 General. The Service Manager represents, warrants and covenants that:

- (a) it has full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have for the term of the Agreement, the experience and expertise necessary to carry out the Program;
- (c) it is in compliance, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Program, the Funds or both; and
- (d) unless otherwise provided for in the Agreement, any information the Service Manager provided to the Minister in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Service Manager provided it and will continue to be true and complete for the term of the Agreement.

2.2 Execution of Agreement. The Service Manager represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions (including the adoption of any authorizing by-law) to authorize the execution of the Agreement.

2.3 Governance. The Service Manager represents, warrants and covenants that it has, and will maintain, in writing for the period during which the Agreement is in effect:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Service Manager's organization;
- (b) procedures to ensure the ongoing effective functioning of the Service Manager;
- (c) decision-making mechanisms for the Service Manager;
- (d) procedures to enable the Service Manager to manage Funds prudently and effectively;
- (e) procedures to enable the Service Manager to complete the Program successfully;
- (f) procedures to enable the Service Manager, in a timely manner, to identify risks to the completion of the Program, and strategies to address the identified risks;
- (g) procedures to enable the preparation and delivery of all Reports required pursuant to Article 8.0; and
- (h) procedures to enable the Service Manager to deal with such other matters as the Service Manager considers necessary to ensure that the Service Manager carries out its obligations under the Agreement.

2.4 Supporting Documentation. Upon request, the Service Manager will provide the Minister with proof of the matters referred to in this Article 2.0.

3.0 TERM OF THE AGREEMENT

3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiration Date, unless terminated earlier pursuant to Article 15.0, Article 16.0 or Article 17.0.

4.0 FUNDS AND CARRYING OUT THE PROGRAM

4.1 The Minister shall make a planning allocation of funding for each Initiative to the Service Manager. The Service Manager's planning allocations shall be broken down by fiscal year. Funds shall be committed as set out in the Program Guidelines and cannot be re-allocated between fiscal years. The Minister may re-allocate funding that has not been committed as set out in the Program Guidelines.

4.2 The Minister will advance Funds to the Service Manager as set out in the Program Guidelines. For the COCHI Operating Component, the Minister will advance Funds only up to March 31, 2022. For the COCHI Capital Component, the Minister will advance Funds only up to March 31, 2023. For the OPHI Ontario Renovates Component, Rental Assistance Component and Supportive Housing Component, the Minister will advance Funds only up to March 31, 2022. For the OPHI Rental Component and the Homeownership Component, the Minister will advance Funds only up to March 31, 2026. Funds will not be advanced by the Minister to Service Managers after the above dates.

- a) In the event that the COCHI Capital Component and the OPHI Ontario Renovates Component Funds are used on the same Project, the Minister will advance Funds only up to March 31, 2023.

4.3 **Funds Provided.** The Minister will:

- (a) provide the Service Manager up to the Maximum Funds for the purpose of delivering the Program, in accordance with those Schedule relevant to the Component in which the Service Manager participates;
- (b) subject to adjustment in accordance with this Agreement, provide the Funds to the Service Manager in accordance with Schedule "C" and "D" ; and
- (c) deposit the Funds into a separate account designated by the Service Manager provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Service Manager.

4.4 **Movement of Funds.** No Funds can be moved from COCHI to OPHI or vice-versa.

4.5 **Adjustment.** Despite section 4.3, in order to more accurately reflect the Service Manager's anticipated need for Funds, the Minister may adjust the amount of the Funds to be provided, and any instalment of Funds, based upon the quarterly spending forecasts submitted by this Service Manager pursuant to section 8.1.

4.6 **Limitation on Payment of Funds.** Despite section 4.3:

- (a) The Minister is not obligated to provide any Funds to the Service Manager until the Service Manager provides the insurance certificate or other proof as the Minister may request pursuant to section 14.2;
- (b) The Minister is not obligated to provide instalments of Funds until it is satisfied with the progress of the Program;
- (c) The Minister may adjust the amount of Funds it provides to the Service Manager in any Fiscal Year based upon the Minister's assessment of the information provided by the Service Manager pursuant to section 8.1;
- (d) if, pursuant to the *Financial Administration Act* (Ontario), the Minister does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Minister is not obligated to make any such payment, and, as a consequence, the Minister may:
 - (i) reduce the amount of Funds and, in consultation with the Service Manager, change the Program; or
 - (ii) terminate the Agreement pursuant to section 15.1; and

- (e) the Minister is not obligated to provide any Funds to the Service Manager for a Fiscal Year in excess of the total amount allocated to the Service Manager for that Fiscal Year.

4.7 Use of Funds. The Service Manager will:

- (a) administer and deliver the Program in accordance with the terms and conditions of the Agreement;
- (b) use the Funds only for the purpose of administering and delivering the Program;
- (c) spend the Funds only in accordance with Schedules "C" and "D"; and
- (d) not use the Funds to cover any specific cost that has or will be funded or reimbursed by any third party, including other ministries, agencies and organizations of the Government of Ontario.

4.8 Administration Costs. The Service Manager may use up to five per cent (5%) of its COCHI funding allocation to assist with administration of COCHI. The Service Manager may use up to five per cent (5%) of its OPHI funding allocation to assist with administration of OPHI. In the event the Service Manager does not spend its total funding allocation under one or both Initiatives, the Minister may request repayment of the portion of the administration fee paid to the Service Manager that exceeds five per cent (5%) of the spent Funds. The Service Manager shall repay amounts requested by the Minister within thirty (30) days of the date the Minister requests the repayment.

4.9 The Minister's Role Limited to Providing Funds. For greater clarity, the Minister is not responsible for carrying out the Program. The Minister intends to work collaboratively with the Service Manager to address issues related to the Program and/or its evaluation as they arise.

4.10 No Changes. The Service Manager will not make any changes to the Program that are contrary to those in Schedules "C" and "D", without the prior written consent of the Minister.

4.11 Interest Bearing Account. If the Minister provides Funds to the Service Manager before the Service Manager's immediate need for the Funds, the Service Manager will place the Funds in an interest bearing account in the name of the Service Manager at a Canadian financial institution.

4.12 Interest. If the Service Manager earns any interest on the Funds, the Minister may:

- (a) deduct an amount equal to the interest from any further instalments of Funds; or
- (b) demand from the Service Manager the repayment of an amount equal to the interest.

4.13 Maximum Funds. The Service Manager acknowledges that the Funds available to it pursuant to the Agreement will not exceed the Maximum Funds.

4.14 Rebates, Credits and Refunds. The Service Manager acknowledges that the amount of Funds available to it pursuant to the Agreement is based on the actual costs to the Service Manager, less any costs (including taxes) for which the Service Manager has received, will receive, or is eligible to receive, a rebate, credit or refund.

4.15 Funding, Not Procurement. For greater clarity, the Service Manager acknowledges that it is receiving funding from the Minister for the Program and is not providing goods or services to the Minister.

4.16 Program Over Budget. The Service Manager acknowledges that should the Program expenses exceed the amount of the Funds, the Minister is not responsible for any

additional funding and the Service Manager undertakes to incur all further costs necessary to carry out the Program.

5.0 INVESTMENT PLAN

5.1 The Service Manager shall develop and submit to the Minister an Investment Plan for the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative Components.

5.2 The Investment Plan shall be approved by the Municipal Council, District Social Services Administration Board, or delegated authority for the Service Manager.

5.3 The Investment Plan shall contain the following information:

- The COCHI and OPHI Components that the Service Manager will deliver in each year of the Program;
- The number of units that are expected to be created and repaired and the number of households that are expected to be assisted under the selected COCHI and OPHI Components in each year of the Program;
- The amount of Funds from each year's funding allocation projected to be used for the selected COCHI and OPHI Components;
- The amount of Funds projected to be committed to Projects or households quarterly under the selected COCHI and OPHI Components;
- The amount of Funds from each year's funding allocation that will be used for Administration Fees.

5.4 The Service Manager acknowledges that the Ministry will use the Investment Plan to track the Service Manager's progress against the Service Manager's allocation of Funds.

5.5 The Service Manager is required to update its Investment Plans on a quarterly basis. Updates will include progress against their annual funding allocation, quarterly projected take-up and planned commitments.

5.6 In the event the Service Manager's original planned commitment for COCHI Funds cannot be met, the Service Manager may request to move Funds originally planned for the capital component to the operating components, or vice versa, provided the request is submitted to the Minister by December 15 of the applicable Fiscal Year for which the reallocation is requested.

5.7 In the event a Service Manager's original planned commitment for OPHI Funds cannot be met, a Service Manager may move Funds within its planning allocation from an OPHI Component to other OPHI Components within the same fiscal year in order to ensure that all Funds are committed as set out in the Program Guidelines, as follows:

- (a) Funds originally planned for the Rental Housing, Homeownership and the Ontario Renovates Components can be re-allocated within these Components;
- (b) Funds originally planned for the Rental Assistance Component's Rent Supplement and Housing Allowance Direct Delivery Stream, or the Housing Support Services Component can be re-allocated within these Streams/Components;
- (c) If a Service Manager wishes to reallocate Funds from the Rental Housing, Homeownership, or Ontario Renovates Components to the Operating Component's Direct Delivery Streams, or vice versa, a request for reallocation shall be submitted to the Ministry by September 15 of the applicable Fiscal Year for which the reallocation is requested.

- 5.8 No Funds can be moved to COCHI from OPHI, or from COCHI to OPHI.
- 5.9 In addition to the Implementation Plan, Service Managers must complete a COCHI Sustainability Plan in the form of Schedule "I" that illustrates how the selection of projects will support the Community Housing Renewal Strategy through COCHI investments. This plan must be municipal council/DSSAB approved. Although the submission of the COCHI Sustainability Plan is mandatory, payments will not be contingent on its submission. The COCHI Sustainability Plan shall be prepared and submitted in accordance with the Program Guidelines.

6.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

- 6.1 **Acquisition.** If the Recipient acquires goods, services, or both with the Funds, it will:
- (a) do so through a process that promotes the best value for money; and
 - (b) comply with the *Broader Public Sector Accountability Act, 2010* (Ontario), including any procurement directive issued thereunder, to the extent applicable.
- 6.2 **Disposal.** The Recipient will not, without the Minister's prior written consent, sell, lease, or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as provided for in Schedules "C" and "D" at the time of purchase.

7.0 CONFLICT OF INTEREST

- 7.1 **No Conflict of Interest.** The Service Manager will carry out the Program and use the Funds and interest earned without an actual, potential or perceived conflict of interest.
- 7.2 **Conflict of Interest Includes.** For the purposes of this Article, a conflict of interest includes any circumstances where:
- (a) the Service Manager; or
 - (b) any person who has the capacity to influence the Service Manager's decisions, has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Service Manager's objective, unbiased and impartial judgment relating to the Program, the use of the Funds, or both.
- 7.3 **Disclosure to the Minister.** The Service Manager will:
- (a) disclose to the Minister, without delay, any situation that a reasonable person would interpret as an actual, potential or perceived conflict of interest; and
 - (b) comply with any terms and conditions that the Minister may prescribe as a result of the disclosure.

8.0 REPORTING, ACCOUNTING AND REVIEW

- 8.1 **Preparation and Submission.** The Service Manager will:
- (a) submit to the Minister at the address referred to in section 21.1, all Reports in accordance with the timelines and content requirements set out in Schedules "C" and "D", or in a form as specified by the Minister from time to time;
 - (b) submit to the Minister at the address referred to in section 21.1, any other reports

as may be requested by the Minister in accordance with the timelines and content requirements specified by the Minister;

- (c) ensure that all Reports and other reports are completed to the satisfaction of the Minister; and
- (d) ensure that all Reports and other reports are signed on behalf of the Service Manager by an authorized signing officer.

8.2 Record Maintenance. The Service Manager will keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Program in a manner consistent with generally accepted accounting principles; and
- (b) all non-financial documents and records relating to the Funds or otherwise to the Program.

8.3 Inspection. The Minister, his authorized representatives or an independent auditor identified by the Minister may, at their own expense, upon twenty-four (24) hours' Notice to the Service Manager and during normal business hours, enter upon the Service Manager's premises to review the progress of the Program and the Service Manager's allocation and expenditure of the Funds and, for these purposes, the Minister, his authorized representatives or an independent auditor identified by the Minister may take one or more of the following actions:

- (a) inspect and copy the records and documents referred to in section 8.2;
- (b) remove any copies made pursuant to section 8.3(a) from the Service Manager's premises; and
- (c) conduct an audit or investigation of the Service Manager in respect of the expenditure of the Funds and/or the Program; and
- (d) the Minister may conduct an annual audit in respect of the information addressed in this section 8.3.

8.4 Disclosure. To assist in respect of the rights set out in section 8.3, the Service Manager will disclose any information requested by the Minister, his authorized representatives or an independent auditor identified by the Minister, and will do so in the form requested by the Minister, his authorized representatives or an independent auditor identified by the Minister, as the case may be.

8.5 No Control of Records. No provision of the Agreement will be construed so as to give the Minister any control whatsoever over the Service Manager's records.

8.6 Auditor General. For greater certainty, the Minister's rights under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

9.0 FRENCH LANGUAGE SERVICES

9.1 The Service Manager agrees that where the Service Manager or a subcontractor providing a public service in connection with the Program has an office located in or servicing an area designated in the Schedule to the *French Language Services Act* ("FLSA"), the Service Manager shall:

- (a) Ensure services are provided in French; and
- (b) Make it known to the public, by way of 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 Program are available in French.

9.2 The Service Manager agrees to submit a written report to the Minister, in the form set out in Schedule "E", by May 31 for each year of the Program, setting out whether the Service Manager or the subcontractor, as appropriate, has complied with section 9.1.

9.3 Nothing in this section authorizes a Service Manager or provides it with the delegated authority to enter into any agreements on behalf of or otherwise binding the Province of Ontario.

10.0 COMMUNICATIONS REQUIREMENTS

10.1 **Acknowledge Support.** Unless otherwise directed by the Minister, the Service Manager will acknowledge the support of the Minister in a form and manner as directed by the Minister.

10.2 **Publication.** The Service Manager will indicate, in any of its Program-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Service Manager and do not necessarily reflect those of the Minister.

10.3 **CMHC-Ontario Bilateral Agreement Requirements.** The Service Manager acknowledges that the terms of the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy require the Minister to co-ordinate with CMHC and/or obtain CMHC's approval with respect to publicity relating to projects funded in accordance with this Agreement, including advertising, written materials and signs; messages; public statements; press conferences; news releases; announcements; official ceremonies; and special events, in each case, for projects funded in accordance with this Agreement. The Service Manager shall ensure that there will be no such publicity, advertising, signs, messages, public statements, press conferences, news releases, announcements, official ceremonies or special events, without the prior written consent of the Minister. A copy of the requirements of the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy is attached as Schedule "F". The Service Manager agrees that it shall not do or omit to do any act which will cause the Minister to be in breach of these requirements.

11.0 FURTHER CONDITIONS

11.1 **Additional Provisions.** The Service Manager will comply with any Additional Provisions.

11.2 **Open Data.** The Service Manager agrees that the Minister may publicly release the following information, whether in hard copy or in electronic form, on the internet or otherwise: Service Manager name; Service Manager contact information; Service Manager address; amount of Maximum Funds and/or Funds; Program description; Program objectives/goals; Program location; and Program results reported by the Service Manager. However, the Minister and the Service Manager agree that such permission does not apply to the following: personal information of individuals who may be eligible to participate in the Program.

12.0 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

12.1 **FIPPA.** The Service Manager acknowledges that the Minister is bound by FIPPA and that any information provided to the Minister in connection with the Program or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

13.0 INDEMNITY

13.1 **Indemnification.** The Service Manager hereby agrees to indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims,

demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the Program or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Minister.

14.0 INSURANCE

14.1 Service Manager's Insurance. The Service Manager represents and warrants that it has, and will maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a Program similar to the Program would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than the amount set out in Schedule "B" per occurrence. The policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Service Manager's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) a thirty (30) day written notice of cancellation.

14.2 Proof of Insurance. The Service Manager will provide the Minister with certificates of insurance, or other proof as may be requested by the Minister, that confirms the insurance coverage as provided for in section 14.1. Upon the request of the Minister, the Service Manager will make available to the Minister a copy of each insurance policy.

15.0 TERMINATION ON NOTICE

15.1 Termination on Notice. The Minister may terminate the Agreement at any time without liability, penalty or costs upon giving at least thirty (30) days' Notice to the Service Manager.

15.2 Consequences of Termination on Notice by the Minister. If the Minister terminates the Agreement pursuant to section 15.1, the Minister may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand the repayment of any Funds remaining in the possession or under the control of the Service Manager; and
- (c) determine the reasonable costs for the Service Manager to wind down the Program, and do either or both of the following:
 - (i) permit the Service Manager to offset such costs against the amount owing pursuant to section 15.2(b); and
 - (ii) subject to section 4.13, provide Funds to the Service Manager to cover such costs.

16.0 TERMINATION WHERE NO APPROPRIATION

16.1 Termination Where No Appropriation. If, as provided for in section 4.6(d), the Minister does not receive the necessary appropriation from the Ontario Legislature for any payment the Minister is to make pursuant to the Agreement, the Minister may terminate the Agreement immediately without liability, penalty or costs by giving Notice to the Service Manager.

16.2 Consequences of Termination Where No Appropriation. If the Minister terminates

the Agreement pursuant to section 16.1, the Minister may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand the repayment of any Funds remaining in the possession or under the control of the Service Manager; and
- (c) determine the reasonable costs for the Service Manager to wind down the Program and permit the Service Manager to offset such costs against the amount owing pursuant to section 16.2(b).

16.3 **No Additional Funds.** For greater clarity, if the costs determined pursuant to section 16.2(c) exceed the Funds remaining in the possession or under the control of the Service Manager, the Minister will not provide additional Funds to the Service Manager.

17.0 **EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT**

17.1 **Events of Default.** It will constitute an Event of Default if, in the opinion of the Minister, the Service Manager breaches any representation, warranty, covenant or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:

- (a) carry out the Program;
- (b) comply with any term of Schedules "C" and "D";
- (c) use or spend Funds as required; or
- (d) provide, in accordance with section 8.1, Reports or such other reports as may have been requested pursuant to section 8.1(b).

17.2 **Consequences of Events of Default and Corrective Action.** If an Event of Default occurs, the Minister may, at any time, take one or more of the following actions:

- (a) initiate any action the Minister considers necessary in order to facilitate the successful continuation or completion of the Program;
- (b) provide the Service Manager with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Minister determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Service Manager the repayment of any Funds remaining in the possession or under the control of the Service Manager;
- (g) demand from the Service Manager the repayment of an amount equal to any Funds the Service Manager used, but did not use in accordance with the Agreement;
- (h) demand from the Service Manager the repayment of an amount equal to any Funds the Minister provided to the Service Manager; and
- (i) terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Minister upon giving Notice to the Service Manager.

17.3 **Opportunity to Remedy.** If, in accordance with section 17.2(b), the Minister provides the Service Manager with an opportunity to remedy the Event of Default, the Minister will provide Notice to the Service Manager of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

17.4 Service Manager not Remedying. If the Minister has provided the Service Manager with an opportunity to remedy the Event of Default pursuant to section 17.2(b), and:

- (a) the Service Manager does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Minister that the Service Manager cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Service Manager is not proceeding to remedy the Event of Default in a way that is satisfactory to the Minister;

the Minister may extend the Notice Period, or initiate any one or more of the actions provided for in sections 17.2(a), (c), (d), (e), (f), (g), (h) and (i).

17.5 When Termination Effective. Termination under this Article will take effect as set out in the Notice.

18.0 FUNDS AT THE END OF A FISCAL YEAR

18.1 Funds at the End of a Fiscal Year. Without limiting any rights of the Minister under Article 17.0, if the Service Manager has not spent all of the Funds allocated for the Fiscal Year, the Minister may take one or both of the following actions:

- (a) demand from the Service Manager the return of the unspent Funds; and
- (b) adjust the amount of any further instalments of Funds accordingly.

For greater certainty, the Service Manager may not carry Funds over from one Fiscal Year to the next. Should a planned commitment for Funds under the Program fall through, the Funds may only be recommitted and spent within the same Fiscal Year.

19.0 FUNDS UPON EXPIRY

19.1 Funds Upon Expiry. The Service Manager will, upon expiry of the Agreement, return to the Minister any Funds remaining in its possession or under its control.

20.0 DEBT DUE AND PAYMENT

20.1 Payment of Overpayment. If at any time during the term of the Agreement, the Minister provides Funds in excess of the amount to which the Service Manager is entitled under the Agreement, the Minister may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Service Manager pay an amount equal to the excess Funds to the Minister.

20.2 Debt Due. If, pursuant to the Agreement:

- (a) the Minister demands from the Service Manager the payment of any Funds or an amount equal to any Funds from the Service Manager; or
- (b) the Service Manager owes any Funds or an amount equal to any Funds to the Minister, whether or not their return or repayment has been demanded by the Minister, such Funds or other amount will be deemed to be a debt due and owing to the Minister by the Service Manager, and the Service Manager will pay or return the amount to the Minister immediately, unless the Minister directs otherwise.

- 20.3 **Interest Rate.** The Minister may charge the Service Manager interest on any money owing by the Service Manager at the then current interest rate charged by the Province of Ontario on accounts receivable.
- 20.4 **Payment of Money to the Minister.** The Service Manager will pay any money owing to the Minister by cheque payable to the "Ontario Minister of Finance" and delivered to the Minister at the address referred to in section 21.1.
- 20.5 **Failure to Repay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Service Manager fails to repay any amount owing under the Agreement, Her Majesty the Queen in right of Ontario may deduct any unpaid amount from any money payable to the Service Manager by Her Majesty the Queen in right of Ontario.

21.0 NOTICE

- 21.1 **Notice in Writing and Addressed.** Notice will be in writing and will be delivered by email, postage-prepaid mail, personal delivery or fax, and will be addressed to the Minister and the Service Manager respectively as set out in Schedule "B", or as either Party later designates to the other by Notice.
- 21.2 **Notice Given.** Notice will be deemed to have been given:
- (a) in the case of postage-prepaid mail, five (5) Business Days after the Notice is mailed; or
 - (b) in the case of email, personal delivery or fax, one (1) Business Day after the Notice is delivered.
- 21.3 **Postal Disruption.** Despite section 21.2(a), in the event of a postal disruption:
- (a) Notice by postage-prepaid mail will not be deemed to be received; and
 - (b) the Party giving Notice will provide Notice by email, personal delivery or by fax.
- 21.4 **Notice by the Minister.** The Service Manager shall comply with all Notices given by the Minister.

22.0 CONSENT BY THE MINISTER AND COMPLIANCE BY SERVICE MANAGER

- 22.1 **Consent.** When the Minister provides his consent pursuant to the Agreement, he may impose any terms and conditions on such consent and the Service Manager will comply with such terms and conditions.

23.0 SEVERABILITY OF PROVISIONS

- 23.1 **Invalidity or Unenforceability of Any Provision.** The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

24.0 WAIVER

- 24.1 **Waivers in Writing.** Either Party may, in accordance with the Notice provisions set out in Article 21.0, ask the other Party to waive an obligation under the Agreement.
- 24.2 **Waiver Applies.** Any waiver a Party grants in response to a request made pursuant to section 22.1 will:
- (a) be valid only if the Party granting the waiver provides it in writing; and
 - (b) apply only to the specific obligations referred to in the waiver.

25.0 INDEPENDENT PARTIES

25.1 **Parties Independent.** The Service Manager acknowledges that it is not an agent, joint venturer, partner or employee of the Minister, and the Service Manager will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

26.0 ASSIGNMENT OF AGREEMENT OR FUNDS

26.1 **No Assignment.** The Service Manager will not, without the prior written consent of the Minister, assign any of its rights, or obligations under the Agreement.

26.2 **Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

27.0 GOVERNING LAW

27.1 **Governing Law.** The Agreement and the rights, obligations and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

28.0 JOINT AND SEVERAL LIABILITY

28.1 **Joint and Several Liability.** Where the Service Manager is comprised of more than one (1) entity, all such entities will be jointly and severally liable to the Minister for the fulfillment of the obligations of the Service Manager under the Agreement.

29.0 FURTHER ASSURANCES

29.1 **Agreement into Effect.** The Service Manager will provide such further assurances as the Minister may request from time to time with respect to any matter to which the Agreement pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

30.0 RIGHTS AND REMEDIES CUMULATIVE

30.1 **Rights and Remedies Cumulative.** The rights and remedies of the Minister under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

31.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

31.1 **Other Agreements.** If the Service Manager:

- (a) has failed to comply (a "Failure") with any term, condition or obligation under any other agreement with Her Majesty the Queen in right of Ontario or one of Her agencies;
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Minister may suspend the payment of Funds for such period as the Minister determines appropriate.

32.0 SURVIVAL

32.1 **Survival.** The following Articles and sections, and all applicable cross-referenced

sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0 and any other applicable definitions; section 4.6(d); section 4.8; section 4.12; section 4.16; section 6.2; section 8.1 (to the extent that the Service Manager has not provided the Reports to the satisfaction of the Minister); sections 8.2; 8.3; 8.4; 8.5; 8.6; Article 10.0; Article 11.0; Article 13; Article 14.0; section 15.2; sections 16.2 and 16.3; sections 17.1; 17.2(d), (e), (f), (g) and (h); Article 19.0; Article 20.0; Article 21.0; Article 23.0; section 26.2; Article 27.0; Article 30.0; Article 31.0; Article 32.0; Article 33.0; Article 34.0; and the reporting and repayment provisions of Schedules "C" and "D".

33.0 PERSONAL INFORMATION and PARTICIPATION BY MINORS

33.1 Permissions. The Service Manager represents, warrants and covenants that it has or will receive permission to disclose the personal information of all individuals whose personal information is disclosed during the Program and/or in Reports or other reports, and, in the case of minors, the legal guardian or parent has provided such permission on behalf of the minor.

33.2 Consent of Legal Guardian. The Service Manager acknowledges that it is the responsibility of the Service Manager to obtain express written consent from the legal guardian of any minors who are involved in any way with the Program.

34.0 GENERAL

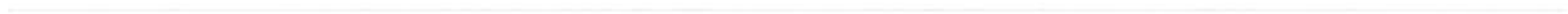
34.1 Ministry Employees and Agents. Any power, right or function of the Minister, contemplated by this Agreement, may be exercised by any employee or agent of the Ministry of Municipal Affairs and Housing.

34.2 CMHC Not a Party. The Service Manager acknowledges that CMHC is not a party to this Agreement.

34.3 Time of the Essence. Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the Minister and the Service Manager or its respective solicitors on its behalf, who are hereby expressly appointed in this regard.

34.4 References to Statutes. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

- END OF GENERAL TERMS AND CONDITIONS -



SCHEDULE "B"

PROGRAM SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS

Maximum Funds	<p>Maximum Funds in respect of the Canada-Ontario Community Housing Initiative – \$4,115,359.00</p> <p>Maximum Funds in respect of the Ontario Priorities Housing Initiative – \$9,128,900.00</p>
Expiration Date	<p>Canada-Ontario Community Housing Initiative – March 31, 2040</p> <p>Ontario Priorities Housing Initiative – March 31, 2053</p>
Insurance	\$ 2,000,000.00
Contact Information for the purposes of Notice to THE MINISTER	<p>Name: Ministry of Municipal Affairs and Housing</p> <p>Address: 777 Bay Street, 14th Floor, Toronto, Ontario, M5E 2E5</p> <p>Attention: Director, Housing Programs Branch</p> <p>Fax: 416-585-6588</p> <p>E-mail: jim.e.adams@ontario.ca</p>
Contact Information for the purposes of Notice to the Service Manager	<p>Name: Corporation of the City of London</p> <p>Address: 355 Wellington Street, 2nd Floor, London, ON N6A 3N7</p> <p>Attention: Sandra Datars Bere</p> <p>Fax:</p> <p>Email: sdatarsb@london.ca</p> <p>Telephone: (519) 661-2489, Ext. 5337</p>
Contact information for the senior financial person in the Service Manager organization (e.g., CFO, CAO) to respond as required to requests from THE MINISTER related to the Agreement	<p>Name: Dave Purdy</p> <p>Position: Division Manager, Housing</p> <p>Fax: (519) 661-4466</p> <p>Email: dpurdy@london.ca</p> <p>Telephone: (519) 661-2489, Ext. 5596</p>



SCHEDULE "C"

CANADA-ONTARIO COMMUNITY HOUSING INITIATIVE (COCHI)

1. INTERPRETATION

1.1 In this Schedule, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **"Capital Component"** means the COCHI Capital Component described in Appendix C-2 and the Program Guidelines;
- **"Capital Funds"** means Funds in respect of the COCHI Capital Component;
- **"Housing Provider"** means a person who operates a Project;
- **"Operating Component"** means the COCHI Operating Component described in Appendix C-1 and the Program Guidelines;
- **"Operating Funds"** means Funds in respect of the COCHI Operating Component;
- **"Program Guidelines"** means the Program Guidelines for the COCHI Components;
- **"Social Housing"** means those housing projects that are, as of April 1, 2019, administered within a "transferred housing program" as prescribed in Schedule 1 to O. Reg. 367/11 under the *Housing Services Act, 2011*, and remain within a transferred housing program at the time of commitment and use of the Funds for the housing project; but **"Social Housing"** excludes the housing that was or is only within either of Program No. 2: "Rent Supplement Program" or Program No. 9: "Rural and Native Homeownership Program" of Schedule C to the CMHC-Ontario Social Housing Agreement dated November 15, 1999.
- **"Urban Native social housing units"** means units administered under either Program No. 7: "Non-Profit & Urban Native 'Fully Targeted' Housing Program" or Program No. 8: Urban Native '2% Write-Down & Additional Assistance' Program" of Schedule C to the CMHC-Ontario Social Housing Agreement dated November 15, 1999.

1.2 The following Appendices are attached to and form part of this Schedule:

Appendix C-1 – COCHI Operating Component

Appendix C-2 – COCHI Capital Component

- 1.3 In the event of a conflict or inconsistency between the provisions of this Schedule and the provisions of an Appendix, the provisions of this Schedule shall prevail.
 - 1.4 All references in this Schedule to section numbers are references to sections of this Schedule unless stated otherwise.
 - 1.5 All references in this Schedule to Appendices are references to Appendices in this Schedule, unless stated otherwise.
 - 2. PROGRAM GUIDELINES**
 - 2.1 The Service Manager agrees to administer the Operating Component and the Capital Component in accordance with the Agreement and the Program Guidelines.
-

APPENDIX C-1

COCHI OPERATING COMPONENT

1. INTERPRETATION

- 1.1 In this Appendix C-1, unless the context requires otherwise,
- **“Housing Provider Agreement”** means an agreement between the Service Manager and a Housing Provider receiving funding under the Operating Component in relation to a Project that meets the requirements of the Program Guidelines;
 - **“Project”** means a Social Housing project proposed or approved for the Operating Component.
- 1.2 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise.

2. PROJECT SELECTION

- 2.1 The Service Manager shall select and approve Projects for Operating Funds in accordance with the Program Guidelines.
- 2.2 In selecting Projects, the Service Manager shall prioritize Urban Native social housing units in accordance with the Program Guidelines.
- 2.3 Once the Minister has reviewed the Service Manager's Investment Plan and the Service Manager has approved individual Projects, the Service Manager shall enter project details into TP Hub.

3. PROVISION OF OPERATING FUNDS BY THE MINISTER

- 3.1 Subject to sections 3.4 and 3.6, upon receipt by the Minister of the Service Manager's updated Investment Plan and committal of funds by the Minister, the Minister shall transfer to the Service Manager, on a quarterly basis, the Operating Funds indicated in the Investment Plan. The Service Manager shall update the Investment Plan on a quarterly basis in accordance with the Program Guidelines.
- 3.2 The Minister shall transfer Operating Funds to the Service Manager by April 15, July 15, October 15, and March 1 of each fiscal year. Fourth quarter payments by the Minister will be made no later than March 1 to allow for any payment adjustments based on discrepancies between the Service Manager's planned and actual spending.
- 3.3 The transfer of all Operating Funds shall be made by electronic funds transfer.

- 3.4 The Service Manager shall use the Operating Funds transferred to it by the Minister in respect of a Project solely for the purpose set out in the Service Manager's Investment Plan.
- 3.5 All interest that accrues on Operating Funds while held by the Service Manager shall be used by the Service Manager for the purpose of administering and operating Projects.
- 3.6 For greater certainty, should the Minister, in his or her sole discretion, believe at any point in time that the Service Manager is not likely to comply with section 3.5, the Minister may refuse to provide Funding under section 3.1 or section 3.2.

4. PROVISION OF OPERATING FUNDS BY THE SERVICE MANAGER

- 4.1 In order to receive quarterly Operating Funds, the Service Manager shall update the Investment Plan quarterly in accordance with the Program Guidelines.
- 4.2 The Service Manager or its authorized agency shall enter into a Housing Provider Agreement with each Housing Provider in respect of all commitments of Operating Funds on or after the date this Agreement is executed by the Parties.
- 4.3 The Service Manager shall advance monthly payments of Operating Funds to a Housing Provider upon the signing of a Housing Provider Agreement and receipt by the Service Manager of updated unit occupancy figures from the Housing Provider.

5. REPORTING REQUIREMENTS

- 5.1 During the period between the date of execution of this Agreement and the end of the Operating Component, the Service Manager shall provide the Minister with a quarterly updated Investment Plan by each of the due dates set out in the Program Guidelines. The initial Investment Plan and each quarterly updated Investment Plan shall be prepared in accordance with the Program Guidelines.
- 5.2 The Service Manager shall provide documentation of Housing Provider Agreements and/or agreements with delivery agencies.
- 5.3 The Service Manager shall provide the Minister with such additional reports as the Minister may require.
- 5.4 The Service Manager shall keep and maintain for a period of seven (7) years following March 31, 2028, all financial records (including invoices) and all-non-financial documents and records relating to the funds or otherwise to the Program.
- 5.5 The Service Manager shall report to the Minister municipal Social Housing expenditures that match the annual COCHI allocation provided, in accordance with the Program Guidelines.

6. MARKETING

- 6.1 Subject to section 10 of the Agreement, the Service Manager shall promote and advertise the Program in the Service Manager's area as the Service Manager deems appropriate.

7. REMEDIES

- 7.1 If the Service Manager breaches any one or more of the provisions of this Schedule, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,

- (a) terminate this Appendix;
- (b) demand repayment of any Operating Funds in the possession or control of the Service Manager which has not been advanced to a Housing Provider;
- (c) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Appendix that relate to the Project in respect of which the breach occurred;
- (d) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Appendix;
- (e) cancel all further payments of Operating Funds; and/or
- (f) suspend further payments of Operating Funds for such period as the Minister may determine.

- 7.2 The Service Manager shall comply with a demand referred to in clauses 7.1(c) and (d), irrespective of whether it has transferred any of the relevant amounts to a Housing Provider.

APPENDIX C-2

COCHI CAPITAL COMPONENT

1. INTERPRETATION

1.1 In this Appendix C-2, unless the context requires otherwise,

- **“Affordable”** means units rented at the low end of market rent as determined by the Service Manager;
- **“Eligible Repairs”** means repairs, renovations, replacements, or other work to a Project that is eligible to receive Capital Funds, as determined by the Program Guidelines;
- **“Project”** means the approved Eligible Repairs to be performed on a Social Housing project under the Capital Component;
- **“PIF”** means a Project Information Form in the form and format required by the Minister;
- **“Project Funding Agreement”** means an agreement between the Service Manager and a Housing Provider receiving funding under the Capital Component in relation to a Project that meets the requirements of the Program Guidelines;

1.2 The following Sub-Appendices are attached to and form part of this Appendix:

Sub-Appendix C-2A – Affordability Report.

1.3 In the event of a conflict or inconsistency between the provisions of this Appendix and the provisions of a Sub-Appendix, the provisions of this Appendix shall prevail.

1.4 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise.

1.5 All references in this Appendix to Sub-Appendices are references to Sub-Appendices in this Appendix, unless stated otherwise.

2. PROJECT SELECTION AND APPROVAL

2.1 The Service Manager is responsible for selecting and approving all Projects, monitoring progress and completion of Projects, quality of work and for the advancement of funds.

2.2 The Service Manager shall select and approve Projects for Capital Funds in accordance with the Program Guidelines.

- 2.3 In selecting Projects, the Service Manager shall prioritize Urban Native social housing units in accordance with the Program Guidelines. Once the Minister has reviewed the Service Manager's Investment Plan and the Service Manager has approved individual Projects, the Service Manager shall enter project details as per the PIF into TP Hub to commit funding.
- 2.4 The Minister reserves the right to return a PIF to the Service Manager for revision and resubmission if it is not consistent with the Program Guidelines.
- 2.5 The Service Manager shall not approve a funding request by a Housing Provider unless the Housing Provider agrees to operate the Project in accordance with the affordability requirements for the Capital Component, as set out in section 10.1 and in the Program Guidelines.
- 2.6 In conjunction with the approval of each Project, the Service Manager shall enter into a Project Funding Agreement with the Housing Provider in respect of the Project. The Project Funding Agreement shall require the Housing Provider to comply with the requirements of the Capital Component and impose on the Housing Provider such obligations as enable the Service Manager to fulfill its obligations to report to the Minister.
- 2.7 The Service Manager shall ensure that Project status is updated and documents are posted in TP Hub on an on-going basis.

3. PROVISION OF CAPITAL FUNDS BY THE MINISTER

- 3.1 Once the Minister has reviewed the PIF for a Project and a Project Funding Agreement has been executed in respect of the Project, the Minister shall make quarterly transfer payments to the Service Manager as set out in sections 3.2 to 3.5.
- 3.2 Subject to section 3.4, the Minister shall, in the first quarter of each Fiscal Year, transfer to the Service Manager twenty per cent (20%) of the annual Capital Funds based on the repair budget identified in the Service Manager's Investment Plan.
- 3.3 Subject to section 3.4, the Minister shall, in the second, third, and fourth quarter of each Fiscal Year, transfer to the Service Manager eighty percent (80%) of the annual Capital Funds based on the projected disbursements in the Service Manager's updated Investment Plan.
- 3.4 The Minister may adjust quarterly payments to the Service Manager to reflect Service Manager needs, based on the information provided in the quarterly updates to the Investment Plan.
- 3.5 The transfer of all Capital Funds shall be made by electronic funds transfer.

3.6 The Service Manager shall use the Capital Funds transferred to it by the Minister in respect of a Project solely for the purpose set out in the Service Manager's Investment Plan.

3.7 The primary purpose of the quarterly forecasts in the Investment Plan is to indicate quarterly cash flow requirements over the life of the program, but no later than the end of the subsequent fiscal year. The quarterly cash flow request must be at or close to the time the funds are needed by the housing provider to pay for their relevant expenditures.

4. RECONCILIATION

4.1 The Service Manager must ensure the status of each Project is updated in TP Hub. In the event that the Service Manager does not update Project details as required, the Minister may reduce payments to the Service Manager.

4.2 A minimum of ninety percent (90%) of the Service Manager's funding allocation for the Capital Component must be committed by December 31 of each Fiscal Year. In the event that the Service Manager has not met this threshold, the Minister may reallocate Capital Funds to another Service Manager.

5. ADMINISTRATION

5.1 Service Managers shall provide funding to Housing Providers based on pre-established milestones for their respective Projects as set out in the Project Funding Agreement.

5.2 The Service Manager shall comply with the provisions of the *Construction Act* in providing funding to Housing Providers.

5.3 Eligible Repairs for each Project must commence within one hundred and twenty (120) days of the date of execution of the Project Funding Agreement and must be completed by the end of the subsequent Fiscal Year. If Eligible Repairs for a Project have not commenced within one hundred and twenty (120) days of such date, the Minister may cancel the funding for the Project, demand repayment of the funding for the Project and reallocate such funding as the Minister deems appropriate.

5.4 The Service Manager shall keep copies of all financial invoices in respect of each Project for reporting and audit purposes.

5.5 A Project Funding Agreement under the Capital Component cannot be signed after March 31, 2022, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.

5.6 The Service Manager shall use Capital Funds solely for the purposes of providing funding for Eligible Repairs to Projects and for Administration Costs. The Service Manager shall ensure that funding provided to Housing Providers is spent in

accordance with the Project Funding Agreement for the Project and only for approved Eligible Repairs.

6. REPORTING REQUIREMENTS

- 6.1 During the period between the date of execution of this Agreement and the end of the Capital Component, the Service Manager shall provide the Minister with a quarterly updated Investment Plan by each of the due dates set out in the Program Guidelines. The initial Investment Plan and each quarterly updated Investment Plan shall be prepared in accordance with the Program Guidelines.
- 6.2 For each Project, on each March 31 during the three (3) year period following completion of the Project, the Service Manager shall provide the Minister with a Report in the form of Sub-Appendix C-2A confirming that, subject to any exceptions set out in the Program Guidelines or in the Report, the Project remains Affordable in accordance with section 10.1. After the three (3) year period, the Minister may audit the Service Manager at any time to determine whether the Project remains Affordable in accordance with section 10.1. The Service Manager shall cooperate with the Minister and shall provide free access to such staff, documents, books, records and accounts as the Minister may require in carrying out the audit.
- 6.3 The Service Manager shall provide the Minister with such other information and reports, including as to the status of a Project, as the Minister may request from time to time.
- 6.4 The Service Manager shall report to the Minister municipal Social Housing expenditures that match the annual COCHI allocation provided, in accordance with the Program Guidelines.
- 6.5 This Article 6 shall survive any termination of this Appendix.

7. RECOVERY OF FUNDING

- 7.1 In the case of non-compliance due to misuse of the funding or negligence by a Housing Provider or in the case of a breach of contract with the Service Manager, the Service Manager must notify the Ministry immediately and take available remedies to recover the Funding and return it to the Minister.
- 7.2 Where section 7.1 does not apply but the funding is not spent on approved Eligible Repairs for the Project, the Service Manager shall notify the Minister and make reasonable efforts to recover the Funding and return it to the Minister.

8. NOTICE OF PROJECTS IN DIFFICULTY

- 8.1 The Service Manager shall immediately provide notice to the Minister of any difficulty with any Project and work with the Minister to determine a course of action for rectifying the difficulty.

9. REMEDIES

- 9.1 If the Service Manager breaches any one or more of the provisions of this Appendix, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager:
- (a) terminate this Appendix;
 - (b) demand immediate repayment of all or any portion of the Administration Costs paid by the Minister to the Service Manager;
 - (c) demand immediate repayment of all or part of any Capital Funds in the possession or control of the Service Manager that has not been used for a Project;
 - (d) demand immediate repayment of all or any part of the monies paid by the Minister to the Service Manager under this Appendix;
 - (e) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Appendix that relate to the Project in respect of which the breach occurred;
 - (f) cancel all further payments of Capital Funds; and/or
 - (g) suspend further payments of Capital Funds for such period as the Minister may determine appropriate.
- 9.2 The Service Manager shall comply with a demand referred to in clause (d) and/or (e), irrespective of whether it has used any of the relevant amounts for a Project.

10. AFFORDABILITY

- 10.1 All Projects must remain Affordable for a ten (10) year period after the completion of the Eligible Repairs, including a minimum of five (5) years during that period in which they must operate as Social Housing under the *Housing Services Act, 2011*. This requirement applies regardless of whether any mortgages or agreements between a Service Manager and the Housing Provider expire.
- 10.2 The Service Manager shall repay the Minister any amounts provided to a participating Housing Provider where the Project does not remain Affordable for the ten (10) year period, pro-rated to reflect the portion of the ten (10) year period during which the Project will not be affordable.

Sub-Appendix C-2A: COCHI Capital Component Affordability Report

Service Manager:

Service Manager

Address:

Service Manager

Contact:

Name:

Telephone:

Email:

This report confirms that the **[Insert Service Manager Name]** (the "Service Manager") is administering and delivering the Canada-Ontario Community Housing Initiative (the "Program") in accordance with an Agreement dated **[date]** with the Province of Ontario (the "Agreement").

The Service Manager confirms that:

- (a) all Eligible Housing Projects that received Program funding are listed in column one of the second page of this form;
- (b) the dates at which the Eligible Work was completed for each project are set out in column 4; and
- (c) subject to the exceptions listed below, each Eligible Housing Project continues to be Affordable and/or operate as social housing under the *Housing Services Act, 2011* (HSA).

Exceptions:

I declare that the above information is true and complete.

By: _____

Name:

Title:

Date:

I have the authority to bind the Service Manager

Service Manager Name:
Date:

[illegible]

SCHEDULE D

Ontario Priority Housing Initiative

1.0 INTERPRETATION

In this Schedule, unless the context requires otherwise, the following term has the meaning set out in this Section:

- **“Agreement”** means the agreement between the Minister and the Service Manager to which this Schedule forms a part;
- **“OPHI Components”** means the Rental Housing Component, Homeownership Component, Ontario Renovates Component, Rental Assistance Component and Housing Support Services Component, being Appendices D-1 to D-5, respectively, of this Schedule;

1.2 The following Appendices are attached to and form part of this Schedule:

Appendix D-1 - Rental Housing Component

Appendix D-2 - Homeownership Component

Appendix D-3 - Ontario Renovates Component

Appendix D-4 - Rental Assistance Component

Appendix D-5 - Housing Support Services Component

1.3 In the event of a conflict or inconsistency between the Appendices dealing with the OPHI Components, being Appendices D-1 to D-5 of this Schedule, and the Schedule containing the Program Guidelines, being Schedule “G” of this Agreement, the Appendices dealing with the OPHI Components shall prevail.

2.0 COMPLIANCE WITH APPENDICES

2.1 The Parties agree to comply with and abide by the terms and conditions set out in those Appendices to this Agreement relevant to the OPHI Components in which the Service Manager participates. The Service Manager agrees to administer such OPHI Components in accordance with those Appendices.

3.0 REPORTING REQUIREMENTS

3.1 The Service Manager agrees to comply with the reporting requirements set out in those Appendices relevant to the OPHI Components in which the Service Manager participates.

1. APPENDIX D-1

Rental Housing Component

2. INTERPRETATION

1.1 In this Appendix, unless the context requires otherwise,

- **“Affordable Housing”** means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels in accordance with the Program Guidelines, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility;
- **“Agreement”** means the agreement between the Minister and the Service Manager to which this Appendix forms a part;
- **“Conditional Letter of Commitment”** means the letter issued by the Minister confirming approval of the Project and setting out the amount, terms and conditions of Funding allocated to the Proponent;
- **“Contribution Agreement”** means an agreement entered into by the Service Manager or another party contributing to the Project and an approved Proponent for contributions under the Program;
- **“Contributions by Others”** means cash or in-kind eligible contributions from Service Managers, municipalities, housing providers, the private sector, the voluntary sector, charities and individual donors, to be used in accordance with this Program. Contributions by Others does not include: contributions from any Government of Canada sources, including, but not limited to arrangements with CMHC; nor contributions under any program wholly or partially funded from Government of Canada sources; nor contributions which receive credit under any arrangement with CMHC or the Government of Canada outside this Agreement;
- **“Development Activities”** means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes, including the acquisition of property;
- **“Funding”** means funding provided under the Program, as set out in the Program Guidelines;

- **“Funding Schedule”** means the schedule of funding setting out progress payments for the type of Project to be undertaken by a Proponent, in the form determined by the Minister;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation, but may include up to thirty per cent (30%) of the total available space for non-residential purposes. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;
- **“Occupancy Date”** means the date on which occupancy of all Units in a Project is permitted;
- **“Phase-out Period”** means the last five (5) year period of the Affordability Period;
- **“Program”** means the Rental Housing Component described in the Program Guidelines;
- **“Project Information Form”** means the form submitted by the Service Manager to the Minister for consideration of a Project;
- **“Proponent”** means a municipality, district social services administration board or a non-profit or cooperative housing provider that has submitted a Proposal;
- **“Proposal”** means the proposal to participate in the Program, submitted to the Service Manager;
- **“Rental Housing Component”** means the Rental Housing Component described in the Program Guidelines;
- **“Unit”** means a self-contained residential dwelling, including, without limiting the generality of the foregoing, (i) supportive rental Housing where service funding is secured from sources other than Funding provided under the Program; (ii) multi-bedroom units which are used for congregate living; and (iii) disabled/accessible units.

1.2 The following Sub-Appendices are attached to and form part of this Appendix:

Sub-Appendix D-1A - Proponent's Initial Occupancy Report;

Sub-Appendix D-1B - Proponent's Annual Occupancy Report;
Sub-Appendix D-1C - Rental Protocol;
Sub-Appendix D-1D - Confirmation of Construction Start.

- 1.3 In the event of a conflict or inconsistency between the provisions of this Appendix and the provisions of a Sub-Appendix, the provisions of this Appendix shall prevail.
- 1.4 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise.
- 1.5 All references in this Appendix to Sub-Appendices are references to Sub-Appendices in this Appendix, unless stated otherwise.

2. REQUIREMENTS FOR PARTICIPATING IN THE RENTAL HOUSING COMPONENT

- 2.1 Prior to the Service Manager participating in the Rental Housing Component:
 - (a) the Service Manager shall ensure that the general property tax applicable to Units built under the Program is in accordance with the criteria set out in the Program Guidelines;
 - (b) the Service Manager shall establish initial income limits, at levels which it considers appropriate, which it shall apply as a requirement for all applicants for tenancies of Units. The Service Manager may apply annual income testing as a requirement for tenants during the term of their tenancies or upon any lease renewal or extension. The Service Manager shall periodically review such income limits and, if it considers it necessary, revise them to levels which it considers appropriate.

3. PROJECT SELECTION

- 3.1 The Service Manager shall evaluate, or shall have evaluated, each Project in accordance with the requirements of the Program Guidelines.
- 3.2 The Service Manager shall submit to the Minister a list of Council or delegated authority approved Projects with recommended Funding requirements based on the submitted Investment Plan and within the Service Manager's notional allocation.

- 3.3 In respect of each Project, the Service Manager shall submit a Project Information Form and the appropriate Funding Schedule to the Minister for approval.
- 3.4 If the Minister approves the Project, the Minister shall issue a Conditional Letter of Commitment to the Proponent and shall advise the Service Manager of the approval of the Project.
- 3.5 The Funding shall be allocated to the Projects at the discretion of the Minister.
- 3.6 The Service Manager shall advise and request approval from the Minister for any changes to the Projects which may affect the number of Units or the Funding requirements for the Service Manager and the Project.
- 3.7 The Minister may change the allocation of Funding to a Project in response to a change in the Project.
- 3.8 The Service Manager shall approve Projects in accordance with policies it has adopted respecting the procurement of goods and services, as required by the *Municipal Act, 2001*.
- 3.9 A Service Manager who utilizes the municipality or a municipal non-profit housing corporation to deliver Units under the Program is not required to use a procurement process to solicit the municipality or the municipal non-profit housing corporation as a Proponent, but the municipality or municipal non-profit housing corporation shall award contracts to build Units using procurement practices authorized by the Service Manager.

4. PAYMENTS BY THE MINISTER

- 4.1 In respect of all Projects:
 - (a) The Minister shall pay the Service Manager the Funding within fifteen (15) Business Days following the Minister receiving written confirmation from the Service Manager that:
 - (i) the Service Manager and the Proponent have signed a Contribution Agreement;
 - (ii) the Proponent is in compliance with the Contribution Agreement; and
 - (iii) the Proponent has satisfied the criteria for the payment to be made pursuant to the Funding Schedule;

(b) The Service Manager shall pay the Proponent the Funding within fifteen (15) Business Days of receiving the Funding from the Minister, provided that:

- (i) the Proponent is in compliance with the Contribution Agreement;
- (ii) the Proponent has satisfied the criteria for payments to be made pursuant to the Funding Schedule; and
- (iii) the Proponent has complied with the requirements of the Program;

4.2 Notwithstanding section 4.1, no Funding shall be paid to the Service Manager in respect of a Project unless the Service Manager has advised the Minister that the Service Manager has entered into a Contribution Agreement with the Proponent for the Project that provides for the use, accountability and security of the Funding, and the Proponent is not in breach of the Contribution Agreement.

4.3 Notwithstanding sections 4.1 and 4.2, the Service Manager may authorize the Minister to pay Funding to a third party and the Minister shall permit such authorization.

4.4 Notwithstanding sections 4.1 and 4.2, the Proponent may authorize the Service Manager to pay Funding to a third party and the Service Manager shall permit such authorization.

4.5 All Funding for a Project shall be advanced to the Service Manager within four (4) years of the signing of the Contribution Agreement.

5. ADMINISTRATION

5.1 Following the approval of each Project by the Minister, the Service Manager shall arrange for an appropriate form of Contribution Agreement to be executed, and shall register appropriate security documents, prior to requesting Funding from the Minister or forwarding Funding to the Proponent.

5.2 A Contribution Agreement under this Appendix cannot be signed after March 31, 2022, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.

- 5.3 The Service Manager shall monitor all Projects which have received a Funding allocation to determine whether the Proponents carry out all Development Activities in such manner and within such time periods as are set out in the Program Guidelines or as may be determined by the Minister.
- 5.4 Construction for each Project must commence within one hundred and twenty (120) days of the date of the Contribution Agreement for the Project. If construction for a Project has not commenced within one hundred and twenty (120) days of such date, the Minister may cancel the Funding for the Project, demand repayment of Funding for the Project and reallocate such Funding as the Minister deems appropriate.
- 5.5 The Service Manager shall provide the Minister with a completed Confirmation of Construction Start, in the form attached to this Appendix as Sub-Appendix D-1D, at the start of construction of each Project, within ten (10) days of the start of construction of the Project.
- 5.6 Construction for each Project must be completed within four (4) years of the date of the Contribution Agreement for the Project.
- 5.7 The Service Manager shall obtain from the Proponent and shall forward to the Minister, an audited financial statement respecting the expenditure of the Funding provided to the Proponent, within ninety (90) days or such additional time as may be determined by the Minister, following the date on which the Minister is advised by the Service Manager that the Project will not proceed or within six (6) months or such additional time as may be determined by the Minister, of the Occupancy Date.
- 5.8 In the event the Project costs in the audited financial statement or such other statement as the Minister may determine are lower than the amount on the Project Information Form, and as a result,
- (a) the Proponent is no longer in compliance with the equity requirements set out in the Program Guidelines; and/or
 - (b) the Funding represents greater than seventy-five per cent (75%) of the total capital cost per unit of the Project;
- the Minister reserves the right to deduct an appropriate amount of Funding from any subsequent advance of Funding to ensure compliance with (a) and (b), or the Service Manager shall be required to refund an appropriate amount to the Minister.
- 5.9 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall provide the Minister by

September 15, December 15, February 15 and May 30 of each year with an updated Investment Plan, indicating the amount of Program Funding approved and the number of Program Units committed.

- 5.10 The Service Manager acknowledges that the Minister is required to report to CMHC under the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy, as amended and that, in order to fulfill the said reporting requirements, it will be relying on the materials provided to it pursuant to sections 5.9, 5.12 and 5.13.
- 5.11 The Service Manager shall, at the request of the Minister, provide the Minister with proof that occupancy of all Units in the Project is permitted.
- 5.12 Upon initial occupancy of a Project, the Service Manager shall obtain and validate from each Proponent, the Project Initial Occupancy Report, in the form attached to this Appendix as Sub-Appendix D-1A and submit it to the Minister.
- 5.13 During the period between the Occupancy Date of each Project and the end of the Phase-out Period, the Service Manager shall obtain annually from each Proponent a completed information report, in the form attached to this Appendix as Sub-Appendix D-1B and submit it to the Minister.
- 5.14 The Service Manager shall immediately inform the Minister in writing of the following matters as soon as it becomes aware of them:
 - (a) a request by a Proponent to transfer responsibility for a Project to another entity;
 - (b) any failure by the Proponent to carry out all the Development Activities required in the Program Guidelines or any failure to carry out such Development Activities in such manner and within such time periods as are set out in the Program Guidelines or as may be determined by the Minister;
 - (c) if construction for a Project has not commenced within one hundred and twenty (120) days of the date of the Contribution Agreement;
 - (d) if construction has not been completed within four (4) years of the date of the Contribution Agreement;
 - (e) any breach by the Proponent of its Contribution Agreement with the Service Manager;
 - (f) the Proponent becoming bankrupt or insolvent or taking the benefit of any act now or hereafter in force for bankrupt or insolvent

debtors or filing any proposal or making any assignment for the benefit of creditors or any arrangement or compromise;

- (g) the appointment of a receiver or a receiver and manager for all or a portion of a Project; and
- (h) the taking of any steps or any action or the institution of any proceedings by a Proponent or by any other party, including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding up or liquidation of the Proponent or its assets.

6. GENERAL

- 6.1 The Rental Housing Component is available from the date of this Agreement until March 31, 2022.
- 6.2 The Service Manager shall enter into a Contribution Agreement with the Proponent which requires the Proponent to comply with the requirements of the Program.
- 6.3 The Service Manager acknowledges and agrees that the Rental Protocol set out in Sub-Appendix D-1C applies to all Projects by virtue of the contractual terms of this Agreement. The Service Manager further acknowledges and agrees that, regardless of whether the rent increase guideline applies to Projects under the *Residential Tenancies Act, 2006*, or any successor legislation, the rent increase guideline applies by virtue of the contractual terms of the Agreement. The Service Manager shall ensure that the Proponent agrees in writing that the Rental Protocol applies to its Project.
- 6.4 The headings and subheadings contained in this Appendix are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Appendix or form part of this Appendix.
- 6.5 If the Parties have previously entered into administration agreement(s) respecting prior Rental Housing Component(s) of the Affordable Housing Program, the Investment in Affordable Housing Program 2011-2014, the Investment in Affordable Housing (2014 Extension), or the 2016 Social Infrastructure Fund, the Parties acknowledge and agree that the provisions of such agreement continue in full force and effect notwithstanding that no further funding is being provided by the Minister to the Service Manager under that agreement and notwithstanding that the Parties have entered into this Agreement in respect of new funding.

SUB-APPENDIX D-1A

PROPONENT'S INITIAL OCCUPANCY REPORT OPHI - Rental Housing Component

A. Project Information

Reference No.	
Project Name	
Project Address	
Proponent Name	
Occupancy Date	
Contribution Agreement Expiry Date	

B. Unit Details

Target Client	Unit Type	Hous ehold Type	OPHI Units (A)	# of RS	# of SS	Non-OPHI Units (B)	Total Units (A+B)
	Bachelor						
	1 BR						
	2 BR						
	3 BR						
	Others (specify)						
	Total						

RS: Rent Supplements

SS: SIF -- Support Services

C. Depth of Affordability: Rents at Occupancy

Unit Type	Unit Size	Number of Units (A)	Actual Rent to be charged per month (B)	CMHC Average Market Rent (AMR – 20XX) or Alternate AMR (C)	Actual Project Rents by Unit Type (D)=(A)X(B)	Project Rents as per CMHC AMR or Alternate AMR (E)=(A)X(C)
Bachelor						
1 BR						
2 BR						

3 BR						
Others (specify)						
TOTAL						

Notes:

1. Actual Rent is inclusive of Rent Supplements received by the Proponent.
2. Alternate AMR examples include: modified Ontario Works Shelter Allowance; Ministry-approved alternate.

Weighted Average Rents	Project Weighted Average Rent Total of (D)+Total of (A) =	CMHC or Alternate Weighted Average Rent Total of (E)+Total of (A) =
Depth of Affordability	(Project Weighted Average Rent + CMHC (or Alternate) Weighted Average Rent) x100 =	

D. Source of Alternate AMR (if an alternate AMR is being used)

E. Rationale (if Depth of Affordability is greater than 80% of CMHC AMR (or Alternate))

F. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and C above is true and correct. I hereby authorize the _____ [insert name of Service Manager] to review the rent roll from appropriate sources(s) if deemed necessary.

Signature _____

Date _____

Print Name _____

Position

- 3 -
Submitted by _____ [insert name of Service Manager]

Signature

Date

Print Name

Position

SUB-APPENDIX D-1B

PROPONENT'S ANNUAL OCCUPANCY REPORT

OPHI Rental Housing Component
For the Year Ended December 31, 20XX

A. Project Information

Reference No.	
Project Name	
Project Address	
Proponent Name	
Occupancy Date	
Contribution Agreement Expiry Date	

B. Unit Details

Target Client	Unit Type	Household Type	OPHI Units (A)	# of RS	# of SS	Non-OPHI Units (B)	Total Units (A+B)
	Bachelor						
	1 BR						
	2 BR						
	3 BR						
	Others (specify)						
	Total						

Notes:

RS: Rent Supplements SS: Support Services

C. Actual Rents at Year End

Unit Type	OPHI Funded Units	Actual Rent per Unit per Month (A)	Previous Year 20XX RTA Permitted Increase per Unit per Month X % (specify) (B)	Actual Rent per Unit per Month (C)	Current Year 20XX Rent Increase (D) = (C)-(A)	(E) OMHD or Alternate AMR	Rationale (If D>E)
Bachelor							
1 BR							
2 BR							
3 BR							
4 BR							
Other (specify)							
TOTAL							

D. Depth of Affordability: Rents during year of reporting

Unit Type	Unit Size	Number of Units (A)	Actual Rent to be charged per month (B)	CMHC Average Market Rent (AMR – 20XX) or Alternate AMR (C)	Actual Project Rents by Unit Type (D)=(A)X(B)	Project Rents as per CMHC AMR or Alternate AMR (E)=(A)X(C)
Bachelor						
1 BR						
2 BR						
3 BR						
Others (specify)						
TOTAL						

Notes:

1. Actual Rent is inclusive of Rent Supplements received by the Proponent.
2. Alternate AMR examples include: modified Ontario Works Shelter Allowance; Ministry-approved alternate.

Weighted Average Rents	Project Weighted Average Rent Total of (D)+Total of (A) =	CMHC or Alternate Weighted Average Rent Total of (E)+Total of (A) =
Depth of Affordability	(Project Weighted Average Rent + CMHC (or Alternate) Weighted Average Rent) x100 =	

Note: Depth of Affordability cannot be greater than 80% of CMHC AMR or Alternate without the approval of the Service Manager.

E. Rationale (if Depth of Affordability is greater than 80% of CMHC AMR (or Alternate))

F. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and C above is true and correct. I hereby authorize the _____ [insert name of Service Manager] to review the rent roll from appropriate sources(s) if deemed necessary.

Signature _____ Date _____

Print Name _____ Position _____

Submitted by _____ [insert name of Service Manager]

Signature _____ Date _____

Print Name _____ Position _____

SUB-APPENDIX D-1C

RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Sub-Appendix D-1C, unless the context requires otherwise,

- **"Affordability Period"** means the minimum twenty (20) year period following the date of the first (1st) occupancy of a Unit in the Project;
- **"Agreement"** means the Agreement to which this Sub-Appendix D-1C is attached;
- **"Average Market Rents"** means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey;
- **"Phase-out Period"** means the last five (5) year period of the "Affordability Period", and

when used in this Sub-Appendix D-1C, the term "rent" includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent's agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing.

1.2 The definitions in the Agreement shall apply to this Sub-Appendix D-1C, in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Sub-Appendix are references to sections of the Sub-Appendix, unless otherwise explicitly stated.

2. AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Sub-Appendix D-1C nor increase any rent charged for a Unit except as permitted in this Sub-Appendix D-1C.

3. RENTS

3.1 In no event shall,

- (a) the weighted average rent of all Units in a Project for which Program Funding has been utilized exceed eighty per cent (80%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey;
- (b) rent for any Unit exceed one hundred per cent (100%) of the CMHC Average Market Rent for units of a similar type in the geographical area.

3.2 Notwithstanding 3.1(a),

- (a) in the event that eighty per cent (80%) of the CMHC Average Market Rent for units of a similar type in the geographical area is less than one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program, the weighted average rent of all Units in a Project for which Program Funding has been utilized shall not exceed one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program for units of a similar type;
- (b) in the event that CMHC Average Market Rent data is not available for specific unit types in the geographical area, or where CMHC Average Market Rent does not represent the average market rents of a particular community, alternate rents may be submitted by the Service Manager for review and approval by the Minister.

3.3 Notwithstanding 3.1(b),

- (a) in the event that one hundred per cent (100%) of the CMHC Average Market Rent for units of a similar type in the geographical area is less than one hundred and thirty per cent (130%) of the modified shelter allowance under the Ontario Works program, the rents of all Units in a Project for which Program Funding has been utilized shall not exceed one hundred and thirty per cent (130%) of the modified shelter allowance under the Ontario Works program for units of a similar type;
- (b) in the event that CMHC Average Market Rent data is not available for specific unit types in the geographical area, or where CMHC Average Market Rent does not represent the average market rents of a particular community, alternate rents may be submitted by the Service Manager for review and approval by the Minister.

3.4 If rent supplements are used for OPHI funded Rental Housing Units, the Service Manager shall ensure that the total rent received by a Proponent, including rent from the tenant and the rent supplement, shall be subject to 3.1(b) and 3.3.

- 3.5 If federal and/or provincially funded rent supplements are used for OPHI funded Rental Housing Units, the Service Manager shall ensure that when calculating the weighted average rent for a Project, the total rent received by a Proponent, including rent from the tenants and the federal and/or provincially funded rent supplement shall be considered.

4. RENT INCREASES

- 4.1 The Proponent may increase the rent charged under section 3.1 with respect to a Unit only if at least twelve (12) months have elapsed,

- (a) since the day of the last rent increase respecting the Unit, if there has been an increase, or
- (b) since the day the Unit was first rented for the first (1st) rental period following the completion of the Development Activities in connection with the Project.

- 4.2 Subject to section 4.3, the Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the *Residential Tenancies Act, 2006* or any successor legislation. The Proponent acknowledges and agrees that, regardless of whether the rent increase guideline under the *Residential Tenancies Act, 2006* or any successor legislation applies to the Project, the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Sub-Appendix A-4.

- 4.3 From the beginning of the eleventh (11th) year of the Affordability Period until the end of the Affordability Period, in addition to the increase permitted by section 4.2, the Proponent may, subject to any requirements of the Residential Tenancies Act, 2006 or any successor legislation, apply to the Service Manager to increase Unit rents to an amount not to exceed CMHC Average Market Rent for units of a similar type in the geographical area, or alternate rents approved by the Minister.

5. PHASE-OUT PERIOD

- 5.1 During the Phase-out Period, the Proponent shall not increase the rent charged to *in-situ* tenants of Units by more than the rent guideline increase permitted under section 4.2 and any additional increase that may be approved under section 4.3.

- 5.2 Upon a Unit becoming vacant during the Phase-out Period, the Proponent may rent the Unit to a new tenant at any rent agreed to by the Proponent and the new tenant.

6. EXCEPTION

- 6.1 Subject to the provisions of the *Residential Tenancies Act, 2006* or any successor legislation, and notwithstanding the provisions of this Sub-Appendix D-1C respecting rent increases prior to and during the Phase-out Period, where a Service Manager implements income verification of tenants following the initial occupancy of a Unit, a Service Manager may increase the rent for a Unit by more than the rent increase guideline under the *Residential Tenancies Act, 2006* or any successor legislation, provided that the rent for the Unit does not exceed the CMHC Average Market Rent for units of a similar type for that year and provided that the weighted average rent for the funded Units in a Project does not exceed the permitted rents for the Project.

7. AFTER PHASE-OUT PERIOD

- 7.1 After the end of the Phase-out Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.

SUB-APPENDIX D-1D

CONFIRMATION OF CONSTRUCTION START

OPHI- Rental Housing Component

This is to confirm that the _____ project in the
_____ [SM name] commenced construction on
_____ [date].

The start of construction for this project is within one hundred twenty (120)
days of the date of the project's Contribution Agreement, which was
signed on _____ [CA date].

I declare that the above information is true and complete.

Signature

Name and Title of Service Manager/Authorized Signing Officer

Dated at _____ this _____ day of _____, 20____

APPENDIX D-2

Homeownership Component

INTERPRETATION

1.1 In this Appendix, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **“Affordable Housing”** means Housing that is affordable to individuals and households with an income at or below the sixtieth (60th) percentile of income for the Service Manager’s area or Ontario, whichever is lower, and is below the average resale price for the Service Manager’s area;
- **“Affordability Period”**, with respect to each Eligible Purchaser that receives an OPHI Loan, means the minimum twenty (20) year period commencing on the date of the OPHI Loan advance to such Eligible Purchaser;
- **“APS”** has the meaning given to it in Section 5.1;
- **“APS Funding”** has the meaning given to it in Section 5.1;
- **“Contribution Agreement”** means an agreement entered into by the Service Manager and an approved Proponent for contributions under the Program;
- **“Development Activities”** means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes, including the acquisition of property;
- **“Eligible Purchaser”** means a Purchaser that satisfies the Purchaser Eligibility Criteria;
- **“Eligible Unit”** means a Unit that meets the Unit Eligibility Criteria;
- **“Funding”** means funding provided under the Program, as set out in the Program Guidelines;
- **“Homeownership Component”** means the Homeownership Component described in the Program Guidelines;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or

physical health care, education, corrections, food services, social support or public recreation;

- **“OPHI Loan”** has the meaning given to it in Section 6.1;
- **“OPHI Mortgage”** has the meaning given to it in Section 7.1;
- **“Permitted Encumbrances”** means (i) a mortgage securing primary financing solely for the acquisition of the relevant Eligible Unit, (ii) a declaration and description under the *Condominium Act* where the Eligible Unit is a condominium, (iii) any minor easements for the supply of domestic utility or telephone services to the Eligible Unit or adjacent properties, (iv) any minor easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property as a residential dwelling; (v) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with; and (vi) any registered restrictions that run with the land provided such have been complied with;
- **“Project Information Form”** means the form or format submitted by the Service Manager to the Minister for consideration of a Project;
- **“Program”** means the Homeownership Component as set out in the Program Guidelines;
- **“Project”** means Affordable Housing proposed by a Proponent under the Program;
- **“Proponent”** means a non-profit home ownership developer that has submitted a Proposal;
- **“Proposal”** means the proposal to participate in the Program, submitted to the Service Manager;
- **“Purchaser”** means a person that has entered into an agreement of purchase and sale for the purchase of an Eligible Unit;
- **“Purchaser Eligibility Criteria”** means the criteria set out in Sub-Appendix D-2A;
- **“Revolving Loan Fund”** means a fund established by the Service Manager, or a third party subcontractor as permitted under section 13.2, in a segregated bank account for the sole purpose of providing moderate and low-income individuals and households with down payment assistance to purchase Affordable Housing on the same terms and conditions as are set

out in Sections 6 and 7 of this Schedule but at such level of assistance as is determined by the Service Manager;

- **“Unit”** means a self-contained residential dwelling;
- **“Unit Eligibility Criteria”** means the criteria set out in Sub-Appendix D-2B.

1.2 The following Sub-Appendices are attached to and form part of this Appendix:

Sub-Appendix D-2A – Purchaser Eligibility Criteria;
Sub-Appendix D-2B – Unit Eligibility Criteria;
Sub-Appendix D-2C – Homeownership Annual Report;
Sub-Appendix D-2D – Confirmation of Construction Start.

1.3 In the event of a conflict or inconsistency between the provisions of this Appendix and the provisions of a Sub-Appendix, the provisions of this Appendix shall prevail.

1.4 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise.

1.5 All references in this Appendix to Sub-Appendices are references to Sub-Appendices in this Appendix, unless stated otherwise.

2. PROGRAM GUIDELINES

2.1 The Service Manager agrees to administer the Homeownership Component in accordance with the Program Guidelines.

3. PROJECT SELECTION AND ADMINISTRATION

3.1 The Service Manager shall evaluate each Project in accordance with the requirements of the Program Guidelines.

3.2 The Service Manager shall submit to the Minister Projects with recommended Funding requirements based on the submitted Investment Plan and within the Service Manager's Funding allocation.

3.3 In respect of each Project, the Service Manager shall submit a Project Information Form and the appropriate Funding Schedule to the Minister for approval.

- 3.4 If the Minister approves the Project, the Minister shall issue a Conditional Letter of Commitment to the Proponent and shall advise the Service Manager of the approval of the Project.
- 3.5 Following the approval of each Project by the Minister, the Service Manager shall arrange for an appropriate form of Contribution Agreement to be executed, and shall register appropriate security documents, prior to requesting Funding from the Minister or forwarding Funding to the Proponent.
- 3.6 A Contribution Agreement under this Appendix cannot be signed after March 31, 2022, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 3.7 The Service Manager shall advise and request approval from the Minister for any changes to the Projects which may affect the number of Units or the Funding requirements for the Service Manager and the Project.
- 3.8 The Service Manager shall approve Projects in accordance with policies it has adopted respecting the procurement of goods and services, as required by the *Municipal Act, 2001*.
- 3.9 The Service Manager shall monitor all Projects which have received a Funding allocation to determine whether the Proponents carry out all Development Activities in such manner and within such time periods as are set out in the Program Guidelines or as may be determined by the Minister.
- 3.10 Construction for each Project must commence within one hundred and twenty (120) days of the date of the Contribution Agreement for the Project. If construction for a Project has not commenced within one hundred and twenty (120) days of such date, the Minister may cancel the Funding for the Project, demand repayment of Funding for the Project and reallocate such Funding as the Minister deems appropriate.
- 3.11 The Service Manager shall provide the Minister with a completed Confirmation of Construction Start, in the form attached to this Appendix as Sub-Appendix D-2D, at the start of construction of each Project, within ten (10) days of the start of construction of the Project.
- 3.12 Construction for each Project must be completed within four (4) years of the date of the Contribution Agreement for the Project.
- 3.13 The Service Manager shall immediately inform the Minister in writing of the following matters as soon as it becomes aware of them:

- (i) a request by a Proponent to transfer responsibility for a Project to another entity;
- (ii) any failure by the Proponent to carry out all the Development Activities required or any failure to carry out such Development Activities in such manner and within such time periods as are set out in the Program Guidelines or as may be determined by the Minister;
- (iii) if construction for a Project has not commenced within one hundred and twenty (120) days of the date of the Contribution Agreement;
- (iv) if construction has not been completed within four (4) years of the date of the Contribution Agreement;
- (v) any breach by the Proponent of its Contribution Agreement with the Service Manager;
- (vi) the Proponent becoming bankrupt or insolvent or taking the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or filing any proposal or making any assignment for the benefit of creditors or any arrangement or compromise;
- (vii) the appointment of a receiver or a receiver and manager for all or a portion of a Project; and
- (viii) the taking of any steps or any action or the institution of any proceedings by a Proponent or by any other party, including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding up or liquidation of the Proponent or its assets.

4. PROVISION OF FUNDS BY THE MINISTER FOR PROPONENTS

4.1 In respect of all Projects:

- (a) The Minister shall pay the Service Manager the Funding within fifteen (15) Business Days following the Minister receiving written confirmation from the Service Manager that:
 - (i) the Service Manager and the Proponent have signed a Contribution Agreement;
 - (ii) the Proponent is in compliance with the Contribution Agreement;
 - (iii) the Proponent has satisfied the criteria for the payment to be made pursuant to the Funding Schedule.

(b) The Service Manager shall pay the Proponent the Funding within fifteen (15) Business Days of receiving the Funding from the Minister, provided that:

- (i) the Proponent is in compliance with the Contribution Agreement;
- (ii) the Proponent has satisfied the criteria for payments to be made pursuant to the Funding Schedule; and
- (iii) the Proponent has complied with the requirements of the Program.

4.2 Notwithstanding section 4.1, no Funding shall be paid to the Service Manager in respect of a Project unless the Service Manager has advised the Minister that the Service Manager has entered into a Contribution Agreement with the Proponent for the Project that provides for the use, accountability and security of the Funding, and the Proponent is not in breach of the Contribution Agreement.

4.3 Notwithstanding sections 4.1 and 4.2, the Service Manager may authorize the Minister to pay Funding to a third party and the Minister shall permit such authorization.

4.4 Notwithstanding sections 4.1 and 4.2, the Proponent may authorize the Service Manager to pay Funding to a third party and the Service Manager shall permit such authorization.

4.5 All Funding for a Project shall be advanced to the Service Manager within four (4) years of the signing of the Contribution Agreement.

5. PROVISION OF FUNDS BY THE MINISTER FOR ELIGIBLE PURCHASERS

5.1 Subject to Sections 5.3, 5.4, 5.5 and 5.8, upon receipt by the Minister from the Service Manager of a copy of the first page and the signature page of a fully executed agreement of purchase and sale (an "APS"), for the purchase of an Eligible Unit by an Eligible Purchaser, together with a completed Project Information Form, the Minister will transfer to the Service Manager in trust, within fifteen (15) business days or within fifteen (15) days of the closing date of the Eligible Unit, whichever is later, the amount of funding that is requested by the Service Manager for use as down payment assistance for the Eligible Purchaser (the "APS Funding").

5.2 The transfer of all APS Funding will be made by electronic funds transfer.

5.3 In no event shall the APS Funding for an Eligible Unit exceed \$50,000.

5.4 In no event shall the aggregate of all APS Funding received by the Service Manager under this Schedule and advanced by the Service Manager to Eligible Purchasers as of March 31, 2026 exceed ten per cent (10%) of the sum of the

purchase prices for all of the Eligible Units acquired by such Purchasers other than Eligible Units acquired from non-profit housing developers.

- 5.5 In no event may any APS be submitted for funding under this Appendix after March 31, 2022 or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 5.6 The Service Manager shall use the APS Funding transferred to it by the Minister in respect of an Eligible Unit solely (i) for the purpose of providing an OPHI Loan to an Eligible Purchaser of the Eligible Unit in accordance with this Appendix, or (ii) as the Minister may in writing direct.
- 5.7 All interest that accrues on APS Funding while held by the Service Manager may be used by the Service Manager for the purpose of administering and delivering Affordable Housing.
- 5.8 In no event shall funding under this Appendix be advanced to the Service Manager after March 31, 2026.
- 5.9 For greater certainty, should the Minister in his or her sole discretion believe at any point in time that the Service Manager is not likely to comply with Section 5.4, the Minister may refuse to provide funding under Section 5.1.

6. PROVISION OF OPHI LOANS BY SERVICE MANAGER

- 6.1 Subject to Section 6.4, on the closing of the purchase of an Eligible Unit in respect of which APS Funding was transferred to the Service Manager, the Service Manager shall loan such transferred APS Funding to the relevant Eligible Purchaser for the sole purpose of financing the acquisition of the Eligible Unit (a "OPHI Loan").
- 6.2 The following terms shall be set out in the loan agreement between the Service Manager and the Eligible Purchaser with respect to each OPHI Loan:
 - (a) Each OPHI Loan shall be for a term equal to the Affordability Period and shall not bear interest other than as contemplated below;
 - (b) On the twentieth (20th) anniversary date of the date of the OPHI Loan advance, provided the debtor is not in default under the terms of the loan, the principal under the OPHI Loan shall automatically be forgiven;
 - (c) Upon an event of default under the OPHI Loan, including the insolvency or bankruptcy of the debtor, a writ of execution against the debtor is or becomes binding against the Eligible Unit, the death of the debtor, a lease of the Eligible Unit, the debtor ceasing to occupy the Eligible Unit as the debtor's sole and principal residence, a misrepresentation by the debtor relating to his or her eligibility, or the use of the proceeds of the OPHI Loan for a purpose other than the acquisition of the Eligible Unit, the principal

shall be repayable;

- (d) If, during the period in which the OPHI Loan is outstanding, the Eligible Unit is resold for more than the price at which it was acquired by the debtor, the principal shall be repayable. In addition, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the OPHI Loan is of the original purchase price of the Eligible Unit as applied to the differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager, based on (i) the price at which the Eligible Unit was resold, if such transaction was an arm's length transaction or (ii) an independent appraisal commissioned by the Service Manager, if such transaction was not an arm's length transaction;
- (e) If, during the period in which the OPHI Loan is outstanding, the Eligible Unit is resold for less than the price at which it was acquired by the debtor and the sale of the Eligible Unit was an arm's length transaction, the difference between the OPHI Loan amount and the depreciated amount shall be repayable. If the depreciated amount is greater than the OPHI Loan amount, the principal shall be forgiven;
- (f) If, during the period in which the OPHI Loan is outstanding, the Eligible Unit is resold for less than the price at which it was acquired by the debtor and the sale of the Eligible Unit was not an arm's length transaction, the principal shall be repayable. In addition, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the OPHI Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on an independent appraisal commissioned by the Service Manager;
- (g) If, during the period in which the OPHI Loan is outstanding, the debtor leases the Eligible Unit, ceases to occupy the Eligible Unit as the debtor's sole and principal residence, a writ of execution against the debtor is or becomes binding against the Eligible Unit, the debtor becomes bankrupt or insolvent, the debtor misrepresents his or her eligibility, or the debtor uses the proceeds of the OPHI Loan for a purpose other than the acquisition of the Eligible Unit, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the OPHI Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on an independent appraisal commissioned by the Service Manager;

- (h) The debtor may repay all of the OPHI Loan upon payment of an amount that is equal to the percentage that the OPHI Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on an independent appraisal commissioned by the Service Manager. The debtor shall not be permitted to prepay only part of the OPHI Loan;
- (i) Notwithstanding anything to the contrary contained in the OPHI Loan agreement, amounts payable under the OPHI Loan agreement with respect to capital appreciation shall be considered to be accrued interest for the purposes of section 18 of the *Mortgages Act* and section 10 of the *Interest Act*, or any successor provisions, and shall not exceed the maximum amount of interest that does not violate applicable laws;
- (j) The debtor shall be responsible for any processing charges associated with the discharge of an OPHI Mortgage;
- (k) Notwithstanding 6.2 (a) and (b), the Service Manager may set an Affordability Period greater than twenty (20) years, at the Service Manager's discretion.

6.3 If the Service Manager's contribution with respect to an Eligible Unit is equal to or greater than the amount of the Federal Funds provided by the Minister to the Service Manager in respect of the Eligible Unit, the Service Manager may require the debtor to provide it with a right of first refusal to acquire the Eligible Unit in the event that the owner of the Eligible Unit receives a bona fide offer to purchase the Eligible Unit from a third party. Any such right to acquire shall be for the fair market value of the Eligible Unit. Fair market value shall be determined by an independent appraisal commissioned by the Service Manager.

6.4 The provision of each OPHI Loan shall be subject to the conditions precedent that:

- (a) title to the relevant Eligible Unit is encumbered by no registered restrictions, charges, liens and encumbrances other than Permitted Encumbrances;
- (b) the relevant Eligible Purchaser has entered into a loan agreement with the Service Manager and provided the Service Manager with the registered mortgage documents contemplated by Section 7.1; and
- (c) each representation, statement, declaration and all information provided to the Service Manager by the Eligible Purchaser regarding his or her eligibility and the eligibility of the relevant Unit is true and accurate as at the time it was given or made.

If any of these conditions precedent have not been fulfilled on the date the OPHI Loan is to be advanced, the Service Manager shall not make the OPHI Loan.

- 6.5 Before the Service Manager advances the proceeds of an OPHI Loan, the Service Manager shall have a title search conducted against the relevant Eligible Unit and obtain a legal opinion as to whether all conditions precedent to the advance of the OPHI Loan have been satisfied.
- 6.6 The Service Manager shall ensure that each Unit in respect of which an OPHI Loan is made is an Eligible Unit, and that each Purchaser to whom an OPHI Loan is made is an Eligible Purchaser at the time the Service Manager enters into the loan agreement with the Purchaser.

7. SECURITY FOR OPHI LOANS

- 7.1 Each OPHI Loan shall be secured by a mortgage registered against title to the relevant Eligible Unit. Prior to the advance of the OPHI Loan by the Service Manager, the Eligible Purchaser will be required to provide the Service Manager with an executed registerable mortgage document in a form acceptable to the Service Manager and the Minister (an “**OPHI Mortgage**”). Each OPHI Mortgage shall incorporate the terms of the OPHI Loan as stated in Section 6.2, shall include a clause that provides that all monies that the Service Manager spends in recovering mortgage monies shall be added to the amount secured, and shall be registered against title to the relevant Eligible Unit immediately after registration of any mortgage securing the primary financing for the acquisition of the Eligible Unit.
- 7.2 The Service Manager shall, at its own expense, use commercially reasonable efforts to recover all monies owing to it under each OPHI Mortgage. The Service Manager shall co-operate with the Minister with respect to pursuing the remedies available to the Service Manager under OPHI Mortgages.

8. REVOLVING LOAN FUND

- 8.1 If the Service Manager has not already established a Revolving Loan Fund, the Service Manager agrees to do so and maintain the Revolving Loan Fund for the period of twenty (20) years from the date of this Agreement. All monies received by the Service Manager as a result of (i) a resale of an Eligible Unit prior to the end of the term of the OPHI Loan, (ii) a default under the OPHI Loan or OPHI Mortgage, or (iii) the repayment of the principal of an OPHI Loan prior to the end of its term, shall be transferred to the Revolving Loan Fund and used in accordance with the purposes of the Revolving Loan Fund.
- 8.2 All interest accrued on amounts held in the Revolving Loan Fund shall be used by the Service Manager for the purposes of administering and delivering Affordable Housing.

- 8.3 If the Service Manager establishes a Revolving Loan Fund in accordance with this Schedule, and the Service Manager wishes to terminate the Revolving Loan Fund after the fifteenth (15th) annual anniversary of the date of the Agreement, the Service Manager shall submit to the Minister a plan pertaining to the phasing out of the Revolving Loan Fund. The Revolving Loan Fund shall be terminated only in accordance with a phase out plan that has been approved by the Minister. At the end of the phase out period, all amounts in the Revolving Loan Fund shall be paid to the Minister or, upon agreement by the Minister, allocated by the Service Manager to financing acquisitions of Affordable Housing.

9. REPORTING REQUIREMENTS

- 9.1 For the twenty (20) year period following the date of the Agreement or for the period in which any OPHI Loans are still outstanding, which ever is longer, the Service Manager shall, between April 1 and April 30 in each year, provide the Minister with the following:

- (a) a report in the form of Sub-Appendix D-2C confirming (i) how the Funding was used; (ii) any resale of an Eligible Unit funded pursuant to this Appendix; (iii) any default under an OPHI Loan or OPHI Mortgage; (iv) any repayment of an OPHI Loan prior to the end of its term; and (v) all contributions and withdrawals from the Revolving Loan Fund.
- (b) copies of any OPHI Loan agreements and OPHI Mortgages relating to loans referred to in the above report.

- 9.2 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall provide the Minister by September 15, December 15, February 28 and May 30 of each year with an updated Investment Plan, indicating the amount of Program Funding approved and the number of Program Units committed.

- 9.3 Section 9.1 shall survive any termination of this Appendix.

10. MARKETING

- 10.1 Subject to section 9 of Schedule A of the Agreement, the Service Manager and/or Proponent shall promote and advertise the Program in the Service Manager's area as the Service Manager deems appropriate.

11. EDUCATION AND TRAINING

- 11.1 The Service Manager shall ensure that educational materials and/or training sessions are offered to all Eligible Purchasers of Eligible Units on the home buying experience, including financial guidance concerning the up-front and on-going costs of homeownership, and on the obligations and benefits of being a homeowner.

12. REMEDIES

- 12.1 If the Service Manager breaches any one or more of the provisions of this Appendix, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,

- (a) terminate this Appendix;
- (b) demand repayment of any Funding in the possession or control of the Service Manager which has not been advanced to a Proponent or an Eligible Purchaser;
- (c) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Appendix that relate to the Project or Eligible Unit in respect of which the breach occurred;
- (d) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Appendix;
- (e) cancel all further payments of Funding; and/or
- (f) suspend further payments of Funding for such period as the Minister may determine.

The Service Manager shall comply with a demand referred to in clause (d) and (e) irrespective of whether it has advanced any of the relevant amounts to a Proponent or an Eligible Purchaser.

13. GENERAL

- 13.1 The Homeownership Component is available from the date of this Agreement until March 31, 2022.
- 13.2 The Service Manager may engage a third party subcontractor to assist it in the performance of this Appendix. Such assistance shall be limited to but may include the provision of the OPHI Loans to Eligible Purchasers, the taking of OPHI Mortgages and the establishment and administration of the Revolving Loan Fund, in each case, by the third party subcontractor but otherwise in accordance with this Appendix. Notwithstanding any such arrangement, the Service Manager shall remain in possession and control of all APS Funding until such funds are advanced to or on behalf of an Eligible Purchaser in connection with the

purchase of an Eligible Unit, and shall remain directly responsible to the Minister under and for the performance of this Schedule. The Service Manager shall also ensure that any third party subcontractor is bound by the same terms and conditions relating to the assistance to be provided by it as are binding on the Service Manager under this Appendix. The procurement of any such third party subcontractor shall be done in accordance with the procurement policies of the Service Manager.

- 13.3 The Service Manager may enter into an agreement with a private or non-profit developer pursuant to which (i) the developer agrees to make a certain number of Units in a development owned by the developer available to the public as Eligible Units and to market such Units as Units available under the Program, subject to the requirements of section 9 of Schedule A of the Agreement, and (ii) the Service Manager agrees to make OPHI Loans available to Eligible Purchasers of such Eligible Units.
- 13.4 The disbursement of Funding by the Minister to the Service Manager under Sections 4.1 and 5.1 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.
- 13.5 The Service Manager shall keep and maintain for a period of seven (7) years following March 31, 2026, all financial records (including invoices) and all-non-financial documents and records relating to the funds or otherwise to the Program.

SUB-APPENDIX D-2A

PURCHASER ELIGIBILITY CRITERIA

Each person seeking to be approved as an Eligible Purchaser must meet each of the following criteria at the time he or she applies for such approval:

- (a) The individual must be at least eighteen (18) years old;
- (b) The individual can neither own a home nor have an ownership interest in a home other than a contingent interest;
- (c) The individual cannot be living in a spousal relationship (including a same-sex spousal relationship) with a person who owns a home or who has an ownership interest in a home other than a contingent interest;
- (d) The individual must be vacating a residential tenancy and must agree not to lease the Eligible Unit for the duration of the OPHI Mortgage;
- (e) Subject to clause (f) below, the total income of all members of the individual's household cannot exceed the sixtieth (60th) percentile of income for the Service Manager area, as provided by the Minister, or for Ontario, whichever is lower. For the purposes of this Agreement, the household of an individual shall be deemed to include and be limited to (i) the individual; (ii) any person with whom the individual is living in a spousal relationship (including a same-sex spousal relationship); and (iii) any person over the age of eighteen (18) expected to be residing with the individual at the time of first occupancy of the Unit;
- (f) The income limits set out in clause (e) may be adjusted annually by the Minister based on census data indexed on the Consumer Price Index as published by Statistics Canada from time to time or for other reasons as the Minister may determine but, in any event, shall not exceed the sixtieth (60th) income percentile for all households in Ontario;
- (g) The individual's application for financial assistance must be supported by (i) two (2) pieces of original photo identification, (ii) an original notice of income tax assessment or other equally reliable evidence of income and (iii) a declaration that all information provided in the application is true and correct;
- (h) The individual agrees to secure his or her own primary financing for the purchase of the Eligible Unit;
- (i) Such other criteria as the Service Manager may establish.

SUB-APPENDIX D-2B

UNIT ELIGIBILITY CRITERIA

To be an Eligible Unit (within the meaning of this Appendix), a Unit must satisfy each of the following requirements:

- (a) It must be a Unit that either has not been previously occupied and to which the *Ontario New Home Warranties Plan Act* applies, including a Unit that has been converted from non-residential to residential use, or a Unit that is offered for resale, provided a home inspection is undertaken by a qualified inspector agreed to by the Purchaser and the Service Manager, at the Purchaser's expense. The results of the inspection must be wholly satisfactory to the Purchaser and the Service Manager;
- (b) The selling price of the Unit must be at or below the average resale price for the Service Manager area, as provided by the Minister;
- (c) The Unit may be detached, semi-detached, town (condominium and freehold), a duplex, a stacked home, a row house, an apartment or such other forms as may be approved by the Minister. The Unit must be modest in size, relative to community norms, in terms of floor area and amenities, as determined by the Service Manager;
- (d) Such other requirements as are set out in the Program Guidelines and/or as the Service Manager may establish.

OPHI HOMEOWNERSHIP ANNUAL REPORT

TP Hub Reference No.	Purchaser Name	Client Type ¹	Target Group	Loan Amount	Mortgage Registration No.	Date Security Registered on Title	Closing Date	Project Status
TOTAL								

TP Hub Reference No.	Eligible Unit Address	Original Purchase Price	Resale / Fair Market Value	Loan Amount	Total Amount Repaid	Date Repayment Received	Date of Closing	Reason for Repayment
TOTAL								

TP Hub Reference No	Purchaser Name	Client Type ¹	Target Group	Eligible Unit Address	Type of Unit ²	Purchase Price	Loan Amount	Closing Date	Date Security Registered on Title
TOTAL									

Balance (\$) of the RLF as of Last Report [date]: _____

Balance (\$) of the RLF as of Current Report [date]: _____

Legend for Reporting Requirements	
1.	Client type - Family, Single
2.	Type of Unit - Single, Semi-detached, Condo town, Freehold town, Row house, Duplex, Condo, Other

Additional Comments:

[Insert any comments applicable to specific loans]

Certification:

I certify, to the best of my knowledge, that the information provided above is true and correct, and that the active projects listed above continue to be in compliance, unless noted in the Additional Comments section.

Name of Service Manager

Signature

Date

Print Name

Position

APPENDIX D-3

Ontario Renovates Component

1. INTERPRETATION

1.1 In this Appendix, unless the context requires otherwise, the following items have the meanings set out in this section:

- **“Affordable Housing”** means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve market values or rent levels in accordance with the Program Guidelines, but does not include residential premises used as a nursing home or any other type of similar facility;
- **“Agreement”** means the agreement between the Minister and the Service Manager to which this Appendix forms a part;
- **“Development Activities”** means those activities which are normally undertaken for the repair, renovation or rehabilitation of buildings for residential purposes;
- **“Funding”** means funding provided under the Program, as set out in the Program Guidelines;
- **“Funding Agreement”** means an agreement entered into by the Service Manager and an approved Proponent for contributions for a Multi-Unit Rehabilitation project;
- **“Funding Schedule”** means the schedule of funding for the type of Project to be undertaken by a Proponent, as set out in the Funding Agreement or the Letter of Agreement;
- **“Home Repair Project”** means a Project which is the principal residence of a qualified eligible household that owns the Housing, to which health and safety upgrades including major repairs, rehabilitation or accessibility modifications are made, and where a house is overcrowded, includes additions to the Housing, as set out in the Program Guidelines;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or

physical health care, education, corrections, food services, social support or public recreation;

- **“Letter of Agreement”** means an agreement that may be in the form of a letter signed by the Service Manager and Proponent that is approved for contributions for a Home Repair Project;
- **“Mortgage”** means a forgivable mortgage in favour of the Service Manager that is required to be taken out where the costs of the labour and materials used in the construction, repair, or rehabilitation of the Project are over \$25,000. The mortgage may, at the discretion of the Service Manager, be taken out where such costs are under \$25,000. The mortgage must be in a form satisfactory to the Service Manager and the Minister. The principal of the mortgage will be equal to the Funding provided for labour and materials and other costs approved by the Minister, including but not limited to building permit fees, inspection fees, appraisal fees, drawings and specification fees and applicable taxes. An amount of up to \$5,000 in accessibility repairs shall be in the form of a contribution that does not require an affordability period and shall not be included in the principal amount of the mortgage;
- **“Multi-Unit Rehabilitation Project”** means a Project that is not a Home Repair Project that is operated in accordance with the Program Guidelines and eligible for repairs or renovations in accordance with Program Guidelines;
- **“Occupancy Date”** means the date on which the Development Activities have been completed;
- **“Ontario Renovates Component”** means the Ontario Renovates Component described in the Program Guidelines;
- **“Procurement Process”** means the request for proposals or procurement process used by the Service Manager;
- **“Program”** means the Ontario Renovates Component described in the Program Guidelines;
- **“Project Information Form”** means the form or format submitted by the Service Manager to the Minister as evidence of Funding take-up;
- **“Promissory Note”** means the forgivable promissory note signed by the Proponent in favour of the Service Manager where the costs of the labour and materials used for the construction, repair or the rehabilitation of the Project is \$25,000 or less and where no Mortgage has been taken out. The amount of the Promissory Note will be equal to the Funding provided

for labour and materials and other costs approved by the Minister, including but not limited to building permit fees, inspection fees, appraisal fees, drawings and specification fees and applicable taxes. An amount of up to \$5,000 in accessibility repairs shall be in the form of a contribution that does not require an affordability period and shall not be included in the principal amount of the promissory note;

- **“Proponent”** means a person or other legal entity that has submitted a Proposal, including but not limited to homeowners and landlords;
- **“Proposal”** means the response to the request for proposals or procurement process, submitted to the Service Manager pursuant to the Procurement Process;
- **“Secondary Suite”** means a self-contained unit within an existing home or on the property lot of a single family home, as set out in the Program Guidelines;
- **“Security Documents”** means a Mortgage or Promissory Note, as the context may require;
- **“Shelter Bed Unit”** means a unit or bed in a shelter;
- **“Unit”** means a self-contained residential dwelling, including, without limiting the generality of the foregoing, (i) multi-bedroom units which are used for congregate living; (ii) disabled/accessible units; (iii) Secondary Suites and (iv) Shelter Bed Units.

1.2 The following Sub-Appendices are attached to and form part of this Appendix:

Sub-Appendix D-3A – Proponent’s Post-Repair Occupancy Report;
Sub-Appendix D-3B – Proponent’s Annual Occupancy Report;
Sub-Appendix D-3C – Service Manager’s Annual Report - Affordability Period;
Sub-Appendix D-3D – Service Manager’s Annual Report - Repayment;
Sub-Appendix D-3E – Service Manager’s Annual Report - Projects Funded From Repayments;
Sub-Appendix D-3F – Rental Protocol.

- 1.3 In the event of a conflict or inconsistency between the provisions of this Appendix and the provisions of a Sub-Appendix, the provisions of this Appendix shall prevail.
- 1.4 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise.

- 1.5 All references in this Appendix to Sub-Appendices are references to Sub-Appendices in this Appendix, unless stated otherwise.

2. PAYMENTS BY THE MINISTER

- 2.1 The Minister shall transfer funds electronically to the Service Manager, on April 15, July 15, October 15, and on or before March 1 of each Fiscal Year based on their approved Investment Plan and actual Funding take-up.

3. PROJECT APPROVAL

- 3.1 Once an eligible Project has been approved by the Service Manager, a completed Project Information Form, along with the appropriate Security Documents and Funding Agreement or Letter of Agreement, whichever is required, must be submitted in TP Hub to confirm Program take-up.
- 3.2 The Service Manager is responsible for Project selection and approval, monitoring progress and completion of Projects, quality of work and for the advancement of funds. The Service Manager must ensure the status of each Project is updated in TP Hub. In the event details of each Project are not updated as required, payments to the Service Manager may be reduced.
- 3.3 The Minister will monitor the progress of the Service Manager under the Program on TP Hub throughout the year. In particular, the Minister will review progress at the end of the third (3rd) quarter of each fiscal year. The Minister may reallocate Funding in the event a Service Manager has not demonstrated take-up of ninety per cent (90%) or more of their yearly Program allocation by the end of the third (3rd) quarter.

4. ADMINISTRATION

- 4.1 In conjunction with the approval of each Project, the Service Manager shall arrange for an appropriate form of Funding Agreement or Letter of Agreement to be executed, and shall register appropriate Security Documents, prior to forwarding Funding to the Proponent.
- 4.2 A Funding Agreement or Letter of Agreement under this Appendix cannot be signed after March 31, 2022, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 4.3 Construction for each Project must commence within one hundred and twenty (120) days of the date of the Funding Agreement or Letter of Agreement. If construction for a Project has not commenced within one hundred and twenty (120) days of such date, the Minister may cancel the Funding for the Project.
- 4.4 The Service Manager shall monitor all Projects which have received a funding allocation to determine whether the Proponents carry out all Development

Activities required in the Procurement Process or proposed in or intended by the Proposal and whether they are carrying out such Development Activities in such manner and by the end of the Fiscal Year subsequent to the date of the Project Funding Agreement or Letter of Agreement or such additional time as may be determined by the Minister in the event of extenuating circumstances.

- 4.5 If requested by the Minister, the Service Manager shall obtain from the Proponent and shall forward to the Minister, a financial statement respecting the expenditure of the Funding provided to the Proponent, within ninety (90) days or such additional time as may be determined by the Minister, following the date on which the Minister is advised by the Service Manager that the Project will not proceed or that the Development Activities related to the Project have been fully completed.
- 4.6 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall provide the Minister by September 15, December 15, February 15 and May 30 of each year with an updated Investment Plan, indicating the amount of Program Funding approved and the number of Program Units committed.
- 4.7 During the period between the date of execution of this Agreement and the Occupancy Date of all of the Projects, the Minister and the Service Manager shall collaboratively review annually during the month of April the progress of utilization of the Funding by the Proponents at their respective Projects on the basis of the reports submitted pursuant to Sub-Appendices D-3C, D-3D and D-3E.
- 4.8 The Service Manager acknowledges that the Minister is required to report to CMHC under the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy, and that in order to fulfill the said reporting requirements, it will be relying on the materials provided to it pursuant to sections 4.7, 4.10 and 4.11, and on the collaborative review of these materials pursuant to section 4.7.
- 4.9 The Service Manager shall provide the Minister with actual Project costs and proof that the Development Activities have been completed. The Minister reserves the right to reduce a future payment if such information has not been provided.
- 4.10 Upon initial occupancy of a Multi-Unit Rehabilitation Project, the Service Manager shall obtain from each Proponent the Proponent's Post-Repair Occupancy Report in the form attached to this Agreement as Sub-Appendix D-3A, and submit it to the Minister.
- 4.11 During the period between the Occupancy Date of each Project and the end of the Affordability Period, the Service Manager shall:
 - (a) obtain annually from each Proponent for all Multi-Unit Rehabilitation Projects, a completed information report, in the form attached to this

Agreement as Sub-Appendix D-3B, and submit to the Minister for the first three (3) years following completion of the Project and thereafter submit to the Minister upon the request of the Minister; and

- (b) complete and submit to the Minister, on or before April 30th subsequent to each reporting fiscal year, a report on all of the said funded Projects, in the forms attached to this Agreement as Sub-Appendices D-3C, D-3D and D-3E.

4.12 The Service Manager shall comply with the provisions of the *Construction Act*.

4.13 The Service Manager shall immediately inform the Minister in writing of the following matters as soon as it becomes aware of them:

- (a) any failure by the Proponent to carry out all the Development Activities required in the Program Guidelines or any failure to carry out such Development Activities in such manner and within such time periods as are set out in the Program Guidelines or as may be determined by the Minister;
- (b) if the Development Activities have not been completed by the end of the Fiscal Year subsequent to the date of the Project Funding Agreement or Letter of Agreement;
- (c) any breach by the Proponent of its Letter of Agreement or Funding Agreement, as applicable, with the Service Manager;
- (d) the Proponent becoming bankrupt or insolvent or taking the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or filing any proposal or making any assignment for the benefit of creditors or any arrangement or compromise;
- (e) the death of the Proponent in respect of Home Repair Projects;
- (f) the appointment of a receiver or a receiver and manager for all or a portion of a Project; and
- (g) the taking of any steps or any action or the institution of any proceedings by a Proponent or by any other party, including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding up or liquidation of the Proponent or its assets.

4.14 The Service Manager shall, on forty-eight (48) hours prior written notice, give the Minister free access to such staff, documents, books, records and accounts as may be determined by the Minister, for the purpose of verifying compliance with this Agreement.

- 4.15 The Minister may conduct an audit, investigation or inquiry in relation to a Project or any larger development or project of which any Project is a part and the Service Manager shall co-operate with the Minister and shall provide free access to such staff, documents, books, records and accounts as may be determined by the Minister.
- 4.16 The provisions of sections 4.14 and 4.15 shall continue to apply for a period of seven (7) years following the end of the Affordability Periods for all of the Projects or the date of any early termination of this Agreement.
- 4.17 The Service Manager shall enter into a Funding Agreement or Letter of Agreement with the Proponent in relation to each Project which requires the Proponent to comply with the requirements of the Program and imposes on the Proponent such obligations as enable the Service Manager to fulfill its obligations to report to the Minister.
- 4.18 The Service Manager represents that it has not knowingly provided the Minister with any false or misleading information respecting the subject matter of this Agreement and agrees that it shall not knowingly provide any false or misleading information to the Minister in the performance of its obligations under this Agreement.
- 4.19 The maximum Funding for a Unit shall not exceed \$50,000.
- 4.20 The Service Manager shall enforce the terms of all Promissory Notes and Mortgages which it receives. If the Service Manager receives repayment of any monies pursuant to any Promissory Notes or Mortgages, it shall use such Funding for carrying out Development Activities under this Agreement within the geographical limits of this Agreement. The Service Manager shall report to the Minister on or before each April 30th, until the expiry of all Promissory Notes and Mortgages, details respecting all sums that became due under the Promissory Notes and Mortgages and the amounts recovered and expended, together with a description of the work, and its location, carried out with such recovered Funding in the forms attached as Sub-Appendices D-3C, D-3D and D-3E. If the Service Manager does not comply with the requirements of this section within a reasonable period, all monies which it has recovered and not spent under this section shall become due and payable to the Minister to the extent that such monies originally constituted Funding.
- 4.21 The Promissory Note or Mortgage shall be forgiven in accordance with the Program Guidelines.
- 4.22 The Service Manager may enter into an arrangement with a delivery agent to perform all or some of its duties and obligations under this Agreement. However, under any such arrangement, Promissory Notes or Mortgages shall be taken out in favour of the Service Manager and not the delivery agent. The delivery agent will ensure that the Development Activities are completed either directly or

through a contractor, who will enter into a contract with the owner. Notwithstanding such arrangements, the Service Manager remains directly responsible and the Minister will relate to and look to the Service Manager alone in regard to the duties and obligations under this Agreement. The Service Manager shall also ensure that any delivery agent is bound by the same terms and conditions relating to the arrangement as are set out in this Agreement.

5. REMEDIES

5.1 If the Service Manager breaches any one or more of the provisions of this Appendix, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager:

- (a) terminate this Appendix;
- (b) demand immediate repayment of all or any portion of the Administration Fees paid by the Minister to the Service Manager;
- (c) demand immediate repayment of all or part of any Funding in the possession or control of the Service Manager that has not been used for a Project;
- (d) demand immediate repayment of all or any part of the monies paid by the Minister to the Service Manager under this Appendix;
- (e) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Appendix that relate to the Project in respect of which the breach occurred;
- (f) cancel all further payments of Funding; and/or
- (g) suspend further payments of Funding for such period as the Minister may determine appropriate.

The Service Manager shall comply with a demand referred to in clause (d) and/or (e), irrespective of whether it has used any of the relevant amounts for a Project.

6. GENERAL

6.1 The Ontario Renovates Component is available from the date the Service Manager Administration Agreement is executed, until March 31, 2022.

6.2 The Service Manager acknowledges and agrees that the Rental Protocol set out in Appendix D-3F applies to all Multi-Unit Rehabilitation Projects by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol may not apply to Multi-Unit Rehabilitation Projects under the *Residential*

Tenancies Act, 2006, and shall ensure that the Proponent agrees in writing that Appendix D-3F applies to its Multi-Unit Rehabilitation Project.

- 6.3 The headings and subheadings contained in this Appendix are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Appendix or form part of this Appendix.

SUB-APPENDIX D-3A
OPHI - ONTARIO RENOVATES COMPONENT
PROPONENT'S POST-REPAIR OCCUPANCY REPORT

Unit Type	Total Funded Units	Actual Rent to be Charged per Month	CMHC Average Market Rent (AMR)
Bachelor			
1 Bedroom			
2 Bedroom			
3 Bedroom			
4 Bedroom			
Other			

Project Certification

I certify, to the best of my knowledge, that the information provided above is true and correct. I hereby authorize the _____ **[Insert SM]** to review the rent roll from appropriate source(s) if deemed necessary.

Signature

Date

Print Name

Position

**SUB-APPENDIX D-3B
OPHI - ONTARIO RENOVATES COMPONENT
PROPONENT'S ANNUAL OCCUPANCY REPORT**

Unit Type	Total Funded Units	Previous Year (20xx)		Current Year (20xx)		
		Actual Rent per Unit per Month	RTA Permitted Increase per Unit	Actual Rent per Unit per Month	Actual Rent increase	CMHC Average Market Rent
1 Bedroom						
2 Bedroom						
3 Bedroom						
4 Bedroom						
Other						

Project Certification

I certify, to the best of my knowledge, that the information provided above is true and correct. I authorize the _____ **[Insert SM]** to review the rent roll from appropriate source(s) if deemed necessary.

Signature

Date

Print Name

Position

SUB-APPENDIX D-3C
OPHI – ONTARIO RENOVATES COMPONENT ANNUAL REPORT

Service Manager: _____

Reporting Period: _____

TP Hub REFERENCE NUMBER	NAME OF HOMEOWNER / PROPONENT	CLIENT TYPE	TARGET GROUP	PROJECT ADDRESS	COMPLETION DATE	FUNDING		CONTRIBUTION BY OTHERS
						Number of Units	Amount (\$)	
Total						0	0.00	0.00

Additional Comments:

I certify, to the best of my knowledge, that the information provided above is true and correct, and that the active projects listed above continue to be in compliance, unless noted in the Additional Comments section.

Prepared By: _____
 Print Name and Title Signature

Approved By: _____
 Print Name and Title Signature

Date Submitted: _____

SUB-APPENDIX D-3F

RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Sub-Appendix D-3F, unless the context requires otherwise,

- **“Affordability Period”** means the minimum “fifteen (15) year period” following the date of the first (1st) occupancy of a Unit in the Project;
- **“Agreement”** means the Agreement to which this Sub-Appendix D-3F is attached;
- **“Average Market Rents”** means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey.

when used in this Sub-Appendix D-3F, the term “rent” includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent’s agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing.

1.2 The definitions in the Agreement shall apply to this Sub-Appendix D-3F, in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Sub-Appendix are references to sections of the Sub-Appendix and not sections of the Appendix, unless otherwise explicitly stated.

2. AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Sub-Appendix D-3F nor increase any rent charged for a Unit except as permitted in this Sub-Appendix D-3F.

3. RENTS

3.1 The rent of all Units in a Project for which Program Funding has been utilized shall not exceed CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey.

- 3.2 The Service Manager shall ensure that the total rent payments to a Proponent, including rent paid by the tenant and any Rent Supplement paid by the Service Manager or other party, shall not exceed one hundred per cent (100%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey
- 3.3 In areas where there is no or insufficient information from the CMHC Average Market Rent Survey, or in areas where the CMHC Average Market Rent does not represent the average market rents of a particular community, alternate market rents may be submitted by the Service Manager for review and approval by the Minister.

4. RENT INCREASES

- 4.1 The Proponent may increase the rent charged under sections 3.1, 3.2 and 3.3 with respect to a Unit only if at least twelve (12) months have elapsed,
- (a) since the day of the last rent increase respecting the Unit, if there has been an increase, or
 - (b) since the day the Unit was first rented for the first (1st) rental period following the completion of the Development Activities in connection with the Project.
- 4.2 The Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the *Residential Tenancies Act, 2006* or any successor legislation. The Proponent acknowledges and agrees that regardless of whether the rent increase guideline of the *Residential Tenancies Act, 2006* or any successor legislation applies to the Project the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Sub-Appendix D-3F.
- #### **5. AFTER AFFORDABILITY PERIOD**
- 5.1 After the end of the Affordability Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.

APPENDIX D-4

Rental Assistance Component

1. INTERPRETATION

1.1 In this Appendix, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **“Agreement”** means the agreement between the Minister and the Service Manager to which this Appendix forms a part;
- **“Average Market Rents” (“AMRs”)** means, under the Rent Supplement Stream, the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the Minister, based on available data, in areas where there is no or insufficient information from the CMHC Average Market Rent Survey, or in areas where the CMHC Average Market Rent does not represent the average market rents of a particular community;
- **“Eligible Landlord”** means, under the Rent Supplement Stream, a Private Landlord, Non-Profit Landlord, or Cooperative Housing Landlord that owns the Eligible Unit to which the Rent Supplement is applied;
- **“Eligible Renter Household”** means a household that either is on or is eligible to be on a social housing waiting list; that does not own a home suitable for year-round occupancy; and that meets the criteria in the Program Guidelines and in Sub-Appendix D-4B;
- **“Eligible Unit”** means, under the Rent Supplement Stream, a self-contained residential dwelling or shared accommodation that meets the Unit Eligibility Criteria in the Program Guidelines and in Sub-Appendix D-4A;
- **“Household Eligibility Criteria”** means the criteria set out in Sub-Appendix D-4B;
- **“Household Income Limits” (“HILs”)** means the highest incomes that renter households can have and still remain eligible for the Program, based on geographical areas and classified by bedroom count, in accordance with the annually updated HILs in Ontario Regulation 370/11, made under the *Housing Services Act, 2011*;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or

physical health care, education, corrections, food services, social support or public recreation;

- **“Housing Allowance”** is a monthly subsidy paid directly to an Eligible Renter Household. At the discretion of the Service Manager, and upon request from the Eligible Renter Household, the Housing Allowance may be paid to the Landlord on behalf of the Eligible Renter Household.
- **“Housing Allowance Application Form”** means an application form designed by the Service Manager or another delivery agent that meets the criteria described in Sub-Appendix D-4C, and that a Program applicant must submit to the Service Manager or another delivery agent to be considered for a Housing Allowance under the Program;
- **“Housing Allowance Direct Delivery Stream”** means the Housing Allowance Direct Delivery Stream described in the Program Guidelines as one (1) of the three (3) streams of the Rental Assistance Component;
- **“Housing Allowance Shared Delivery Stream”** means the Housing Allowance Shared Delivery Stream described in the Program Guidelines as one (1) of the three (3) streams of the Rental Assistance Component;
- **“Landlord”** means one of the following: Private Landlord; Non-Profit Landlord; or Cooperative Housing Landlord;
- **“Landlord Agreement”** means one of the following agreements: Private Landlord Agreement; Non-Profit Landlord Agreement; Cooperative Housing Landlord Agreement; and includes any other Agreement between the Service Manager and the Landlord that meets the Program Guidelines;
- **“Program”** means the Rental Assistance Component, as set out in the Program Guidelines;
- **“Rent Supplement”** is a subsidy paid to the Eligible Landlord on behalf of an Eligible Renter Household;
- **“Rent Supplement Stream”** means the Rent Supplement Stream described in the Program Guidelines as one (1) of the three (3) streams of the Rental Assistance Component;
- **“Rental Assistance Component”** means the Rental Assistance Component described in the Program Guidelines and consisting of three (3) streams: Rent Supplement Stream, Housing Allowance Direct Delivery Stream, and Housing Allowance Shared Delivery Stream;
- **“Unit Eligibility Criteria”** means, under the Rent Supplement Stream, the criteria set out in Sub-Appendix D-4A.

- 1.2 The following Sub-Appendices are attached to and form part of this Appendix:

Sub-Appendix D-4A - Unit Eligibility Criteria

Sub-Appendix D-4B - Household Eligibility Criteria

Sub-Appendix D-4C - Housing Allowance Application Process and Form

Sub-Appendix D-4D – Contribution Agreement

- 1.3 In the event of a conflict or inconsistency between the provisions of this Appendix and the provisions of a Sub-Appendix, the provisions of this Appendix shall prevail.

- 1.4 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise.

-
- 1.5 All references in this Appendix to Sub-Appendices are references to Sub-Appendices in this Appendix, unless stated otherwise.
-

2. PROGRAM GUIDELINES

- 2.1 The Service Manager agrees to administer the Rental Assistance Component in accordance with the Agreement and the Program Guidelines.

3. PROVISION OF PROGRAM FUNDS BY THE MINISTER

- 3.1 Subject to sections 3.2, 3.4 and 3.7, upon review by the Minister of the Service Manager's Investment Plan, the Minister shall transfer to the Service Manager by electronic funds transfer, the amount of funding (the "Rent Supplement Stream Funding" and "Housing Allowance Direct Delivery Stream Funding") indicated in the Investment Plan.
- 3.2 The Service Manager shall update the Investment Plan on a quarterly basis as set out in section 5.1. Payment adjustments may be made based on discrepancies between the Service Manager's planned and actual spending.
- 3.3 In the case of the Housing Allowance Shared Delivery Stream, the Minister shall hold back from the Service Manager's annual allocation the amount of funding (the "Housing Allowance Shared Delivery Stream Funding") requested in the Service Manager's Investment Plan, to be used by the Minister of Finance for paying Eligible Renter Households.
- 3.4 The Minister shall transfer Rental Assistance Funding that is Rent Supplement and/or Housing Allowance Direct Delivery Funding to the Service Manager by April 15, July 15, October 15, and March 1 of each Fiscal Year, provided the Service Manager has complied with the requirements of section 5.1.
- 3.5 The Service Manager shall use the Rental Assistance Funding transferred to it by the Minister solely for the purpose of providing a Rent Supplement to an Eligible

Landlord of the Eligible Unit and/or a Housing Allowance to an Eligible Renter Household, in accordance with this Appendix, or as the Minister may direct, in writing.

- 3.6 All interest that accrues on Rental Assistance Funding while held by the Service Manager shall be used by the Service Manager for the purpose of administering and delivering Affordable Housing.
- 3.7 For greater certainty, should the Minister, in his or her sole discretion, believe at any point in time that the Service Manager is not likely to comply with section 3.5, the Minister may refuse to provide Funding under section 3.1 or section 3.2.

4. PROVISION OF PROGRAM FUNDS BY THE SERVICE MANAGER

- 4.1 The Service Manager shall not expend Funding under the Program for an Eligible Unit or any Eligible Unit substituted for another Eligible Unit and/or an Eligible Renter Household after March 31, 2022.
- 4.2 The Service Manager or its authorized agency shall enter into a Landlord Agreement with each Landlord, in respect of all commitments of Eligible Units made on or after the date this Agreement is executed by the Parties. In the case of the Housing Allowance streams, the Service Manager and/or its authorized delivery agent shall develop a client application process and use an Application Form that meets the criteria described in Sub-Appendix D-4C. The Service Manager or its authorized delivery agent shall provide a Housing Allowance in the amount determined by the Service Manager and indicated in the Investment Plan, to the Eligible Renter Household.
- 4.3 A Landlord Agreement shall not be entered into or continued respecting an Eligible Unit where a renter is related to the Landlord.
- 4.4 The Service Manager shall ensure that all Eligible Units that are subject to a Landlord Agreement are clean, fit for habitation, in satisfactory state of repair, meet applicable minimum health and safety standards and that the Landlord has confirmed that the Eligible Units are in compliance with applicable Building Code and Fire Code requirements.
- 4.5 The Service Manager shall determine the monthly Rent Supplement Funding to be paid to Eligible Landlords on behalf of each Eligible Renter Household.
- 4.6 The Service Manager shall establish rules to determine whether the Household's income is at or below the local Household Income Limits (HILs), in accordance with the annually updated HILs in Ontario Regulation 370/11, made under the *Housing Services Act, 2011*. The Service Manager shall put these rules in writing and make them available to the general public. If the Service Manager is of the opinion that HILs are too low and do not correlate with the CMHC market rents for its area, it can request in writing that the Minister make modifications to its HILs.

- 4.7 The Service Manager shall conduct annual (or more frequent if required) income testing of Eligible Renter Households to ensure their continued eligibility for the Program.

5. REPORTING REQUIREMENTS

- 5.1 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall provide the Minister, by September 15, December 15, February 15 and May 30 of each year, with an updated Investment Plan, indicating the number of Landlord Agreements executed and Units occupied, the number of Eligible Renter Households assisted, target client groups assisted and Program funding expended.
- 5.2 The Service Manager shall provide documentation of Landlord Agreements and/or agreements with delivery agencies, and/or evidence of successful Housing Allowance Applications.
-
- 5.3 The Service Manager shall provide the Minister with such additional reports as the Minister may require.
-
- 5.4 The Service Manager shall keep and maintain for a period of seven (7) years following March 31, 2022, all financial records (including invoices) and all-non-financial documents and records relating to the funds or otherwise to the Program.

6. MARKETING

- 6.1 Subject to section 10 of Schedule A, the Service Manager shall promote and advertise the Program in the Service Manager's area as the Service Manager deems appropriate.

7. REMEDIES

- 7.1 If the Service Manager breaches any one or more of the provisions of this Appendix, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,
- (a) terminate this Appendix;
 - (b) demand repayment of any Rental Assistance Funding in the possession or control of the Service Manager which has not been advanced to an Eligible Landlord and/or an Eligible Renter Household;
 - (c) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Appendix that relate to the Eligible Unit in respect of which the breach occurred;
 - (d) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Appendix;
 - (e) cancel all further payments of Rental Assistance Funding; and/or
 - (f) suspend further payments of Rental Assistance Funding for such period as the Minister may determine.
- 7.2 The Service Manager shall comply with a demand referred to in clauses 7.1(c) and (d), irrespective of whether it has transferred any of the relevant amounts to an Eligible Landlord and/or an Eligible Renter Household.
- 7.3 All of the remedies available to the Minister under this Appendix, at equity and/or at law are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.
- 7.4 Notwithstanding any of the terms of this Appendix, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

8. GENERAL

- 8.1 The Program is available from the date of the Agreement until March 31, 2022.
- 8.2 The Service Manager may engage a third party subcontractor (delivery agency) to assist it in the performance of this Program. Such assistance shall be limited to but may include the provision of the Rent Supplements to Eligible Landlords and/or Housing Allowances to Eligible Renter Households, in each case, by the third party subcontractor but otherwise in accordance with this Appendix. Notwithstanding any such arrangement, the Service Manager shall remain in possession and control of all Rent Supplement Stream and/or Housing Allowance Direct Delivery Stream Funding until such funds are advanced to or on behalf of an Eligible Landlord in connection with the provision of Rent Supplements for an Eligible Unit and/or Housing Allowances to Eligible Renter Households, and shall remain directly responsible to the Minister under and for the performance of this Appendix. The Service Manager shall also ensure that any third party subcontractor is bound by the same terms and conditions relating to the assistance to be provided by it as are binding on the Service Manager under this Appendix. The procurement of any such third party subcontractor shall be done in accordance with the procurement policies of the Service Manager.
- 8.3 The Service Manager may enter into a Landlord Agreement with a Landlord pursuant to which (i) the Landlord agrees to rent a certain number of Eligible Units in a development owned by the Landlord available to the public as Eligible Units and to market such Eligible Units as Eligible Units available under the Program, subject to the requirements of section 10 of the Agreement, and (ii) the Service Manager agrees to make Rent Supplement Funding available to Eligible Households of such Eligible Units.
- 8.4 The disbursement of Rental Assistance Component Funding by the Minister to the Service Manager under section 3.1 and/or 3.2 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.
- 8.5 Subject to the existence of a Memorandum of Understanding between the Minister and the Minister of Finance, if the Service Manager wishes to deliver the Housing Allowance Shared Delivery Stream of the Operating Component, the Service Manager shall enter into a form of agreement with the Minister and the Minister of Finance as the Minister may require.
- 8.6 If the Service Manager enters into an agreement with the Minister to have the Minister provide it with administration and delivery services for the Housing Allowance Shared Delivery Stream and wishes to contribute its own dollars, the Service Manager shall enter into a Contribution Agreement with the Minister substantially in the form of Sub-Appendix D-4D, subject to such changes as the Minister and the Service Manager may agree.

SUB-APPENDIX D-4A

UNIT ELIGIBILITY CRITERIA

1. An Eligible Unit (within the meaning of this Appendix) must satisfy each of the following requirements:
 - (a) Be modest, that is not exceed Average Market Rent (AMR) for the area, as updated by the Minister annually;
 - (b) Meet local occupancy standards, included in program information available to the public;
 - (c) Such other requirements as are set out in the Program Guidelines and/or as the Service Manager may establish.
2. An Eligible Unit may be occupied by the applicant household. In-situ arrangements are permitted.
3. Only market units in social housing developments are eligible.
4. The following do not fit the definition of Eligible Unit:
 - (a) Hostel units, group homes, nursing and retirement homes;
 - (b) Non-market units in social housing developments.

SUB-APPENDIX D-4B

HOUSEHOLD ELIGIBILITY CRITERIA

1. Each household seeking to be approved as an Eligible Household must meet each of the following criteria at the time the primary applicant submits an application:
 - (a) The primary applicant must be at least sixteen (16) years old;
 - (b) Neither own a home, nor have an ownership interest in a home, other than a contingent interest;
 - (c) Not be living in a spousal relationship (including a same-sex spousal relationship) with a person who owns a home or who has an ownership interest in a home, other than a contingent interest;
 - (d) Have a household income that does not exceed the Household Income Limits (HILs) for the Service Manager area. If the Service Manager is of the opinion that HILs are too low and do not correlate with the CMHC market rents for its area, it can request in writing that the Minister make modifications to its HILs;
 - (e) Not be in receipt of any other housing allowance or rent supplement;
 - (f) Each household member must be a resident of Ontario with status in Canada
2. The Service Manager shall define "household income".
3. The Service Manager may establish such additional criteria as may be required to administer this Program, provided they are not inconsistent with the requirements of this Program.

SUB-APPENDIX D-4C

HOUSING ALLOWANCE APPLICATION PROCESS AND FORM

1. The Service Manager and/or its delivery agent shall develop the application process that suits its local needs and make it available to the public.
2. The Service Manager and/or its delivery agent may select Eligible Renter Households from social housing waiting lists.
3. The Service Manager and/or its delivery agent shall design an Application Form that shall include, but not be limited to, the following sections:
 - (a) A definition of "Household Income";
 - (b) Household Income declaration;
 - (c) Explicit list of eligibility criteria;
 - (d) Consent regarding personal information sharing;
 - (e) Applicant signature and date; and
 - (f) Such other requirements as are set out in the Program Guidelines or as the Minister may advise from time to time, and/or as the Service Manager and/or its delivery agent may establish.

SUB-APPENDIX D-4D
CONTRIBUTION AGREEMENT

This Contribution Agreement is entered into as of the **[INSERT DATE]**

BETWEEN

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
AS REPRESENTED BY
THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING
("The Minister")**

- and -

[SERVICE MANAGER]
("Service Manager")

RECITALS

- A. Canada Mortgage and Housing Corporation ("CMHC") and Her Majesty the Queen in Right of Ontario as represented by the Minister of Housing ("MHO") entered into a bi-lateral agreement under the 2017 National Housing Strategy, made as of April 1, 2017 (the "CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy").
- B. The Minister is now responsible for the CHMC-Ontario Bilateral Agreement under the 2017 National Housing Strategy signed by MHO.
- C. The Minister has established, as part of the Ontario Priorities Housing Initiative, a Housing Allowance Shared Delivery Stream pursuant to which the Minister provides CMHC funding and provincial funding.
- D. The Minister and the Service Manager have entered into this Agreement for the purpose of setting out the respective roles and responsibilities of the Minister and the Service Manager with respect to the contribution of funding by the Service Manager to the Housing Allowance Shared Delivery Stream.
- E. The Service Manager would like to contribute **[INSERT AMOUNT]** Canadian Dollars per Benefit Year (the "Funds") to the Program for use by the Minister under the Housing Allowance Shared Delivery Stream, in accordance with an Agreement for Services, dated **[INSERT DATE]**, between the Minister and the Service Manager (the "Agreement for Services").
- F. All capitalized terms not defined herein shall have the meanings given to them in the Agreement for Services.

NOW THEREFORE the parties agree as follows:

1. Subject to section 3, the Service Manager agrees to provide the Minister with the Funds as a contribution under the Program in equal quarterly instalments commencing on [INSERT DATE].
2. The Service Manager directs the Minister to use the Funds for the Program's Housing Allowance Shared Delivery Stream in accordance with the Agreement for Services.
3. Subject to section 4, all Service Manager funding contemplated under this Agreement is subject to Service Manager Council's annual approval of the annual budget, and the Service Manager shall not be required to participate in future Benefit Years with such funding should the approval of municipal contribution be insufficient to meet the funding obligations of the Service Manager.
4. Despite section 3, where the Service Manager is already participating in the Program in a Benefit Year, the Service Manager agrees to ensure that sufficient funding is provided for its participants for the entire Benefit Year notwithstanding a failure to approve sufficient funding.
5. The Minister agrees to use the Funds solely for the Program's Housing Allowance Shared Delivery Stream in accordance with the Agreement for Services.
6. Subject to any necessary appropriations, any unused Funds shall be returned to the Service Manager following termination or expiry of the Agreement for Services.

IN WITNESS WHEREOF the parties have executed this Agreement.

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
AS REPRESENTED BY THE MINISTER OF MUNICIPAL
AFFAIRS AND HOUSING**

Signature: _____
Name:
Title:
Date of
Signature:

[SERVICE MANAGER]

Signature: _____
Name:
Title:
Date of
Signature:

APPENDIX D-5

Housing Support Services Component

1. INTERPRETATION

1.1 In this Appendix, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **“Agreement”** means the agreement between the Minister and the Service Manager to which this Appendix forms a part;
- **“Funding”** means funding provided under the Program, as set out in the Program Guidelines;
- **“Housing Services Agreement”** means an agreement between the Service Manager and a Support Services Agency for Support Services to be provided under the Program;
- **“Housing Support Services”** means services which are intended to ensure Housing retention, greater self-reliance and social inclusion for tenants/occupants;
- **“Housing Support Services Agency”** means a provider of Housing Support Services;
- **“Housing Support Services Component”** means the Housing Support Services Component described in the Program Guidelines;
- **“Program”** means the Housing Support Services Component, as set out in the Program Guidelines.

1.2 In the event of a conflict or inconsistency between the provisions of this Appendix and the provisions of a Sub-Appendix, the provisions of this Appendix shall prevail.

1.3 All references in this Appendix to section numbers are references to sections of this Appendix unless stated otherwise

1.4 All references in this Appendix to Sub-Appendices are references to Sub-Appendices in this Appendix, unless stated otherwise.

2. PROGRAM GUIDELINES

- 2.1 The Service Manager agrees to administer the Housing Support Services Component in accordance with the Agreement and the Program Guidelines.

3. PROVISION OF PROGRAM FUNDS BY THE MINISTER

- 3.1 Subject to sections 3.2, 3.4 and 3.6, upon review by the Minister of the Service Manager's Investment Plan, the Minister shall transfer to the Service Manager by electronic funds transfer, the amount of Housing Support Services Component funding indicated in the Investment Plan.
- 3.2 The Service Manager shall update the Investment Plan on a quarterly basis as set out in section 5.1. Payment adjustments may be made based on discrepancies between the Service Manager's planned and actual spending.
- 3.3 The Minister shall transfer Housing Support Services Funding to the Service Manager by April 15, July 15, October 15, and March 1 of each Fiscal Year, provided the Service Manager has complied with the requirements of section 5.1.
- 3.4 The Service Manager shall use the Housing Support Services Funding transferred to it by the Minister in respect of Housing Support Services in accordance with this Appendix, or as the Minister may direct, in writing.
- 3.5 All interest that accrues on Housing Support Services Funding while held by the Service Manager shall be used by the Service Manager for the purpose of administering and delivering Housing Support Services.
- 3.6 For greater certainty, should the Minister, in his or her sole discretion, believe at any point in time that the Service Manager is not likely to comply with section 3.4, the Minister may refuse to provide Funding under section 3.1 or section 3.2.

4. PROVISION OF PROGRAM FUNDS BY THE SERVICE MANAGER

- 4.1 The Service Manager shall not expend Funding under the Program after March 31, 2022.
- 4.2 The Service Manager or its authorized agency shall enter into a Housing Services Agreement with each Housing Support Services Agency, in respect of commitments made on or after the date this Agreement is executed by the Parties. As an alternative, the Service Manager may arrange to deliver Housing Support Services directly.

5. REPORTING REQUIREMENTS

- 5.1 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall provide the Minister, by September 15, December 15, February 15 and May 30 of each year, with an updated Investment Plan, indicating the number of Services Agreements executed, Households assisted, target client groups assisted and Program funding expended.
- 5.2 The Service Manager shall provide documentation of Housing Services Agreements.
- 5.3 The Service Manager shall provide the Minister with such additional reports as the Minister may require.
- 5.4 The Service Manager shall keep and maintain for a period of seven (7) years following March 31, 2022, all financial records (including invoices) and all-non-financial documents and records relating to the funds or otherwise to the Program.

6. REMEDIES

- 6.1 If the Service Manager breaches any one or more of the provisions of this Appendix, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,
 - (a) terminate this Appendix;
 - (b) demand repayment of any Housing Support Services Funding in the possession or control of the Service Manager which has not been advanced to a Housing Support Services Agency;
 - (c) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Appendix that relate to the Housing Services Agreement in respect of which the breach occurred;
 - (d) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Appendix;
 - (e) cancel all further payments of Housing Support Services Funding; and/or
 - (f) suspend further payments of Housing Support Services Funding for such period as the Minister may determine.

- 6.2 The Service Manager shall comply with a demand referred to in clauses 6.1(c) and (d), irrespective of whether it has transferred any of the relevant amounts to a Housing Support Services Agency.
- 6.3 All of the remedies available to the Minister under this Appendix, at equity and/or at law are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.
- 6.4 Notwithstanding any of the terms of this Appendix, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

7. GENERAL

- 7.1 The Program is available from the date of the Agreement until March 31, 2022.
- 7.2 Funding under the Program can be provided to eligible tenants in existing social housing, affordable housing units created under previous programs, as well as to eligible tenants of units established under the Ontario Priorities Housing Initiative.
- 7.3 The disbursement of Housing Support Services Funding by the Minister to the Service Manager under section 3.1 and/or 3.2 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.

SCHEDULE E
FRENCH LANGUAGE SERVICES REPORT

Please complete and submit this Report on an annual basis by May 31st of each year.

Service Manager:

Service Manager Address:

Service Manager Contact: Name:

Telephone:

Email:

This report is to confirm that the **[Insert Service Manager Name]** is providing services under Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) and has an office(s) located in or serving an area designated in the Schedule to the *French Language Services Act* ("FLSA").

The **[Insert Service Manager Name]** confirms that it is:

- a) Providing COCHI and OPHI services to the public in French in all of its offices (including the offices of sub-contractors) located in or serving an area designated in the Schedule to the FLSA; and,
- b) Making it known to the public, including by way of signs, notices, other information on services, and initiation of communications in French, that services provided to and communications with the public in connection with COCHI and OPHI are available in French.

I declare that the above information is true and complete.

[Insert Service Manager Name]

Name:

Title:

I have the authority to bind _____ ***[Insert Service Manager Name]***

Dated at _____ this _____ day of _____, 20__.

As a Service Manager providing services under COCHI and OPHI and having offices (including the offices of sub-contractors) located in or serving an area designated in the Schedule to the French Language Services Act, please complete the section below.

Service Manager Name:

Name of Designated Area(s):

Description of Services:

Please select all items that apply to the services you are providing under COCHI and OPHI in an office (or the office of a sub-contractor) that is located in or services a designated area.

- ☐ Signage and visibility of available services in French
- ☐ Over-the-counter services are available in French
- ☐ Written correspondence and telephone service are available in French
- ☐ Translation of written material produced for public use is available in French
- ☐ Other _____ [please specify]

Please list any services or locations in designated areas where these French language services are not being provided. Please explain.

SCHEDULE F

Communications Protocol Requirements

CMHC – ONTARIO

BILATERAL AGREEMENT UNDER THE 2017 NATIONAL HOUSING STRATEGY

SCHEDULE E: COMMUNICATIONS PROTOCOL (Agreement subparagraph 7.11)

1. Purpose

- 1.1 This Communications Protocol outlines the roles and responsibilities of each of the Parties to this Agreement, as well as those of Project proponents, with respect to Communications Activities related to Projects.
- 1.2 This Communications Protocol will guide all Communications Activity planning, development and implementation with a view to ensuring efficient, structured, continuous, consistent and coordinated communications to the Canadian public.
- 1.3 The provisions of this Communications Protocol apply to all Communications Activities related to this Agreement and any Projects and Recipients receiving funding or benefits under this Agreement.
- 1.4 This Communications Protocol applies to Initiatives under Schedule B to this Agreement and for greater certainty does not apply to Federal NHS Programs under Schedule G to this Agreement.

2. Guiding Principles

- 2.1 For the purposes of this Agreement, "Communications Activity" or "Communications Activities" means, but is not limited to, public or media events or ceremonies including key milestone events, news releases, reports, web and social media products or postings, blogs, news conferences, public notices, physical and digital signs, publications, success stories and vignettes, photos, videos, multi-media content, advertising campaigns, awareness campaigns, editorials, multi-media products and all related communication materials under this Agreement, and includes "Joint Communications".
- 2.2 Communications Activities undertaken through this Communications Protocol should ensure that Canadians are informed of investments made in housing and that they receive consistent information about funded Projects and their benefits.
- 2.3 MHO is responsible for communicating the requirements and responsibilities outlined in this Communications Protocol to Project proponents and for ensuring their compliance.
- 2.4 Communications Activities under this Agreement shall refer to equally and give equal prominence and priority to Canada, including CMHC and Ontario, including MHO. In addition, at the request of MHO, recognition for Municipal Funding and funding by Indigenous governments directly to Projects and Recipients may also be included in a manner agreed to by the Parties. This paragraph applies to all relevant provisions of this Agreement.

3. Joint Communications

- 3.1 For the purposes of this Agreement, "Joint Communications" means events, news releases, and signage that relate to this Agreement and are collaboratively developed and approved by Canada, Ontario and, where applicable, the Project proponent, and are not operational in nature.
- 3.2 Canada, MHO and Project proponents will have Joint Communications about the funding for the Project(s).
- 3.3 Joint Communications related to Projects funded under this Agreement should not occur without the prior knowledge and agreement of all Parties and the Project proponent.
- 3.4 All Joint Communications material will be approved by the Parties prior to release and will recognize both Parties in accordance with this Schedule E.
- 3.5 The announcement or publication of Projects and Project lists, as well as announcements of any additional Projects, must be approved by the Parties prior to the announcement, except as otherwise set out in this Agreement.
- 3.6 Each of the Parties or the Project proponent may request Joint Communications. The requestor will provide at least 15 business days' notice to the other Party or the Project proponent. If the Communications Activity is an event, it will take place at a mutually agreed date and location.
- 3.7 The requestor of the Joint Communications will provide the opportunity for the other Party or the Project proponent to choose to participate and choose their own designated representative (in the case of an event).
- 3.8 Canada has an obligation to communicate in English and French. Communications products related to events must be bilingual and include the Canada word mark and other Parties' logos.
- 3.9 The conduct of all Joint Communications will follow the *Table of Precedence for Canada* as applicable.

4. Individual Communications

- 4.1 Notwithstanding Section 3 of this Communications Protocol (Joint Communications), Canada and MHO retain the right to communicate information to Canadians about the Agreement and the use of funds to meet their respective legislated and regulatory obligations through their respective Communications Activities, with prior notice.
- 4.2 Notwithstanding Section 3 of this Communications Protocol (Joint Communications), Canada and MHO retain the right to identify projects receiving \$1 million or more of funding for the purposes of reporting publicly. For clarity, other activities, including Project-level news releases and public events, are still subject to Section 3.
- 4.3 Each Party may include general program messaging and additional Communications Activities of Projects already announced in their own Communications Activities.
- 4.4 Each Party or the Project proponent may do their own Communications Activity if the Communications Activity is not related to funding under this Agreement.

5. Operational Communications

- 5.1 MHO and the Project proponent are solely responsible for operational communications with respect to Projects, including but not limited to: calls for tender, contract awards, and construction and public safety notices..

6. Media Relations

- 6.1 Canada and MHO will share information within one (1) business day with the other Party should significant media inquiries be received or emerging media or stakeholder issues arise to a Project or the overall fund.

7. Signage

- 7.1 If one or all the Parties and/or Project proponent wishes to install a sign recognizing their contribution to the Project, Project proponent must produce and install a sign to recognize the contribution of all Parties. Signage must be produced in accordance with current federal signage guidelines unless agreed otherwise by Canada. The federal sign design, content, and installation guidelines will be provided by Canada.
- 7.2 Where the Project proponent decides to install a permanent plaque or other suitable marker with respect to the Project, it will recognize CMHC and Ontario and be approved by Canada and MHO.
- 7.3 If erected, signage recognizing CMHC and MHO will be installed at the Project site(s) thirty (30) days prior to the start of construction, be visible for the duration of the Project, and remain in place until thirty (30) days after construction is completed and the infrastructure is fully operational or opened for public use.
- 7.4 If erected, signage will be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.

8. Costs

- 8.1 Costs associated with the development and production of signage and joint public announcements are eligible costs under this Agreement as established by both Parties.

9. Communicating With Project Proponents and Others

- 9.1 MHO agrees to facilitate, as required, communications between Canada and the Project proponent for Communications Activities.
- 9.2 MHO agrees to provide annual letters or other communication satisfactory to CMHC to households in Projects which benefited from the Canada Community Housing Initiative funding, recognizing CMHC and provincial and municipal's contribution in accordance with 2.4 of this Schedule E.

10. Advertising Campaigns

- 10.1 Recognizing that advertising can be an effective means of communicating with the public, Canada and MHO may, at their own cost, organize an advertising or public information campaign related to this Agreement or eligible Projects, unless agreed otherwise. However, such a campaign will respect the provisions of this Agreement. In the event of such a campaign, the sponsoring Party or Project proponent will inform the other Parties or Project proponents of its intention no less than twenty-one (21) working days prior to the campaign launch.

SCHEDULE H INVESTMENT PLAN

Instructions for completing the Investment Plan:

The Investment Plan is comprised of four sections:

- 1) Proposed Plan for COCHI and OPHI Investments
- 2) COCHI and OPHI Annual Take-Up (Planned Financial Commitments by Year)
- 3) COCHI and OPHI Projected Take-Up (Target Group/s and Units/Households)
- 4) 2019-20 COCHI-OPHI Planned Quarterly Financial Commitment

. The Investment Plan outlines each Service Manager's planned financial commitments and projected take-up for their COCHI and OPHI annual planning allocations for Years 1 to 3.

. Indicate the program components that will be delivered and provide a rationale for the selection, including a description of how the funding will be used to address the long-term sustainability of the community housing sector and respond to needs outlined in the Service Manager's Housing and Homelessness plans.

. The Investment Plan must be Council or delegated authority-approved. The Ministry will review the Investment Plans to ensure consistency with the Bilateral Agreement and Program Guidelines.

Service Manager	
SM Contact Name	
Date of SM Approval	
Date Submitted to MMAH	

Proposed Plan for COCHI and OPHI Investments

This section is for you to describe how you intend to use your COCHI and OPHI funding allocation to address the housing needs of your community. The proposed program delivery plan should align with your Housing and Homelessness Plan and the Province's Community Housing Renewal Strategy. Please respond to the following questions in the space provided below.

1. What are the current and projected housing needs in your community? Please make direct reference (including page references) to your Housing and Homelessness Plan.

2. Which COCHI and OPHI program components will be delivered? How does your plan for use of funding address the current and projected housing needs in your community? What are the priorities and target client groups. Please indicate specific approaches to be taken in delivering the program.

3. Leveraging the COCHI and OPHI initiatives is a key means to achieving the goals and outcomes outlined in the Province's Community Housing Renewal Strategy. Please indicate how your planned spending under COCHI and OPHI will lead to:

- a) Increased supply and appropriate mix of affordable and adequate housing;
- b) People having improved access to affordable housing and supports that meet their needs to achieve housing stability;
- c) Improved efficiency of the community housing system to ensure value for money and long-term sustainability.

4. To be answered by Service Managers with Urban Native Social Housing units only. The Ontario-CMHC Bilateral Agreement requires the preservation of Urban Native Social Housing units to ensure that there is no net loss of the 1,452 units and that retained units will be improved through repair, capital replacement, as well as through adequate rent affordability support. Please indicate how the COCHI funding you receive will help the Province meet this commitment?

5. Additional comments.

Planned Financial Commitments By Year

Complete the following table to indicate how much of your annual allocation you plan to commit to each program component in each year of COCHI and OPHI. Documentation required for a commitment is outlined in the Program Guidelines.

Enter the full amount of funding to be committed in the year in which you plan to make the commitment.

Enter the amount to be used as administration fees for each year. Administration fees cannot exceed 5% of your annual funding allocation.

COCHI	COCHI Planned Financial Commitment - \$s			TOTAL
	YEAR 1	YEAR 2	YEAR 3	
	2019-20	2020-21	2021-22	
SM allocation for each fiscal year				\$ -
Capital Components				
New Build				\$ -
Repair				\$ -
Operating Components				
Rent Supplement				\$ -
Transitional Operating Funding				\$ -
SM Administration Fees	% of Allocation			
SM Administration Fees	0%			\$ -
Total COCHI	\$ -	\$ -	\$ -	\$ -
OPHI				
SM allocation for each fiscal year				\$ -
Capital Components				
Rental Housing				\$ -
Homeownership				\$ -
Ontario Renovates				\$ -
Operating Components				
Rental Assistance				
Rent Supplement				\$ -
Housing Allowance - Direct Delivery				\$ -
Housing Allowance - Shared Delivery				\$ -
Housing Support Services				\$ -
SM Administration Fees	% of Allocation			
SM Administration Fees	0%			\$ -
Total OPHI	\$ -	\$ -	\$ -	\$ -
TOTAL PROGRAM ALLOCATION	\$ -	\$ -	\$ -	\$ -

Projected Take-Up

COCHI Projected Take-Up (Units/households)

Program Component	Projected Units Funded / Households Assisted			
	2019-20	2020-21	2021-22	TOTAL
New Build				0
Repair				0
Rent Supplement				0
Transitional Operating				0
TOTAL	0	0	0	0

Complete the following tables by entering the number of households for each target group to be served in your area through the three-year COCHI investment.

Projected Target Group	New Build	Repair	Rent Supplement	Transitional Operating	Total
Seniors					0
Persons with Disabilities					0
Survivors of Domestic Violence					0
Homeless					0
Indigenous Peoples					0
Mental Health/Addiction Issues					0
Veterans					0
Young Adults					0
Racialized Groups					0
Recent Immigrants					0
Unspecified					0
Total	0	0	0	0	0

OPHI Projected Take-Up (Units/households)

Program Component	Projected Units Funded / Households Assisted			
	2019-20	2020-21	2021-22	TOTAL
Rental Housing				0
Homeownership				0
Ontario Renovates				0
Rent Supplement				0
Housing Allowance - Direct Delivery Stream				0
Housing Allowance - Shared Delivery Stream				0
TOTAL	0	0	0	0

Complete the following tables by entering the number of households for each target group to be served in your area through the three-year OPHI

Projected Target Client Group	Rental Housing	Homeownership	Ontario Renovates	Rental Assistance	Housing Support Services	Total
Seniors						0
Persons with Disabilities						0
Survivors of Domestic Violence						0
Homeless						0
Indigenous Peoples						0
Mental Health/Addiction Issues						0
Veterans						0
Young Adults						0
Racialized Groups						0
Recent Immigrants						0
Unspecified						0
Total	0	0	0	0	0	0

2019-20 Planned Quarterly Financial Commitment

COCHI 2019-20 PLANNED QUARTERLY FINANCIAL COMMITMENT AND TAKE-UP

For the capital components, enter the estimated amount of COCHI funding to be taken-up by component in each quarter of the current program year. Documentation required for a commitment is outlined in the Program Guidelines

For the operating components, enter the projected disbursements in each quarter of the current program year.

COCHI Program Component	COCHI Planned Financial Commitment	Planned Financial Take-Up				Total
	2019-20	Quarter 1 Apr - Jun	Quarter 2 Jul - Sep	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar	
<u>Capital Components</u>						
New Build	0					0
Repair	0					0
<u>Operating Components</u>						
Rent Supplement	0					0
Transitional Operating	0					0
<u>SM Administration Fees</u>	0	0	0	0	0	
TOTAL	0	0	0	0	0	0

OPHI PLANNED FINANCIAL COMMITMENT AND TAKE-UP BY QUARTER

For the capital components, enter the estimated amount of OPHI funding to be taken-up by component in each quarter of the current

For the operating components, enter the projected disbursements in each quarter of the current program year.

Program Component	Planned Financial Commitment	Planned Financial Take-Up				Total
	2019-20	Quarter 1 Apr - Jun	Quarter 2 Jul - Sep	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar	
<u>Capital Components</u>						
Rental Housing	0					0
Homeownership	0					0
Ontario Renovates	0					0
<u>Operating Components</u>						
<u>Streams</u>						
Rent Supplement	0					0
Housing Allowance - Direct Delivery	0					0
Housing Allowance - Shared Delivery	0					0
Housing Support Services	0					0
<u>SM Administration Fees</u>	0	0	0	0	0	
TOTAL	0	0	0	0	0	0

The COCHI Sustainability Plan is a tool to assist Service Managers in understanding and documenting the needs of individual housing providers in your specific Service area. This spreadsheet should document the specific COCHI funding component for housing providers who will be receiving funds.

[illegible]

SCHEDULE G – PROGRAM GUIDELINES




**Canada-Ontario
Community Housing
Initiative (COCHI) &
Ontario Priorities
Housing Initiative (OPHI)**

PROGRAM GUIDELINES

Program Guidelines Summary

Introduction

Ontario's Community Housing Renewal Strategy is a multi-year plan to stabilize and grow Ontario's community housing sector, with the aim of achieving the following outcomes and measures of success:

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

Over time, the Community Housing Renewal Strategy will help Ontarians 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 Housing Supply Action Plan, which is focused on enhancing housing affordability in the broader housing market. Creating more housing, of the types and sizes people need, will help make home ownership and renting more affordable and give people more choice.

Together, Ontario's Community Housing Renewal Strategy and the Housing Supply Action Plan 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 2027-28) federal government investments under the National Housing Strategy is important to achieving the goals and objectives of Ontario's Community Housing Renewal Strategy.

On April 30, 2018, Ontario and the Canada Mortgage and Housing Corporation signed a Bilateral Agreement regarding the National Housing Strategy. This agreement provides an opportunity to align federal funds with Ontario's Community Housing Renewal Strategy priorities.

The Bilateral Agreement defines community housing:

- 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 listed as a "Transferred Housing Program" in Schedule 1, Regulation 367/11 of the *Housing Services Act, 2011*.

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)
- Phase III - (2025-26 through to 2027-28)

These guidelines set out the parameters for Phase I for 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.
- Ontario Priorities Housing Initiative (OPHI) - to address local housing priorities, including affordability, repair and new construction.

COCHI funding represents a re-investment of federal funding that has been declining under the Canada-Ontario Social Housing Agreement. It provides an opportunity for Service Managers and housing providers to address the challenges associated with projects reaching the end of their operating agreements and/or mortgage maturity. The Province recognizes the significant challenges that Service Managers face in maintaining this important supply of community housing.

OPHI is modelled after similar, previous affordable housing programs, with the most recent being the Investment in Affordable Housing Program Extension (IAH-E). There are a number of additional features in this program, including the addition of a support services component and the eligibility of social housing under Ontario Renovates.

There will be an opportunity to review program priorities and desired outcomes prior to the second and third funding periods. The Ministry intends to undertake a review of the

early experience with program take-up and release updated/revised guidelines in 2021 to align planning for implementation beginning in April 2022.

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.

Service Managers are encouraged to view COCHI and OPHI as companion stackable programs as there are common eligibility parameters, e.g., repair under the COCHI Capital Component and OPHI Ontario Renovates Component, and rent supplements under the COCHI Operating Component and OPHI Rental Assistance Component.

COCHI and OPHI funding under the Bilateral Agreement cannot replace or displace any level of municipal spending in place on or before March 31, 2018.

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:

Capital Expenditures	COCHI	OPHI
New Supply	<div style="text-align: center;">✓</div> <div style="text-align: center;">Social Housing</div>	<div style="text-align: center;">✓</div> <ul style="list-style-type: none"> • Affordable Rental New Construction • Affordable Rental Acquisition and/or Rehabilitation • Affordable Rental Conversion • Social Housing • Affordable Homeownership
Repair	<div style="text-align: center;">✓</div> <div style="text-align: center;">Social Housing</div>	<div style="text-align: center;">✓</div> <ul style="list-style-type: none"> • Affordable Ownership Housing • Affordable Rental Housing • Social Housing
Homeownership Down Payment Assistance	✗	✓
Operating Expenditures		
Rent Supplements	✓	✓
Housing Allowances	✗	✓
Support Services*	✗	✓
Transitional Operating Funding for Housing Providers	✓	✗

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

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.

In addition, the Bilateral Agreement requires the preservation of Urban Native Housing (UNH) units to ensure there is no net loss of units with adequate rental affordability and that retained units will be improved through repair and/or capital replacement. The Ministry recognizes that UNH units may well require operating/rent-geared-to income (RGI) subsidies on an on-going basis.

Ontario and the Canada Mortgage and Housing Corporation agreed to the following baseline numbers:

- 131,063 Social Housing units, of which 95,109 are low-income;
- Of the total number of Social Housing units, 1,452 are UNH, with all 1,452 units being targeted as low-income.

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 first three-year period (2019-20 to 2021-22) of the National Housing Strategy investments.

In alignment with the phased approach of the Community Housing Renewal Strategy, the nine-year National Housing Strategy investments will be delivered in three three-year phases. At the end of each phase, program achievements will be reviewed and assessed, and if necessary, program priorities for the following three-year period will be adjusted.

Please note that the Program Guidelines may be updated on an as needed basis and any changes will be communicated to the Service Managers.

Role of the Service Manager

Service Managers are responsible for:

- Entering into a Transfer Payment Agreement with the province
- Completing and updating an Investment Plan outlining how their confirmed and planning 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

- Advancing payments to proponents, housing providers, service providers or recipients based on agreed upon payment schedules
- Monitoring projects to ensure timely completion and occupancy
- 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.

Service Managers 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 Service Managers with the implementation of COCHI and OPHI. For any questions or more information, Service Managers are encouraged to e-mail HousingProgramsDelivery@Ontario.ca.

Transfer Payment Agreement

One Transfer Payment Agreement will govern the responsibilities of Service Managers for both COCHI and OPHI.

Service Managers will enter into a Transfer Payment Agreement with the province to participate in COCHI and OPHI. The Transfer Payment Agreement contains an accountability framework between the province and Service Managers and outlines the roles and responsibilities of the Service Manager.

The Transfer Payment Agreement outlines:

- Financial provisions (i.e. 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).

Transfer Payment Agreements should be signed by no later than September 15, 2019 to ensure that Service Managers receive program funding in a timely manner.

Investment Plan, Reporting and Monitoring Approach

Investment Plan

To balance Service Manager flexibility and the province's need to be accountable to the Canada Mortgage and Housing Corporation for spending under the Bilateral Agreement, Service Managers 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 over the first three-year funding period (2019-20 to 2021-22). Investment Plans must be Council/Board (or delegated authority) approved. The Ministry will review the Investment Plans to ensure consistency with the Bilateral Agreement and Program Guidelines.

As part of developing the Investment Plan, the Ministry's expectation is that Service Managers will consult with community housing providers within their service areas to determine their needs and requirements to promote long-term sustainability and viability. The Ministry acknowledges that timing for the 2019-20 fiscal year may not allow for extensive consultation and planning.

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

- The COCHI and OPHI components the Service Manager will deliver in each year of the program and how the selected components address the needs identified in the Service Managers' Housing and Homelessness Plan;
- How, in the COCHI and OPHI capital components, Service Manager decisions will reflect value for money and prudent use of public funds;
- The number of units expected to be created and repaired and households to be assisted under the selected COCHI and OPHI components in each year of the program;
- The amount of funding from each year's funding allocation to be used for the COCHI and OPHI selected components, and the projected and actual commitments on a quarterly basis;
- The timing and method of the distribution of COCHI and OPHI funds on a project-level;
- Any targeted vulnerable sub-populations under the selected program components, according to the groups defined under the National Housing Strategy¹, as applicable; and,
- The amount of funding from each year's funding allocation to be used for administration.

In addition to the Implementation Plan, there is a COCHI Sustainability Plan that illustrates how the selection of projects will support the Community Housing Renewal objective of COCHI. Service Managers are required to list the specific projects they intend to fund with their COCHI allocation to ensure that only housing providers that demonstrate long-term sustainability receive this funding. This plan must be Council/Board (or delegated authority) approved. Although the submission of the

¹ 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.

COCHI Sustainability Plan is mandatory, payments will not be contingent on its submission. Please refer to Schedule I of the Transfer Payment Agreement.

Reporting

The Investment Plan will also serve as the baseline reporting tool to enable the province to monitor program achievements and to report back to Canada Mortgage and Housing Corporation per the Bilateral Agreement. As such, Service Managers will be required to provide quarterly updates to the Investment Plan.

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 Service Managers and Canada Mortgage and Housing Corporation towards a streamlined and efficient reporting approach.

Service Managers are required to provide the following information in the Investment Plan for all components under COCHI and OPHI:

- Details on initial budget by component for both COCHI and OPHI (see above);
- For applicable components, an initial projection of how funding will be disbursed by quarter;
- 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;
- Narrative information;
- Project level details; and
- Performance measures (e.g., targets).

The details identified in the Investment Plan 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 due to the Ministry each May 31, 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.

The initial Investment Plan for 2019-20 must be submitted to the Ministry for review no later than September 15, 2019.

The Supplemental COCHI Sustainability Plan may be emailed directly to HousingProgramsDelivery@Ontario.ca, by no later than December 15, 2019.

Service Managers 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
September 15, 2019	Initial Investment Plan to Ministry due. Includes: <ul style="list-style-type: none"> Budget by component for both COCHI and OPHI For applicable components, projected disbursements by quarter for both COCHI and OPHI 	<ul style="list-style-type: none"> Provides a budget breakdown by component for COCHI and OPHI to be input into the Transfer Payment Hub System (formerly known as Grants Ontario) for program spending requirements The forecast spending by quarter allows the Ministry to know how to flow quarterly payments
December 15, 2019 Q3 Report	Updates to the Investment Plan. Includes: <ul style="list-style-type: none"> Year-to-date (YTD) actual disbursements for both COCHI and OPHI Projected disbursements for remainder of the year for COCHI and OPHI 	<ul style="list-style-type: none"> YTD information allows for program monitoring Projected disbursements for remainder of the year allows for updated payment information
February 15, 2020 Q4 Report	Updates to Investment Plan. Includes: <ul style="list-style-type: none"> YTD actual disbursements for both COCHI and OPHI Projected disbursements for February and March for both COCHI and OPHI 	<ul style="list-style-type: none"> Actual and projected disbursement information is required for program monitoring and to ensure full take-up of available funding

May 31, 2020	<p>Final year-end reporting to Investment Plan. Includes:</p> <ul style="list-style-type: none"> • Updated actual disbursements for Fiscal Year 2019-20 for both COCHI and OPHI • Any other updates if necessary <p>Report confirming continued compliance with the French Language Services (FLS) requirements.</p>	<ul style="list-style-type: none"> • Allows the Ministry to complete final reconciliation • The final information will be used to form the Annual Audited Statement of Disbursements requirement of CMHC • FLS reporting is to comply with provincial legislation
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The Investment Plans for 2020-21 and 2021-22 must be submitted to the Ministry according to the following schedule:

Due Date	Description	Purpose
February 15, 2020 and 2021	<p>Initial Investment Plan Year 2 and 3 to Ministry for review. Includes:</p> <ul style="list-style-type: none"> • Budget by component for both COCHI and OPHI • For applicable components, projected disbursements by quarter for new fiscal year for both COCHI and OPHI 	<ul style="list-style-type: none"> • Provides a budget breakdown by component for COCHI and OPHI to be input into TP Hub System for program spending requirements • The forecast spending by quarter allows the Ministry to monitor progress
September 15, 2020 and 2021 Q2 Report	<p>Updates to the Investment Plan Year 2 and Year 3 include:</p> <ul style="list-style-type: none"> • YTD actual disbursements for both COCHI and OPHI • Projected disbursements for remainder of the year for both COCHI and OPHI 	<ul style="list-style-type: none"> • YTD information allows for program monitoring • Projected disbursements by quarter allows for updated payment information
December 15, 2020 and 2021 Q3 Report	<p>Updates to the Investment Plan Year 2 and Year 3 include:</p> <ul style="list-style-type: none"> • YTD actual disbursements for both COCHI and OPHI • Projected disbursements for remainder of the year by quarter for both COCHI and OPHI 	<ul style="list-style-type: none"> • YTD information allows for program monitoring • Projected disbursements for remainder of the year allows for updated payment information

February 15, 2021 and 2022 Q4 Report	Investment Plan Update Year 2 and Year 3: <ul style="list-style-type: none"> • YTD actual disbursements for both COCHI and OPHI • Projected disbursements for February and March for both COCHI and OPHI 	<ul style="list-style-type: none"> • Actual and projected disbursement information is required for program monitoring and to ensure full take-up of available funding
May 31, 2021 and 2022	<p>Final year-end reporting on Investment Plan Year 2 and Year 3. Includes:</p> <ul style="list-style-type: none"> • Updated actual disbursements for fiscal year 2020-21 and 2021-22 for both COCHI and OPHI • Any other updates if necessary <p>Report confirming continued compliance with the French Language Services (FLS) requirements.</p>	<ul style="list-style-type: none"> • Allows the Ministry to complete final reconciliation • The final information will be used to form the Annual Audited Statement of Disbursements • FLS reporting is to comply with provincial legislation

Monitoring

The quarterly updates to the Investment Plan will also serve as the tool for the Ministry to monitor program progress. Although 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 Service Manager needs.

Funding Commitments

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

Funds not committed by the required timelines may be reallocated to other Service Managers as funding from one year cannot be allocated by the Province to future years. Realignment to other Service Managers 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 Province 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, Service Managers risk losing funding as per the “use it or lose it” provision.

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.

Generally, payments to Service Managers will be made on a quarterly basis as follows:

- April 15;
- July 15;
- October 15; and
- No later than March 1.

These dates may be adjusted within 2019-20.

Administration Costs

Service Managers 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. Service Managers are responsible for determining the amounts required by program year and identifying these amounts in their Investment Plans.

Service Managers are encouraged to reduce their administration costs below 5 percent to provide more funding to program recipients.

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

French Language Services

Service Managers 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.

Service Managers 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 the *Canadian Environmental Assessment Act 2012* ("CEAA 2012"). Service Managers are required to check for compliance of the CEAA 2012 and provide confirmation to the Ministry. Please refer to Appendix B for the CEAA 2012 checklist. CEAA 2012 compliance does not apply to the Homeownership, Rental Assistance, or Housing Support Services components of OPHI or the operating component of COCHI.

Communications Protocol

Service Managers 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
September 15, 2019 <i>For 2019-20 only</i>	<ul style="list-style-type: none">• Transfer Payment and Investment Plan due to ensure timely quarterly payments
September 15, 2020 and 2021 Q2 Report	Updates to the Investment Plan. Includes: <ul style="list-style-type: none">• Year-to-date actual disbursements for both COCHI and OPHI• For applicable components, projected disbursements for remainder of the year for both COCHI and OPHI• Note: <i>Service Managers have until September 15 to formally request transfers of funding between Capital and Operating components, and vice versa, within each of the COCHI and OPHI allocations. This allows time for the Ministry to seek the necessary approvals to move funding to align with Service Manager needs.</i>
December 15, 2019, 2020 and 2021 Q3 Report	Updates to the Investment Plan. Includes: <ul style="list-style-type: none">• Year-to-date actual disbursements for both COCHI and OPHI• For applicable components, projected disbursements for remainder of the year for both COCHI and OPHI

December 31, 2019, 2020, 2021 OPHI Rental Component only	<ul style="list-style-type: none"> • Final day to input Contribution Agreements into Transfer Payment Hub System and to commit funding • <i>If Contribution Agreements not in system, the respective funding allocation may be reallocated to another Service Manager</i>
January 30, 2020, 2021 and 2022	<ul style="list-style-type: none"> • Final day to input Project Information Forms and, where applicable, Contribution Agreements into Transfer Payment Hub System and to commit funding • <i>If Project Information Forms and Contribution Agreements not in system, the respective funding allocation may be reallocated to another Service Manager</i>
February 15, 2020 and 2021 and 2022	<ul style="list-style-type: none"> • Investment Plan for 2020-21 and 2021-22 funding for both COCHI and OPHI due
Q4 Report	Investment Plan update Year 2 and Year 3: <ul style="list-style-type: none"> • Year-to-date actual disbursements and projected disbursements for February and March for both COCHI and OPHI
May 31, 2020, 2021 and 2022	Final year-end reporting on Investment Plan. Includes: <ul style="list-style-type: none"> • Final actual disbursements for each fiscal year for both COCHI and OPHI • The final information will be used to form the Annual Audited Statement of Disbursements • Any other updates if necessary

*If any of the above dates fall on a holiday or weekend, the due date is one day before the stated date above.

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.
- They 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 Service Managers have authority over these projects unless Service Managers and housing providers have entered into some form of agreement that addresses ongoing obligations.

Social housing projects that included provincial funding had their operating agreements voided and their rules transferred to provincial legislation, now the *Housing Services Act, 2011*. These projects account for over 70 percent of the social housing supply:

- Some of these projects are owned and operated by non-profits and co-ops. The remainder are government-owned public housing projects, administered and delivered through municipal Local Housing Corporations.
- Although there are funding formula differences between Local Housing Corporations and non-profit and co-operative housing projects, these projects are governed by rules and procedures detailed in the *Housing Services Act, 2011*.
- These rules include how rent-geared-to-income tenants are selected (through the centralized wait list), how rents are calculated, how the operating subsidy that the

provider receives from the Service Manager is calculated, and how the Service Manager may intervene in provider operations or governance under certain circumstances.

- As these projects are no longer tied to an operating agreement, there is no specific “end date” to the housing provider’s obligations to provide social housing (or to the Service Manager’s responsibility to fund that provider).

While there are numerous challenges facing social housing in Ontario, a key issue is the risk of “losing” community housing supply and the potential impacts on lower-income tenants related to end of operating agreements and mortgages for social housing providers and to the state of good repair.

The Province recognizes that Service Managers are the primary funders of social housing, with financial assistance provided by the federal government through the Canada-Ontario Social Housing Agreement (and in the case of District Social Service Boards, some provincial funding associated with Territories Without Municipal Organization).

The Province also acknowledges the variations in social housing portfolios (e.g. non-profit, co-operative and Local Housing Corporations), demand and local solutions that Service Managers are using now to manage housing needs in their respective areas.

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

Objective

The objective of COCHI for the first three years of the program (2019-20 to 2021-22) is to protect tenants in projects with expiring operating agreements/mortgages and to begin to stabilize the supply of community housing through repairs, renovations and operating support. COCHI funding is intended to support social housing providers that can demonstrate their potential for long-term sustainability.

There will be an opportunity to review COCHI program priorities prior to the second and third funding periods.

Funding Allocation

Service Managers have been provided with COCHI funding allocations for the first three years to allow for planning and program implementation. COCHI funding will also be used to support provincial dedicated supportive housing providers and the Rural and Native Housing program.

The annual amount of COCHI funding for Service Managers is primarily determined by the amount required to offset the ongoing annual funding decline from the Canada-Ontario Social Housing Agreement. The Social Housing Agreement funding to be received by Service Managers is published in the *Ontario Gazette*. COCHI funding, however, is different from the Social Housing Agreement funding in that it is provided as a distinct Transfer Payment.

Funding allocations will be 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 other Service Managers. Since funding from one year cannot be allocated by the Province to future years, realignment to other Service Managers would ensure utilization of all available federal funding in each year.

Service Managers are allowed to use up to five percent of their funding allocation for administration costs. Administration costs will be paid out equally on a quarterly basis in the year.

Funding Commitments

The following documentation is required to commit funds under COCHI:

- Operating Component - Commitment letter from the Ministry

NOTE: Funding for both COCHI operating components – Rental Supplements and Transitional Operating – 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.

- Capital Component – Approved Project Information Form in Transfer Payment Hub System and either an executed Letter of Agreement or Funding Agreement

Reallocation

To ensure all funds are committed, Service Managers 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 a Service Manager wishes to reallocate funding from the capital component to the operating components, or vice versa, a request for reallocation shall be submitted to the Ministry by September 15 of the applicable year for which the reallocation is requested. The Ministry will attempt to accommodate such requests but cannot guarantee approval.

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 other Service Managers. The Ministry will review Service Managers' 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 30 of each program year may be re-allocated. Any funding that is re-allocated from a Service Manager will be deducted from that Service Manager's total overall allocation.

General Eligibility

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

- As of April 1, 2019, Schedule 1, the project was administered within a "Transferred Housing Program" in Schedule 1, Regulation 367/11 of the *Housing Services Act, 2011*.
- At the time of the commitment and use of the COCHI funding for the provider/project, the project is still listed as a "Transferred Housing Program" in Schedule 1, Regulation 367/11 of the *Housing Services Act, 2011*.

Note that housing that was, or is, only within either of the following social housing categories is **not** eligible to receive COCHI funding:

- "Program No 2: Rent Supplement Program" (federal requirements are that COCHI funding be used to support community housing, which does not include private landlords);
- "Program No 9: Rural and Native Homeownership Program" (the Province provides funding to Ontario Aboriginal Housing Services for this program).

Uses of Funding

As outlined in the Bilateral Agreement, COCHI funding is to:

- Be used solely in social housing and community housing;
- Protect, regenerate and expand social housing and to reduce housing need in social housing; and,
- Preserve Urban Native housing units – no net loss of units; retained units improved through repair/capital replacement; and adequate affordability support.

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

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

NOTE: As per the Bilateral Agreement, COCHI funding cannot be used to offset municipal social housing subsidy expenditures. COCHI funding must be used in addition to existing municipal subsidy social housing expenditures.

Urban Native Housing

For those Service Managers with Urban Native housing units, there is a requirement that this stock will be prioritized to receive COCHI funding where providers are able and willing to continue. Urban Native housing projects typically have higher repair/renovation needs and most were developed with 100% rent-geared-to-income units.

Of the total number of social housing units in Ontario, 1,452 are Urban Native housing, with all 1,452 units being targeted for low-income households receiving rent-geared-to-income assistance.

The COCHI program requires the preservation of Urban Native housing units to ensure that there is no net loss of units and retained units will be improved through repair, capital replacement as well as through adequate affordability support.

Unlike other social housing providers, Urban Native housing providers are not subject to the rules of the *Housing Services Act, 2011* and have their own operating agreements. In order to help guide Service Managers when working with Urban Native housing providers, the Ministry is requiring Service Managers to follow the principles outlined below:

- Urban Native housing is intended to support individuals in housing need that identify as Indigenous;
- There is a fair and transparent approach for selecting tenants;
- Indigenous governance of Urban Native providers is to be supported and maintained; and,
- Funding is to be used to support culturally safe housing stability for tenants and ongoing viability and sustainability of the provider.

The Ministry acknowledges that operating subsidies for many Urban Native housing projects will likely need to be ongoing (rather than transitional) given that most projects have no market housing units to offset operating costs.

Further guidelines on Urban Native housing may be developed in consultation with housing providers and Service Managers.

COCHI Operating Components:

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.

Service Managers 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; and,
- Enabling acquisitions and mergers of housing providers/assets to improve operating efficiencies and economies of scale.

Households paying a rent-geared-to-income rent consistent with the *Housing Services Act, 2011* who are supported through the use of COCHI operating funding will be eligible to meet a Service Manager's Service Level Standard as per the Act.

COCHI Capital Component:

Repair

Support for community housing providers, including Local Housing Corporations, could take the form of repair and renovation funding.

Where capital expenditures are planned, the Ministry encourages Service Managers 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.); and,
- Carrying out health and safety repairs (e.g., accessibility renovations).

Housing providers/projects that receive funding under the COCHI Capital 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 as social housing under the *Housing Services Act, 2011*. This requirement applies regardless of any operating agreements or mortgage obligations or agreements between a Service Manager and eligible housing provider.

Service Managers may also utilize OPHI funding for social housing capital repair (please refer to Page 43 for more detail).

Project Submission/Approval Process

COCHI Operating Components:

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 Service Manager through the Transfer Payment Hub System.

Service Managers 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 7 for details on reporting requirements and due dates.

Once the Ministry has reviewed the annual Investment Plans and the individual social housing projects receiving COCHI operating components funding are approved by the Service Manager, the Service Manager will enter project details into the Transfer Payment Hub System.

COCHI Capital Component:

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

The Service Manager 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. Service Managers and housing providers are encouraged to liaise early with building departments to avoid code compliance issues, i.e., building permits, etc.

Service Managers are also responsible for creating and entering into project funding agreements with each eligible housing provider that will receive COCHI Capital Component funding. 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, 2021 for the 2019-20 funding year. Copies of all financial invoices must be kept for reporting and audit purposes.

Once the Ministry has reviewed the annual Investment Plans and the individual projects are approved by the Service Manager, the Service Manager will enter project details as per the Project Information Form into the Transfer Payment Hub System to commit funding.

The Ministry reserves the right to decline any proposed uses of COCHI funding that are not consistent with the Program Guidelines and the Bilateral Agreement; revision and resubmission may be required.

A minimum of 90 percent of the annual capital component funding allocation must be committed to eligible housing providers by December 31 of each program year. If a Service Manager has not met this threshold, the Ministry reserves the right to reallocate funds to another Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 30 of each program year may be re-allocated to another Service Manager.

The Service Manager must not approve a funding request unless the housing provider has agreed to operate the project as per the affordability requirements included on Page 20.

Service Managers must ensure project status is updated and documents are posted in the Transfer Payment Hub System on an on-going basis.

Funding Payment Process

COCHI Operating Components:

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

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

Service Managers advance monthly payments to housing providers upon the signing of housing provider agreements.

COCHI Capital Component:

Service Managers will receive 20 percent of the annual program funding as their first quarter payment based on the repair budget identified in the Investment Plan.

The Ministry will make the remaining 80 percent through subsequent quarterly payments to Service Managers based on the projected disbursements in the Investment Plan.

The primary purpose of the quarterly forecasts in the Investment Plan is to indicate quarterly cash flow requirements over the life of the program, but no later than the end of the subsequent fiscal year. The quarterly cash flow request must be at or close to the time the funds are needed by the housing provider to pay for their relevant expenditures.

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

Reporting

Service Managers will be required to report municipal social housing expenditures that match the annual COCHI allocation provided. The Ministry will work with Services Managers in 2019-20 to confirm reporting format.

COCHI Operating Components:

COCHI reporting consists of updating and submitting the Investment Plan with Service Manager progress on a quarterly basis. Quarterly reports should be completed and submitted through the Ministry's Transfer Payment Hub System. Please see Page 7 for dates and reporting requirements.

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

Service Managers 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 a project specifically targets any of the targeted vulnerable sub-populations listed on Page 6.

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

COCHI Capital Component:

Service Managers are required to report to the Ministry on the status of each project during its repair, retrofit and regeneration activities. Service Managers must update progress on project activities and payments to housing providers regularly through the Ministry's Transfer Payment Hub System. Service Managers must submit confirmation of construction start and completion for each project in the Ministry's Transfer Payment Hub System.

Service Managers are also required to track and report on the following information for the Social Housing projects receiving COCHI funding through the Project Information Form:

- Where a project specifically targets any of the targeted vulnerable sub-populations listed on Page 6.

Please see Page 7 for dates and reporting requirements.

Service Managers must also monitor compliance with the ten-year affordability period for each project that receives COCHI capital funding. Service Managers 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 Service Managers every year. Every Service Manager will be audited at least once over the remaining seven years of the affordability period.

Ontario Priorities Housing Initiative (OPHI)

Program Components

OPHI offers the following program components to Service Managers:

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

Details on each component are included in these Guidelines.

Service Managers have the flexibility to select the components they will deliver each year using their OPHI approved and planned annual funding allocations. Planned commitments and projected take-up for selected program components must be identified in each Service Manager's Investment Plan – see page 5.

Funding Allocations

Service Managers have been provided with their approved funding allocation for Year 1 and planning allocations for Years 2 and 3 of OPHI. Allocations are based on the Service Manager's share of all households in Ontario and their share of Ontario households in core housing need equally weighted.

The Ministry will work with Service Managers who wish to “pool” their annual funding allocations into one fiscal year to facilitate the development of larger projects. In this scenario, the Ministry coordinates a swapping of funding allocations from different fiscal years between Service Managers and ensures each Service Manager maintains their total funding allocations. Requests for swapping should be made as soon as possible by emailing HousingProgramsDelivery@Ontario.ca.

Funding Commitments

Funding allocations are provided on a “use it or lose it” basis. Funds not committed by the required timelines may be reallocated to other Service Managers as the swapping exercise described above is the only option available to move funds between program years.

The following documentation is required to commit funds under OPHI:

- Rental Housing – Contribution Agreement, confirmation of security
- Homeownership – Approved project information in Transfer Payment Hub 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 Hub 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 allocated by the Province to future years. Therefore, unlike the previous Investment in Affordable Housing program, funding for both OPHI 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.

Capital Components

Rental Housing component funding allocations must be committed by December 31 of each program year.

For the Homeownership and Ontario Renovates components, no more than 10% 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% of the annual funding allocations for each component must be committed by December 31 of each program year. Notwithstanding the above, any funding that remains to be committed by January 30 of each program year may be reallocated to other Service Managers.

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 Service Manager’s Council-approved Investment Plan. Housing Support Service funding will be committed based on the submission of Services Agreements (or equivalent if delivered directly by the Service Manager)

Service Managers who directly 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 Service Managers based on projected disbursements. Service Managers 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, Service Manager's may move funding from one OPHI 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 within these components
- Funding originally planned for the Rental Assistance component's Rent Supplement stream and Housing Allowance Direct Delivery stream, or the Housing Support Services component can be reallocated within these streams/components (for more information on delivery streams please refer to Page 47)
- No funding can be moved to the Housing Allowance Shared Delivery stream from the other OPHI components, or vice versa
- If a Service Manager wishes to reallocate funding from the capital components to either the Rental Assistance Component's Direct Delivery Streams or the Housing Support Services component, or vice versa, a request for reallocation shall be submitted to the Ministry by September 15 of the applicable year for which the reallocation 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 other Service Managers. The Ministry will review Service Managers' 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 30 of each program year may be reallocated. Any funding that is reallocated from a Service Manager will be deducted from that Service Manager's total overall allocation.

Rental Housing Component

The Rental Housing component will:

- Increase the supply of community rental housing for 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

Social housing redevelopment which involves building new affordable rental units/additions on social housing sites is eligible provided that the appropriate ministerial or Service Manager consent, as applicable, is obtained as per the *Housing Services Act, 2011*.

Amendments to the *Housing Services Act, 2011*, effective January 1, 2017, have resulted in changes to consent authorities. Specifically, Service Managers now have consent authority for the transfer of most social housing properties. Please refer to the Guide for Service Manager Consents under the Housing Services Act, 2011 which can be found at: <http://www.mah.gov.on.ca/AssetFactory.aspx?did=15950>.

Projects that are **not eligible** include:

- Projects proposed by private sector proponents without non-profit/municipal/co-operative partnership*
- Secondary suites in owner-occupied housing (eligible 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.

Service Managers may establish size and amenity requirements. If Service Managers do not set size requirements, the following provincial minimum and average size requirements must be used as a guideline for new construction projects.

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Minimum	40.0 m ²	48.7 m ²	60.4 m ²	83.6 m ²	102.2 m ²
Average	41.8 m ²	55.0 m ²	67.4 m ²	92.9 m ²	109.2 m ²

Up to 30% 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

Service Managers will solicit proposals and select Rental Housing projects to recommend to the Ministry for funding approval. All procurement processes must be in accordance with the *Municipal Act, 2001* or the *City of Toronto Act, 2006* (applicable to the City of Toronto).

Service Managers will submit recommended projects for the Ministry's consideration within the allocation set out in their Investment Plans.

Recommended projects shall:

- Be approved by council and/or board based on municipal/board procurement practices and in accordance with the *Municipal Act, 2001* or the *City of Toronto Act, 2006* (applicable to the City of Toronto).
- Be able to sign a Contribution Agreement no later than December 31 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 Service Manager confirmation.
- Meet the current Ontario Building Code and *Canadian Environment Assessment Act, 2012* requirements.
- Have rents that on average for the project are at or below 80% 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 33 for additional details).
- Provide the required equity, if applicable – 4% for partnerships between private sector and non-profit organizations; 0% for non-profit organizations.
- Address local housing needs and target tenant groups identified in local housing and homelessness plans.
- Are projected 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 and Ontario Building Code requirements for new construction; for renovations/repairs, maximize the achievable energy savings where possible when planning work or retrofits).
- Have an occupancy plan in place to ensure that units will be occupied in a timely manner.

Further, Service Managers are encouraged to give priority consideration to projects that:

- Have Contributions by Others, including the Service Manager, 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 including:
 - Work contracts for small and medium-sized businesses
 - 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 commitment should be submitted to the Ministry up to November 30 of each program year. All projects must be submitted through the Transfer Payment Hub System along with additional project background information such as that contained in Council/board reports.

Project Approval Process

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

Service Managers are required to create and submit Project Information Forms through the Transfer Payment Hub System. Once approved, a project will receive a Conditional Letter of Commitment from the Ministry, which confirms Ministry approval and outlines the steps to take prior to signing a Contribution Agreement.

The Contribution Agreement shall describe legal obligations and reporting requirements for the project. All Service Managers are required to enter into Contribution Agreements directly with proponents.

As funding allocations must be committed for each year of the program, the deadline to execute Contribution Agreements is December 31 of each program year to allow time for reallocation of funds if necessary. Service Managers that have not signed a Contribution Agreement or have not begun construction by the required dates may have their funding reallocated.

Funding

Service Manager funding for the Rental Housing component is provided as a forgivable capital loan.

The OPHI Rental Housing component will fund up to 75% 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. Service Managers 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 within the Service Manager's service area 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.

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

The Ministry, at its discretion, may require an independent analysis to confirm project financial viability.

Contributions by Others

In addition to the mandatory program requirements Service Managers, 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 Service Managers and/or municipalities may include: waiving or reducing development charges, planning approvals application fees, building permit fees, and full property tax exemptions as well as contributions of municipal grants, and municipally-owned land.

Where appropriate, and to avoid the granting of bonuses, a Service Manager will need to ensure that an appropriate policy or program (e.g., Community Improvement Plan (per Section 28 of the *Planning Act*, 1990), Municipal Housing Facilities By-law (per

Section 110 of the *Municipal Act, 2001* – see page 32)) is in place to enable municipal contributions. For additional information on this and other municipal tools and incentives for affordable housing development, please contact the appropriate service manager, municipality, and/or HousingProgramsDelivery@Ontario.ca for more information.

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

Payment Process

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

Funding will be advanced to Service Managers based on the following instalments:

1. 50% at signing of the Contribution Agreement and confirmation of registration of security.
2. 40% at confirmation of structural framing.
3. 10% at confirmation of occupancy, submission of Initial Occupancy Report and submission of an updated capital cost statement in a form acceptable to the Ministry.

The Ministry may consider accelerated payments for projects sponsored by non-profit proponents or acquisition/rehabilitation projects on a case-by-case basis.

All final payments are required to be made within four years of signing the Contribution Agreement, and not later than March 31, 2026. Service Managers are required to ensure that all projects are completed and request the final payment prior to this deadline.

Eligible Target Groups

The Rental Housing component aims to create affordable rental housing for households that are on, or eligible to be on, social housing waitlists. This includes, but is not limited to:

- Seniors
- Persons with disabilities
- Indigenous peoples
- People with mental health or addictions issues
- Survivors of domestic violence
- Those who are homeless or at risk of homelessness
- Recent immigrants
- Working poor
- Veterans
- Racialized groups

Income Verification

Service Managers 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. Service Managers must establish an approach for income verification to ensure that households in need are targeted. Annual income verification is at the Service Manager'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% of Canada Mortgage and Housing Corporation Average Market Rent at the time of occupancy. Average rent is calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager.

While individual unit rents may be set above or below the 80% 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.

If Canada Mortgage and Housing Corporation Average Market Rents are not available for certain communities, or in instances where in the opinion of the Service Manager the Canada Mortgage and Housing Corporation Average Market Rents do not reflect the actual average market rents in the local market area, a Service Manager may request an alternate average market rent by submitting a business case including a local market rent survey for the Ministry's consideration.

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 Service Manager shall ensure total rent received by a Proponent, including rent from the tenant and any rental supplements from the Service Manager or other party shall not exceed 100% 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% of

Canada Mortgage and Housing Corporation Average Market Rent and that average rents for the project must not exceed 80% of Canada Mortgage and Housing Corporation Average Market Rent.

The Ministry updates Average Market Rent information on its website annually at www.mah.gov.on.ca.

General Requirements

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

Municipal Housing Facility By-law

- Where appropriate a Service Manager will ensure that a Municipal Housing Facility By-law is available to enable municipal contributions in accordance with the *Municipal Act, 2001* or the *City of Toronto Act, 2006* (applicable to the City of Toronto).
- Where a District Social Services Administration Board (DSSAB) is the Service Manager, collaboration with the appropriate local municipality will be required to ensure a Municipal Housing Facility By-law is available to proponents when deemed necessary.

Note: A Municipal Housing Facilities By-law and Agreements are a tool available under *Section 110 of the Municipal Act, 2001* and *O. Reg 603/06* (among many other tools under the *Municipal Act, 2001* and *Planning Act, 1990*) that may help facilitate municipal contributions and incentives for housing development. It may not always be appropriate and/or required for all housing developments. For more information contact the appropriate Service Manager, municipality, and/or email HousingProgramsDelivery@Ontario.ca.

Municipal Capital Facilities Agreement

Municipal Capital Facilities Agreements per O. Reg 603/06 may be used by municipalities to create relationships with other parties to deliver municipal facilities. An example of this may involve an agreement between a municipality and a not-for-profit organization in which the municipality provides financial assistance for affordable housing facilities.

Under these agreements, assistance provided by a municipality may include: giving or lending money; giving, leasing or lending property; guaranteeing borrowing; providing the services of employees of the municipality; and/or providing tax exemptions or reductions.

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 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.

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.

Municipal Property Tax

- Service Managers/Municipalities are required during the first 20-year affordability period of projects less than seven units to either:
 - Reduce property taxes for Rental Housing projects by setting it at a rate equivalent to, or lower than, the single residential rate for the area; or
 - Provide a grant in lieu of this property tax reduction.

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.

The Ministry has developed the Affordable Housing Program and Investment in Affordable Housing Risk Mitigation Strategies Guide (2012) that provides best practices and clarification on preventing and resolving issues with affordable housing projects that may experience difficulties. The Guide can be found at:

<http://www.mah.gov.on.ca/Asset9886.aspx>.

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

Reporting

In addition to individual project submission through the Transfer Payment Hub System, Service Managers 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 7 for reporting requirements and due dates. Proponents will be required to report accordingly to their Service Manager.

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

Service Managers will be required to submit signed project checklists and documentation in the Transfer Payment Hub System as follows:

- Within 130 days after signed Contribution Agreement: first available Building Permit, Confirmation of Construction Start.
- At completion of structural framing: confirmation of structural framing.
- An audited capital cost statement within six months following the initial occupancy date, or such additional time acceptable to the Ministry.

Service Managers 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 Service Manager 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 the Transfer Payment Hub System, where possible.

Homeownership Component

The Homeownership component aims to assist low to moderate income renter households to purchase affordable homes by providing down payment assistance in the form of a forgivable loan.

Specific objectives are:

- To provide renter households 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.

NEW FOR OPHI

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 is limited to \$50,000 per unit and must be secured on title to the lands. Similar to the Rental Housing component, Service Managers 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.

Eligibility Criteria

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

- Be a renter household buying a sole and principal residence in a participating Service Manager area.
- Have household income at or below the 60th percentile income level for the Service Manager area or the province, whichever is lower (see Appendix C).
- Meet any additional criteria as established and communicated by the Service Manager.

Household income verification is the responsibility of the Service Manager.

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

Purchase Price

The purchase price of a home must not exceed the average resale price in the Service Manager's area. Service Managers may establish their own maximum house prices, provided they are lower than the average resale price in the Service Manager area. 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. Service Managers may also choose to include duplexes as eligible units.

Homes must be modest in size, relative to community norms, in terms of floor area and amenities, as determined by the Province and/or the Service Manager.

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

Eligible Target Groups

Service Managers are encouraged to address groups identified through their local Housing and Homelessness Plan and give consideration to households residing in social housing but whose incomes have increased and are paying market rent.

Education and Training

Service Managers 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>.

Service Manager Revolving Loan Fund (RLF)

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

Service Managers 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. Service Managers 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 Service Manager, to a maximum of \$50,000 per eligible unit.

Total funding advanced by each Service Manager must not exceed 10% of the sum of purchase prices for all units acquired by eligible purchasers – other than units acquired from non-profit homeownership providers as they are exempt from this calculation.

If a Service Manager 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

Service Managers 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% of the annual Homeownership component funding allocation must be committed to eligible purchasers of eligible units by December 31 of each program year. If a Service Manager has not met this threshold, the Ministry may reallocate funds to another Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 30 of each program year may be reallocated to another Service Manager.

Payment Process

Service Managers 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.

Once an eligible purchaser has been approved by the Service Manager, the required project information – along with a copy of the Agreement of Purchase and Sale – must be submitted to the Ministry through the Transfer Payment Hub System.

Payments to Service Managers 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. All payments must be made to approved home purchasers within four years of the date of commitment, but in any event, no later than March 31, 2026.

NEW FOR OPHI – NON-PROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPERS

Funding will be advanced to Service Managers in three instalments:

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

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 Service Manager 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 Service Manager's 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 Service Manager.*

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

Service Managers are required to update their Investment Plan with their approved progress under the Homeownership component on a quarterly basis. Please see Page 7 for reporting requirements and due dates.

In addition, as part of the project submission process, the Service Manager 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

Service Managers 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 through the Transfer Payment Hub System, where possible.

Documentation Required for Records

Service Managers 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 Service Manager 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 community housing.

The objectives of Ontario Renovates are:

- To improve the living conditions of 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 secondary suites in existing single-family homes.

The Ontario Renovates component consists of two sub-components:

- a) *Home Repair* to assist low to moderate income homeowner households:
 - 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.
- b) *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 single-family home.
 - 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 Service Manager
- 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 Service Manager
- Creation of self-contained secondary suites and 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 Service Manager deems reasonable and that are agreed to by the Ministry.

Repairs must commence within 120 days of the date of the funding agreement/letter of agreement. Copies of all financial invoices must be kept for reporting and audit purposes.

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 secondary suites in a single-family home and garden suites on the property lot of a primary residence).

Project Submission Process

The Service Manager is responsible for selecting and approving all eligible Ontario Renovates projects, monitoring progress and completion of projects, quality of work and for the advancement of funds.

Once an eligible project has been approved by the Service Manager, completed project information along with proof of loan security (promissory note or mortgage registration) if required must be entered and approved in the Transfer Payment Hub System to confirm program 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.

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.

Service Managers 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, Service Managers 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 Service Manager.

For *Multi-Unit Rehabilitation* projects, the Service Manager must verify the following additional conditions:

- Certificate of insurance is provided, as appropriate.
- For affordable rental housing projects, the Service Manager 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 projects under the *Housing Services Act, 2011*, please refer to COCHI section of the Program Guidelines (Page 14) for program requirements.

Service Managers must ensure project status is updated and documents are posted in the Transfer Payment Hub System on an on-going basis.

Funding Commitment

A minimum of 90% of the annual Ontario Renovates component funding allocation must be committed to eligible homeowners or landlords by December 31 of each program year. If a Service Manager has not met this threshold, the Ministry reserves the right to

reallocate funds to another Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 30 of each program year may be reallocated to another Service Manager.

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 or province, whichever is lower. Service Managers are responsible for household income verification. (See Appendix C)
- 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 as updated annually by the Ministry. In communities where data is non-existent, market values may be determined by the Service Manager.

The Province will supply annual updates to the 60th percentile income figures. Service Managers 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 for the entire loan forgiveness period.

Repairs and upgrades to social housing are eligible. Depending on local needs, Service Managers may wish to complement COCHI capital funding with OPHI Ontario Renovates funding. Please refer to the COCHI section of the Program Guidelines (Page 14).

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.

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

The creation of affordable secondary suites in existing single-family homes or garden suites on the property lot of a single-family home are also eligible activities under the *Multi-Unit Rehabilitation* subcomponent. The household income of the incoming tenant must be at or below the 60th income percentile for the Service Manager area or

province, whichever is lower; however, Service Managers may establish more restrictive income limits. Service Managers 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 Service Manager.

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 Service Manager. Service Managers may vary the amount of funding per unit in order to address local priorities, to a maximum of \$50,000. The average funding across a Service Manager's area must not exceed \$25,000 per unit. 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 Service Manager are to be reinvested into Ontario Renovates projects unless otherwise directed by the Ministry.

Payment Process

For social housing repair projects, please refer to the COCHI section of the Program Guidelines (Page 22) for the payment process for these projects.

The Ministry will transfer funds electronically on a quarterly basis to Service Managers based on their projected planned commitments in the Investment Plan

Once an eligible project has been approved by the Service Manager, 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 the Transfer Payment Hub System to confirm program take-up. Repair activities must start within 120 days of the date of the funding agreement/letter of agreement.

Service Managers 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, 2021 for the 2019-20 funding year. Service Managers must ensure project status is updated in the Transfer Payment Hub System. Should project details – for example, completion dates – not be updated as required, payments to Service Managers may be reduced.

The Ministry will monitor Service Managers' progress under the Ontario Renovates component in the Transfer Payment Hub System throughout the year. In particular, the Ministry will review progress at the end of the third quarter of each program year. Service Managers that have not demonstrated take-up of 90% or more of their yearly Ontario Renovates allocation by December 31 may risk losing their funds. Any funding remaining to be committed after January 30 of each program year will be reallocated to another Service Manager.

Reporting

For social housing repairs, please refer to the COCHI section of the Program Guidelines (Page 23) for details on reporting requirements for these repairs.

Service Managers are required to update and submit their Investment Plans with their progress under the Ontario Renovates component on a quarterly basis. Please see Page 7 for reporting requirements and due dates.

Service Managers will also be required to prepare and file with the Ministry the following reports:

- Post-Repair Occupancy Report upon the completion of *Multi-Unit Rehabilitation* projects
- 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 Service Manager is still required to complete the Annual Report and may be requested to submit the report periodically.

Service Managers are required to create and submit reports through the Transfer Payment Hub System and ensure that Project Information Form 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 the Transfer Payment Hub System, where possible.

Rental Assistance Component

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

The Rental Assistance component consists of three streams:

- Rent Supplement
- Housing Allowance Direct Delivery
- Housing Allowance Shared Delivery.

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.

Service Managers may deliver the Rental Assistance component locally (Rent Supplement or Housing Allowance Direct Delivery) or in partnership with the Province (Housing Allowance Shared Delivery). Under Housing Allowance Shared Delivery, the Ministry of Finance (MOF) provides certain administrative functions that include providing the portable monthly payments directly to eligible households.

Service Managers are allocated 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 Council-approved Investment Plans.

- Note: Some Service Managers will continue to have separate concurrent Operating (Rent Supplement and/or Housing Allowance) funding commitments under various initiatives of the Investment in Affordable Housing (IAH) program.

Eligible Target Groups

Service Managers should give priority to households affected by expiring programs (e.g., those living in social housing transitioning out of rent-geared-to-income subsidy, recipients of operating funding under the various iterations of the Investment in Affordable Housing program). Households who are homeless or at risk of homelessness should also be prioritized. Providing housing allowances or rent supplements is intended to promote housing stability for tenants who would otherwise face affordability challenges and potential homelessness.

Service Managers must report on any targeted groups in their Investment Plan updates.

Funding Allocations

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

Service Managers may also contribute their own funding to the Rental Assistance component.

Funding allocations are provided on a “use it or lose it” basis, since funding from one year cannot be allocated by the Province to future years. Therefore, unlike the Operating component of the IAH program, 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.

Monthly Subsidy Amounts

Service Managers 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, Service Managers are encouraged to consider a benefit calculation similar to the calculation under the provincial Portable Housing Benefit Framework.

Reporting

In the initial Investment Plan, Service Managers 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 7 for reporting requirements and due dates.

Direct Delivery Streams

Service Managers who participate in the direct delivery streams 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.

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.

OPHI reporting consists of updating and submitting the Investment Plan with Service Manager progress on a quarterly basis. Reports will be completed and submitted through the Transfer Payment Hub System.

For quarterly updates, Service Managers 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.

Service Managers 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 Service Manager Transfer Payment Agreement, and other established program parameters.

Shared Delivery Stream

No quarterly updates are required from Service Managers through their Investment Plan updates for the Shared Delivery stream. Service Managers are provided access to the Ministry of Finance ONT-TAXS Online system to access client information and request reports as required.

Payment Process

Direct Delivery Streams

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

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

Service Managers advance monthly payments to landlords upon the signing of landlord agreements and updated unit occupancy figures. Under the Housing Allowance Direct Delivery stream, Service Managers pay households directly.

Shared Delivery Stream

The Ministry of Finance administers the Shared Delivery stream on behalf of Service Managers and pays eligible households directly. No funds are transferred to Service Managers. Rather, the Ministry holds back funds from each Service Manager's OPHI allocation as per the Investment Plan, Housing Allowance Shared Delivery stream, for use by the Ministry of Finance to pay recipients.

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*.

Service Managers 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.

Service Managers 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). Service Managers 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 Service Manager. Self-contained units and congregate living arrangements are both eligible for funding.

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

Household Income Limits

If a Service Manager is of the opinion that Household Income Limits in the annually amended Ontario Regulation 370/11 under the *Housing Services Act, 2011* are too low and do not correlate with Canada Mortgage and Housing Corporation's Average Market Rents for their area, they can request in writing modifications to their Household Income Limits by emailing HousingProgramsDelivery@Ontario.ca.

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 Service Managers 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.

Service Managers may not exceed five percent of the three-year 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.

Service Managers 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. Service Managers are encouraged to work with providers that have familiarity with the addiction and mental health system and, where appropriate, with Ministry of Children, Community and Social Services (MCCSS) regional offices, the Ministry of Health and Long-Term Care and local community agencies that provide supportive housing and homelessness-related services.

Funding Allocations

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

Reporting

Initial Investment Plan

In the initial Investment Plan, Service Managers 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 Service Manager along with number of households assisted. Reports will be completed and submitted through the Transfer Payment Hub System. Please see Page 7 for reporting requirements and due dates.

Service Managers are also required to provide copies of services agreements with community agencies, where applicable, to support the expenditure information included in the quarterly updates. Service Managers 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.

Payment Process

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

Appendix A – List of Designated Areas under the French Language Services Act

Service Manager	Designated Area(s)
City of Toronto	All
Central Region	
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
Eastern Region	
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
Western Region	
Municipality of Chatham-Kent	Town of Tilbury; Townships of Dover and Tilbury East
City of Hamilton	All of the City of Hamilton as it exists on December 31, 2000
City of London	City of London
Regional Municipality of Niagara	City of Port Colborne; City of Welland
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
Northeast Region	
Algoma District Services Administration Board	District of Algoma
Cochrane District Social Services Administration Board	All
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
Northwest Region	
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.

Service Managers are required to consider this checklist when recommending project proposals to the Ministry for funding approval. Service Managers 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: Maximum Household Income Level, 2019*

Service Managers	Income at 60 th Percentile
Greater Toronto Area**	\$96,000
City of Toronto	
Regional Municipality of Durham	
Regional Municipality of Halton	
Regional Municipality of Peel	
Regional Municipality of York	
City of Brantford	\$88,400
City of Cornwall	\$77,200
City of Greater Sudbury	\$93,800
City of Hamilton	\$90,300
City of Kawartha Lakes	\$82,000
City of Kingston	\$89,200
City of London	\$84,500
City of Ottawa**	\$96,000
City of Peterborough	\$82,900
City of St. Thomas	\$83,600
City of Stratford	\$88,400
City of Windsor	\$86,600
County of Bruce	\$93,100
County of Dufferin**	\$96,000
County of Grey	\$80,200
County of Hastings	\$77,400
County of Huron	\$84,200
County of Lambton	\$91,600
County of Lanark	\$91,400
County of Lennox & Addington	\$87,400
County of Norfolk	\$89,500
County of Northumberland	\$88,700
County of Oxford	\$91,100
County of Renfrew	\$85,200
County of Simcoe**	\$96,000
County of Wellington**	\$96,000
District Municipality of Muskoka	\$86,600
Municipality of Chatham Kent	\$75,500
Regional Municipality of Waterloo**	\$96,000
Regional Municipality of Niagara	\$83,800
United Counties of Leeds & Grenville	\$86,800
United Counties of Prescott & Russell**	\$96,000
Algoma DSSAB	\$72,800
Cochrane DSSAB	\$91,100
Kenora DSSAB**	\$96,000
Manitoulin-Sudbury DSSAB	\$81,800
Nipissing DSSAB	\$79,200
Parry Sound DSSAB	\$77,800
Rainy River DSSAB	\$85,700
Sault Ste. Marie DSSAB	\$80,900
Thunder Bay DSSAB	\$89,200
Timiskaming DSSAB	\$78,600
ONTARIO**	\$96,000

* Based on Statistics Canada, 2016 Census of Population, indexed to 2018 based on CPI.

** In areas where 60th income percentile is greater than the provincial level, the provincial level 60th income percentile is used.

Appendix D: Examples of Eligible Support Services

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

- 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 child care; 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 relations worker who connects people experiencing difficulty to the right community-based supports.