



COMMUNITY SERVICES COMMITTEE

Wednesday, October 11, 2023

A meeting of the Community Services Committee was held on Wednesday, October 11, 2023 at 2:45 p.m. at the County of Renfrew Administration Building, Pembroke, Ontario.

Present were: Chair Anne Giardini
Warden Peter Emon
Vice-Chair Debbi Grills
Councillor David Mayville
Councillor Neil Nicholson
Councillor Gary Serviss

City of Pembroke
Representative: Councillor Ed Jacyno (Attended Virtually)

Staff Present: Craig Kelley, Chief Administrative Officer/Clerk
Laura LePine, Director of Community Services
Mike Blackmore, Director of Long-Term Care
Jennifer Dombroskie, Manager of Housing and Homelessness
Andrea Patrick, Manager of Ontario Works
Margo Smith, Manager of Child Care & Early Years Services
Tina Peplinskie, Media Relations and Social Media Coordinator
Gwen Dombroski, Deputy Clerk
Wendy Hill, Administrative Assistant III

Chair Giardini called the meeting to order at 2:45 p.m. The roll was called and no pecuniary interests were disclosed.

RESOLUTION NO. CS-C-23-10-40

Moved by Councillor Serviss

Seconded by Councillor Mayville

THAT the minutes of the August 16, 2023 meeting be adopted. CARRIED.

The Director of Community Services overviewed the Community Services Department Report which is attached as Appendix A.

RESOLUTION NO. CS-C-23-10-41

Moved by Councillor Grills

Seconded by Councillor Serviss

THAT the Community Services Committee recommends that County Council approve delegation requests at the 2024 Rural Ontario Municipal Association (ROMA) Annual Conference with the Minister of Municipal Affairs and Housing and Associate Minister of Housing to discuss additional funding opportunities to increase housing in our community; AND FURTHER THAT the Chair of the Standing Committee, along with the Warden, be designated to attend the delegation. CARRIED.

RESOLUTION NO. CS-C-23-10-42

Moved by Councillor Mayville

Seconded by Councillor Serviss

THAT the Community Services Committee recommends to County Council that the confirmed 2023-24 and planned 2024-25 confirmed funding allocations for the Provincially-Delivered National Housing Strategy Initiatives be approved; AND FURTHER THAT a By-law be adopted authorizing the Warden and CAO/Clerk to execute the amended Transfer Payment Agreement for the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) and the Canada-Ontario Housing Benefit (COHB) programs between the County of Renfrew and the Ministry of Municipal Affairs and Housing. CARRIED.

Ontario Works Division

The Manager of Ontario Works overviewed the Ontario Works Division Report, which is part of the Community Services Department Report.

RESOLUTION NO. CS-C-23-10-43

Moved by Councillor Nicholson

Seconded by Warden Emon

THAT the Community Services Committee recommend to County Council that any changes to Ontario Works Administration components of the upcoming Ontario Works budget that exceed the budgeted amounts be funded from the Social Services Fiscal Pressure Reserve. CARRIED.

Child Care and Early Years Division

The Manager of Child Care and Early Years Services overviewed the Child Care and Early Years Division Report, which is part of the Community Services Department Report.

RESOLUTION NO. CS-C-23-10-44

Moved by Councillor Mayville

Seconded by Councillor Nicholson

THAT the Community Services Department Report which is attached as Appendix A be approved. CARRIED.

RESOLUTION NO. CS-C-23-10-45

Moved by Councillor Serviss

Seconded by Warden Emon

THAT this meeting adjourn and the next regular meeting be held on November 15, 2023. Time
– 3:23 p.m. CARRIED.

**COUNTY OF RENFREW
COMMUNITY SERVICES REPORT**

TO: Community Services Committee
FROM: Laura LePine, Director of Community Services
DATE: October 11, 2023
SUBJECT: Department Report

INFORMATION

1. Retirement – Administrative Assistant III

Ms. Wendy Hill, Administrative Assistant III has provided notice of her retirement effective October 19, 2023. Wendy joined the County of Renfrew in 2015 as the Administrative Assistant to the General Manager of Renfrew County Housing Corporation. In 2019, she became the Administrative Assistant to the Director of Community Services. Wendy has provided professional, courteous and exemplary service in both of her Administrative Assistant roles. We would like to extend our thanks to Wendy for all her hard work and dedication over the years and we wish her health and happiness as she moves on to this next chapter in life.

2. Warming Center Stakeholder Review Meeting

On September 14, 2023, the City of Pembroke held a meeting with some community stakeholders to understand solutions currently underway to support homelessness in the City of Pembroke and explore opportunities for the Out of the Cold Program in 2023/2024. The Out of the Cold Program is what The Grind named their warming center that they operated in the 2022/2023 winter season. The meeting was also to discuss and explore further a permanent solution to homelessness in the City of Pembroke. In attendance at this meeting were members of Pembroke City Council, staff from the City of Pembroke, The Grind, County of Renfrew CAO, Director of Community Services, Manager of Housing and Homelessness, Dr. Morgenstern Medical Officer of Health for Renfrew County and District Health Unit, and members of local faith groups. At issue is the operation of the Out of the Cold Program and a preferred location; however there were no conclusions made at this meeting. Another meeting is being planned for October.

3. Petawawa Housing Corporation 40th Anniversary

On September 15, 2023, Petawawa Non-Profit Housing Corporation celebrated their 40th Anniversary with an outdoor gathering with members of the present and past board of directors, local dignitaries, residents and guests. From the County of Renfrew,

the Director of Community Services and the Manager of Housing and Homelessness were also in attendance. Petawawa Non-Profit Housing Corporation is one of the five non-profit housing corporations that the Community Housing division has an ongoing relationship with.

4. **Substance Use Collective Action Planning Day**

Ottawa Valley Ontario Health Team and the Renfrew County and District Health Unit held a substance use collective action planning day on September 19, 2023, in Laurentian Valley to bring various community stakeholders together to discuss the prevalence of substance use in Renfrew County and to discuss services and supports that currently exist and to identify what other supports could benefit the community. Staff from Community Services along with other community agencies attended this event.

RESOLUTIONS

5. **Rural Ontario Municipal Association (ROMA) Conference**

Recommendation: THAT the Community Services Committee recommends that County Council approve delegation requests at the 2024 Rural Ontario Municipal Association (ROMA) Annual Conference with the Minister of Municipal Affairs and Housing and Associate Minister of Housing to discuss additional funding opportunities to increase housing in our community; AND FURTHER THAT the Chair of the Standing Committee, along with the Warden, be designated to attend the delegation.

Background

The Rural Ontario Municipal Association Conference is scheduled for Sunday, January 21 to Tuesday, January 23, 2024, to be held at the Sheraton Centre Hotel, 123 Queen Street West, Toronto. We are seeking an opportunity to present and discuss with the Ministry of Municipal Affairs and Housing (Associate Minister of Housing Rob Flack) proposed solutions to housing, including the modular seniors village project and proposed Habitat for Humanity partnership. We further would like an opportunity to present and discuss with the Ministry of Municipal Affairs and Housing (Minister Rob Calandra) on the topic of continued and sustainable funding for housing projects in areas outside of the designated urban areas, and to assist community housing Service Managers plan for growth and revitalization by providing funding commitments for a five-year period in order to plan and execute projects.

BY-LAWS

6. **National Housing Strategy 2023-24 Allocations**

Recommendation: THAT the Community Services Committee recommends to County Council that the confirmed 2023-24 and planned 2024-25 confirmed funding allocations for the Provincially-Delivered National Housing Strategy Initiatives be approved; AND FURTHER THAT a By-law be adopted authorizing the Warden and CAO/Clerk to execute the amended Transfer

Payment Agreement for the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) and the Canada-Ontario Housing Benefit (COHB) programs between the County of Renfrew and the Ministry of Municipal Affairs and Housing.

Background

Attached as Appendix I is correspondence dated August 17, 2023, from the Honourable Steve Clark, Minister of Municipal Affairs and Housing (at that time) regarding funding available to the County of Renfrew through the renewed Action Plan under the National Housing Strategy, confirmed for 2023-24 and planned for 2024-25.

Attached as Appendix II are the updated COCHI -OPHI Program Guidelines. The 2023-2024 COCHI and OPHI plans will provide important repairs to maintain the viability of community housing stock for the Renfrew County Housing Corporation and five Non-Profit local housing corporations. In addition, a portion of this funding will be used for community housing building condition assessments that are expected to start by the end of this year. The 2024-2025 OPHI and COCHI plans will expand on the prior year community housing viability strategy by allocating 42% of the combined \$1.46 million budget towards the creation of new affordable rent units. Attached as Appendix III is the Ontario Transfer Payment Agreement for COCHI-OPHI.

Attached as Appendix IV are the COHB Program Guidelines. Under the COHB program, there is a new benefit formula that will result in increased payments for existing and new participants on this program as consideration is being given to the actual shelter costs paid by participants. Attached as Appendix V is the COHB Program Sign-Back Letter.

Funding Allocations – County of Renfrew

Program	Planning Allocation Amounts	
	2023-24 Fiscal Year Confirmed	2024-25 Fiscal Year Planned
Canada-Ontario Community Housing Initiative (COCHI)	\$706,600	\$961,300
Ontario Priorities Housing Initiative (OPHI)	\$518,500	\$500,300
Canada-Ontario Housing Benefit (COHB) ¹	\$287,600	N/A
Homelessness Prevention Program (for reference)	\$3,569,200	\$3,569,200

Notes:

¹The allocation amount for COHB is to be used for planning purposes and reflects funding available to enroll new participants in the program for the fiscal year, including SM administration payments. Allocations exclude the funding required to support existing participants. As the cost required to support existing participants in 2024-25 depends on the 2023-24 participant take-up, the 2024-25 allocations will not be available until early 2024. Housing Program staff will be in touch with you to discuss estimates for the number of applications you should plan to enroll with the 2023-24 funding amount.

²The Homelessness Prevention Program allocation is provided for reference only.

7. **Ontario Works Division Report**

Attached as Appendix V is the Ontario Works Division Report prepared by Ms. Andrea Patrick, Manager of Ontario Works, providing an update on activities.

8. **Child Care and Early Years Division Report**

Attached as Appendix VI is the Child Care and Early Years Division Report, prepared by Ms. Margo Smith, Manager of Child Care and Early Years Services, providing an update on activities.

**Ministry of
Municipal Affairs
and Housing**

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Affaires municipales
et du Logement**

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August 17, 2023

Peter Emon
Warden, County of Renfrew
9 International Drive
Pembroke, ON K8A 6W5

Dear Peter Emon:

Re: 2023-24 and 2024-25 Confirmed Funding Allocations for Provincially-Delivered National Housing Strategy Initiatives

I am pleased to provide you an update on the roll out of the Canada-Ontario Community Housing Initiative (COCHI), the Ontario Priorities Housing Initiative (OPHI) and the Canada-Ontario Housing Benefit (COHB) programs. This update reflects the historic and continued investments our government is continuing to make to support Service Managers and municipalities and help more Ontarians find a home that meets their needs and budgets.

Unfortunately, even though the fiscal year has already begun, the Canada Mortgage and Housing Corporation has not yet agreed to the final details of a renewed Action Plan under the National Housing Strategy (NHS) for 2023-24 and 2024-25.

In the interim, to ensure stability and continuity of the housing programs upon which so many Ontarians depend, the Ministry is proceeding with implementation consistent with past practice and based on the planning allocations provided to all Service Managers and Indigenous Program Administrators in February of this year.

Your confirmed 2023-24 and planned 2024-25 (where applicable) NHS allocations are attached to this letter as Appendix "A" and remain unchanged from the allocations communicated to you in February of this year.

COCHI-OPHI

Please find enclosed the new Transfer Payment Agreement template, the updated Program Guidelines, and Investment Plan template. The key changes to the COCHI and OPHI program design elements effective for 2023-24 are summarized in the "What's New" section of the Program Guidelines.

Your Transfer Payment Agreement (TPA) will be made available via the Transfer Payments Ontario (TPON) system for signature by the authorized signatory(ies). To ensure Service Managers and Indigenous Program Administrators are well-positioned to move forward with implementation in the 2023-24 year and to facilitate the flow of funding, we are requesting that the signed COHI and OPHI program Transfer Payment Agreement (TPA) and completed Investment Plan be returned to the Ministry via TPON as soon as possible.

COHB

I want to be clear from the outset that the total federal/provincial funding available under the COHB program has consistently increased from \$48.1 million in 2021-22 to \$96.8 million in 2022-23 to \$148.6 million in 2023-24 – an increase of more than \$100 million over the last two years. COHB funding is continuing to grow by \$51.8M between 2022-23 and 2023-24 – an increase of over 53%.

This total COHB funding is required to continue supporting existing households in addition to supporting the new households added for this fiscal year.

Planning allocations reflect the expansion of the COHB program this year, to support additional new households in the program. Province-wide, we anticipate over 3,700 new households will be enrolled into the program this year. This is on top of the ~17,500 households already participating in the COHB program.

Moreover, to address rapid increases in rent across the province, the Ministry has updated the COHB monthly payment calculation effective July 1, 2023 to increase benefit amounts for many households. The update to the COHB calculation takes into account the actual shelter costs (rent and utilities) paid by participants. This is based on what we have heard from you, our Service Manager partners, in delivering this program. To reiterate, this update to the benefit calculation will result in higher benefit amounts for many households.

The new COHB benefit formula will result in increased payments for a significant portion of existing and new participants and hence the planning allocations to Service Managers for new applicants to the program reflect the greater proportion of the funding required to support existing program participants. The enclosed Program Guidelines include the new calculation and have also been updated to reflect the availability of an online application process.

These important changes to the COHB program require amendments to the associated Transfer Payment Agreement which can be found in Appendix F. We are requesting that you submit the signed Appendix F in TPON as soon as possible.

My expectation is that you continue to administer NHS housing programs as usual, and that there is no interruption to housing services and supports. I trust this letter provides

the certainty you need to proceed. If you have any questions, please contact your ministry staff contacts at your regional Municipal Services Office.

We sincerely appreciate your efforts to assist vulnerable people in your communities, and I look forward to continuing our work together as we move forward on these important changes.

Yours truly,



The Honourable Steve Clark
Minister of Municipal Affairs and Housing

Enclosures

c. Craig Kelly, Chief Administrative Officer
Laura LePine, Director, Community Services
Mila Kolokolnikova, Team Lead, Municipal Services Office

Appendix “A”

Funding Allocations – County of Renfrew

Program	Planning Allocation Amounts	
	2023-24 Fiscal Year Confirmed	2024-25 Fiscal Year Planned
Canada-Ontario Community Housing Initiative (COCHI)	\$706,600	\$961,300
Ontario Priorities Housing Initiative (OPHI)	\$518,500	\$500,300
Canada-Ontario Housing Benefit (COHB) ¹	\$287,600	N/A
Homelessness Prevention Program (for reference)	\$3,569,200	\$3,569,200

Notes:

¹The allocation amount for COHB is to be used for planning purposes and reflects funding available to enroll new participants in the program for the fiscal year, including SM administration payments. Allocations exclude the funding required to support existing participants. As the cost required to support existing participants in 2024-25 depends on the 2023-24 participant take-up, the 2024-25 allocations will not be available until early 2024. Housing Program staff will be in touch with you to discuss estimates for the number of applications you should plan to enroll with the 2023-24 funding amount.

²The Homelessness Prevention Program allocation is provided for reference only.

Appendix “B”

COCHI-OPHI Transfer Payment Agreement Template

Please see attached.

Appendix “C”

COCHI and OPHI – Program Guidelines (effective April 1, 2023)

Please see attached.

Appendix “D”

COCHI and OPHI – Investment Plan Template

Please see attached.

Appendix “E”

COHB – Program Guidelines (effective April 1, 2023)

Please see attached.

Appendix “F”

COHB Program Sign-Back Letter

Ontario Transfer Payment Agreement dated April 1, 2020 (the “Agreement”) for COHB between Her Majesty the Queen (now His Majesty the King) in right of Ontario as represented by the Minister of Municipal Affairs and Housing (“MMAH”) and the Minister of Finance (“MOF”) and Corporation of the County of Renfrew (the “Service Manager”).

In accordance with section 4.1 of the Agreement, the Agreement is hereby amended as follows, with each amendment taking effect on the specified date:

1. Effective July 1, 2023, Schedule “C” is amended as follows:

- (i) The fourth paragraph of Article C.1 is deleted and replaced with the following:

With the assistance of Service Managers, households will complete COHB applications which will be sent to the Ministry of Finance (MOF) to determine eligibility. Eligible applicants will receive a monthly PHB based on the difference between the greater of 80 per cent of the average market rent of their Service Manager area or the applicant’s shelter costs, up to a maximum of 100 per cent of the average market rent, and 30 per cent of their adjusted family net income. PHB payments will be issued by MOF directly to households and subject to an annual renewal process. Households that have been found to be eligible may also receive first and last month’s rent assistance directly from Service Managers, where appropriate.

- (ii) The definition of “Application Form” in section 1.1 of Article C.3 is deleted and replaced with the following:

“Application Form” means a paper application form for the Program in the form provided to the Service Manager by MMAH, or an online application form for the Program available through a secure restricted website hosted by MOF.

- (iii) Clause 3.1 (e) of Article C.3 is deleted and replaced with the following:

- (e) Send completed paper Application Forms to MOF for processing for the initial Benefit Period;

2. Effective July 1, 2023, Schedule “D” is amended by deleting the COHB Program Guidelines dated April 2020, and replacing them with the COHB Program Guidelines dated July 1, 2023 attached to this letter.

3. Effective April 1, 2023, Schedule "F" is amended by deleting the sentence "Funding for administration costs per Fiscal Year shall not exceed five per cent of the Service Manager's annual planning allocation for that Fiscal Year." and replacing it with the following:

"Funding for administration costs per Fiscal Year shall not exceed the amount set by MMAH in its sole discretion and communicated to the Service Manager each Fiscal Year."

Please acknowledge your agreement with the above by signing in the space provided below and returning a signed electronic copy of this letter to Olivia lemma at Olivia.lemma@ontario.ca.

The undersigned hereby agrees to the terms of the above letter agreement.

Service Manager: County of Renfrew

Name: _____

Signature: _____

Title: _____

Date:

Name: _____

Signature: _____

Title: _____

Date:

I/We have authority to bind the organization.

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

PROGRAM GUIDELINES

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Program Guidelines Summary

Introduction

Ontario's Community Housing Renewal Strategy¹ is a multi-year plan to stabilize and grow Ontario's community housing (including social and affordable housing) sector, with the aim of achieving the following outcomes and measures of success:

Strategic Outcomes	Desired Intermediate Outcomes
 Increased supply and appropriate mix of affordable and adequate housing	<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
 People have improved access to affordable housing and supports that meet their needs to achieve housing stability	<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
 Improved efficiency of the community housing system to ensure value for money and long-term sustainability	<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 people in Ontario be more connected to housing assistance and supports that better meet their needs, live in safer and well-maintained buildings, find housing more easily, and have more opportunities to participate in the economy and their community.

The Community Housing Renewal Strategy is complemented by the province's Housing Supply Action Plans², which are focused on enhancing housing supply and attainability in the broader housing market, with a goal of building 1.5 million new homes by 2031. The Province has introduced initiatives under More Homes, More Choice (2019), More Homes for Everyone (March 2022), More Homes Built Faster (October 2022), and Helping Homebuyers, Protecting Tenants (April 2023) and plans to continue this work with future Housing Supply Action Plans.

Together, Ontario's Community Housing Renewal Strategy and the Housing Supply Action Plans demonstrate the government's commitment to supporting the creation of housing that responds to all Ontarians' needs, across all incomes. Leveraging the nine-year (2019-20 to 2027-28) federal government investments under the National Housing Strategy is important to achieving the goals and objectives of these initiatives.

On April 30, 2018, Ontario and the Canada Mortgage and Housing Corporation signed a

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

² <https://www.ontario.ca/morehomes>

Bilateral Agreement regarding the National Housing Strategy.

The Bilateral Agreement defines community housing as:

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

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

- A project administered within a “Transferred Housing Program” as prescribed in Schedule 1 to Ontario Regulation 367/11³ under 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)⁴
- Phase III - (2025-26 through to 2027-28)

Similar to Phase I, Phase II includes the following two National Housing Strategy funding streams covered by these Program Guidelines:

- 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.

A third initiative, the Canada-Ontario Housing Benefit (COHB) is continuing under Phase II under its own set of program guidelines.

Scope of the Guidelines

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

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.

³ <https://www.ontario.ca/laws/regulation/110367>

⁴ While the Province continued to negotiate with CMHC on Phase II, an interim one-year Action Plan (for 2022-23) was launched as a part of Phase II to ensure continuity in program delivery.

What's New

Investment Plans

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

COCHI Repair Component

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

COCHI Communications Requirements

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

OPHI Rental Housing Component

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

OPHI Homeownership Component

- Eligibility has been expanded to include first-time home buyers in addition to renter households.
- Eligibility has been expanded for households larger than one person to include household income up to the 70th percentile of the SM area or the province, whichever is lower.
- The maximum funding amount of \$50,000 per eligible unit has been removed. The funding limit of 10 percent of the purchase price of the unit remains.
- Service Managers may submit a business case to request support for an alternative arrangement with a non-profit affordable home ownership provider that meets the objectives of the Homeownership Component.

OPHI Ontario Renovates Component:







- The requirement that the average funding across the Service Manager's area must not exceed \$25,000 has been removed.
- Service Managers may provide funding up to 75 percent of the total project cost per unit or \$50,000 per unit, whichever is more, to create an additional unit (e.g., secondary or garden suite).

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 Repair Component and OPHI Ontario Renovates Component; rent supplements under the COCHI

Operating Component and OPHI Rental Assistance Component; new rental construction under COCHI New Build Component and OPHI Rental Housing Component).

Uses of Funding

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

Initiative	COCHI	OPHI
Capital Expenditures		
New Supply	 <ul style="list-style-type: none"> Community Housing New Construction Community Housing Acquisition and/or Rehabilitation Community Housing Conversion 	 <ul style="list-style-type: none"> Community Housing New Construction Community Housing Acquisition and/or Rehabilitation Community Housing Conversion Affordable Homeownership
Repair	 <ul style="list-style-type: none"> Social Housing (with priority to Urban Native Housing stock by SMs with UNH units) 	 <ul style="list-style-type: none"> Affordable Ownership Housing Community Rental 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.

Funding Stacking Provisions

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

a) COCHI & OPHI capital funding may be stacked

- If funding is being stacked under COCHI New Build and OPHI Rental components, they must be for separate and distinct units under the two program components and combined funding must not exceed 75 percent of the project cost.
- COCHI Repair and OPHI Ontario Renovates funding may be stacked only for social housing projects. While a project can receive both COCHI and OPHI funding, the funding must be used for a different purpose and scope of work (e.g., if COCHI Repair funding is being used for roof repairs, OPHI Ontario Renovates funding cannot be used for the same roof repairs).

b) COCHI and/or OPHI funding stacked with other Provincial capital funding programs

- Funding must be for separate and distinct units. In addition, the SM must follow the requirements under the respective programs for each of the funded units.

Ontario Targets to be Achieved

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

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 also require operating/rent-geared-to-income (RGI) subsidies on an on-going basis.

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 funding allocations will be used under COCHI and OPHI
- Developing application processes for COCHI and OPHI, if applicable
- Selecting, recommending, and where applicable, approving projects
- Entering into funding agreements with housing providers/proponents/landlords/service providers/recipients, including ensuring required security registration documents are provided, where applicable
- Advancing payments to proponents, housing providers, service providers or recipients based on agreed upon payment schedules
- Monitoring projects to ensure timely start, completion, and occupancy. Service Managers must notify the Ministry as soon as possible if any projects are

- experiencing delays
- Fulfilling reporting requirements as per the Transfer Payment Agreement
- Adhering to indemnification provisions as per the Transfer Payment Agreement
- Preventing and resolving issues for projects that encounter difficulties
- Participating in communication events pertaining to the National Housing Strategy as per the Communications Protocol Requirements outlined in Schedule F of the Transfer Payment Agreement

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 their respective Regional Municipal Services Office Housing Team Leads or Housing Programs Branch Account Managers. (Appendix A).

Transfer Payment Agreement

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

The Transfer Payment Agreement contains an accountability framework between the Province and Service Managers and outlines the roles and responsibilities of the Service Manager.

The Transfer Payment Agreement outlines:

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

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

Investment Plan, Reporting and Monitoring Approach

Investment Plan

To balance 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 are required to develop an Investment Plan. Investment Plans serve as the main budget setting and quarterly reporting tool.

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

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

- The COCHI and OPHI components the Service Manager will deliver in each program year and narrative information including a description of 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 the number of households to be assisted under the selected COCHI and OPHI components in each program year
- The amount of funding to be used for the COCHI and OPHI selected components, and the projected and actual commitments on a quarterly basis
- Details of the Urban Native Housing units to be maintained, if applicable
- Any targeted vulnerable sub-populations under the selected program components, according to the groups defined under the National Housing Strategy⁵, as applicable
- The amount of funding to be used for administration

Reporting

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

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

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

⁵ 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.

- initial projected disbursements to actual disbursements)
- Changes to the budget by component

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

- Confirmation of compliance with the French Language Services Act (FLSA) for those Service Managers with designated municipalities under the FLSA
- Confirmation regarding communication sent to all recipients of COCHI funding that the program is administered by the provincial government and is cost shared between the federal and municipal governments

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

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

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

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
As soon as possible	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 inputted into TPON for program spending requirements • The forecast spending by quarter allows the Ministry to know how to flow quarterly payments

Due Date	Description	Purpose
October 15 each year Quarter 2 Report	<p>Updates to the Investment Plan. Includes:</p> <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 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
January 15 each year Quarter 3 Report	<p>Updates to the Investment Plan. Includes:</p> <ul style="list-style-type: none"> • YTD actual disbursements for both COCHI and OPHI • Projected disbursements for remainder of the year for COCHI and OPHI • Attestation that Service Manager intends to fully take up all funding by fiscal year end 	<ul style="list-style-type: none"> • YTD information allows for program monitoring • Projected disbursements for remainder of the year allows for updated payment information
March 15 each year Investment Plan Update	<p>Updates to Investment Plan for the following program year Includes:</p> <ul style="list-style-type: none"> • Updated 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 an updated budget breakdown by component for COCHI and OPHI for program spending requirements • The forecast spending by quarter allows the Ministry to know how to flow quarterly payments
May 31 each year for the previous program year Year-End Report	<p>Final year-end reporting to annual Investment Plan Includes:</p> <ul style="list-style-type: none"> • Updated actual disbursements for both COCHI and OPHI • Report confirming continued compliance with the French Language Services (FLS) requirements • Report confirming communication has been sent to all recipients of COCHI funding regarding how program is administered and funded • Any other updates if necessary 	<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 • COCHI Communications report required to comply with Bilateral Agreement and Action Plan

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

Monitoring

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

Funding Commitments

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

Any operating or capital funds not committed by the required timelines may be reallocated to other Service Managers as funding from one year cannot be reprofiled by the Ministry to future years. Reallocation 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 Ministry is required to provide 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.

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

Payments

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

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

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

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

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

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 but are encouraged to reduce their administration costs below five 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
- 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 B.

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

Communications Protocol

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

Important Dates

Date	Description
As soon as possible	<ul style="list-style-type: none"> Signed Transfer Payment Agreement due to ensure timely quarterly payments
October 15 each year	<ul style="list-style-type: none"> Deadline for Service Managers to formally request realignment of funding between Capital and Operating components, and vice versa, within each of their COCHI and OPHI allocations. The Ministry will attempt to accommodate these requests, but approval is not guaranteed.
November 30 each year	<ul style="list-style-type: none"> Final day to submit Project Information Forms (PIFs) in TPON: <ul style="list-style-type: none"> COCHI New Build projects OPHI Rental projects
December 15 each year	<ul style="list-style-type: none"> OPHI Rental and COCHI New Build - Final day to submit signed Contribution Agreements and Confirmation of Registered Security into TPON to commit funding OPHI Ontario Renovates, Homeownership and COCHI Repair – Must have 90 percent of funding under these components committed by this day
January 31 each year	<ul style="list-style-type: none"> OPHI Ontario Renovates, Homeownership and COCHI Repair - Final day to input Project Information Forms and, where applicable, Contribution/Loan Agreements as well as other required documents into TPON and to commit remaining funding under these components

Note: These dates are in addition to the reporting dates in the table on page 8-9.

Canada-Ontario Community Housing Initiative (COCHI)

Introduction

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

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

- These projects are owned and operated by non-profits, co-ops, and private landlords (for rent supplements)
- This category also includes Urban Native Housing programs
- These projects are governed by the rules and requirements outlined in their original operating agreement; specific requirements vary on an agreement-by-agreement basis
- After the operating agreement ends, neither the Province nor 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-gear-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” social 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 Ministry 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 Ministry 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, COCHI 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, and expand supply.

Objective

The objective of COCHI is to protect tenants in projects with expiring operating agreements/mortgages and to begin to stabilize and eventually grow the supply of community housing through regeneration & expansion, repairs, renovations, and operating support. COCHI funding is intended to support providers that can demonstrate their potential for long-term sustainability.

Program Components

COCHI offers the following program components to Service Managers:

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

COCHI New Build Component

The New Build component:

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

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

Subject to the above eligibility rule, New Build developments must comply with all requirements and follow the same procedures set out for the OPHI Rental Housing Component starting on page 27.

COCHI Repair Component:

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

Service Managers may 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.

Eligible work could include:

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

Housing providers/projects that receive funding under the COCHI Repair Component must remain affordable for a ten-year period after the completion of the funded retrofit work, including a minimum of five (5) years during which it will operate as social housing or as Part VII.1 housing projects under the *Housing Services Act, 2011*. This requirement applies regardless of any operating agreements or mortgage obligations or agreements between a Service Manager and an eligible housing provider.

COCHI Operating Component:

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

Households who are supported with COCHI operating funding and are paying rent-geared-to-income consistent with prescribed service level rules can count towards a Service Manager's service levels.

To count towards service levels the RGI assistance provided to the household must either:

- Follow RGI rules in part V of the *Housing Services Act, 2011*, or
- Follow the requirements for alternate forms of assistance in schedule 4.2 of Ontario Regulation 367/11

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
- Enabling acquisitions and mergers of housing providers/assets to improve operating efficiencies and economies of scale

Funding Allocation

Previously, the annual amount of COCHI funding for Service Managers was 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.

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

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

Funding Commitments

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

The following documentation is required to commit funds under COCHI:

- New Build Component – Contribution Agreement and confirmation of security
- Repair Component – Approved project information in TPON and executed Funding Agreement
- Operating component (Rent Supplements; Transitional Operating) – Approved Investment Plan & Commitment letter from the Ministry. **NOTE:** Operating funding must be fully disbursed to the recipient in the program year in which the funding was committed. Funding cannot be extended beyond the program year.

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

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

Notwithstanding the above, any funding that remains to be committed by January 31 of each program year may be reallocated to other Service Managers.

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

All annual funding allocations must be committed to projects within the specified timelines in each program year; otherwise, the outstanding funding allocation may be reallocated to 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 31 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 projects are eligible to receive COCHI funding for all 3 components if they qualify as Social Housing, which means that:

- As of April 1, 2019, the project was administered within a "Transferred Housing Program" in Schedule 1 to Ontario Regulation 367/11⁶ under the *Housing Services Act, 2011*⁷
- At the time of the commitment and use of the COCHI funding for the project, the project is still listed as a "Transferred Housing Program" in Schedule 1 to Ontario Regulation 367/11 under the *Housing Services Act, 2011*
- Part VII.1 housing projects under the *Housing Services Act, 2011* are also eligible to receive COCHI funding

Note that housing that was, or is, only within either of the following social housing categories

⁶ <https://www.ontario.ca/laws/regulation/110367>

⁷ <https://www.ontario.ca/laws/statute/11h06>

does **not** qualify:

- “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 Ministry provides funding to Ontario Aboriginal Housing Services for this program)

For the COCHI New Build Component, projects are eligible to receive funding if they qualify as Community Housing, which means:

- 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

Uses of Funding

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

- Protect, regenerate, and expand social housing and community housing and to reduce housing need in social housing and community housing
- Prioritize the preservation and protection of 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:

- Protecting rent-geared-to-income tenants in non-profit and co-operative housing projects with expiring operating agreements/mortgages
- Preserving social housing supply through repairs and renovations
- Regeneration & expansion of community housing (including social and affordable housing) stock
- Expansion of the number of rent-assisted units
- 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 (UNH) units, there is a requirement that this stock be prioritized first to receive COCHI funding where providers are able and willing to continue and enter into a new agreement. Urban Native housing projects typically have higher repair/renovation needs and most were developed with 100 percent rent-geared-to-

income units.

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* (HSA) 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
- Funding is to be used to support culturally safe housing stability for tenants to ensure 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.

Service level rules have been updated to allow households receiving rent-geared-to-income (RGI) assistance in UNH units to count towards a Service Manager's service levels (effective July 1, 2022).

RGI assistance provided for UNH units does not have to follow Part V rules of the HSA (e.g., RGI calculation rules) to count towards service levels. As long as the RGI assistance meets parameters outlined in schedule 4.2 of [Ontario Regulation 367/11](#), including that households pay no more than 30 percent of Adjusted Family Net Income towards rent, it can be counted towards service levels.

Project Submission/Approval Process

COCHI New Build Component

The project submission and approval process for the New Build Component will follow the same processes as the OPHI Rental Housing Component on Pages 28 and 29.

COCHI Repair 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.

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

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

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

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

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

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

A minimum of 90 percent of the annual Repair component funding allocation must be committed to eligible housing providers by December 15 of each program year. If 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 31 of each program year may be re-allocated to another Service Manager.

COCHI Operating Component:

Allocations will be committed at the beginning of each program year through a letter from the Ministry based on the projected disbursements identified in the Investment Plan submitted by the Service Manager through the Transfer Payment Ontario (TPON) 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 projects receiving COCHI operating component funding are approved by the Service Manager, the Service Manager will enter project details into TPON.

Payment Process

COCHI New Build Component:

The Ministry will make payments using the same process as the OPHI Rental Component, as outlined on page 30.

COCHI Repair Component:

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

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.

COCHI Operating Component:

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

Reporting

Service Managers will be required to report municipal social housing expenditures that match the annual COCHI allocation provided.

COCHI New Build Component:

The Service Manager will be required to submit reports using the same process as the OPHI Rental Component, as outlined on page 34.

COCHI Repair 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 TPON. Service Managers must submit confirmation of construction start and completion for each project in TPON.

Service Managers must also monitor compliance with the ten-year affordability period for each project that receives COCHI Repair 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.

COCHI Operating Component:

COCHI Operating Component 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 TPON. 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 the funding specifically targets any of the targeted vulnerable sub-populations listed on Page 7, the numbers of units supported.

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.

Communications

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

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

COCHI Capital Components:

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

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

COCHI Operating Component:

Communication to recipients participating in the COCHI operating components can be done through a letter to the recipient, such as an initial Eligibility Letter or a Subsidy Renewal Letter.

Please ensure that the following wording is included in such communication to meet this new requirement:

- Your rent supplement subsidy is cost shared between the federal and municipal governments and is administered by the provincial government through the Canada-Ontario Community Housing Initiative (COCHI) under the National Housing Strategy

Year-End Attestation

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

Ontario Priorities Housing Initiative (OPHI)

Program Components

OPHI offers the following program components to 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 6.

Funding Allocations

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 following documentation is required to commit funds under OPHI:

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

NOTE: Funding allocations are provided on a “use it or lose it” basis, since funding from one year cannot be reprofiled by the Ministry to future years. Therefore, funding for both 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.

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.

Capital Components

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

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

Notwithstanding the above, any funding that remains to be committed by January 31 of each program year may be reallocated to 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 Managers 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 a capital component (Rental Housing, Homeownership and the Ontario Renovates) can be reallocated to another capital component
- Funding originally planned for an operating component (Rental Assistance component's Rent Supplement stream and Housing Allowance Direct Delivery stream, or the Housing Support Services component) can be reallocated to another operating component (for more information on delivery streams please refer to Page 48)
- No funding for the Housing Allowance Shared Delivery stream can be moved to or from the other OPHI components, without ministry approval. Service Managers that would like to move funds between Shared Delivery and other OPHI components must submit a business case with a strong rationale to the ministry for approval. The business case shall include the reasons why the funding must be moved and a plan for how the moved funds will be used to ensure that the Service Manager's full allocation is spent by the program deadlines. Please note that submission of a business case does not guarantee approval by the Ministry.
- If a Service Manager wishes to realign 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 realignment shall be submitted to the Ministry by October 15 of the applicable year for which the realignment is requested. The Ministry will attempt to accommodate such requests but cannot guarantee approval.

Under the capital components, all annual funding allocations must be committed to projects within the specified timelines in each program year; otherwise, the outstanding funding allocation may be reallocated to 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 31 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:

<https://www.ontario.ca/page/consent-authority-service-managers>

Ineligible Projects

Projects that are **not eligible** include:

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

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

Eligibility Criteria – Units

Units must be modest in size and amenities relative to other housing in the community. Units

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

Service Managers may establish size and amenity requirements. If Service Managers do not set size requirements, the following provincial minimum and average size requirements can 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 percent of the total available space may be used for non-residential purposes, including common areas and services used directly with the residential accommodation such as office space for support services providers.

Project Submission Process

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 and confirm registration of security (in a format that is applicable) no later than **December 15** of each program year
- Be able to start construction within 120 days after signing a Contribution Agreement and be completed within four years
- Be financially viable from a construction and operating cost perspective – based on Service Manager confirmation
- Meet the current Ontario Building Code and comply with the CMHC-provided checklist in Appendix C
- Have unit rents that are at or below 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 31 for additional details)
- Project weighted average rent must be at or below 80 percent of CMHC AMR
- Provide the required equity, if applicable – 4 percent for partnerships between private sector and non-profit organizations; zero (0) percent for non-profit organizations
- Address local housing needs and target tenant groups identified in local housing and homelessness plans
- Be designed to maximize achievable reductions in energy consumption and

greenhouse gas emissions relative to minimum requirements (i.e., meet or exceed the current National Energy Code or Ontario Building Code requirements for new construction; and maximize the achievable energy savings where possible when planning work or retrofits for renovations/repairs). The Ministry will provide guidance and requirements for energy consumption and greenhouse gas emissions reductions in a separate communication to SMs.

- 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 (for project with total contributions \$10M or above) including:
 - Work contracts for small and medium-sized businesses (As per Statistics Canada, a small enterprise has fewer than 100 employees and a medium enterprise has 100 to 499 employees)
 - Job creation for apprentices, Indigenous peoples, women in construction, veterans, and newcomers to Canada
- Have support service funding in place, if applicable

Project Approval Process

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

For each recommended project recommended for funding, Service Managers are required to create and submit Project Information Forms through TPON to the Ministry no later than November 30 of each program year. All projects must be submitted through TPON along with additional project background information such as that contained in Council/board reports.

Once approved, a project will receive a Conditional Letter of Commitment (CLC) from the Ministry, which confirms Ministry approval and outlines the steps to take prior to signing a Contribution Agreement.

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

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 percent of the pro-rated share of the capital costs of the affordable units. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates.

To encourage the development of family-sized units, and in recognition of the variance in costs across the province, per unit funding caps have been eliminated under the OPHI Rental Housing component. 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, that costs per unit are accurate and that the program expenditures represent a prudent and best value use of public dollars.

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

Funding Commitment

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

Contributions by Others

In addition to the mandatory program requirements, 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: 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 33)) 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 respective Regional Municipal Offices Team Leads 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:

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

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

All final payments are required to be made within four years of signing the Contribution Agreement. 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 both of the below criteria:

- 1) Individual unit rents for the project must be at or below Canada Mortgage and Housing

Corporation Average Market Rent (CMHC AMR) at the time of occupancy. Individual unit rent is calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager.

- 2) The project weighted average rent must be at or below 80 percent of CMHC AMR. The project weighted average rent considers the proportion and project's total number of units of varying sizes and types.

Service Managers have flexibility in setting rent paid by tenants as long as rent for each unit is at or below CMHC AMR and the project weighted average rent does not exceed 80 percent of the project's weighted average CMHC AMR. An illustration is provided below:

Weighted Average Based on CMHC AMR:				Project Weighted Average Rent:		
Bedroom Type	No. of Units	CMHC AMR	Weighted Average CMHC AMR	Proposed Rent	No. of Units	Weighted Average of Actual Rent
1BR	2	1,000	2,000	100	2	200
2BR	3	1,200	3,600	1,200	3	3,600
3BR	5	1,500	7,500	1,300	5	6,500
Weighted Average Based on CMHC AMR	10		1,310	Project Weighted Average	10	1,030
80 percent of Weighted Average	1,048			Project's Weighted Average Rent	79 percent	
				Proposed Rent is 79 percent of CMHC AMR		

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 percent of Canada Mortgage and Housing Corporation Average Market Rent. In addition, the total of the rent paid by the tenant and any federal and/or provincially funded rent supplements paid to the proponent must be used to calculate the weighted average rent in a project.

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

Alternate Average Market Rent Values

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

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

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*) 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 respective Regional Municipal Offices Team Leads.

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 (SM)/Indigenous Program Administrators (IPA)
- 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

Service Managers must inform the ministry as soon as possible if a project is at risk of not being completed within the four-year deadline.

Equity

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

Municipal Property Tax

- Service Managers/Municipalities are required during the first 20-year affordability period of projects greater 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.

Reporting

In addition to individual project submission through the TPON, 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 TPON 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 documentation in TPON as follows:

- Within 120 days after signed Contribution Agreement: first available Building Permit, Confirmation of Construction Start
- At completion of structural framing: confirmation of structural framing through building inspection report

- An audited capital cost statement within six months following the initial occupancy date, or such additional time acceptable to the Ministry

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 TPON, where possible.

Homeownership Component

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

Specific objectives are:

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

OPHI NON-PROFIT AFFORDABLE HOMEOWNERSHIP SUB-COMPONENT

Homeownership component funding may be provided to non-profit affordable home ownership providers during the construction phase of affordable ownership units to help providers secure and reduce the cost of construction financing. Funding must be secured on title to the lands. Similar to the Rental Housing component, 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.

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

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

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

Purchaser Eligibility Criteria

Detailed purchaser eligibility criteria are set out in the TPA. To be eligible for down payment assistance, prospective purchasers must:

- Be at least eighteen (18) years old
- Be a Canadian citizen or permanent resident of Canada
- Be a renter household or a first-time home buyer (as defined in the TPA) buying a sole and principal residence in a participating Service Manager area.
- Have household income for the Service Manager area or the province, whichever is lower, at or below:
 - The 60th percentile income level for a household that includes one person, or
 - The 70th percentile for a household that includes more than one person.
 - The Ministry will provide Service Managers with a table of income percentiles by Service Manager area each year
- 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 have a closing date no later than 90 days from the end of the fiscal year in which the funding is allocated (i.e., June 30, 2024 for funding allocations under fiscal year 2023-24). Homeownership projects approved under the non-profit affordable homeownership sub-component are exempt from this deadline.

Homes must be modest in size, relative to community norms, in terms of floor area and amenities, as determined by the Ministry and/or the 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 consider households residing in social housing but who are paying market rent.

Education and Training

Service Managers must ensure education and training on the home buying experience are offered to purchasers approved under the Homeownership component. This should include financial guidance around the up-front and on-going costs of homeownership and the obligations and benefits of being a homeowner. 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.

Partnerships

Service Managers may wish to partner with non-profit affordable homeownership providers (e.g., Habitat for Humanity) in the delivery of the Homeownership component.

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, as follows:

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

If 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.

Funding Commitment

A minimum of 90 percent of the annual Homeownership component funding allocation must be committed to eligible purchasers of eligible units by December 15 of each program year. If 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 31 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.

FUNDING SCHEDULE FOR NON-PROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPERS

Funding will be advanced to Service Managers in three instalments:

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

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

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

Conditions for Repayment by Homeowner

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

- The unit is sold or leased
- The unit is no longer the sole and principal residence of the loan recipient
- The loan recipient becomes bankrupt or insolvent
- The loan recipient misrepresented their eligibility for the program
- The loan recipient used the proceeds of the loan for a purpose other than the acquisition of the unit
- The death of the loan recipient

Traditional interest will not be charged on the assistance. The original loan amount and the

percentage share of the realized capital gains proportionate to the down payment assistance must be repaid in the above cases. For example, if the purchaser was assisted with five percent of the purchase price, the loan amount plus five percent of any capital gains/appreciation would have to be repaid.

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

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

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

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

The 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.

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 in TPON, 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 objective of the Ontario Renovates component 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 helping create additional units in existing primary residences

The Ontario Renovates component consists of two sub-components:

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

General Eligible Activities and Costs

Eligible repairs for Ontario Renovates may include the following activities:

- Repairs and rehabilitation required to bring a home/unit to an acceptable standard while improving energy efficiency. Examples include, but are not limited to:
 - Heating systems
 - Chimneys
 - Doors and windows
 - Foundations
 - Roofs, walls, floors, and ceilings
 - Vents, louvers
 - Electrical systems
 - Plumbing
 - Septic systems, well water, and well drilling
 - Fire safety
 - Other repairs may be considered, with supporting documentation, at the discretion of the 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 additional units (also known as secondary suites or garden suites) for affordable rental purposes.

Other eligible costs may include labour and applicable taxes, building permits, legal fees, certificates, appraisal fees, inspection fees, drawing and specification and any other costs that the 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 attached in TPON at the time of submission of the project completion report, for reporting and audit purposes. Invoices must be dated after the start of the fiscal year in which the project is funded.

Affordability Criteria

Home Repair

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

- Have a household income at or below the 60th income percentile for the Service Manager area or province, whichever is lower. Service Managers are responsible for household income verification. The Ministry will provide Service Managers with a table of income percentiles by Service Manager area each year.
- Own a home that is their sole and principal residence with a market value at or below the average resale price for the Service Manager area as updated annually by the Ministry. In communities where data is non-existent, market values may be determined by the Service Manager.

The Ministry 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 Repair funding with OPHI Ontario Renovates funding. Please refer to the COCHI section of the Program Guidelines (Page 13).

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 additional units (secondary suites or garden suites) on the property lot of an existing primary residence are also eligible activities under the *Multi-Unit Rehabilitation* subcomponent. The household income of the incoming tenant must be at or below the 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.

Energy Efficiency

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

Ineligible Projects

The following projects are not eligible for Ontario Renovates funding:

- Retirement Homes, Long-Term Care Homes (including nursing homes), and crisis care facilities.
- Units not subject to the Residential Tenancies Act, 2006 (except shelters and transitional housing).
- Creation of new rental units (except for additional units, such as secondary suites or garden suites on the property lot of a primary residence).
- Any project that has been previously approved for Ministry funding for the same scope of work.
- Projects that commenced repair prior to the program fiscal year. For example, a project under construction before April 1, 2023, is ineligible for funding approval in 2023-24.

Project Submission Process

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

Once an eligible project has been approved by the Service Manager, a completed Project

Information Form along with proof of loan security (promissory note or mortgage registration) if required must be entered and approved in TPON to confirm funding take-up. The Ministry reserves the right to return an Ontario Renovates project application for revision and resubmission if it is not consistent with the Program Guidelines.

Please note, Service Managers must submit a separate project information form for each address.

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

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 13) for program requirements.

Service Managers must ensure project status is updated and documents are posted in TPON on an on-going basis.

Funding

Funding is provided in the form of a forgivable loan to the proponent / homeowner based on the cost of the work items approved by the Service Manager. Service Managers may vary the amount of funding per unit to address local priorities, to a maximum of \$50,000 per unit.

However, Service Managers may provide the amount of funding up to 75 percent of the total project costs per unit to create an additional unit (e.g., secondary or garden suite) under the *Multi-Unit Rehabilitation* subcomponent. 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, except for 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 upgrades 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 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 (*Multi-Unit Rehabilitation* projects)
- Homeowners cease to occupy the unit as sole and principal residence (*Home Repair* projects)

If any of the following situations occur, the applicant is 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 Managers during the affordability period as a result of default are to be reinvested into Ontario Renovates projects unless otherwise directed by the Ministry.

Funding Commitment

A minimum of 90 percent of the annual Ontario Renovates component funding allocation must be committed to eligible homeowners or landlords by December 15 of each program year. If 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 31 of each program year may be reallocated to another Service Manager.

Payment Process

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 TPON to confirm program take-up.

Service Managers must ensure the project status is updated in TPON to confirm repair start and repair completion for each project and documents are posted on an ongoing basis.

- Repair activities must start within 120 days of the date of the funding agreement/letter of agreement.
- Repair activities must be completed by the end of the subsequent fiscal year (i.e., March 31, 2025 for the 2023-24 funding year).

Projects that do not meet these timelines may have their funding reallocated. Service

Managers must inform the Ministry as early as possible if a project will be delayed in commencing repair work or completion and can request an extension, subject to Ministry approval. Service Managers should connect with their respective Regional Housing Team Lead or Housing Programs Account Manager for more information.

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 TPON 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 percent or more of their yearly Ontario Renovates allocation by December 15 of each program year may risk losing their funds. Any funding remaining to be committed after January 31 of each program year may be reallocated to another Service Manager.

Reporting

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 in TPON:

- Project Repair Completion Report upon the completion of project
- Post-Repair Occupancy Report upon the completion of *Multi-Unit Rehabilitation* Projects
- Copies of all financial invoices upon completion
- Annual Report (includes Annual Occupancy Reports for *Multi-Unit Rehabilitation* projects throughout the affordability period of all Ontario Renovates projects) for the first three years after project completion. After the first three years, filing of the Annual Report is not required although the 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 TPON and ensure that Project Information Forms and rents are updated on an ongoing basis.

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

Rental Assistance Component

The objective of the Rental Assistance component is to address affordability issues of 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 the Housing Allowance Shared Delivery component, the Ministry of Finance (MOF) provides certain administrative functions that include providing the portable monthly payments directly to eligible households.

Service Managers are allotted funding for the Rental Assistance component at the beginning of each year of the program, based on the commitments for each stream identified in their Council-approved Investment Plans.

Providing housing allowances or rent supplements is intended to promote housing stability for tenants who would otherwise face affordability challenges and potential homelessness.

Eligible Target Groups

Service Managers should give priority to the following household types:

- 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

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

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.

Funding Commitment

Allocations will be committed at the beginning of each program year through a letter from the Ministry based on the planned commitments identified in each Service Manager's 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 Ministry to future years. Therefore, Rental Assistance funding must be fully disbursed to recipients in the program year in which the funding was committed. Funding cannot be extended beyond the program year.

Payment Process

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 will advance regular payments to landlords after signing agreements with the landlords and receiving updated unit occupancy figures from the landlords. Under the Housing Allowance 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 for the Housing Allowance Shared Delivery stream as per the Investment Plan, for use by the Ministry of Finance to pay recipients.

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.

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 rents for their area, they can submit a business case requesting modifications to their Household Income Limits by emailing to their respective Regional Housing team Leads and/or Housing Programs Account Manager.

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.

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 TPON.

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.

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 ten percent of the funding allocation for the Housing Support Services component.

Eligibility Criteria

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

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 (MOH) and Ontario Health, and local community agencies that provide supportive housing and homelessness-related services.

Funding Allocations

Service Managers are required to fully disburse their annual allocation from a program year – as outlined in their Investment Plans – by the end of the fiscal year. The Ministry may reallocate funds to another 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.

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.

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 the Service Manager and reporting the number of households assisted in the Disbursement Applet in TPON. Reports will be completed and submitted through TPON. Please see Page 7 for reporting requirements and due dates.

Service Managers are also required to maintain copies of services agreements with community agencies, to support the expenditure information included in the Disbursements Applet in TPON. 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.

Appendix A: Regional Municipal Services Offices

Municipal Services Office – Central

777 Bay Street 13th Floor Toronto, ON, M5G 2E5 General Inquiry: 416-585-6226

Toll Free: 1-800-668-0230

Contact: Ian Russell, Team Lead, Regional Housing Services Tel: 416-585-6965

Email: ian.russell@ontario.ca

Serving: Durham, Halton, Muskoka, Niagara, Peel, Simcoe, York

Municipal Services Office – Eastern

8 Estate Lane, Rockwood House Kingston, ON, K7M 9A8

General Inquiry: 613-545-2100

Toll Free: 1-800-267-9438

Contact: Mila Kolokolnikova, Team Lead, Regional Housing Services Tel: 613-545-2123

Email: mila.kolokolnikova@ontario.ca

Serving: Cornwall, Hastings, Kawartha Lakes, Kingston, Lanark, Leeds and Grenville, Lennox and Addington, Northumberland, Ottawa, Peterborough, Prescott and Russell, Renfrew

Municipal Services Office – Western

659 Exeter Road, 2nd Floor London, ON, N6E 1L3 General Inquiry: 519-873-4020

Toll Free: 1-800-265-4736

Contact: Cynthia Cabral, Team Lead, Regional Housing Services Tel: 519-873-4032

Email: cynthia.cabral@ontario.ca

Serving: Brantford, Bruce, Chatham-Kent, Dufferin, Grey, Hamilton, Huron, Lambton, London, Norfolk, Oxford, St. Thomas, Stratford, Waterloo, Wellington, Windsor

Municipal Services Office – North (Sudbury)

159 Cedar Street, Suite 401 Sudbury, ON, P3E 6A5 General Inquiry: 705-564-0120

Toll Free: 1-800-461-1193

Contact: Cindy Couillard, Team Lead, Regional Housing Services Tel: 706-665-2522

Email: cindy.couillard@ontario.ca

Serving: Algoma, Cochrane, Greater Sudbury, Manitoulin-Sudbury, Nipissing, Parry Sound, Sault Ste. Marie, Timiskaming

Municipal Services Office – North (Thunder Bay)

435 James Street, Suite 223 Thunder Bay, ON, P7E 6S7 General Inquiry: 807-633-6358

Toll Free: 1-800-465-5027

Contact: Jessica Vail, Team Lead, Regional Housing Services Tel: 807-475-1641

Email: jessica.vail@ontario.ca

Serving: Kenora, Rainy River, Thunder Bay

Housing Programs Branch – Toronto

777 Bay Street, 14th Floor Toronto, ON, M5G 2E5

Contact: Melissa Grieco, Account Manager, Southern Regional Services Delivery Unit

Tel: 416-414-7065

Email: melissa.grieco@ontario.ca

Serving: Toronto

Appendix B: List of Designated Areas under the French Language Services Act⁸

Service Manager	Designated Area(s)
City of Toronto	All
Central Region	
City of Hamilton	As boundaries existed on Dec. 31, 2000
Regional Municipality of Niagara	Cities of Port Colborne and Welland
Regional Municipality of Peel	City of Mississauga; City of Brampton
Regional Municipality of York	City of Markham
County of Simcoe	Town of Penetanguishene; Townships of Tiny and Essa
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 London	City of London
City of Windsor	City of Windsor; Towns of Belle River and Tecumseh; Townships of Anderdon, Colchester North, Maidstone, Sandwich South, Sandwich West, Tilbury North, Tilbury West, and Rochester
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

⁸ See: <https://www.ontario.ca/page/government-services-french#section-1>

Service Manager	Designated Area(s)
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 C: 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 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 childcare; legal services; and recreational activities
- Assistance with the coordination of opportunities for social engagement and inclusion in community life, including: volunteer experiences; participation in social clubs, organizations, and sports; and transportation to events
- Support to connect with peers and strengthen positive relationships with family members and friends
- Recruitment and / or employment of staff members and peer support workers to deliver support services to recipients, either on-site or through external community agencies
- Community relations worker who connects people experiencing difficulty to the right community-based supports

COUNTY OF RENFREW

BY-LAW NUMBER -

**A BY-LAW TO AUTHORIZE THE WARDEN AND CLERK TO EXECUTE THE ONTARIO
TRANSFER PAYMENT AGREEMENT FOR THE CANADA-ONTARIO COMMUNITY HOUSING
INITIATIVE (COCHI) AND THE ONTARIO PRIORITIES HOUSING INITIATIVE (OPHI) WITH
HIS MAJESTY THE KING IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF
MUNICIPAL AFFAIRS AND HOUSING**

WHEREAS Sections 8, 9 and 11 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, authorizes Council to enter into agreements;

AND WHEREAS the Corporation of the County of Renfrew wishes to participate in the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI);

NOW THEREFORE the Council of the Corporation of the County of Renfrew enacts as follows:

1. THAT authority is hereby granted for the Warden and Clerk to execute the Ontario Transfer Payment Agreement with His Majesty the King in Right of Ontario as represented by the Minister of Municipal Affairs and Housing.
2. THAT Schedule A, attached hereto, being the Agreement, as to form and content, forms part of the By-law.
3. THAT this By-law shall come into force and take effect immediately upon the approval of County Council.

READ a first time this 25th day of October, 2023.

READ a second time this 25th day of October, 2023.

READ a third time and finally passed this 25th day of October, 2023.

PETER EMON, WARDEN

CRAIG KELLEY, CLERK

ONTARIO TRANSFER PAYMENT AGREEMENT

for COCHI/OPHI

Version: May 5, 2023

THE AGREEMENT, effective as of _____, 2023 (the “**Effective Date**”),

B E T W E E N:

**His Majesty the King in right of Ontario as represented by
the Minister of Municipal Affairs and Housing**

(“**Minister**”)

- and -

[Insert Name of Service Manager]

(“**Service Manager**”)

BACKGROUND

- Canada Mortgage and Housing Corporation (“CMHC”) and Her Majesty the Queen (now His Majesty the King) 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 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 previously entered into an Ontario Transfer Payment Agreement for COCHI and OPHI in respect of Fiscal Years 2019-2020, 2020-2021, and 2021-2022 (the “Previous Agreement”). The Minister and the Service Manager subsequently entered into an amending agreement to extend the Previous Agreement by one year and provide for an additional Fiscal Year in 2022-2023.
- 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 COCHI and OPHI and the Minister’s obligation to provide funding to the Service Manager for COCHI and OPHI in respect of Fiscal Years 2023-2024 and 2024-2025.

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

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 AND E-SIGNATURES

3.1 The Agreement may be executed and delivered in counterparts by electronic means, including by email transmission in PDF format, and the Parties may rely on such electronic execution as though it were an original hand-written signature.

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) His Majesty the King 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.

**HIS MAJESTY THE KING IN RIGHT OF ONTARIO
as represented by the Minister of Municipal Affairs
and Housing**

Name:

Title:

Date

[Enter the full legal name of Service Manager]

Name:

Title:

Date

Name:

Title:

Date:

I/We have authority to bind the Service Manager.

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.

1.2 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 Background;

“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;

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

“Indemnified Parties” means His Majesty the King in right of Ontario, His 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”;

“TPON” means the Transfer Payment Ontario 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, 2025. For the COCHI Repair Component, the Minister will advance Funds only up to March 31, 2025. For the COCHI New Build Component, the Minister will advance Funds only up to March 31, 2029. For the OPHI Ontario Renovates Component, Rental Assistance Component and Supportive Housing Component, the Minister will advance Funds only up to March 31, 2025. For the OPHI Rental Component and the Homeownership Component, the Minister will advance Funds only up to March 31, 2029. Funds will not be advanced by the Minister to Service Managers after the above dates.

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 Operating Component to either the Repair or New Build Components or vice versa, provided the request is submitted to the Minister by October 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) No funding can be moved to the Housing Allowance Shared Delivery Stream from the other OPHI components, or vice versa, without Ministry approval. Service Managers must submit a business case with a strong rationale to the Ministry for approval in accordance with the Program Guidelines.
 - (d) 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 October 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.

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, His Majesty the King in right of Ontario may deduct any unpaid amount from any money payable to the Service Manager by His Majesty the King 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, or personal delivery, 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 or personal delivery, 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 or personal delivery.
- 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 24.1 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 His Majesty the King in right of Ontario or one of His 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	Maximum Funds in respect of the Canada-Ontario Community Housing Initiative – \$ XXX Maximum Funds in respect of the Ontario Priorities Housing Initiative – \$ XXX
Expiration Date	Canada-Ontario Community Housing Initiative – March 31, 2056 Ontario Priorities Housing Initiative – March 31, 2056
Insurance	\$ 2,000,000.00
Contact information for the purposes of Notice to THE MINISTER	Name: Ministry of Municipal Affairs and Housing Address: 777 Bay Street, 14 th Floor, Toronto, Ontario, M5E 2E5 Attention: Director, Housing Programs Branch E-mail: Dan.Lawrence2@ontario.ca
Contact information for the purposes of Notice to the Service Manager	Name: Address: Attention: Email: Telephone:
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	Name: Position: Email: Telephone:

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.

- **“Housing Provider”** means a person who operates a Project;
“New Build Component” means the COCHI New Build Component described in Appendix C-3 and the Program Guidelines;
- **“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;
- **“Repair Component”** means the COCHI Repair Component described in Appendix C-2 and the Program Guidelines;
- **“Repair Funds”** means Funds in respect of the COCHI Repair Component;
- **“Part VII.1 housing project”** means a Part VII.1 housing project as defined in section 101.1 of the *Housing Services Act, 2011*;
- **“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 Repair Component

Appendix C-3 – COCHI New Build 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, Repair Component and New Build 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 or Part VII.1 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 TPON.

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 in May or June, July, November, and February of each Fiscal Year. Fourth quarter payments by the Minister will be made in February 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, 2025, 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 REPAIR 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 Repair Funds, as determined by the Program Guidelines;
- **“Project”** means the approved Eligible Repairs to be performed on a Social Housing project or a Part VII.1 housing project under the Repair 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 Repair Component in relation to a Project that meets the requirements of the Program Guidelines;
- **“Unit”** means a unit intended for use as residential accommodation in a Social Housing project.

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 Repair 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 TPON 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 Repair 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 Repair 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 TPON on an on-going basis.

3. PROVISION OF REPAIR 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 3.4.
- 3.2 The Minister shall advance funds on a quarterly basis to the Service Manager based on the projected planned commitments identified in the Service Manager's Investment Plan.
- 3.3 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.

- 3.4 The transfer of all Repair Funds shall be made by electronic funds transfer.
- 3.5 The Service Manager shall use the Repair 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.

4. RECONCILIATION

- 4.1 The Service Manager must ensure the status of each Project is updated in TPON. 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 Repair Component must be committed by December 15 of each Fiscal Year. In the event that the Service Manager has not met this threshold, the Minister may reallocate Repair 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 Repair Component cannot be signed after March 31, 2025, 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 Repair 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.

- 5.7 The maximum Funding for a Unit shall not exceed \$50,000, except as otherwise provided in the Program Guidelines.

6. REPORTING REQUIREMENTS

- 6.1 During the period between the date of execution of this Agreement and the end of the Repair 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 Repair 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 Repair Funds; and/or
 - (g) suspend further payments of Repair 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 or as Part VII.1 housing projects 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 Repair 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

**Canada Ontario Community Housing Initiative (COCHI)
Affordability Report**

Service Manager Name:
Date:

Name of Eligible Housing Project	Project Address	Total Funding Received (\$)	Date on which Eligible Work Completed	Project Operating as Social Housing under HSA (Y/N)	Project Continues to be Affordable (Y/N)

APPENDIX C-3

COCHI NEW BUILD COMPONENT

1. INTERPRETATION

1.1 In this Appendix, unless the context requires otherwise,

- **“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 New Build Component;
- **“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, 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;
- **“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 C-3A - Proponent's Initial Occupancy Report;
Sub-Appendix C-3B - Proponent's Annual Occupancy Report;
Sub-Appendix C-3C - Rental Protocol;
Sub-Appendix C-3D - 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 NEW BUILD COMPONENT

- 2.1 Prior to the Service Manager participating in the New Build 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 planning 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, 2025, 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 C-3D, 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 The Service Manager shall provide the Minister by October 15, January 15, March 15 and May 31 of each Fiscal 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 C-3A 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 C-3B 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 New Build Component is available from the date of this Agreement until March 31, 2025.

- 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 C-3C 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 C-3A

PROPONENT'S INITIAL OCCUPANCY REPORT COCHI – New Build 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	Household Type	COCHI Units (A)	# of RS	# of SS	Non-COCHI Units (B)	Total Units (A+B)
	Bachelor						
	1 BR						
	2 BR						
	3 BR						
	Others (specify)						
	Total						

RS: Rent Supplements

SS: 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

Submitted by _____ [insert name of Service Manager]

Signature

Date

Print Name

Position

- 3 -

SUB-APPENDIX C-3B

PROPONENT'S ANNUAL OCCUPANCY REPORT

COCHI New Build 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	COCHI Units (A)	# of RS	# of SS	Non-COCHI 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	COCHI Funded Units	Previous Year 20XX		Current Year 20XX			Rationale (If D>B)
		Actual Rent per Unit per Month (A)	RTA Permitted Increase per Unit per Month X % (specify) (B)	Actual Rent per Unit per Month (C)	Rent Increase (D) = (C)-(A)	(E) CMHC or Alternate AMR	
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 C-3C

RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Sub-Appendix C-3C, 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 C-3C 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 C-3C, 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 C-3C, 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 C-3C nor increase any rent charged for a Unit except as permitted in this Sub-Appendix C-3C.

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 may impact Project viability, Service Managers may request alternate average market rent values by submitting a business case to the Minister as set out in the Program Guidelines.

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 may impact Project viability, Service Managers may request alternate average market rent values by submitting a business case to the Minister as set out in the Program Guidelines.

3.4 If rent supplements are used for COCHI funded New Build 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 COCHI funded New Build 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 C-3C.
- 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 C-3C 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 C-3D

CONFIRMATION OF CONSTRUCTION START

COCHI New Build 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____

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.

APPENDIX D-1

Rental Housing Component

1. 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 planning 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, 2025, 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

October 15, January 15, March 15 and May 31 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, 2025.
- 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	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						

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

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	Previous Year 20XX		Current Year 20XX			Rationale (If D>B)
		Actual Rent per Unit per Month (A)	RTA Permitted Increase per Unit per Month X % (specify) (B)	Actual Rent per Unit per Month (C)	Rent Increase (D) = (C)-(A)	(E) CMHC or Alternate AMR	
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 may impact Project viability, Service Managers may request alternate average market rent values by submitting a business case to the Minister as set out in the Program Guidelines.

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 may impact Project viability, Service Managers may request alternate average market rent values by submitting a business case to the Minister as set out in the Program Guidelines.

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:
 - (i) affordable to one-person 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 to households with more than one person with a household income at or below the seventieth (70th) percentile of income for the Service Manager’s area or Ontario, whichever is lower, and
 - (ii) 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 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, or for such other purposes as permitted by the Program Guidelines;
- **“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. NON-PROFIT HOMEOWNERSHIP 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, 2025, 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 NON-PROFIT HOMEOWNERSHIP 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.

4.6 In no event shall the Funding for a Project exceed the greater of \$50,000 per Eligible Unit or 10% of the purchase price of each Eligible Unit.

5. PROVISION OF FUNDS BY THE MINISTER FOR ELIGIBLE PURCHASERS

5.1 Subject to Sections 5.3, 5.4, and 5.7, 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 received by the Service Manager and advanced by the Service Manager to an Eligible Purchaser for an Eligible Unit exceed ten per cent (10%) of the purchase price of the Eligible Unit.

- 5.4 In no event may any APS be submitted for funding under this Appendix after March 31, 2025 or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 5.5 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.
- 5.6 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.
- 5.7 In no event shall funding under this Appendix be advanced to the Service Manager after March 31, 2029.
- 5.8 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 5.3, 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, whichever 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 October 15, January 15, March 15 and May 31 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, 2025.
- 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, 2029, all financial records (including invoices) and all-non-financial documents and records relating to the funds or otherwise to the Program.

14. ALTERNATIVE FORMS OF NON-PROFIT HOMEOWNERSHIP PROJECTS

- 14.1 The Service Manager may, in accordance with the Program Guidelines, submit a business case to the Minister for approval of a non-profit affordable homeownership Project which does not meet all of the requirements of this Appendix but which is consistent with the objectives of the Homeownership Component. The Minister may approve or reject any such Project at his or her sole discretion.
- 14.2 In respect of a Project approved under section 14.1, the Service Manager shall comply with the terms of the Minister's approval and with all applicable provisions of this Appendix except to the extent modified by the Minister's approval.

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 must be a Canadian citizen or permanent resident of Canada;
- (c) The individual must be a renter or a first-time home buyer.

To qualify as a renter, the individual must be vacating a residential tenancy; can neither own nor have an ownership interest, other than a contingent interest, in a home anywhere in the world; and cannot be living in a spousal relationship with a person who owns or has an ownership interest, other than a contingent interest, in a home anywhere in the world.

To qualify as a first-time home buyer, the individual cannot have ever owned or had an ownership interest, other than a contingent interest, in a home anywhere in the world, at any time; and if the purchaser has a spouse, the spouse cannot have owned or had an ownership interest, other than a contingent interest, in a home, anywhere in the world, while he or she was the purchaser's spouse;

- (d) The individual must occupy the Eligible Unit as their principal residence within nine months of the date of transfer.
- (e) The individual must agree not to lease the Eligible Unit for the duration of the OPHI Mortgage;
- (f) Subject to clause (g) below, (i) if the individual lives in a one-person household, the individual's household income cannot exceed the sixtieth (60th) percentile of income for the Service Manager area, as provided by the Minister, or for Ontario, whichever is lower, and (ii) if the individual lives in a household of more than one person, the total income of all members of the individual's household cannot exceed the seventieth (70th) 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; 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;

- (g) The income limits set out in clause (f) 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 for one-person households or the seventieth (70th) income percentile for all households in Ontario for households with more than one person;
- (h) 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;
- (i) The individual agrees to secure his or her own primary financing for the purchase of the Eligible Unit;
- (j) 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.

SUB-APPENDIX D-2C

OPHI HOMEOWNERSHIP ANNUAL REPORT

Report On Homeownership Loans Advanced by the Service Manager – Cumulative

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

With respect to any sale of an Eligible Unit, cessation of occupancy by debtor or repayment of a Loan

TPON 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								

With respect to withdrawals from the Revolving Loan Fund and redeployment of Revolving Loan Funds

TPON 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 in May or June, July, November, and February 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 TPON 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 TPON. 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 TPON throughout the year. In particular, the Minister will review progress by December 15 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 December 15.

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, 2025, 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 October 15, January 15, March 15 and May 31 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, except as otherwise provided in the Guidelines.
- 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, 2025.

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

Service Manager: _____ Reporting Period: _____

Additional Comments:

Prepared By: _____
Print Name and Title Signature

Approved By: _____
Print Name and Title Signature

Date Submitted: _____

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

Service Manager: _____

Reporting Period: _____

TPON REFERENCE NUMBER	NAME OF HOMEOWNER/ PROPONENT	PROJECT ADDRESS	AMOUNT REPAYED (\$)	REASON FOR REPAYMENT
Total			0.00	

Additional Comments:

I certify, to the best of my knowledge, that the information provided above is true and correct.

Prepared By: _____
 Print Name and Title Signature

Approved By: _____
 Print Name and Title Signature

Date Submitted: _____

SUB-APPENDIX D-3E
OPHI – ONTARIO RENOVATES COMPONENT
ANNUAL REPORT – PROJECTS FUNDED FROM REPAYMENTS

Service Manager: _____

Reporting Period: _____

TPONREFERE NCE NUMBER	NAME OF HOMEOWNER / PROPONENT	CLIENT TYPE	TARGET GROUP	PROJECT ADDRESS	DESCRIPTION OF WORK	APPROVAL DATE	NUMBER OF UNITS (#)	FUNDING AMOUNT (\$)
Total							0	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 in May or June, July, November, and February 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, 2025.
- 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 October 15, January 15, March 15 and May 31 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, 2025, 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, 2025.
- 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

**HIS MAJESTY THE KING 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 (now His Majesty the King) 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.

**HIS MAJESTY THE KING 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 in May or June, July, November, and February 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, 2025.
- 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 October 15, January 15, March 15 and May 31 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, 2025, 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, 2025.
- 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

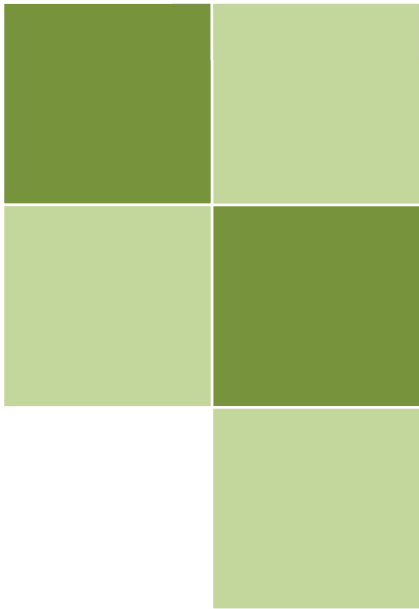
- 9.1 MHO agrees to facilitate, as required, communications between Canada and the Project proponent for Communications Activities.
- 9.2 MHO agrees to provide annual letters or other communication satisfactory to CMHC to households in Projects which benefited from the Canada Community Housing Initiative 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.

Canada-Ontario Housing Benefit (COHB)

Program Guidelines



Ontario Ministry of Municipal Affairs & Housing
Effective July 1, 2023



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ABOUT THESE GUIDELINES

These guidelines form part of the COHB program Transfer Payment Agreements between the province and Service Managers. They provide a framework for the COHB program and are designed to assist Service Managers with their administration of the program in their local communities.

The Ministry of Municipal Affairs and Housing (MMAH) recognizes that changes to the COHB program design may be necessary in the future; as such, the guidelines may be updated as needed, and any updates will be communicated to Service Managers.

LIST OF ACRONYMS

- AFNI – adjusted family net income
- AMR – average market rent
- CMHC – Canada Mortgage and Housing Corporation
- COHB – Canada-Ontario Housing Benefit
- CRA – Canada Revenue Agency
- MCCSS – Ministry of Children, Community and Social Services
- MMAH – Ministry of Municipal Affairs and Housing
- MOF – Ministry of Finance
- NOA – Notice of Assessment
- NHS – National Housing Strategy
- PHB – portable housing benefit
- PHB-SPP – Portable Housing Benefit - Special Priority Policy
- RGI – rent-geared-to-income
- SPP – Special Priority Policy

1. SUMMARY

The COHB is a federal-provincial housing allowance program that launched on April 1, 2020. The program is jointly funded through the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy and is provincially delivered.

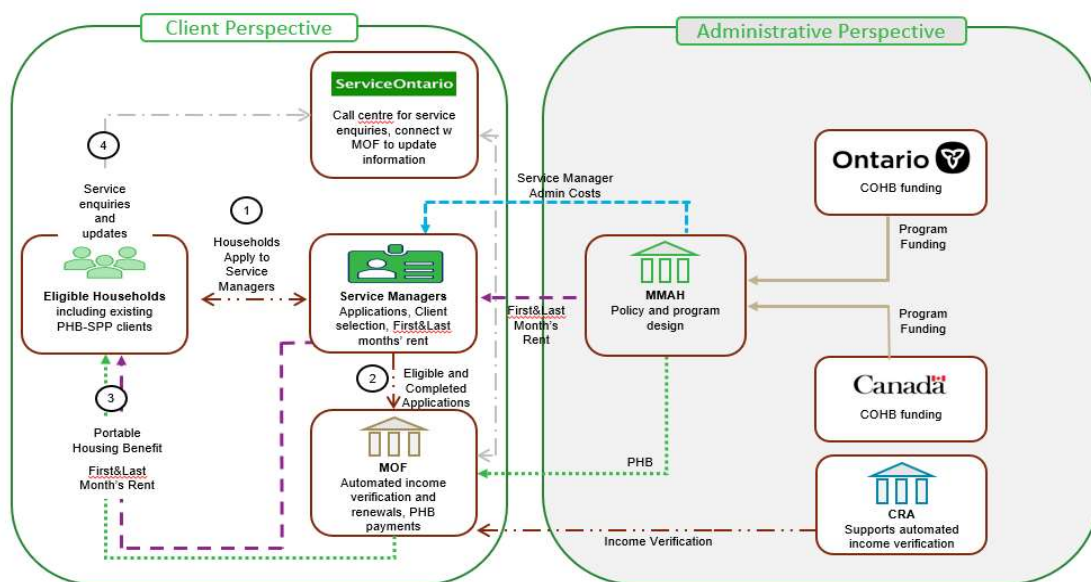
The purpose of the COHB program is to increase the affordability of rental housing by providing an income-tested, portable housing benefit (PHB) payment directly to eligible households in housing need that are on, or are eligible to be on, social housing waiting lists and to households in financial need living in community housing.

Service Managers identify eligible households and assist with the application submission, while the Ministry of Finance (MOF) confirms eligibility and issues payments directly to households. The monthly payment amount is generally calculated using the household's net income as determined using relevant tax information. ServiceOntario is the ongoing point of contact for households in the program for inquiries and to report changes.

Service Managers are provided with annual planning allocation amounts for PHB payments to successful applicants, administration costs, and reimbursement of first and last month's rent payments to eligible households, for each fiscal year.

The province retains COHB funding each fiscal year for payments to households approved in previous fiscal years who continue to be eligible at annual renewals.

Overview of the Canada-Ontario Housing Benefit:



2. INTRODUCTION

In November 2017, the federal government released the National Housing Strategy (NHS), a 10-year, \$40 billion plan. The NHS sets out a renewed federal-provincial partnership to work together to achieve targets and outcomes, increase access to housing, reduce housing need and achieve better housing solutions across the spectrum.

The NHS includes three provincially-administered initiatives that provide significant flexibility to support provincial housing priorities:

- Ontario Priorities Housing Initiative: funding to address housing supply, repairs, and rental construction, affordability support, tenant supports and affordable homeownership. Program launched in fiscal 2019-20;
- Canada-Ontario Community Housing Initiative: funding to preserve and expand community housing supply, protect housing affordability for tenants, and support repair and regeneration of community housing stock. Program launched in fiscal 2019-20; and
- COHB: funding to provide portable housing payments directly to tenants to improve housing affordability.

On April 30, 2018, as part of the NHS, the government of Ontario and the Canada Mortgage and Housing Corporation (CMHC) signed a Bilateral Agreement that outlines these provincially-administered NHS initiatives and their associated funding.

On December 19, 2019, the federal and provincial governments announced the signing of an Addendum to the Bilateral Agreement that includes the mutually agreed-upon program design parameters for the COHB program. The COHB program is a provincially delivered, joint \$1.46 billion federal-provincial housing allowance program. The program helps to increase the affordability of rental housing for eligible households in housing need that are on, or are eligible to be on, social housing waiting lists and to households in financial need living in community housing by providing a direct income-tested PHB.

With the assistance of Service Managers, households complete COHB applications which will be sent to the Ministry of Finance to determine eligibility. Eligible applicants receive a monthly PHB based on the difference between the greater of 80% AMR within the Service Manager area where the housing unit is located or the applicant's Shelter Costs (rent plus utilities), up to a maximum of 100% AMR and 30% of their Adjusted Family Net Income (AFNI). PHB payments are issued by MOF directly to households and subject to an annual renewal process. Households that have been found to be eligible may also receive first and last month's rent assistance directly from Service Managers, where appropriate.

Households who are approved to receive benefits under this program must consent to be removed from the social housing waiting list of their local Service Manager.

3. ABOUT THE PHB

A PHB is a monthly subsidy (housing allowance) provided to a low-income household to assist with housing costs. Unlike other forms of housing assistance such as rent-geared-to-income (RGI) assistance, the PHB is tied to the household and not to a physical housing unit, allowing the benefit to move with the household to any Service Manager area in Ontario.

A PHB has multiple benefits for recipients:

- It gives people on a social housing waiting list a potential option to receive a housing benefit that would give them more flexibility and choice about where they live, so they could choose to live closer to employment, child care, schools or family.
- It may help applicants who like where they are living but face affordability challenges to remain where they live.
- The PHB calculation is simple and is reassessed annually using income tax information. Recipients have an incentive to earn income since they are not required to report increases in income between annual renewals, and so will not experience a decrease in assistance for earning more income.

PHBs also provide Service Managers with the opportunity to create more vibrant mixed-income communities due to a greater ability to diversify their housing options.

4. PROGRAM DESCRIPTION

4.1 Objectives

The COHB program is targeted to low-income renter households and provides direct affordability support to households in housing need in order to eliminate or significantly reduce housing need in accordance with the COHB program targets and outcomes.

The program intent is to provide improved access to housing assistance to households in need through shorter wait times and more housing choice.

4.2 Targets and Outcomes

The COHB program is expected to achieve positive outcomes to recipients, including:

- People are better connected to housing assistance and supports to achieve housing affordability and stability;
 - More timely access to housing assistance than households who are waiting for RGI assistance;
 - Improved housing affordability through reduced rent burden (lower percentage of income spent on shelter costs); and
 - Reduced likelihood of returning to an emergency shelter;
- People have more housing choice (e.g., housing type, quality, location) and opportunities to participate in the economy and their community;
- Improved household financial well-being; and
- People have a better quality of life.

As per the Addendum to the CMHC-Ontario Bilateral Agreement, MMAH will work with CMHC to assess the COHB program's impact on recipients over the course of the program, as well as support research on the long-term impacts on recipients.

4.3 Priority Groups

The COHB program is primarily intended to support vulnerable individuals and households in housing need. The following vulnerable populations under the National Housing Strategy will have priority for COHB support:

- Survivors of domestic violence and human trafficking
- Persons experiencing or at-risk of homelessness
- Indigenous persons
- Seniors
- People with disabilities
- Young Adults

Starting in 2023-24, CMHC has provided additional funding to support the ability to direct federal COHB funding to survivors of gender-based violence, as needed by Service Managers in their jurisdictions.

The second priority of the COHB program is to support households in housing need living in community housing. However, when a vulnerable household is required to seek housing, (unsubsidized) community

housing should be prioritized as the first option. Where no community housing options exist, vulnerable households can receive the PHB in the private rental market.

This second priority group includes:

- Households living in community housing that are not receiving affordability support (e.g., rent supplements, housing allowances); and
- Households no longer receiving financial assistance as a result of expiring federal-provincial programs or social housing operating agreements/mortgages.

Service Managers will be responsible for identifying potential households to apply for the COHB program with consideration for the priority groups listed above. Service Managers are encouraged to work with their local MCCSS regional offices (see Appendix B), Developmental Services Ontario offices and local service provider agencies to identify people to apply for the COHB program including youth leaving the child welfare system.

4.4 Eligibility Criteria: New Applicants

Household members must meet the following criteria to be eligible to begin receiving a COHB benefit:

- Reside permanently in Ontario;
- Either:
 - A Canadian citizen,
 - A permanent resident,
 - has made an application for status as a permanent resident under the *Immigration and Refugee Protection Act (Canada)*, or
 - has made a claim for refugee protection under the *Immigration and Refugee Protection Act (Canada)* and no removal order has become enforceable under that Act against the member;
- Be on a social housing waiting list; or eligible to be on such a waiting list, or residing in community housing;
- Not be in receipt of, or part of a household in receipt of, RGI assistance, more than one COHB benefit, or any other government-funded housing benefit, with the exception of social assistance shelter payments;
- Consent to being removed from the social housing waiting list of the Service Manager where the application was completed and approved;
- Not reside in a home suitable for year-round occupancy (within or outside Ontario) owned by a member of the household within 90 days of being determined eligible. (See 4.6 “Owning a Home” below); and
- Has applied for the COHB program and provided all necessary information for the calculation of the benefit.

Note: For the purposes of this program, household members at intake include each individual on the application for rent-geared-to-income (RGI) assistance (if applicable). The applicant’s spouse or partner must be included if they are living together. All household members must be living at the same address. If an applicant is sharing his or her home with an individual that is not a household member as described above (e.g., friend or roommate), the individual is not included as a household member.

No member of a household receiving a COHB benefit may receive, or be part of a household that receives, RGI assistance, more than one COHB benefit, or another government-funded housing benefit

(e.g., housing allowance under the Investment in Affordable Housing program) at the same time, with the exception of social assistance shelter payments.

A household receiving a COHB benefit may reside in a unit that received assistance under a government program (e.g., the Ontario Priorities Housing Initiative), where that assistance was attached to the unit and not the household members.

All eligibility criteria will be clearly listed on the application form provided to program applicants.

4.5 Eligibility Criteria: Annual Renewal

Annually each spring, households receiving monthly program benefits must complete an annual renewal form to confirm their ongoing eligibility and benefit amount and to update MOF of any changes to household composition, address and other relevant information.

Recipients who do not return their annual renewal forms by the renewal deadline will no longer be eligible for the COHB program.

At renewal, and each year thereafter, household members must continue to meet the following criteria annually to remain eligible for the COHB program:

- Reside in Ontario;
- Be a renter household; and
- Not be in receipt of, or part of a household in receipt of, RGI assistance, more than one portable housing benefit, or any other government-funded housing benefit, with the exception of social assistance shelter payments.

Households receiving a nil benefit payment for 24 consecutive months will lose their eligibility under the COHB program and will be automatically exited from the program.

4.6 Owning a Home

Homeowners are not a target group for COHB support. However, households may be approved for this program if they or a member of their household currently owns a home. If eligible and approved for the COHB program, the household will not be eligible to receive any payments for the period they lived in the owned home and must move out of the home within 90 days of being determined eligible, or they will be considered ineligible for the program.

In order to remain eligible for the COHB program, household members must divest (sell) their legal or beneficial interest in a residence (either in or outside Ontario) within 12 months from being determined eligible and continue to be renter households.

4.7 Portability

The COHB benefit is fully portable across Ontario. Participants can continue to receive a monthly benefit when they move to a rental unit in another Service Manager area. When a participant moves to a different Service Manager area, the amount of the monthly benefit may change, based on the new AMR for the corresponding size of unit in the new community. See 6.8 “In-Year Changes” on page 16 for more information.

5. PROGRAM DELIVERY

Benefits under the COHB program are delivered consistent with, but with appropriate modifications to, the PHB Framework set out in Schedule 4.1 of Ontario Regulation 367/11 under the *Housing Services Act, 2011*. This will provide a number of benefits, including:

- Ensuring a similar calculation of the benefit across the province and a consistent programmatic approach, while being responsive to local conditions;
- Enabling households to retain in-year increases in income; and
- Allowing applicants to live in communities that best suit their needs (e.g., education, child care, employment opportunities, community engagement).

5.1 Application Process

1. The Service Manager provides COHB program information to households it has identified and determined are eligible, including:
 - The criteria for assessing the initial and continued eligibility of an applicant for the COHB program
 - The method used in calculating the benefit at the time of application, for annual renewals and for in-year reassessments
 - How RGI assistance would be calculated if the household received an offer of RGI assistance
 - The effect of the receipt of a COHB benefit or RGI assistance on social assistance payments that a member of the household is receiving or is entitled to receive under Ontario Works or the Ontario Disability Support Program
 - Advising the applicant that they may be contacted by MOF to provide and receive additional information on the benefit

To support the applicant's informed consent and decision to apply to the COHB program, the Service Manager must include in this communication any support persons that the applicant requests and consents to being involved.

2. Municipal Service Manager staff will advise that new applicants have the option to use the online application process as an alternative to paper services. Municipal Service Manager staff shall inform potential online applicants that they need to have access to a unique email and a device (e.g., smart phone, computer, tablet) to receive an invitation by email to submit their household information online, as well as to give their consent to apply by using the online portal. Applicants that do not agree to these requirements continue to have the option to apply for assistance using the paper-based application.

Paper-Based Application Process

3. The Service Manager provides a COHB program application form to the interested eligible applicant.
4. The Service Manager completes the "Service Manager Use Only" section of the application form and assists the applicant with the completion of the application form and applicable schedules.
5. The Service Manager determines household net income and adjusted family net income (AFNI) for applicants, and complete the Schedule 2 form (Income Tax Filing Exemption), if:
 - The household has not filed the required income tax return(s) in the previous calendar year; or

- The most recent income tax return(s) does not reflect the household's current financial circumstances.

See 6.6 "Exemption from Automated Income Verification" on page 15 for details on this process.

6. The Service Manager submits the completed application form to MOF by mail, along with the necessary schedules (e.g., Schedule 1: Additional Income Earners), if applicable, and the Service Manager-completed Schedule 2 form (Income Tax Filing Exemption), if applicable.
 - The application form includes written consent permitting the Canada Revenue Agency (CRA) to disclose taxpayer information to MOF for the purpose of administering the COHB program, and for the applicant to be contacted at a later date as part of a program evaluation.
 - The Service Manager encourages applicants to complete Schedule 3 form (Direct Deposit Request) and explains the benefits of receiving payments by direct deposit.
7. MOF processes the application and verifies the application is complete. If necessary, MOF follows up with the applicant, or the Service Manager, to request additional information.
8. MOF reviews completed applications and confirms eligibility based on the criteria set out in these guidelines and availability of funding.
 - If eligible, MOF calculates the benefit amount either based on the Service Manager calculation of net income and AFNI or its own determination, verifies income where the Service Manager has not done so, and provides the applicant with an Eligibility Notice stating the monthly payment amount.
 - If ineligible, MOF informs the applicant by letter.
9. MOF makes monthly payments to eligible households no sooner than the Effective Start Date (ESD) which is the first day of the month following the date the application was signed. With respect to how long a client would have to wait before their first monthly payment is received, MOF will make every effort to ensure that applications received by the relevant monthly cut-off date are processed for the upcoming payment date. In the event of incomplete information on an application or information that is inconsistent with CRA, the processing time may be delayed.
10. When MOF approves an applicant for the COHB program, the Service Manager provides first and last month's rent to the applicant (as appropriate) and removes the applicant from its social housing waiting list (as necessary).

Online Application Process

3. Persons interested in applying to the program online provide municipal Service Manager staff with their personal email address and other information required for the program application, in order for the Service Manager to register them to use the PHB online services. Municipal Service Manager staff can undertake this step over the phone, or in person.
4. Municipal Service Manager staff access ONT-TAXS online to input data elements that uniquely identify an applicant (first name, last name, date of birth, email address) to register that applicant to use the PHB online service.

5. Municipal Service Manager staff input additional information about the applicant that is not visible to the applicant, including the applicable target group(s), Rental Housing Type, Service Manager name and Effective Start Date.
 - Service Manager staff can input Schedule 2 data for the applicant to exempt the household from having MOF retrieve the household's annual income tax data from Canada Revenue Agency when prompted in ONT-TAXS. Schedule 2 will continue to be completed only by municipal Service Manager staff, and not by the household.
 - There is no need for municipal Service Manager staff to provide a paper-based signature for Schedule 2 because ONT-TAXS tracks which Service Manager staff member provided the Schedule 2 data, and only authorized staff have access to ONT-TAXS.
6. OntTax generates and sends a unique personalized time-limited login/access code by email(s) to the applicant's email address as recorded by the municipal Service Manager staff, together with a link to the PHB online service and instructions for the applicant to complete their application.
7. The applicant uses the link sent by email from OntTax through a compatible web browser to access the online registration process. The applicant provides their one-time-use-only unique code along with other identifying information (e.g., date of birth) to verify their identity by allowing the online process to match the information they provided with the information already recorded by municipal Service Manager staff.
8. OntTax verifies the applicant as a person registered by municipal Service Manager staff to use the PHB online service and who has not already submitted their application for the program.
 - OntTax does not check to see if the applicant is a recipient of benefits under any other housing assistance program (e.g., rent-geared-to-income assistance) that would make the household ineligible for PHB; municipal Service Manager staff continue to be responsible for this action.
9. Once the applicant's information is verified, the online process will present screens to the applicant to allow them to enter additional required personal information for the application and associated schedules (1, 3, 4 and 5).
 - The online process checks for errors in data entry, and provides plain language error messages and descriptions of fields to assist the applicant in properly recording the required information.
 - Where the applicant identifies additional persons in their household that are income earners, the applicant will be required to input information currently required for Schedule 1 ("Additional Income Earners") about those persons.
 - Applicants have the option of providing direct deposit banking information for the deposit of monthly assistance payments by either: completing direct deposit information online; or requesting MOF mail them a paper form for completing and returning by mail to MOF.
 - Applicants have the option to provide an authorized representative through the online application process. The online process will notify the representative of their authorization, but does not require their consent.
 - Applicants have the option to authorize MOF to pay their benefit directly to their landlord through the online application process. If completed online, the system will email a Schedule 6 form (to get the landlord's consent to receive payment) to the applicant for the applicant to provide to the landlord. The applicant may forward the electronic Schedule 6 to the landlord by email, but the landlord must return a printed copy with an original signature to be processed. Any monthly

benefits payable for the household will be provided to the applicant until a printed and signed Schedule 6 is received by MOF.

- Schedules 4, 5 and 6 are optional, and relate to authorized representatives and payments being made to landlords. Applicants can request paper-based copies of Schedules 4, 5 or 6 for later completion and mailing to MOF.
10. An in process online application can be saved for future completion up until the deadline date or when required to provide consent.
 11. Once all required information is provided by the applicant in the online process, the website will display a verbatim copy of the current “applicant consent” language currently used in paper-based applications.
 12. The applicant must then provide their signature in electronic format (“eSignature”) through the online process in order to complete their application online. There is no option of printing the consent on paper and returning it to MOF by mail when applying electronically.
 13. Where the applicant has provided “Schedule 1” (Additional Income Earners) information, the online process will display a verbatim copy of the “income earner consent” and enable eSignature for all the identified income earners on a single consent.
 14. Each income earner provides their signature in electronic format next to their name. There is no option of printing the consent on paper and returning it by mail to MOF when applying electronically.
 15. If all the required eSignatures are not finalized within 24 hours, the application expires and will not be processed. The applicant will need to work with the Service Manager to start a new online (or paper) application.
 16. The online process recognizes when all required signatures have been collected.
 17. Once all required eSignatures have been completed an email will be sent to each signatory with a copy of the signed consent form attached.
 18. Once fully signed and submitted by the applicant, the online process will generate and display a unique confirmation number to the applicant. The applicant can use this confirmation number to follow-up on the status of their application by calling the program Information Centre toll-free at 1-888-544-5101 (or by teletypewriter (TTY) at 1-800-263-7776).
 19. The applicant’s unique login/access code will immediately expire after the application is submitted in order to prevent it from being re-used.

5.2 Annual Renewal Process

1. Each Spring, MOF provides program participants with an annual renewal form. Households complete and submit the annual renewal form by the deadline included in the form to confirm they comply with ongoing eligibility requirements and inform of any changes (e.g., household composition, address). There are two annual renewal processes, depending on whether the active PHB applicant has

previously used the PHB online services and has opted in to continue using the online process and provided an email address to MOF.

2. Where the applicant has previously registered for PHB online services, a renewal notice issued by email from OntTax that contains a unique code and link will be sent, inviting them to renew their benefit online by a stipulated deadline. Section 5.1 Online Application Process steps 10 to 18 apply but will display current account information and offer the applicant the option to accept or update that information.

Applicant consent for annual renewal is collected through a secured and simplified electronic acknowledgement (e.g., a checkbox and typing their name). The applicant is not required to undertake the eSignature process at renewal. A new income earner will continue to be required to sign consent electronically through eSignature.

- If the applicant updates any household information, an OntTax work item may be triggered to notify MOF staff to require action as currently implemented in the paper process.
 - Where the applicant does not renew their benefits online by the stipulated deadline, MOF will send them an email and a paper-based renewal reminder by Canada Post mail.
3. Where the applicant has not previously registered for PHB online services, the annual renewal letter will be mailed for all paper-based households in the program, containing wording that will invite the applicant to register for PHB online services
 4. Annually by April 30, income earners in the household must submit a federal income tax return to the CRA to enable MOF to calculate the monthly benefit based on household income.
 5. Based on the updated calculation of the household's monthly benefit, MOF provides participants with an Eligibility Notice including the benefit amount and proceeds to make monthly payments by direct deposit.
 6. Participants may contact the ServiceOntario the program Information Centre toll-free at 1-888-544-5101 (or by teletypewriter (TTY) at 1-800-263-7776) for more information on the calculation of the monthly benefit, or to request a redetermination of their benefit amount based on changes to the information submitted to MOF with the annual renewal form.

6. PAYMENTS TO APPLICANTS

MOF provides benefit payments by direct deposit each month to the individual who applied for the benefit on behalf of the household and signed the application form. Alternatively, the applicant can choose to have the funds deposited directly to a landlord by submitting a Schedule 5 form (Tenant Authorization and Direction to Pay Landlord Direct) and a Schedule 6 form (Landlord Consent to Receive Payment). Payments will be made by direct deposit only, except for extenuating circumstances.

Service Managers provide payments directly to applicants for first and last month's rent in accordance with the COHB program guidelines and as outlined in 6.7 "First and Last Month's Rent" on page 16.

6.1 Calculation of COHB

The benefit is calculated using a formula that is generally consistent with Schedule 4.1 of Ontario Regulation 367/11 under the *Housing Services Act, 2011*. The formula includes AMR and AFNI.

$$\text{Monthly COHB} = \frac{[(\text{greater of } 80\% \times \text{AMR or Shelter Costs, up to } 100\% \times \text{AMR}) - (\text{AFNI} \times 30\%)]}{12}$$

This formula is responsive to changes in:

- Household income, through the use of AFNI;
- Household composition, through selecting the AMR for the type of housing associated with the family composition;
- Shelter Costs (rent plus utilities); and
- Local housing markets, through the use of local AMR.

Where $(\text{AFNI} \times 30\%) / 12$ is below the RGI minimum rent amount, the RGI minimum rent amount will be used in the calculation rather than $(\text{AFNI} \times 30\%) / 12$. The RGI minimum rent amount will be set annually in accordance with subsection 2(4) of Ontario Regulation 316/19 under the *Housing Services Act, 2011*.

The maximum portable housing benefit amount for a household is calculated as the difference between 100% AMR and the RGI minimum rent amount.

The minimum monthly benefit payable is \$10. Any monthly benefit calculated as an amount less than \$10 will be considered a nil (\$0) payment.

For information on the benefit calculation for social assistance recipients, see 6.4 "Interaction with Social Assistance" on page 15.

6.2 Average Market Rent (AMR)

The COHB benefit calculation uses the Average Market Rent (AMR) for an appropriately sized rental unit, based on household composition. AMR is defined as the average expense of market rent in the relevant service area, as provided by CMHC to MMAH based on CMHC's annual rental survey. In service areas where there are no CMHC AMRs, Service Managers will be able to submit a business case to determine AMRs based on a local market rent survey for the ministry's consideration. AMR is a standard measure used in other housing programs.

The COHB program only uses AMRs for unit sizes of one bedroom, two bedrooms and three bedrooms. Recipients will receive a monthly benefit based on a calculation using a unit size no smaller than one bedroom and no larger than three bedrooms. Households requiring more than three bedrooms will receive a benefit based on a calculation using AMR for three bedrooms.

MOF will use a uniform set of occupancy standards to calculate the amount of a monthly benefit based on the appropriate unit size for each eligible household, as follows:

- Spouses/partners will be designated one bedroom; and
- Every other person in the household will be designated a separate bedroom.

Households may reside in any size of accommodation they choose, regardless of the number of bedrooms determined by the occupancy standards.

6.3 Adjusted Family Net Income (AFNI)

The AFNI of a household is based on the income of each member of the household, excluding those who are in full-time attendance at a recognized educational institution. Benefits received under this program are exempted as income for the purpose of calculating the monthly COHB benefit.

When an applicant applies to the COHB program, household net income and AFNI will be determined by MOF if the relevant tax information is available for each household member whose income is to be included in the calculation. Household net income and AFNI will be determined by the Service Manager for new applicants if:

- The household has not filed the required income tax return(s) in the previous calendar year; or
- The most recent income tax return(s) does not reflect the household's current financial circumstances.

Where the relevant tax information is available for each household member whose income is to be included in the calculation, household net income is determined by MOF using the latest annual CRA notice(s) of assessment. MOF will use the net income for relevant household members from the latest notice(s) of assessment issued under the *Income Tax Act* (Canada) for the most recent taxation year that ended before the application is considered, adjusted as follows, or if no notice of assessment has been issued, the amount that would appear as net income had the notice of assessment been issued, adjusted as follows:

- By subtracting from that amount, any payments from a registered disability savings plan received by the member in that taxation year and any payment of a COHB benefit received by the member in that taxation year; and
- By adding to that amount, any payments from a registered disability savings plan repaid by the member in that taxation year.

Where the Service Manager is determining household net income and AFNI of new applicants for the reasons outlined above, the net income of each household member whose income is to be included in the calculation is determined by the Service Manager using:

- The best information available; and
- The amount that best approximates each member's net income adjusted as outlined above and based on the Service Manager's projections of income and deductions for the 12-month period beginning on the first day of the month following the month in which the application is considered.

The Service Manager provides the calculated amount on Schedule 2 form (Income Tax Filing Exemption) of the application.

During each annual renewal, the benefit is calculated by MOF using the household members' assessed income from the federal income tax return from CRA for the most recent tax year.

Using AFNI to define income is consistent with other modern forms of assistance, such as the Ontario Child Benefit, and as of July 1, 2020, simplified RGI calculation rules for social housing tenants.

6.4 Interaction with Social Assistance

Under Ontario Works and the Ontario Disability Support Program, recipients receive a shelter allowance as a portion of their monthly entitlement up to a maximum amount based on actual shelter costs and household size. Social assistance recipients are eligible to receive the maximum shelter amount if their shelter costs exceed the maximum.

The *Ontario Works Act, 1997* and the *Ontario Disability Support Program Act, 1997* allow for housing benefits to be exempted as income, where approved, up to the difference between actual shelter costs (e.g., rent, utilities) and the actual shelter allowance payable (which is capped at maximum shelter costs).

For social assistance recipients, consistent with the PHB Framework, the same portable housing benefit calculation formula applies to determine the maximum benefit amount for a household. The social assistance shelter allowance will be provided in the normal fashion; however, the portable housing benefit will fill the gap between the social assistance shelter allowance and actual shelter costs, up to the maximum portable housing benefit amount (as described in section 6.1).

If actual shelter costs increase or a recipient moves to a unit with higher rent, the portable housing benefit amount paid will increase but remain subject to the maximum portable housing benefit amount. In addition, if a recipient no longer receives social assistance, the portable housing benefit will be calculated as described in 6.1.

As a result, recipients receiving social assistance are required to contact the ServiceOntario Information Centre to report any changes (increases or decreases) in their shelter costs to allow MOF to adjust their COHB benefit accordingly.

Recipients receiving social assistance do not need to report month-to-month changes in utilities because shelter costs are averaged over a year.

6.5 Automated Income Verification

MOF conducts annual Automated Income Verification using CRA income tax information. As a result, all household members whose income is to be included in the benefit calculation must submit income tax return(s) to the CRA each year by April 30. Failure to submit the required income tax return(s) may result in a delay in benefit payments.

6.6 Exemption from Automated Income Verification

Applicants entering the COHB program may be exempted from Automated Income Verification for their initial benefit calculation where:

- The household has not filed the required income tax return(s) in the previous calendar year; or

- The most recent income tax return(s) does not reflect the household's current financial circumstances.

In this situation, Service Managers will manually calculate and verify household net income and AFNI, as outlined in 6.3 "Adjusted Family Net Income (AFNI)" on page 14.

If information is not available for an initial benefit calculation because a member of the household believes that he or she or any member of the household will be at risk of abuse if the information is obtained, the Service Manager will calculate and verify household net income and AFNI based on the best available information.

During that year of exemption, household members whose income is to be included in the benefit calculation will be required to submit annual income tax returns to the CRA by April 30. Households who were initially exempt will be required to have Automated Income Verification based on their annual notice(s) of assessment going forward.

6.7 First and Last Month's Rent

For applicants approved for the COHB program by MOF, Service Managers may provide funding directly for first and last month's rent, where the applicant has demonstrated to the Service Manager a need to receive the payment. Where Service Managers have a method for determining household need under the Community Homelessness Prevention Initiative Program, a similar process should be applied.

The amount of first and last month's rent shall not exceed the lesser of:

- Twice the amount of the actual rent paid by the approved household; or
- Twice the amount of 100 per cent of the CMHC AMR of the originating Service Manager for an appropriately sized rental unit, based on household composition.

MMAH will flow these funds to Service Managers on a quarterly basis retroactively, in accordance with Service Manager quarterly claims.

6.8 In-Year Changes

As indicated on the application form, participants must report any changes in personal information (e.g., household composition, address) as soon as possible to the ServiceOntario Information Centre. Subject to the following, recipients are not required to report an increase in income during the year or undergo a reassessment of the monthly benefit due to an increase in income.

MOF will perform an in-year reassessment of recipient eligibility and/or monthly benefits under the following circumstances:

- A recipient contacts the ServiceOntario Information Centre to request a reassessment due to a significant decrease of at least 20 per cent in household income (limited to one in-year reassessment each year).
- A recipient contacts the ServiceOntario Information Centre to advise of a move to a different rental unit or Service Manager area (this may affect AMR and shelter costs and therefore the monthly benefit received).
- A recipient contacts the ServiceOntario Information Centre to advise of a permanent change to household composition.

- A recipient contacts the ServiceOntario Information Centre to advise that they have started or stopped receiving assistance under the *Ontario Works Act, 1997* or the *Ontario Disability Support Program Act, 1997*.
- A recipient contacts the ServiceOntario Information Centre to advise of a change (increase or decrease) in shelter costs.
- A Service Manager or recipient advises the ServiceOntario Information Centre that they have ceased to be eligible on certain grounds for continued eligibility (e.g., the recipient is receiving another government-funded housing benefit).

When performing an in-year review, MOF will request the necessary information from the recipient to reassess eligibility and/or recalculate the monthly benefit, as appropriate.

Where an in-year reassessment results in a change in a COHB benefit amount, the change will be processed at the time of the in-year reassessment.

As noted, recipients may request only one in-year reassessment between annual renewals due to a significant decrease of at least 20 per cent in household income. Where a recipient has requested an in-year reassessment due to a decrease in household income, net income and AFNI is determined by MOF using the amount that best approximates the household's income, calculated and adjusted as outlined in 6.3 "Adjusted Family Net Income (AFNI)" on page 14. The calculation is based on MOF's projections of income and deductions for the 12-month period beginning on the first day of the month following the month in which the review is considered.

6.9 Monthly Payments

When MOF receives a completed application form or annual renewal form by the relevant monthly cut-off date or the annual renewal deadline, payment is processed on a go-forward basis according to the effective start date in the Eligibility Notice for new applicants or the first payment date of the next benefit period for existing recipients. Payments are made by the 28th of each month.

If an application form is not submitted by the monthly cut-off date or is incomplete, new applicants will be paid retroactively from the effective start date in the Eligibility Notice, not the application date, once all required information has been submitted.

If an annual renewal form is submitted incomplete, recipients will be paid retroactively from the beginning of the new benefit year once all required information has been submitted.

The household's COHB benefit may be suspended if a recipient is absent from Ontario for more than 60 consecutive days, or if MOF has an incorrect mailing address or incorrect direct deposit information.

6.10 Direct Deposit

Payments will be made by direct deposit only, except for extenuating circumstances. Applicants should submit direct deposit information with their applications, such as void cheques or direct deposit forms from their bank along with a completed Schedule 3 form (Direct Deposit Request). MOF uses this information to set up monthly payments to applicants.

Direct deposit is a reliable, convenient and secure option that will reduce the time and effort needed to cash monthly cheques. It also eliminates the risk of lost or damaged cheques and delays caused by postal disruptions.

6.11 T5007 Tax Forms

MOF is required to issue a T5007 tax form, known as a Statement of Benefits, to all program participants by the end of February each year. These forms report the COHB monthly benefits provided to recipients for income tax purposes. MOF issues T5007 forms to participants even in cases where payments are made directly to landlords. Benefits received under this program are exempted as income for the purpose of calculating the monthly COHB benefit.

Service Managers are required to issue T5007 tax forms to participants for first and last month's rent payments delivered directly to households.

7. FUNDING

The COHB program is jointly funded by the federal and provincial governments through the NHS Bilateral Agreement. Service Managers receive their annual planning allocations for each fiscal year that may be used to fund new applicants. MMAH will also ensure funding is available for all households already participating in the COHB program who remain eligible for payments.

These planning allocations are determined using the same funding methodology used for the Ontario Priorities Housing Initiative, which ensures appropriate geographic distribution of funding.

Service Managers will identify eligible households to apply for the COHB program and assist with the application process. Households who apply for the COHB program and are approved will be provided with a monthly subsidy to assist with the costs of renting a unit of their choosing. This monthly subsidy will be paid directly to households through MOF. Service Managers will receive annual planning allocations to assist them in determining the number of households that may be assisted within a fiscal year.

All Service Managers are eligible for reimbursement on a quarterly basis of actual costs incurred for:

- Administration costs related to supporting the COHB program; and
- First and last month's rent assistance provided to applicants who are approved for the COHB program, as appropriate.

Service Managers will receive administration payments of \$250 per approved application from their service area, up to a maximum set by MMAH at its sole discretion and communicated to the Service Manager each Fiscal Year. The "Service Manager Use Only" section of the application form must be completed before the administration payment can be made.

Details related to Service Managers providing approved applicants with funding for first and last month's rent are included in 6.7 "First and Last Month's Rent" on page 16.

Payments to Service Managers will be made quarterly based on the number of eligible applicants approved for the COHB program in each service area, as reported by MOF through an online portal, and through quarterly claims from Service Managers.

Service Managers are required to sign a Transfer Payment Agreement with MMAH and MOF that sets out the roles and responsibilities of the parties and the accountability framework for the COHB program, including the terms for funding and reporting requirements. For more information, see 8.2 "Transfer Payment Agreements" on page 20.

8. ACCOUNTABILITY AND REPORTING

The province places a high degree of importance on accountability for its actions, decisions and policies with regard to the use of public funds for programs and services. The government has an obligation to demonstrate value for money and ensure that funds have been spent appropriately and in a timely manner. Accordingly, Service Managers must submit the following as accountability mechanisms for the COHB program:

- Transfer Payment Agreement with MMAH and MOF;
- Quarterly Claims; and
- French Language Services Reports.

Service Managers will submit quarterly claims and French Language Services Reports as described in the respective sections of the COHB Transfer Payment Agreement.

Service Managers are required to use the Transfer Payment Ontario System to submit COHB reports. For assistance or questions regarding the Transfer Payment Ontario System, please contact the Housing Service Desk at HousingServiceDesk@ontario.ca.

8.1 Memoranda of Understanding

Three memoranda of understanding govern the COHB program:

- **MMAH and MOF Memorandum of Understanding:** Sets out the responsibilities of the two ministries in relation to the COHB program;
- **CRA and MOF Memorandum of Understanding:** Enables MOF to obtain household level tax information from the CRA in order to perform Automated Income Verification during eligibility determination and benefit calculation;
- **MMAH and ServiceOntario Memorandum of Understanding:** Arranges for ServiceOntario to operate the Information Centre to respond to program enquiries from applicants and request required information, as appropriate.

8.2 Transfer Payment Agreements

Service Managers must enter into a Transfer Payment Agreement with MMAH and MOF for the COHB program. In accordance with the province's Transfer Payment Accountability Directive, the agreements contain an accountability framework, outline the roles and responsibilities of the parties, and include the terms for funding and reporting requirements. The agreement set out the role of Service Managers, MMAH and MOF in relation to the sharing of household personal information.

8.3 Quarterly Claims

Following the execution of Transfer Payment Agreements, Service Managers are required to submit quarterly claims to MMAH for administration costs and reimbursement of first and last month's rent paid to eligible households for the previous quarter. Service Managers must also provide additional information, data and reports as needed by the ministry to report on progress made towards achieving program outcomes.

Service Managers can request and view MOF reports of participating households through the ONT-TAXS online portal.

8.4 Service Level Standards

Applicants assisted under the COHB program do not count towards meeting Service Managers' service level standards. Service level standards identify the minimum number of low-income households required to receive RGI assistance (or approved alternative assistance) in Service Manager areas, as set out in the *Housing Services Act, 2011*.

8.5 French Language Services Act Compliance

Service Managers who are located in or servicing an area that is designated under the *French Language Services Act* are required to:

- 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 COHB program are available in French.

Services being provided directly to the public by Service Managers, or through the office of a sub-contractor (e.g., local non-profit agency), are required to comply with the *French Language Services Act*.

To demonstrate compliance, Service Managers are required to submit French Language Services Reports to MMAH confirming that the requisite French language services are being provided. An initial report must be signed and submitted to MMAH at the time of signing the Transfer Payment Agreement, and reports must be submitted annually thereafter by July 15.

Sample French Language Services Report templates are included as part of the Transfer Payment Agreements.

9. ROLES AND RESPONSIBILITIES

MMAH undertake the following activities:

- Program design, funding and accountability, in partnership with CMHC;
- Adjustment of the CMHC AMRs as appropriate, and determine the AMRs for areas where data is not available;
- Flow eligible administration cost funding and funds for first and last months' rent directly to Service Managers; and
- Arranging from ServiceOntario a program call centre to respond to enquiries.

Service Managers undertake the following activities:

- Selecting eligible households for program participation and distributing application forms to interested households;
- Ensuring interested households have been informed of benefits and risks of the COHB program;
- Ensuring interested households have consented to the disclosure of their personal information to the CRA, MMAH, and MOF;
- Completing the "Service Manager Use Only" section of the application form;
- Collecting and sending completed application forms to MOF for processing;
- Collecting required information on intake, and submitting required reports and claims to MMAH;
- Providing first and last months' rent payments to eligible households (to be reimbursed by MMAH, as appropriate);
- Submitting quarterly payment claims to MMAH;
- Notifying MOF of certain events, including a household's acceptance of an offer of RGI housing or similar type of housing assistance; and
- Completion and distribution of T5007 tax slips to households to report first and last months' rent payments for income tax purposes.

MOF will undertake the following activities:

- Distribution of application forms to Service Managers for distribution to eligible households;
- Processing applications including income verification of applicants;
- Determining eligibility for the benefit;
- Calculating benefit amounts;
- Making payments directly to eligible households (or to a third party if directed by the household);
- Reassessing eligibility and benefit amounts annually;
- Completing in-year reviews [when requested by households], in partnership with MMAH;
- Providing monthly reports to MMAH on participation rates and funding expensed;
- Completion and distribution of T5007s tax slips to households to report the benefit for income tax purposes; and
- Respond to enquiries from participating households, as referred from ServiceOntario.

ServiceOntario will undertake the following activity:

- Operate the Information Centre to respond to program enquiries and receive account changes from participating households.

10. IMPORTANT DATES

The benefit year for the COHB program is July 1 to June 30. The following is a list of activities for the COHB program

Activity	Due Date
1. Quarterly Claim(s): Quarter 1 Claim Quarter 2 Claim Quarter 3 Claim Quarter 4 Claim	July 15 in each Fiscal Year. October 15 in each Fiscal Year. January 15 in each Fiscal Year. March 15 in each Fiscal Year.
2. French Language Services Report	July 15 in each Fiscal Year.
3. Reports as specified from time to time	On a date or dates specified by MMAH.
Allocation Funding Fiscal Year	April 1 to March 31 st (Applications with Effective Start Date of April 1 st up to Effective Start Date of March 1 st)

To obtain further information about the COHB program, Service Managers are encouraged to contact their respective regional staff contacts at MMAH. For information on available support services, contact the respective regional staff contacts at the Ministry of Children, Community and Social Services. Contact information is included in the appendices.

APPENDIX A: MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING CONTACTS

MUNICIPAL SERVICES OFFICE – CENTRAL

Serving: Durham, Halton, Hamilton, Muskoka, Niagara, Peel, Simcoe, York

777 Bay Street 13th Floor
Toronto, ON M7A 2J3
General Inquiry: 416-585-6226
Toll Free: 1-800-668-0230
Fax: 416-585-6882

Contact: Ian Russell, Team Lead, Regional Housing Services
Tel: 416-585-6965
Email: ian.russell@ontario.ca

MUNICIPAL SERVICES OFFICE – EASTERN

Serving: Cornwall, Hastings, Kawartha Lakes, Kingston, Lanark, Leeds and Grenville, Lennox and Addington, Northumberland, Ottawa, Peterborough, Prescott and Russell, Renfrew

8 Estate Lane, Rockwood House
Kingston, ON K7M 9A8
General Inquiry: 613-545-2100
Toll Free: 1-800-267-9438
Fax: 613-548-6822

Contact: Mila Kolokolnikova, Team Lead, Regional Housing Services
Tel: 613-545-2123
Email: mila.kolokolnikova@ontario.ca

MUNICIPAL SERVICES OFFICE – WESTERN

Serving: Brantford, Bruce, Chatham-Kent, Dufferin, Grey, Huron, Lambton, London, Norfolk, Oxford, St. Thomas, Stratford, Waterloo, Wellington, Windsor

659 Exeter Road, 2nd Floor
London, ON N6E 1L3
General Inquiry: 519-873-4020
Toll Free: 1-800-265-4736
Fax: 519-873-4018

Contact: , Cynthia Cabral, Team Lead, Regional Housing Services
Tel: 519-619-8816
Email: cynthia.cabral@ontario.ca

MUNICIPAL SERVICES OFFICE – NORTH (SUDBURY)

Serving: Algoma, Cochrane, Greater Sudbury, Manitoulin-Sudbury, Nipissing, Parry Sound, Sault Ste. Marie, Timiskaming

159 Cedar Street, Suite 401
Sudbury, ON P3E 6A5
General Inquiry: 705-564-0120
Toll Free: 1-800-461-1193
Fax: 705-564-6863

Contact: Cindy Couillard, Team Lead, Regional Housing Services
Tel: 705-665-2522
Email: cindy.couillard@ontario.ca

MUNICIPAL SERVICES OFFICE – NORTH (THUNDER BAY)

Serving: Kenora, Rainy River, Thunder Bay

435 James Street, Suite 223
Thunder Bay, ON P7E 6S7
General Inquiry: 807-475-1651
Toll Free: 1-800-465-5027
Fax: 807-475-1196

Contact: Jessica Vail, Team Lead, Regional Housing Services
Tel: 807-475-1665
Email: Andrew.Carr@ontario.ca

HOUSING PROGRAMS BRANCH – TORONTO

Serving: Toronto

777 Bay Street, 14th Floor
Toronto, ON M7A 2J3
Fax: 416-585-7003

Contact: Melissa Grieco , Account Manager, Regional Services Delivery Unit
Tel: 647-527-1473
Email: melissa.grieco@ontario.ca

APPENDIX B: MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES REGIONAL OFFICE CONTACTS

CENTRAL REGION

Serving: Dufferin, Halton, Peel, Simcoe, Waterloo, Wellington, York

6733 Mississauga Road, Suite 200
Mississauga, ON L5N 6J5
Tel: (905) 567-7177
Fax: (905) 567-3215
Toll Free: 1-877-832-2818
TTY: 905-567-3219

17215 Leslie Street, Unit 101
Newmarket, ON L3Y 8E4
Tel: (905) 868-8900
TTY: (905) 715-7759
Fax: (905) 895-4330
Toll Free: 1-877-669-6658

EAST REGION

Serving: Cornwall, Durham, Hastings, Kawartha Lakes, Kingston, Lanark, Leeds & Grenville,
Lennox & Addington, Northumberland, Ottawa, Peterborough, Prescott & Russell, Prince
Edward County, Renfrew

347 Preston Street, 3rd Floor
Ottawa, ON K1S 2T7
Tel: (613) 234-1188
Fax: (613) 783-5958
Toll Free: 1-800-267-5111

23 Beechgrove Lane
Kingston, ON K7M 9A6
Phone: 1-613-531-5740
Fax: 613-536-7377
Toll-Free: 1-877-345-5622

WEST REGION

Serving: Brantford, Bruce, Chatham-Kent, Grey, Hamilton, Huron, Lambton, London, Niagara, Norfolk, Oxford, St. Thomas, Stratford, Windsor

217 York Street, Suite 203
P.O. Box 5217
London, ON N6A 5R1
Tel: (519) 438-5111
Fax: (519) 672-9510
Toll Free: 1-800-265-4197
TTY: (519) 663-5276

119 King Street West
Hamilton, ON L8P 4Y7
Tel: (905) 521-7280
Fax: (905) 546-8277
Toll Free: 1-866-221-2229
TTY: (905) 546-8276

270 Erie Street East
P.O. Box 1810, Station A
Windsor, ON N9A 7E3
Tel: (519) 254-5355
Fax: (519) 255-1152
Toll Free: 1-800-419-4919
TTY: (519) 907-0205

NORTH REGION

Serving: Algoma, Cochrane, Kenora, Manitoulin-Sudbury, Nipissing, Parry Sound, Rainy River, Sault Ste. Marie, Sudbury, Thunder Bay, Timiskaming

159 Cedar Street, 7th Floor
Sudbury, ON P3E 6A5 Tel: (705) 564-4515
Fax: (705) 564-2163
Toll Free: 1-800-461-1167
TTY: (705) 564-3233

621 Main Street West
North Bay, ON
P1B 2V6
Tel: (705) 474-3540
Fax: (705) 474-5815
Toll Free: 1-800-461-6977
TTY: (705) 474-7665

TORONTO

Serving: Toronto

375 University Avenue, 5th Floor
Toronto, ON M7A 1G1
Tel: (416) 325-0500
Fax: (416) 325-0565
TTY: (416) 325-3600

Appendix “F”

COHB Program Sign-Back Letter

Ontario Transfer Payment Agreement dated April 1, 2020 (the “Agreement”) for COHB between Her Majesty the Queen (now His Majesty the King) in right of Ontario as represented by the Minister of Municipal Affairs and Housing (“MMAH”) and the Minister of Finance (“MOF”) and Corporation of the County of Renfrew (the “Service Manager”).

In accordance with section 4.1 of the Agreement, the Agreement is hereby amended as follows, with each amendment taking effect on the specified date:

1. Effective July 1, 2023, Schedule “C” is amended as follows:

- (i) The fourth paragraph of Article C.1 is deleted and replaced with the following:

With the assistance of Service Managers, households will complete COHB applications which will be sent to the Ministry of Finance (MOF) to determine eligibility. Eligible applicants will receive a monthly PHB based on the difference between the greater of 80 per cent of the average market rent of their Service Manager area or the applicant’s shelter costs, up to a maximum of 100 per cent of the average market rent, and 30 per cent of their adjusted family net income. PHB payments will be issued by MOF directly to households and subject to an annual renewal process. Households that have been found to be eligible may also receive first and last month’s rent assistance directly from Service Managers, where appropriate.

- (ii) The definition of “Application Form” in section 1.1 of Article C.3 is deleted and replaced with the following:

“Application Form” means a paper application form for the Program in the form provided to the Service Manager by MMAH, or an online application form for the Program available through a secure restricted website hosted by MOF.

- (iii) Clause 3.1 (e) of Article C.3 is deleted and replaced with the following:

- (e) Send completed paper Application Forms to MOF for processing for the initial Benefit Period;

2. Effective July 1, 2023, Schedule “D” is amended by deleting the COHB Program Guidelines dated April 2020, and replacing them with the COHB Program Guidelines dated July 1, 2023 attached to this letter.

3. Effective April 1, 2023, Schedule "F" is amended by deleting the sentence "Funding for administration costs per Fiscal Year shall not exceed five per cent of the Service Manager's annual planning allocation for that Fiscal Year." and replacing it with the following:

"Funding for administration costs per Fiscal Year shall not exceed the amount set by MMAH in its sole discretion and communicated to the Service Manager each Fiscal Year."

Please acknowledge your agreement with the above by signing in the space provided below and returning a signed electronic copy of this letter to Olivia lemma at Olivia.lemma@ontario.ca.

The undersigned hereby agrees to the terms of the above letter agreement.

Service Manager: County of Renfrew

Name: _____

Signature: _____

Title: _____

Date:

Name: _____

Signature: _____

Title: _____

Date:

I/We have authority to bind the organization.

ONTARIO WORKS REPORT

Prepared by: Andrea Patrick, Manager of Ontario Works

Prepared for: Community Services Committee

October 11, 2023

INFORMATION

1. Centralized Intake: Expanding the Province's Role

Attached as Appendix OW-I is a memo dated August 31, 2023, from Dr. Andres Laxamana, Director, Social Assistance Central Services Branch, Ministry of Children, Community and Social Services, sharing steps the Province is taking to expand the Provincial role in centralized intake for Ontario Works.

Attached as Appendix OW-II is a question and answer document regarding Centralized Intake Expansion and Proclaimed Legislative Amendments to the Ontario Works Act, 1997.

2. Employment Services Transformation Update

Our office has been working closely with the Ministry of Children, Community and Social Services and the Ministry of Labour, Immigration, Training and Skills Development to prepare for Employment Services Transformation (EST). Effective October 1, 2023, Serco Canada Inc. will take over integrated employment service delivery in the Kingston-Pembroke region. Serco is the new Service System Manager (SSM) for all Employment Ontario offices within this catchment area, which includes Renfrew County, Hastings County, Prince Edward, Lennox, & Addington County, and the City of Kingston.

Staff have received training on the integrated technology, which will be used by both social assistance and Employment Ontario (EO) caseworkers to record information about clients' employment readiness and goals. Social assistance caseworkers will electronically refer employment ready clients to the SSM, and will continue to work actively with clients who require support to increase their stability and employability.

Throughout the month of September, our office has met regularly with Serco, EO offices, the Ontario Disability Support Program, as well as other consolidated municipal service managers in the region to develop business processes, discuss communication strategies, and establish new parameters regarding financial supports. Staff are well prepared for the upcoming transition to the integrated employment service delivery model.

RESOLUTIONS

3. Social Services Fiscal Pressure Reserve

Recommendation: THAT the Community Services Committee recommend to County Council that any changes to Ontario Works Administration components of the upcoming Ontario Works budget that exceed the budgeted amounts be funded from the Social Services Fiscal Pressure Reserve.

Background

In October 2022, The Ministry of Children, Community and Social Services (MCCSS) provided notification to the County of Renfrew Ontario Works program that the 2023 and 2024 Ontario Works Program Delivery Funding (PDF) allocations would be reduced in 2023 by \$0.1M (pro-rated from October to December 2023) and in 2024 by \$0.5M. These amounts will be transferred to the Ministry of Labour, Immigration, Training and Skills Development (MLITSD) as a result of the Employment Services Transformation taking place on October 1, 2023.

The reduction in funding of \$0.1M in 2023 was budgeted for as part of the 2023 budget planning cycle. Reductions in many budgeted items created savings to meet the \$0.1M shortfall for 2023. However, as we approach the 2024 budget planning exercise, and the \$0.5M shortfall from MCCSS, more changes will need to be made in 2023 that will result in cost savings for 2024 and onwards. These changes may exceed the budgeted amounts in the Ontario Works Administration lines. Access to the Social Services Fiscal Pressure Reserve will enable the changes to be made ahead of 2024.

In 2008, funds from the Province of Ontario were issued to the County of Renfrew Ontario Works program in the amount of \$ 396,082 and again in 2010 for \$ 223,957. A Social Services Fiscal Pressure Reserve was created with these funds, with the requirement that these funds be utilized to offset any fiscal pressures that Ontario Works may face. In the years since 2008, until current, the Ontario Works administration budget has not exceeded the budgeted amounts. This is likely to change in 2023 and 2024 due to the reduction in the MCCSS funding transfer to Ontario Works, as these funds are being diverted to MLITSD. Accessing the Social Services Fiscal Pressure Reserve will allow for changes in order to not exceed the budgetary amounts.

**Ministry of Children,
Community and Social Services**

Social Assistance Programs
Division

Social Assistance Central
Services Branch

2 Bloor Street West, 24th Floor,
Toronto, Ontario M7A 1E9

**Ministère des Services à l'enfance
et des Services sociaux et
communautaires**

Division des programmes d'aide
sociale

Direction des services centralisés en
matière d'aide sociale

2, rue Bloor ouest, 24e étage, Toronto
(Ontario) M7A 1E9



August 31, 2023

MEMORANDUM TO: Commissioners and CAOs of all CMSMs and DSSABs

FROM: Dr. Andres Laxamana, Director, Social Assistance Central Services Branch

SUBJECT: **Centralized Intake: Expanding the Province's Role**

I am writing today to share steps the province is taking to expand the provincial role in centralized intake for Ontario Works.

To date, the province has supported municipalities by reviewing and assessing Ontario Works applications, but the formal authority for making eligibility decisions has remained with municipalities and District Social Services Administration Boards (DSSABs). By proclaiming legislative amendments that enable the ministry to be designated in regulation as an Ontario Works delivery agent, the province is taking steps to expand its role, including authorizing the ministry to make eligibility decisions and to further reduce administrative burden for municipal partners.

Later this year, the ministry will work with three sites — the District Municipality of Muskoka, City of Peterborough, and the Regional Municipality of York, — and will begin taking on formal decision-making authority while working with municipalities and DSSABs to support clients in receiving the assistance they need. The province will also work with these partner communities to expand the scope of applications it reviews to include increasingly complex application types.

Expanding the provincial role will further streamline the intake process and help clients get more one-on-one support from caseworkers, creating the potential for a faster pathway to employment and financial independence.

Attached is a question-and-answer document to support discussions with your municipal councils and partners, answer questions, and help identify any concerns. If you have any questions about these changes, please reach out to me at Andres.Laxamana@ontario.ca.

This work would not be possible without the close collaboration of our municipal partners across the province. I look forward to continuing to work together with you toward our common goal of creating a more efficient, effective and streamlined social services system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andres Laxamana', with a stylized, flowing script.

Dr. Andres Laxamana
Director

Attachments:

- Questions and Answers

Copy:

- CMSM and DSSAB Ontario Works Administrators

MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

Questions and Answers

Centralized Intake Expansion and Proclaimed Legislative Amendments to the Ontario Works Act, 1997

Proclamation of Ontario Works Act Amendments

1. What legislative amendments have been proclaimed?

Earlier this month the Lieutenant Governor proclaimed certain amendments to the *Ontario Works Act, 1997* that, together with regulation changes planned for the later this year, will give the ministry the legal authority and flexibility to deliver components of Ontario Works in geographic areas where it has been designated as delivery agent. These amendments, which received Royal Assent in June 2021, will come into force on September 1st, 2023.

The legislation can be found on the Ontario legislature's website:
<https://www.ontario.ca/laws/statute/97o25a>.

The proclaimed amendments:

- Give the Minister the ability to designate, by regulation, the ministry as a delivery agent responsible for the delivery of Ontario Works in a particular geographic area. Before the amendments come into force, the ministry can only act as a delivery agent if the Minister determines that it is “necessary” to do so.
- Add the ability for the Minister to designate, by regulation, a new entity – a Delivery Partner – in geographic areas where the ministry is delivery agent to perform program functions that are assigned to it by regulation.

As the ministry takes on a greater role in administering financial assistance, it will become the delivery agent in a given area by regulation, while the Consolidated Municipal Service Manager (CMSM) or District Social Services Administration Board (DSSAB) will become the delivery partner and increasingly focus on delivering parts of the program related to connecting people to the broader system of supports.

This legislation builds flexibility into how Ontario Works is delivered while preserving overall program accountability.

2. Why is the province waiting to proclaim other Ontario Works Act amendments passed in 2021 related to employment and life stabilization?

The province is making changes step by step to manage the degree of change and to allow time to discuss changes with municipalities along the way.

The province has proclaimed legislative changes to help us move ahead on centralized intake. The ministry will take the time required to discuss future phases of transformation with municipalities before proclaiming further legislative changes.

3. How will the proclamation of these legislative amendments impact clients?

The proclamation of these amendments have no impacts on clients' financial benefits or their eligibility. There will also be no immediate changes to program delivery with the amendments being proclaimed.

Over time, however, Ontario Works clients will benefit from an easier, more seamless intake and application process. There will be less paperwork, giving people more one-on-one time with caseworkers.

4. How will the proclamation of these amendments impact First Nations delivery of Ontario Works?

These amendments do not impact delivery roles in First Nations geographic areas which will remain the same.

In acknowledgement of the unique needs and priorities of First Nations, the province will be maintaining the current service delivery roles in First Nation communities. We will continue to work across government and in close collaboration with First Nation partners on the path forward for Social Assistance.

5. Does proclamation of these amendments impact the Ontario Disability Support Program?

The amendments to the Ontario Works Act have no impacts on the Ontario Disability Support Program (ODSP), and there are no changes to day-to-day activities for ODSP local office staff as a result of the proclamation of the legislative amendments and the expansion of centralized intake. Roles such as ODSP Caseworkers, Administrative Support Clerks (ASCs), and all other roles in ODSP are unchanged.

The ministry will continue to work with bargaining agents and staff as transformation proceeds.

6. Can the ministry appoint a private entity as an Ontario Works delivery agent or delivery partner?

No. The designated delivery agent or delivery partner can only be a municipality or a DSSAB. A delivery partner would usually be the previously designated delivery agent in that area.

7. Will the ministry be changing geographic boundaries of the program as a result of the proclamation of these amendments?

No. The ministry is realigning functions and roles between itself and existing delivery agents while keeping the current geographic boundaries.

Centralized Intake

8. Which elements of intake will the province take on as part of this work?

Beginning with applications determined to be 'low-' or 'medium-risk' by the risk-based eligibility determination model (RBED), and proceeding to include additional application types, the province will take on formal decision making, informing the client of decisions, and referring the client to the municipality. The province and municipalities are working together to develop more detailed technical roles and responsibilities. The results of these design activities will be shared at a later date.

9. What is the longer term plan for having the province take on all intake decisions across the province?

What we learn from the first three sites will inform the province's longer-term plan to extend provincial decision making to additional sites.

10. How will the province's expanded role in decision making improve the client experience?

As the province manages more Ontario Works applications end-to-end, municipalities will be able to provide more one-on-one support to clients.

11. How will the expanded role impact provincial staff?

Intake and Benefits Administration Unit (IBAU) staff will continue assessing Ontario Works applications for initial eligibility but will now also be responsible for making the eligibility decision, including granting the case and sending notification to the client. Staff in this area will be engaged and training will be provided as required, later this year. There are no changes to the day-to-day activities for ODSP local

office staff as a result of the proclamation of the legislative amendments and the expansion of centralized intake.

12. How is the province collaborating with municipalities and DSSABs to improve and enhance centralized intake?

The province and municipalities are collaborating closely to improve the centralized intake model through several committees, including the Centralized Intake Collaborative & Strategic Table, which focuses on continuous improvement of centralized intake processes and technology, and the Provincial–Municipal Social Assistance and Employment Committee Advice and Design Subcommittee, which is providing strategic oversight of the Centralized Intake expansion. We will also be working closely with early implementation sites to work through technical details and implement provincial decision-making processes.

CHILD CARE AND EARLY YEARS REPORT

Prepared by: Margo Smith, Manager of Child Care and Early Years Division

Prepared for: Community Services Committee

October 11, 2023

INFORMATION

1. Child Care Worker and Early Childhood Educator Appreciation Day

October 17, 2023, is the 23rd annual celebration of Child Care Worker and Early Childhood Educator Appreciation Day. This day is in recognition of the dedication and commitment of Early Childhood Educators and other child care staff who work with young children. Plans are in place to acknowledge the hard work and tremendous impact that these staff have on children, families, and communities within the County of Renfrew.

2. Presentation to the Township of Whitewater Region Council

Attached as Appendix CC-I is the Child Care and Early Years presentation that was delivered at the September 20, 2023, Township of Whitewater Region council meeting. The Director of Community Services and the Child Care and Early Years Manager detailed the role of the Child Care and Early Years division as the service system manager for the County of Renfrew and the various services that are provided by staff.

3. Revised Licensing Approach for Home Child Care Memorandum

Attached as Appendix CC-II is a memorandum dated September 7, 2023, from Holly Moran, Assistant Deputy Minister, Early Years and Child Care Division for the Ministry of Education, providing updates on the approach to licensing for home child care. Currently, Home Child Care Agencies have one broad capacity on their licenses that allows the oversight of multiple homes in multiple service areas, up to the maximum number of homes on their license. The new licensing approach will set out separate capacities for each service system area where the home child care agency oversees licensed homes. Any unused capacity on a license will be designated as “unassigned capacity” and Home Child Care Agencies who are enrolled in CWELCC will be required to show the service system manager that the opening of any new homes aligns with the directed growth plan under the CWELCC system. The Ministry of Education’s intention with this phased approach is to provide more consistency and transparency with funding and oversight of the licensed home child care sector.

4. Amendments to O. Reg 138/15 of Child Care and Early Years Act, 2014

Attached as Appendix CC-III and CC-IIIa is a memorandum and updated policy statement dated September 8, 2023, from Holly Moran, Assistant Deputy Minister, Early Years and

Child Care Division for the Ministry of Education, providing details on the amendments to Ontario Regulation 138/15 under the Child Care and Early Years Act, 2014 (CCEYA). On June 13, 2023, the Ministry notified all child care licensees of the proposed draft policy amendments to O. Reg 138/15 and provided a timeframe for public comment on the changes. The regulatory amendments require municipalities to process applications for child care fee subsidies on the date that the completed application is received and to make reasonable efforts to work cross-jurisdictionally amongst themselves and with licensees to help support parental choice on accessing subsidized child care. The amendments to O. Reg 138/15 will come into effect on September 29, 2023.



County of
Renfrew
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Appendix CC-1



Child Care and Early Years

Child Care & Early Years Division



The Child Care and Early Years Division is the designated service system manager for provincial funding for licensed child care and EarlyON Child and Family Centres.

Total of 16 staff serving all areas in the County of Renfrew

Number of Licensed Child Care Agencies – 29

Number of Licensed Home Child Care Agencies – 2

Number of licensed homes open - 11

Average Monthly Number of Children Served:

- Licenced Child Care and Licensed Home Child Care – 1,671
- EarlyON Child and Family Centres – 1,279

Programs & Services

CHILD CARE FEE SUBSIDY

- Program to assist eligible families with the cost of licensed child care for children up to 13.
- Fee subsidy supports eligible families by paying up to 100% of the child care costs.
- Applications can be made online or by contacting our office.



CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM (CWELCC)

- Provincial/federal agreement for licensed child care programs to provide an average of \$10 per day child care by September 2025 for children up to age 6.
- 29 out of 31 of the County's licensed child care providers are enrolled in CWELCC.

INCLUSION SERVICES (Special Needs Resourcing)

- Our team of Inclusion Coordinators support licensed agencies so that children with varying needs and abilities can attend their programs.
- Resources, training, and funding are provided as needed.



Programs & Services - Continued



LICENSED HOME CHILD CARE

- Our team directly operates a licensed home child care agency at the County of Renfrew.
- Support is given to home providers across the county to become licensed to operate child care within their homes.

EarlyON CHILD AND FAMILY CENTRES

- These centres provide free support and programming to parents and children up to age 6.
- We oversee 8 EarlyON Child and Family Centres throughout the County.
- There are 6 stationary EarlyON programs (Deep River, Petawawa, 2 in Pembroke, Renfrew, and Arnprior). One in Pembroke is a Francophone EarlyON.
- There are two mobile units that move throughout the County, including an Indigenous Led EarlyON.

Licensed Child Care Agencies and EarlyON Child & Family Centres

ARNPRIOR

- [Arnprior EarlyON](#)
- Arnprior Heritage Child Care Centre
- Centre éducatif Coeur des Jeunes des Deux Rivières
- [COR Licensed Home Child Care](#)
- Leaps & Bounds Children's Centre
- Leaps & Bounds St. Joseph's
- Pineridge Children's Centre

BARRY'S BAY

- Kidz Kastle Children's Centre

CHALK RIVER

- Deep Roots Nature and Nursery School

DEEP RIVER

- Deep River Nursery School
- Mountain River Child Care Association
- [North Renfrew EarlyON](#)

EGANVILLE

- [COR Licensed Home Child Care](#)
- Ketcha Star Day Care

HAYLEY STATION

- [COR Licensed Home Child Care](#)

KILLALOE

- Kidz Kastle Children's Centre
- [ToyBus EarlyON Mobile Unit](#)

PEMBROKE

- Cathedral's Garden
- Centre éducatif Coeur des Jeunes L'Équinoxe
- Children's Garden Nursery School
- Columbus House Pembroke
- [COR Licensed Home Child Care](#)
- Garderie les Petites Mains
- Highview's Garden
- [On Y Va EarlyON](#)
- [Pembroke EarlyON](#)
- Wise Owl Day Care

Licensed Child Care Agencies and EarlyON Child & Family Centres

PETAWAWA

- Bamoonzhe Daycare
- Kiddie Kollege Cooperative Nursery School
- Kinder Connection Nursery School
- Lil' Troopers North Day Care
- Lil' Troopers South Day Care
- North Side Childcare Services
- Petawawa EarlyON/PlayTroop
- PMFRC – Our Lady of Sorrows
- PMFRC Private Home Child Care
- PMFRC Specialized Care Program
- PMFRC – Valour (JK-12)

RENFREW

- Child's Paradise Day Care Centre
- Columbus House Renfrew
- Leaps & Bounds Children's Centre
- Renfrew EarlyON

VARIOUS COUNTY LOCATIONS

- BIAK EarlyON Mobile Unit

Questions?



Ministry of Education
Early Years and Child Care
Division

Ministère de l'Éducation
Division de la petite
enfance et de la garde
d'enfants



Date: September 7, 2023

To: Consolidated Municipal Service Managers (CMSMs)
District Social Services Administration Boards (DSSABs)

From: Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division

Subject: Revised Licensing Approach for Home Child Care

Good afternoon,

I am excited to announce that the Ministry of Education will be implementing a new approach to home child care licensing in the coming months.

This new approach to licensing will improve the way approved homes are set out on licences and introduce differentiated capacities for home child care.

Revised Approach to Licensed Home Child Care

Home child care agencies (HCCAs) currently have a single overarching capacity that is indicated on their licence ("number of approved homes"). HCCAs are permitted to oversee child care at multiple premises, in multiple service areas, provided they do not exceed the approved number of homes on their licence at any time.

Under this new licensing approach, the ministry will be setting out on all HCCA licences a unique capacity by service system manager for each service area where the agency oversees child care. If the agency only oversees care in one service area, the capacity for a single service system manager will be set out on their licence.

If an HCCA oversees child care in multiple service areas, the licence will specify the maximum number of approved homes the agency may oversee in each specific service system area.

As part of the move to this new approach, the ministry will also more closely align licensed capacity with active homes.

Any unused capacity (i.e., inactive homes) will be designated as “unassigned capacity” and HCCAs will not be permitted to open homes using their unassigned capacity. If licensees wish to open these homes, and they are enrolled in CWELCC, they will be required to demonstrate that a service system manager has advised that these homes will be eligible for CWELCC before they are assigned to a service system area.

This change supports improved data collection and leads to a more accurate understanding of where home child care premises are in the province. The new approach is also better aligned with the Province’s directed growth plans under the CWELCC system and will support a more transparent and consistent approach to funding and oversight in the home child care sector. It is our hope that the impact to home child care agency operations will be minimal, and the increased transparency will be appreciated by providers, parents, and others in the child care sector.

Impact to Service System Managers

The Ministry is taking a phased approach to implementing changes in the home child care sector. This first phase only involves changes to the licensing process.

No changes to funding allocations and directed growth space allocation for CMSMs/DSSABs are being proposed at this time. CMSMs/DSSABs are required to maintain existing funding agreements and use their directed growth space allocation to support growth in licensed home child care for agencies who have head offices in their service areas but home child premises in other regions. Please note, this does not prevent CMSMs/DSSABs that are only associated with a premises location from entering into a service agreement with an agency whose head office is located elsewhere.

Further details on funding will be provided as part of funding allocations and guidelines for 2024.

I thank you in advance for your collaboration as we move through this transition. If you have any questions or concerns, please contact your Early Years Advisor (EYA). A listing of EYAs can be found on the [ministry’s website](#).

Sincerely,

Original signed by

Holly Moran
Assistant Deputy Minister, Early Years and Child Care
Ministry of Education

**Ministry of Education****Ministère de l'Éducation**

Early Years and Child Care
Division

Division de la petite enfance et de la
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Toronto, ON M7A 0B8

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TO: Consolidated Municipal Service Managers and District
Social Services Administration Boards

FROM: Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division

DATE: September 8, 2023

SUBJECT: Amendments to O. Reg. 138/15 of the Child Care and
Early Years Act, 2014

Thank you for your ongoing leadership and commitment to ensuring that families across Ontario have access to safe, affordable and high-quality child care.

On June 13, 2023, the ministry notified child care licensees of proposed draft amendments to Ontario Regulation 138/15 under the *Child Care and Early Years Act, 2014* (CCEYA). The proposed regulatory amendments were posted on the Regulatory Registry and available for public comment until July 29, 2023.

This is to inform you that the amendments to O. Reg 138/15 will come into effect on September 29, 2023.

The regulatory amendments require Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) to process a completed application based on the date that it is received, and to make reasonable efforts to work together or with licensees cross-jurisdictionally to facilitate access to fee subsidized child care. This would be in accordance with any applicable local policies regarding the eligibility or prioritization of applications. This would support parental choice through access to fee subsidy outside of their home community, to best meet the needs of the family.

To support CMSMs/DSSABs planning for these regulatory amendments, I am pleased to provide the following:

- An updated Policy Statement: Access to Subsidized Child Care

The highlighted additions align with and are complementary to the proposed regulatory amendments.

While fee subsidy for eligible families is subject to the availability of subsidy funds within the budget of the CMSM or DSSAB, space availability within a child care program and a

licensee's enrolment policies, this change would support parental choice by increasing access to fee subsidy in programs outside of their area of residence.

The ministry values the feedback that we have received from CMSMs and DSSABs and the broader child care sector. The ministry recognizes that the implementation of these regulatory amendments may be a significant undertaking and is committed to continuing to support service system managers to ensure timely implementation in order to provide greater accessibility to child care for families.

If you have any questions regarding this package, please contact your Early Years Advisor (EYA). An updated list of EYAs was sent to CMSMs/DSSABs on August 10, 2023.

Sincerely,

Original signed by
Holly Moran

c: Early Years Advisors, Programs and Service Integration Branch

Attachment:

- Policy Statement: Access to Subsidized Child Care – updated September 2023

APPENDIX C: POLICY STATEMENT: ACCESS TO SUBSIDIZED CHILD CARE

September 2023

Glossary of Terms

Child care fee subsidy:

- Funding to offset the cost to parents for licensed child care or approved recreation programs (as described section 6 of Ontario Regulation 138/15).
- Eligibility for child care fee subsidies: Parents who are eligible for assistance, as identified in section 8 of the Ontario Regulation 138/15, and parents of children in social need (defined on p. 5 of this policy statement), may be eligible for fee subsidies for children under 13 years of age.
 - Parents of children with special needs may be eligible for fee subsidies for children under 18 years of age if they were in receipt of a service or received financial assistance before August 31, 2017. They will be allowed to continue to receive assistance until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see O. Reg. 138/15).
 - Parents eligible for fee subsidies include Ontario Works participants, recipients of income support under the Ontario Disability Support Program (ODSP), as well as other parents who are in financial need. The latter category captures ODSP employment supports clients who are in financial need but who are not in receipt of income support under ODSP.

Service System Manager:

- Municipality or district social services administration board designated as a service system manager by the Regulation. In this policy statement, service system managers are referred to as Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).
- For the purposes of this policy statement, unless otherwise indicated, CMSMs/DSSABs refers to the service system manager in the service area in which the parent and child resides, or the 'home' service system manager.

Full-day child care:

- Child care that is provided for 6 or more hours in a day.

Child with special needs:

- A child who has special needs means a child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child.

Ministry:

- The Ministry of Education.

Ontario Works child care:

- The provision of funding to participants in employment assistance activities under the Ontario Works Act, 1997 for the temporary care for and supervision of a child where the care and supervision is provided to enable the participants to so participate.
- Ontario Works participants (including participants in Learning, Earning and Parenting (LEAP), as well as ODSP income support recipients participating in Ontario Works) may receive assistance up to the actual cost of licensed care, and up to pre-established ceilings for unlicensed care.

Parent:

- Includes a person having lawful custody of a child or a person who has demonstrated a settled intention to treat a child as a child of his or her family (as per subsection 2. (1) of the *Child Care and Early Years Act, 2014*).

Part-day child care:

- Child care that is provided for less than 6 hours in a day.

Recognized needs:

- Reasons for needing child care that are laid out within the scope of this policy statement, and that are to be considered by CMSMs and DSSABs when determining the amount of subsidized child care to provide. The term may include needs associated with the child, needs associated with the parent, or both.

The Regulation:

- Ontario Regulation 138/15 (Funding, Cost Sharing and Financial Assistance) made under the *Child Care and Early Years Act, 2014*.

Introduction

High quality child care plays a key role in promoting healthy child development and helping children arrive at school ready to learn. It is also an essential support for many parents, helping them to balance the demands of career and family while participating in the workforce, or pursuing education or training.

That is why it is important to fund child care fee subsidies in a way that takes into consideration both the needs of parents and the best interests of children.

Purpose

This policy statement articulates provincial expectations regarding the provision of child care fee subsidies, specifically clarifying the flexibility available to CMSMs and DSSABs in determining the appropriate amount of child care for which a fee subsidy may be provided. The policy statement recognizes the decision-making authority of CMSMs and DSSABs at the local level, and provides them with a framework within which they may exercise discretion in balancing the needs of children and parents.

Role of Consolidated Municipal Service Managers and District Social Services Administration Boards

In their role as child care service system managers, CMSMs and DSSABs cost-share, plan and manage prescribed child care services, including fee subsidies and Ontario Works child care, within the parameters of legislation, regulations, standards and policies established by the ministry.

CMSMs and DSSABs are responsible for maintaining a flexible mix of subsidies for part- and full-day child care, across all age groups that reflects the range of local service needs. They are also responsible for implementing practices that provide for a seamless transition between subsidized part-day and subsidized full-day care as parents' and children's needs change.

CMSMs and DSSABs are to determine the amount of subsidized child care for each eligible family in accordance with the framework outlined in this document.

Statement of Policy

CMSMs and DSSABs may provide child care fee subsidies to parents who are financially eligible, and to parents of children with special or social needs (see p. 5 for definition of social need).

In the case of Ontario Works participants, CMSMs and DSSABs may provide child care fee subsidies or Ontario Works child care. To be eligible for Ontario Works child care, parents must be participating in recognized activities (outlined on p. 6). When providing fee subsidies or Ontario Works child care, CMSMs and DSSABs should take into account a family's reasons for needing child care in order to determine the amount of child care to subsidize.

Consideration should be given to both the recognized needs of the parent and the recognized needs of the child when determining whether funding for full-day or part-day child care is appropriate. As a general rule, funding for full-day child care should only be provided where the family's collective needs require it.

If the child has a special or social need, the amount of subsidized child care provided should be based primarily on what is in the child's best interests. In all other cases, the amount of subsidized child care should be based on the parent's recognized needs, although even then, the best interests of the child should always be considered in order to help support the child's early learning and avoid undue disruption for the child.

This policy statement recognizes certain needs as appropriate for the provision of child care fee subsidies and Ontario Works child care. These are outlined below, by funding type.

Determining the Amount of Child Care to Subsidize

It is important for CMSMs and DSSABs to exercise discretion in determining the amount of child care to subsidize for any particular family. Consideration should be given to the schedules and staffing of child care programs in which subsidized children are enrolled, and allowance should be made for extenuating circumstances (e.g. a parent's fluctuating work hours), so that as much as possible, unreasonable disruptions to a child's care or a parent's ability to pursue and maintain employment are avoided.

Recognized Needs for Provision of Child Care Fee Subsidies

The following is a list of reasons for needing child care that are to be considered by CMSMs and DSSABs when determining the amount of child care for which to provide a fee subsidy.

Children's recognized needs

- A child with special needs: means a child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall

development, are of such a nature that additional supports are required for the child.

- Social need: The child may require child care to address a social need due to issues with the home/family environment, and is referred to the CMSM and DSSAB for child care by a Children's Aid Society, Public Health Unit, family physician, or another early intervention/prevention agency/professional recognized by the CMSM or DSSAB. Social need includes situations where the need is directly related to the child, as well as situations where the child's need is the result of a greater family need.

Child care fee subsidies may be provided where children have special or social needs, even if their parents do not have recognized needs themselves. CMSMs or DSSABs have discretion to determine the appropriate amount of subsidized child care for children with special or social needs. The child's best interests should play a primary role in these decisions, but if the parent also has recognized needs, the parent's circumstances should also be taken into consideration.

Parents' recognized needs

- No parent in a household is able to care for their children due to participation in one or more of the following activities:
 - Employment;
 - Attendance at an educational program, including lab work, field placements, co-op placements, practical, and case studies/team meetings;
 - Attendance at a training program, including lab work, field placements, co-op placements, practical, and case studies/team meetings;
 - Study/preparation associated with education and/or training; and
 - Travel associated with the above activities.
 - Other circumstances, such as (but not limited to) the following:
 - In the opinion of a medical or other relevant professional, a parent is unable to care for their child because of an illness or disability (if there is another parent, they are engaged in activities as noted above);
 - No parent in a household is able to care for the child in between participation in activities as noted above (e.g., while sleeping during the day after working the night shift, etc.); and
 - A parent who already has a child care fee subsidy becomes temporarily

unemployed.

CMSMs and DSSABs are responsible for setting local policies regarding how much study/preparation time to permit per parent. Policies should take into account the workload associated with the educational/training programs in which parents are involved.

In circumstances where a parent is not participating in any of the activities listed above but still requires child care, or needs child care in between periods of participation, determining the appropriate amount of child care to subsidize may be more complex.

CMSMs and DSSABs have discretion to determine the appropriate amount of subsidized child care based on a consideration of the parent's needs and what would be in the best interests of the child.

It is not possible for this policy statement to capture every specific situation in which it may be appropriate to provide subsidized child care. There may be situations where parents are facing exceptional circumstances, and CMSMs and DSSABs will need to address those situations on a case-by-case basis.

Recognized Needs for Provision of Ontario Works Child Care

The following is a list of reasons for needing child care that are to be considered by CMSMs and DSSABs when determining the amount of child care for which to provide Ontario Works child care funding.

Parents' recognized needs

- No parent in a household is able to care for their children due to participation in:
 - Employment assistance activities under the Ontario Works Act, 1997 (OWA); and
 - Travel associated with the above activities.

It should be noted that Ontario Works child care funding is not the only mechanism through which Ontario Works participants may receive assistance with their child care costs. They may also have access to child care fee subsidies. If an Ontario Works participant wishes to access a child care fee subsidy, their needs should be considered in accordance with the recognized needs set out in the fee subsidy section of this document.

APPENDIX D: FEE SUBSIDY LEGISLATIVE AUTHORITY AND TECHNICAL DETAILS

LEGISLATIVE AUTHORITY

The following information identifies the specific sections of the legislation and regulations that relate to financial eligibility for fee subsidies. It outlines how provincial funds are allocated to CMSMs and DSSABs for the provision of prescribed child care services.

Family Composition

Family composition is a key component in determining eligibility for fee subsidy. Criteria used in the application process include the definition of the family unit and the determination of adjusted income to be used in calculating the parental contribution toward the cost of child care. This includes applicants who identify themselves as a parent.

Section 1 of the *Child Care and Early Years Act, 2014* defines a “parent” as:

“Parent” includes a person having lawful custody of a child or a person who has demonstrated a settled intention to treat a child as a child of his or her family.

The determination of adjusted income also includes applicants who identify themselves as:

- Couples in a relationship with some permanence and/or
- Couples cohabiting for a period not less than three years.

Section 29 of the *Family Law Act, 1990 (FLA)* states:

“Spouse” means a spouse as defined in subsection 1 (1), and in addition includes either of two persons who are not married to each other and have cohabited,

- a. Continuously for a period of not less than three years, or
- b. In a relationship of some permanence, if they are the natural or

adoptive parents of a child.

In cases where the applicants (couples) have cohabited for a period less than three years and have a child together, the parents have an obligation to support the child. Subsection 31 (1) of the *Family Law Act, 1990* (FLA) states:

“Every parent has an obligation to provide support for his or her unmarried child who is a minor or is enrolled in a program of education, to the extent that the parent is capable of doing so.”

Regulation 138/15 Financial Assistance for Parents

Section 1 of O. Reg. 138/15 includes the following definition:

“Adjusted income” means adjusted income as defined in section 122.6 of the *Income Tax Act* (Canada).

Section 8 of O. Reg. 138/15 defines categories of persons who are eligible for fee subsidy:

- (1) The following persons are eligible, as parents, for assistance with the cost of a service listed in paragraph 1, 2, 5, 6, 7 or 8 of subsection 6 (1):
 1. Persons eligible for income support under the *Ontario Disability Support Program Act, 1997*.
 2. Persons eligible for income assistance under the *Ontario Works Act, 1997* who are employed or participating in employment assistance activities under that Act or both.
 3. Persons who are eligible for assistance on the basis of their adjusted income.
- (2) A parent described in paragraph 1 or 2 of subsection (1) who is the recipient of a subsidy,
 - (a) Shall, subject to clause (b), be fully subsidized for the cost of the service; or
 - (b) Shall be provided with the amount of funding for the service described in paragraph 7 of subsection 6 (1), if applicable.
- (3) A parent described in paragraph 3 of subsection (1) who is the recipient

of a subsidy shall be provided with an amount of funding for the service determined under section 10.

- (4) The document entitled “Policy Statement: Access to Subsidized Child Care,” as amended from time to time, which is available on a Government of Ontario website, shall be referred to for the purposes of determining a person’s eligibility for financial assistance under this section and sections 9 to 12.

Section 9 of O. Reg. 138/15 defines the process and documentation necessary for the verification of income:

- (1) Every year parents may apply to a service system manager for assistance with the cost of a service referred to in subsection 8 (1).
- (2) Subject to subsection (3), parents applying for assistance with the cost of a service referred to in subsection 8 (1) on the basis of their adjusted income shall file with the service system manager,
 - a. A copy of their Notice of Assessment or Canada Child Tax Benefit Notice for the previous year; or
 - b. If their Notice of Assessment or Canada Child Tax Benefit Notice for the previous year is not available, a copy of their most recent available Notice of Assessment or Canada Child Tax Benefit Notice.
- (3) Parents who are applying for assistance with the cost of a service referred to in subsection 8 (1) on the basis of their adjusted income that were non-residents in Canada in the previous year are not required to file the documents referred to in subsection (2) and their adjusted income is deemed to be \$0 for the purpose of their application for assistance.
- (4) Service system managers shall process completed applications for assistance in the order they are received.
- (5) Service system managers shall make reasonable efforts to facilitate the provision of assistance to an applicant for the cost of a service operated in a service area other than the service area in which the applicant resides.
- (6) Subsections (4) and (5) shall not be applied in a manner that affects an applicant’s eligibility or priority for assistance.

Section 10 provides the formula for calculating the amount that parents receiving subsidy are expected to pay toward the cost of child care:

10.(1) The amount of the subsidy for a service referred to in subsection 8 (1) for which a parent is eligible on the basis of their adjusted income is calculated as follows:

1. Determine the amount the parent would pay for the service if the parent did not receive any subsidy.
2. Determine the amount the parent shall pay as calculated under subsection (2), (3) or (4).
3. Subtract the number determined under paragraph 2 from the number determined under paragraph 1.

(2) A parent shall not pay any of the cost of the service for their children if the parent,

- a. has a total adjusted income of \$20,000 or less; or
- b. the amount the parent would contribute on the basis of their adjusted income for each month of child care, as calculated under subsection (3), is less than \$10.

(3) If a parent has a total adjusted income of more than \$20,000 and the child is in receipt of the service on a full-time basis, the service system manager shall calculate a monthly amount that the parent shall pay, as follows:

$$\frac{[(A \times 0.10) + (B \times 0.30)]}{\div 12}$$

where,

A is the amount by which their adjusted income exceeds \$20,000 but is not more than \$40,000, and

B is the amount by which their adjusted income exceeds \$40,000.

(4) If a parent has a total adjusted income of more than \$20,000 and the child is in receipt of the service on a part-time basis, the service system manager shall calculate a daily amount that the parent shall pay as follows:

$$A \div (B \times 4.35)$$

where,

A is the monthly amount paid by the parent for the service

determined under subsection (3), and

B is the number of days per week the child is in receipt of the service.

Section 11 of O. Reg 138/15 describes the provisions for a family that includes a parent with a disability or child with special needs:

11.(1) Despite the definition of “adjusted income” in subsection 1 (1), if a parent of a child has a disability or the child is a child with special needs, the service system manager shall reduce the adjusted income of the parent by the amount of any expenses related to the parent’s disability or to the child’s special needs for which the parent is not reimbursed and for which there are no deductions under the *Income Tax Act* (Canada) and the reduced adjusted income shall be treated as the parent’s adjusted income for the purposes of section 10.

(2) For the purposes of this section, a parent has a disability if,

- a. The person has a substantial physical or mental impairment that is continuous or recurrent and that is expected to last one year or more; and
- b. The direct and cumulative effect of the impairment on the person’s ability to attend to his or her personal care, function in the community and function in a workplace results in a substantial restriction in one or more of these activities of daily living.

(3) For the purposes of this section, a determination regarding whether a person has a disability or a child is a child with special needs may only be made by a health practitioner whose profession is regulated under the *Regulated Health Professions Act, 1991* and who is acting within the scope of his or her practice.

Section 66.6 deals with in-year decreases in income:

12.(1) A parent may apply to the service system manager during the year for a reduction in the amount he or she pays for the cost of a service referred to in subsection 8 (1) if the parent has a reduction in their adjusted income of 20 per cent or more during the year compared to their adjusted income,

- a. In the previous year; or
- b. In the year before the previous year, if proof of their adjusted income is not available for the previous year.

(2) In applying for a reduction under subsection (1), the parent shall

provide satisfactory evidence of the amount of the reduction in income to the service system manager.

- (3) If a service system manager is satisfied that there has been a reduction of 20 per cent or more in adjusted income, the service system manager shall re- calculate the amount that the parent pays for the service using the reduced adjusted income as the basis of the calculation under section 10.

Applications for Fee Subsidy

With regards to subsections (5) and (6) of Section 9 under O.Reg.138/15, while CMSMs/DSSABs are required to make reasonable efforts to facilitate the access of (via cross-jurisdictional agreements with other service system managers or licensees) and administer subsidized child care for eligible parents, this does not circumvent or negate provincial or local policies of prioritization and/or provincial or local parameters for fee subsidy administration.

Families apply for fee subsidy with the CMSM/DSSAB of the region in which they reside. Any cross-jurisdictional agreements for fee subsidy are administered and managed by the home CMSM/DSSAB.

The home CMSM/DSSAB holds responsibility for making the assessment of eligibility, processing the subsidy application, administering the funding, and managing any ongoing reporting and documentation associated with the application.

Provincial policies and the by-laws and policies of the home CMSM/DSSAB are, by default, the applicable parameters when determining eligibility, priority, subsidy amounts and parental contribution for a family.

Exceptions to this are CMSMs/DSSABs that have approved opening up their fee subsidy program to all families regardless of where a family resides.

- CMSMs/DSSABs that accept direct applications from families outside of their jurisdiction take on the responsibilities associated with administering (funding, monitoring and reporting on) that subsidy placement.

Services

Under O. Reg. 138/15, Subsection 6(1), the provision of child care by a child care centre, home child care in a premises overseen by a home child care agency, in-home services, children's recreation programs and funding for participants in

employment assistance activities under the *Ontario Works Act, 1997* are services for which parents may receive financial assistance.

Persons with Disabilities or Special Needs

Families in which a parent has a disability or a child has special needs are able to have disability-related expenses deducted from adjusted income. This reduced income will then be used to determine eligibility for fee subsidy and to calculate the parental contribution for child care.

For a child, he or she must meet the definition of a “child with special needs” in O. Reg. 138/15:

- A child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child.

For a parent, the definition of a person with a disability is consistent with the definition used for purposes of the Ontario Disability Support Program, i.e.:

- A person has a substantial physical or mental impairment that is continuous or recurrent and expected to last one year or more; and
- the direct and cumulative effect of the impairment on the person’s ability to attend to his or her personal care, function in the community and function in a workplace, results in a substantial restriction in one or more of these activities of daily living.

To determine whether a parent qualifies based on this definition, the CMSM/DSSAB will need to request a note from a health practitioner whose profession is regulated under the *Regulated Health Professions Act, 1991* and who is acting within the scope of his or her practice.

If the parent is eligible to claim the disability amount, line 316 on the personal income tax form, a qualified person, usually a medical doctor, must have certified that the parent is eligible to claim the amount. This certification may also be used to establish that the parent qualifies to have disability-related expenses deducted for purposes of the fee subsidy income test.

Eligible expenses that may be subtracted from adjusted income are those that are not deductible and for which a credit cannot be claimed through the income tax system.

Eligible expenses must not be reimbursable, for example through insurance or a

government program.

Applicants for child care subsidy will need to bring documentation for disability-related expenses that they wish to have deducted from adjusted income, including:

- Receipts for the disability-related expenses which must have been incurred in the same calendar year as the adjusted income;
- A copy of the completed income tax return for the most recent tax year to show the expenses that may have been deducted or claimed as credits; in particular, the disability supports deduction (line 215) and the medical expenses (claimed on lines 330 and 331) should be reviewed.
- A note signed by an eligible professional if the parent has a disability or evidence that the parent is eligible to claim the disability amount, line 316 on the personal income tax form. In the latter case, the parent should provide a copy of the certified Form T2201, *Disability Tax Credit Certificate*.

Calculation of Parental Contribution

Fee subsidies are available across a broad range of income levels. Families with an adjusted annual income of up to \$20,000 are eligible for full fee subsidy and no calculation of a parental contribution is required.

For families with adjusted income above \$20,000, parental contribution is calculated based on 10% of their adjusted income over \$20,000.

Example:

1. A family with adjusted income of \$25,000 annually would have a parental contribution of 10% of \$5,000 annually or \$500.

When the family's annual adjusted income is above \$40,000, parental contribution is calculated at 10% of the amount over \$20,000 up to \$40,000 *plus* 30% of the amount over \$40,000.

Example:

2. A family with an annual adjusted income of \$45,000 would have a parental contribution of 10% of \$20,000 (\$2,000) plus 30% of \$5,000 (\$1,500). Total annual parental contribution would be \$3,500.

No family will pay more than the total cost of child care for all children in the family. If the calculated parental contribution exceeds the cost of child care, the family is not eligible for fee subsidy.

Monthly and Daily Contribution Calculations

The monthly parental contribution is calculated by dividing the annual parental contribution amount by 12.

Examples:

3. A family with an annual adjusted income of \$25,000 has an annual parental contribution amount of \$500. Their monthly contribution amount would be \$41.67.
4. A family with an annual adjusted income of \$45,000 has an annual parental contribution amount of \$3,500. Their monthly contribution amount would be \$291.67.

The income test is designed such that parents pay the monthly parental contribution as calculated above in each month that their child(ren) need child care regardless of the number of days of child care per week. The daily contribution amount is calculated using the following formula:

$$\frac{\text{Monthly parental contribution}}{\text{Days of care per week} \times 4.35}$$

Examples:

1. A family with an annual adjusted income of \$25,000 has a monthly parental contribution amount of \$41.67. The family requires five days of care per week. To calculate their daily contribution amount:

$$\frac{41.67}{5 \times 4.35} = \$1.92/\text{day}$$

2. A family with an annual adjusted income of \$45,000 has a monthly contribution amount of \$291.67. The family requires 5 days of care per week. To calculate their daily contribution amount:

$$\frac{291.67}{5 \times 4.35} = \$13.41/\text{day}$$

3. A family with an annual adjusted income of \$45,000 has a monthly

contribution amount of \$291.67. The family requires 3 days of care per week. To calculate their daily contribution amount:

$$\frac{291.67}{3 \times 4.35} = \$22.40/day$$

Minimal Subsidy or Parental Contribution

When the parental contribution is calculated to be less than \$10/month the CMSM/DSSAB is to provide a full subsidy to the family. Similarly, the CMSM or DSSAB is not expected to provide a subsidy to the family if the subsidy amount is less than \$10/month.

Change in Family Composition

There are situations where the family composition changes from a one-parent family to a two-parent family. This may occur as the result of a marriage or a couple cohabiting for a period not less than three years. In this case, a parent already receiving subsidy is expected to report the change in circumstances to the CMSM or DSSAB at the earliest opportunity. The most recent available *Notice of Assessment* must be provided for the new parent. The combined adjusted income for both parents will then be used to confirm eligibility for fee subsidy and the parental contribution recalculated.

Significant Changes in Income

The income test is based on the annual adjusted income for the most recent available tax year. In most cases, parents are not expected to report in-year increases in income. Any changes in income will be taken into account at the time of the next subsidy review.

Income in the most recent tax year may not reflect the family's current financial situation in cases where families experience a significant decrease in income (e.g. family break-up). In this case, families may apply for a reduced parental contribution. For purposes of the income test, a significant change of income is defined as a decrease of 20% or more compared to adjusted income for the most recent available tax year. Appropriate documentation must be provided by parents to enable the CMSM or DSSAB to verify the change in income, such as pay slips, pension benefit statements or RRSP receipts.

In such cases, the following calculation provides an example of a method to

determine if a significant change in income has occurred. This calculation estimates adjusted income for the current calendar year and compares it to the adjusted income for the most recent available tax year.

STEP 1:

Calculate the sum of the following types of income:

- Gross employment income, before any deductions including income tax, Canada Pension Plan, Employment Insurance, employer pension plan, union dues
- Old Age Security pension
- Canada Pension Plan benefits
- Interest and other investment income

STEP 2:

Calculate the sum of the following deductions from income; all deductions are limited to those that may be claimed for income tax purposes:

- Registered pension plan contributions
- RRSP contributions
- Annual union, professional and like dues

STEP 3:

Subtract the sum of the deductions from the sum of all types of income to determine the estimated adjusted income for the current calendar year.

STEP 4:

Determine the family's "adjusted income" as defined by the federal government for purposes of the Canada Child Tax Credit for the most recent available tax year.

STEP 5:

Subtract the estimated adjusted income for the current year (Step 3) from the adjusted income for the most recent available tax year (Step 4). Calculate the difference as a percentage of the adjusted income for the most recent available tax year. If the percentage is 20% or more, the estimated adjusted income for the

current year may be used for purposes of the income test.

Example:

Gross earnings were \$1,000/week for 12 weeks and estimated at \$600/week for 40 weeks

Step 1: Estimated income for the current calendar year: Gross earnings = $\$1,000 \times 12 + \600×40 = $\$12,000 + \$24,000 = \$36,000$	A	\$36,000
Step 2: Deductions from income Registered Pension Plan - \$50/week for 12 weeks	B	\$600
Step 3: Estimated adjusted income for current calendar year	$C = A - B$	\$35,400
Step 4: Adjusted income for most recent available tax year	D	\$50,000
Step 5: Decrease in income: subtract current year from most recent available tax year	$E = D - C$	\$14,600
Percentage decrease	$F = E/D \times 100\%$	29%

Since the decrease is more than 20%, the estimated adjusted income of \$35,400 for the current year may be used to calculate the parental contribution for child care.

Documentation and Reporting Data

Information to be provided to and filed with the CMSM/DSSAB administering the fee subsidy application includes:

- Documentation necessary for the verification of income

- Any supporting documentation to support a fee subsidy application
- Documentation reporting changes in family composition or significant changes in parent income
- Reporting data on fee subsidy services provided (including attendance/absence dates) for a child placed in a program
- Reporting data on fee subsidy expenditures for a child placed in a program

Canada-Wide Early Learning and Child Care (CWELCC) System Parental Contribution Reduction

Under the CWELCC System, to ensure an equivalent fee reduction is applied to families receiving child care fee subsidy in CWELCC enrolled child care programs), amendments have been made under O. Reg. 138/15, which require CMSMs and DSSABs to reduce the parent contribution for eligible children (as defined under O. Reg. 137/15 (General)) by 50% (with no floor of \$12 for families receiving subsidy).

If a parent has at least one eligible child, as defined in O. Reg. 137/15 (General), who is enrolled in a child care centre or home child care that is part of the CWELCC System, the CMSM/DSSAB is to reduce the parental contribution amount calculated via the income test, as follows:

$$A \div B \times C \times 0.50$$

where,

A is the total parental contribution calculated via the income test,

B is the total number of children that the calculated parental contribution pertains to,

C is the number of eligible children, who hold a space with a provider that has enrolled in the CWELCC System, that the parent is required to pay a parental contribution for.

For example, if a fee subsidy family has two children aged 7 and 4, the 50% parental contribution reduction would only apply to the 4-year-old. The 50% reduction would then be reduced by half, as it only applies to one of the two children.

Licensees are required to reduce the cost of a full fee space that is occupied by an eligible child receiving fee subsidy. Please refer to the *Canada-Wide Early Learning and Child Care System Guidelines* for full details.