

Canada-Ontario Affordable Housing Initiative

Social Housing Renovation and Retrofit Program (SHRRP)



Ministry of Municipal Affairs and Housing
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Social Housing Renovation and Retrofit Program – Highlights

The Social Housing Renovation and Retrofit Program (SHRRP) is a capital grant program that funds the repair and regeneration of eligible social housing projects.

The SHRRP will:

- Improve the health and safety of residents living in social housing communities
- Provide enhanced accessibility for seniors and persons with disabilities
- Contribute to the reduction of social housing project operating costs
- Assist in the reduction of waiting lists for social housing, including restoration of vacant or abandoned units.

Program Requirements

Social housing administered by Service Managers (SMs), the Ministry of Health and Long Term Care, the Ministry of Community and Social Services and Rural and Native Housing may be eligible for SHRRP funding.

Eligible projects fall within Schedule C of the *Canada-Ontario Social Housing Agreement, 1999*, subject to certain exceptions. They must either be subject to the *Social Housing Reform Act, 2000* (SHRA) or have an ongoing Project Operating Agreement in place with social housing providers.

In all cases, SHRRP funding cannot be provided unless the provider agrees to maintain the social housing as affordable for a minimum of 10 years.

Eligible Social Housing Programs

- Public housing projects developed by the Ontario Housing Corporation (now the Ontario Mortgage and Housing Corporation) and transferred to SMs under the *Social Housing Reform Act, 2000* (SHRA)
- Projects funded under the SHRA and formerly funded under:
 - federal/provincial non-profit housing programs (non-profit and co-operative housing)
 - unilateral provincial non-profit housing programs (non-profit and co-operative housing)
- Projects developed under the federal Section 95 housing program, including the Urban Native Housing Program
- Projects developed under the Section 26 housing program (including the Limited Dividend Program) and the Section 27 housing program directly funded by CMHC
- Off-reserve projects funded under the Rural and Native Housing Rental Program.

Ineligible Social Housing Programs

- Federal cooperative housing projects that were not transferred to the province under the Social Housing Agreement, and were retained by the federal government (CMHC has a separate repair program for unilaterally funded federal co-ops)
- Projects funded under federal homelessness initiatives, including the Supporting Communities Partnership Initiative (SCPI), and the Homelessness Partnership Initiative (HPI)

- Private projects with households in receipt of assistance under the Rent Supplement Program
- Social housing in First Nations communities (on-reserve housing)
- Rural and Native Homeownership Program units
- Properties owned by landlords who are in the process of earning loan forgiveness under CMHC renovation programs other than the Residential Renovation Assistance Program – Disability (RRAP-D)
- Project sponsors in the process of earning forgiveness under the Shelter Enhancement Program.

Eligible Project Expenditures

SHRRP is a capital grant program that assists eligible social housing providers renovate and upgrade social housing projects. There is a strong emphasis on improving the health and safety of tenants and increasing the energy efficiency and physical accessibility of the buildings. These are investments which will extend the life of a building system or component, improve operating costs, and contribute to an improved quality of life for the tenants.

Both “soft” and “hard” costs are permitted under the program. Soft costs include project-related expenses such as professional services (e.g., architects, engineers), preparation of tender documents, charges and fees required for municipal approvals (e.g., building permit fees), building condition assessments, and energy efficiency audits. Hard costs are actual capital repair/equipment/construction expenses.

Two types of capital projects are permitted under this program:

Renovation and Retrofit Projects:

Capital renovations, retrofits and repair projects that involve the replacement or reconstruction of major building systems, site components and basic facilities and equipment that is near the end of its useful life. These major capital items could include – but are not limited to – roofs, windows and doors; building envelope assemblies and major balcony repairs; HVAC systems; kitchen and bathroom facilities; safety features such as fire alarms and emergency lighting and broadband internet connectivity infrastructure.

Regeneration Projects:

Regeneration projects entail a fundamental change in an existing building. The purpose could be to meet changing client needs or to address major renovation or replacement of units in poor condition through demolition and complete replacement of existing social housing units.

The unit/building type, physical placement and density may be altered based on a best use analysis of the site. Any change in units must be approved by the ministry.

Ineligible Expenditures

These costs are not eligible capital expenditures:

- Costs for ongoing or routine maintenance and repairs, as these are already covered under an annual operating budget
- Replacement of building components which have not reached the end of their expected life
- Costs related to repair projects already included in annual capital plans *
- Capital work which began before January 27, 2009
- Construction of new social housing units.

* SHRRP funding is not intended to replace activities supported by federal funding received under the *Social Housing Reform Act, 2000*. In the Service Manager Annual Information Report (SMAIR), SMs must demonstrate that the total capital expenditures for their respective SM Area is not less than the federal funding received under the SHRA plus any capital funding received under the SHRRP.

Ministerial Consents

Ministerial consents may be required before a social housing provider can do certain things to a housing project like encumber or redevelop the project.

Since SHRRP is a capital grant program, there will be no need to register any security on title. It is therefore expected that, in most cases, ministerial consent for repairs will not be required.

Regeneration projects, however, may require ministerial consent.

Appendix A provides more information on how to prepare an application to request ministerial consent.

Duty to Consult

The province has a duty to consult and accommodate Aboriginal peoples where it has knowledge of the potential existence of an Aboriginal right or title and contemplates conduct that might adversely impact that right or title. If such a duty arises in the context of making a decision to provide SHRRP funding, the province would have an obligation to consult Aboriginal peoples before such a decision is made.

Accounting

The SM and delivery partners shall require each social housing provider who completes repairs to keep and maintain, at its usual place of business, all records, invoices and other documents relating to the repair funds. This should be done in a manner consistent with Generally Accepted Accounting Principles (GAAP) and clerical practices. The records must be maintained and kept available for review for a period of five years from the date of completion.

The SM shall also ensure that the delivery partners undertaking repairs can provide any additional information reasonably required by the ministry.

Purchasing Goods and Services

The SM and delivery partners should acquire all goods and services through competitive or comparative selection processes. This should be based on current municipal best practices, so that the best value for funds expended is ensured.

Conflict of Interest

The SM and delivery partners shall ensure that the repairs are carried out in all its aspects without a conflict of interest by any person associated with the project.

For these purposes, a conflict of interest includes a situation in which any director of the housing provider and/or anyone involved in the management of the housing project and/or any member of any such person's family is able to benefit financially from his or her involvement with the capital repair/regeneration project.

The SM and delivery partners shall disclose to the ministry, without delay, any actual or potential situation that may be reasonably interpreted as an actual, perceived or potential conflict of interest and shall identify how the conflict of interest will be resolved.

Service Manager Allocations

In April 2009, the Assistant Deputy Minister of Housing sent a letter to SMs requesting a list of repairs/regenerations that are construction-ready. Due to the positive response, the ministry has determined that SMs can proceed with the lists submitted, as long as the proposals meet program guidelines.

In addition, the ministry will allow time to develop a consolidated two-year **Take Up Plan (TUP)**. These plans must be submitted to the ministry by the end of September 2009 and outline planned projects for both years of the SHRRP program.

Allocation of Funding

SMs have been provided with funding allocations for each year of the program to allow for planning and project implementation. This allocation is based on the percentage of social housing units currently under each SM's management.

Take Up Plan (TUP)

SMs must outline how they intend to use each year of their SHRRP allocation by submitting a TUP, which will be reviewed and approved by the ministry.

The primary purpose of the TUP is to enable the SM and the ministry to monitor progress of the projects. In December 2009 and 2010, the SM and the ministry will discuss the progress of individual projects in Year 1 and Year 2 respectively.

If the ministry finds, after reviewing the project's progress, that the SM is unable to use all of the allocation for any fiscal year of the program, all or any part of the unspent funding may be reallocated.

Projects may be submitted for funding approval prior to submission of the TUP.

See Appendix B for more detail on TUPs and Appendix C for a summary of program timelines.

Project Approvals

Individual projects will be reviewed and recommended for approval by the SM.

The SM must submit a Project Information Form (PIF) (and, in the case of Regeneration projects, a business case) to request payment. The PIF will be entered into the Affordable Housing Information System (AIMS)* and will be attached to the Funding Agreement (FA) when funding is requested.

If there is a single repair renovation contract for work being done on a number of sites, the value of the contract must be prorated on a project basis and reported on a separate PIF for each project.

*As AIMS is not yet available for SHRRP input, see Appendix D for the template to be used as the temporary Project Information Form.

Approval of Renovation and Retrofit Projects

Renovation and retrofit projects are expected to make up the bulk of the projects funded under SHRRP. The goal of these projects is to improve the quality of life of the tenants, improve the operating efficiency of the building, and extend the life of major building components.

These projects can include, but are not limited to:

- Replacement of major building systems such as building envelopes, roofs, elevator, and HVAC systems
- Retrofitting kitchens to support improved accessibility
- Replacing old appliances.

Projects should address provincial priorities:

- Improving the health and safety of tenants
- Increasing energy efficiency of buildings
- Increasing building accessibility for seniors and persons with disabilities.

SMs should approve projects that reflect value for money, make prudent use of public funds, and reflect provincial priorities.

SMs should not reduce existing transfer payments to social housing providers as a result of the new SHRRP funding. SHRRP is considered to be above and beyond existing capital funding, and must be reported in the annual SMAIR reports as additional capital spending.

SHRRP is a one-time grant program that is not intended to impact existing capital reserves. SMs should use maximum SHRRP funds first.

Social housing projects with contracts for capital repair projects that began after January 27, 2009 may be eligible for funding under the program.

The ministry will not approve a funding request unless the SM has confirmed that the social housing provider has agreed to maintain the project as affordable for a minimum of 10 years. SMs may, at their discretion, choose to increase this minimum period of affordability.

Approval of Regeneration Projects

Regeneration projects entail a fundamental change in existing buildings through the reconfiguration or complete reconstruction of physically or functionally obsolete structures.

The unit/building type, physical placement and density of the units may be altered based on a best-use analysis of the site. Any change in units must be approved by the ministry. Regeneration includes:

- Conversion of units in response to changing client needs
- Rehabilitation of a vacant or abandoned unit in poor condition
- Demolition and reconstruction of all or part of a social housing project due to functional obsolescence and/or poor condition of the units.

There must be no reduction of service level standards as a result of a regeneration project. The number of existing rent-g geared-to-income units under administration may not be reduced.

Up to 10% of SHRRP funding will be permitted for regeneration projects across the province.

Regeneration projects will be approved by the ministry on a case-by-case basis according to the business case submitted by the SM. See Appendix E for more details on SHRRP business cases.

Regeneration is only permitted if the project is financially viable, does not create project operating deficits and can be completed within program guidelines.

Funding Agreements

Once the ministry has approved funding, a Funding Agreement (FA) will be set up. Please see Appendix F for a sample FA.

Construction must start **within three months** of signing the FA. If construction does not commence within that time, the ministry may demand repayment of the funds.

All relevant Project Information Forms (PIFs) will be attached to the FA.

The ministry will not enter into any agreements with housing providers. SMs are responsible for setting up their own agreements with housing providers.

SHRRP funding is offered on a strict “use it or lose it” basis. Unspent allocations will lapse as of March 31st in each year.

Approved projects must start repairs/construction within three months of the date of signing the Funding Agreement for the project.

Funding

For **renovation and retrofit projects**, the maximum funding per unit is \$28,000 in Southern Ontario.

An additional \$4,000 per unit is available for units in the far north as defined by CMHC. This includes north of the CN rail line running east-west from the Quebec border north of Lake Abitibi, and passing through the Eades Reserve, Cochrane, Kapuskasing, Hearst, Pagwa River Nakina, Armstrong, Savant Lake, Hudson and Minaki to the Manitoba border.

It is expected that average project funding per service area will be \$14,000 per unit.

For **regeneration projects**, the maximum funding per unit is \$150,000 or 100% of the actual capital cost required per unit, whichever is less.

SMs are eligible to receive funding once an FA has been signed.

Payments for Projects

Payments will be flowed to SMs based on the following milestones:

- 20% of the approved estimated project cost when the FA is signed. This will enable coverage of "soft" and other preliminary costs. The payment will be processed as soon as the FA is signed.
- 50% of the approved estimated project cost when a project reaches start of construction (defined as when the construction contract is signed or, in special circumstances, when materials need to be pre-ordered). Requests for payment will be processed by the ministry on a "bundled" basis in each area, on a monthly basis. Payments can be processed sooner on a special request basis.
- The final 30% will be paid when construction is approximately 90% complete. Request for this payment will also be processed by the ministry on a "bundled" basis. Payments can be processed sooner on a special request basis.

Energy Efficiency

It is expected that a major portion of the SHRRP projects will focus on improving the energy efficiency of social housing buildings.

The Ministry of Municipal Affairs and Housing (MMAH) is also developing a \$70 million Renewable Energy Initiative with the Ministry of Energy and Infrastructure. This initiative will be focused on the implementation of Renewable Energy Projects for social housing projects. Guidelines for this program will be available in Autumn 2009.

Repairs and Retrofits

General repair and retrofit projects should consider energy usage when they are being developed. To ensure optimum ongoing energy performance, it is strongly recommended that the plan for project work be based on a thorough energy audit.

Maximum energy efficiency standards should be targeted for all building components used in projects. However, repairs and retrofits projects will not be required in order to meet a specific overall rating. For example:

- Window replacements should use double-pane, low E Argon windows
- Roof replacement involving the installation of attic insulation should reach R 40
- Replacement appliances *must* be ENERGYSTAR rated products.

Energy Retrofit

For projects focused on energy retrofits all work should result in the unit meeting provincial energy efficiency standards, based on the age of the building.

For example, a low-rise building constructed in 1970 should reasonably be expected to achieve an Energuide rating between 63-72.

Existing high-rise buildings should be more energy efficient than the Model National Energy Code for Buildings. This could be achieved through measures such as improved air leakage control, increased insulation R-values and the installation of high-efficiency ENERGYSTAR rated boilers, furnaces, lighting, appliances, and windows. Any other improvements should also be supported under applicable government and utility-administered, energy efficiency programs.

All work should be supported by an energy audit. See Appendix G for examples of energy efficiency upgrades.

Smart Meters

The Ontario government supports the installation of smart meters in rental buildings. SMs who install smart meters (either in directly metered units or by sub-meter) in their social or affordable rental buildings should refer to the *Electricity Act, 1998*, to ensure that the installation does not contravene the legislation.

The Ontario Energy Board can also confirm if meter installation (individual and/or sub-meters) is currently authorized and who is authorized to install them. **The Ontario Energy Board's (OEB) Consumer Relations Centre can be reached at 1-877-632-2727 or 416-314-2455.**

Canadian Environmental Assessment Act (CEAA)

Funding from CMHC is now subject to the Canadian Environmental Assessment Act (CEAA). To be eligible for funding, proponents must provide proof that CEAA requirements of have been met. More details on CEAA provisions are found in Appendix H.

Accessibility

As outlined in the *Ontarians with Disabilities Act, 2001*, municipalities have prepared accessibility plans and established accessibility advisory committees. SMs should refer to the *Act* and the work of these committees to guide their approach to improving accessibility and eligibility for persons with disabilities in their areas.

Eligible repairs include those that improve accessibility for seniors and persons with disabilities. This could include investment in major new building facilities, such as elevators or lifts, so that seniors or residents with disabilities do not have to move when their mobility is affected.

Federal RRAP-D may be used in combination with funding under the Renovation and Retrofit of Social Housing Program. SMs and proponents are encouraged to confirm funding eligibility with CMHC. Funding from other programs cannot be used in combination with this program.

Stacking

Funding under the AHP Extension (2009) may be combined **in the same project** but cannot be combined **in the same unit**. For example, an existing seniors' social housing project may have some existing units on the site that are in need of repair/renovation under SHRRP. AHP funding could be applied to the construction of new affordable housing units in the same building, subject to ministry approval, which may include a ministerial consent or Transfer Orders under the SHRA, if required.

Federal RRAP-D may be used in combination with SHRRP funding (consistent with the guidelines) for the repair and retrofit of existing social housing stock. SMs and proponents should consult with CMHC's RRAP-D program to confirm eligibility.

Reporting

Other programs may not be combined with the SHRRP without ministry approval.

A key condition of the federal funding is that program reporting take place monthly on each project. SMs are required to report to the ministry on the status of each project during its development and renovation, retrofit, or regeneration. The ministry will prepare a monthly roll-up in each SM's area.

Project details will be reported through AIMS. At this time, AIMS is not functional for SHRRP– the ministry will supply SMs with an interim report template shortly.

Each housing provider's Annual Information Return (AIR) must contain an audited statement of SHRRP project expenditures as well as a statement from a reputable independent auditor confirming that the funding provided was spent on approved, eligible capital expenditures, and in the case of regeneration projects, the budget was submitted with the business case for the project as approved by the Ministry.

The ministry reserves the right to verify or audit any information submitted for completeness and accuracy, and to ensure that funds were used on eligible expenditures and for the purpose intended. SMs should retain invoices, claims and contract documentation, such as procurement procedures and practices. In addition, evidence of contracts or a record of work forms (if the work was done by housing provider staff) should also be kept as evidence of repairs undertaken and completed.

Indemnification and Repayment of Funds

All SHRRP participants have obligations in regards to indemnification and recovery of government funding.

The SM will fully indemnify the ministry for any liability that may incur as a result of, or relating to, the implementation of SHRRP and/or any projects funded through the program.

In cases of non-compliance due to misuse of funds or negligence by housing providers, the SM must notify the ministry immediately and take steps to recover and return SHRRP funding to the ministry.

SMs must make reasonable efforts to recover and return all funds not used on approved eligible capital expenditures.

Program Assistance

If you require assistance or information on the program, please see Appendix I for the list of contacts for your local Municipal Services Office.

APPENDIX A – Ministerial Consents

Ministerial consent under either the *Social Housing Reform Act, 2000* (SHRA) or Transfer Orders under the SHRA may be required in cases that affect social housing projects and/or social housing land. In addition to reviewing the SHRA to determine if consent is necessary, Transfer Orders should be reviewed for federal projects.

Ministerial consents may be required for:

- Encumbrances – mortgages that are registered on title, registration of other instruments such as easements, funding agreements, etc.
- Postponement of first mortgages, replacement of mortgages
- Sale/transfer/lease of social housing property/units, development/redevelopment of social housing property, granting/disposing of social housing property
- Altering any condition or state of social housing property, **excluding repairs or maintenance**
- **Development and/or redevelopment of social housing.**

If consent is required, the ministry may require certain documents and/or other items in connection with an application for ministerial consent. This may include, but is not limited to:

- A fulsome business case describing project goals and how these will be accomplished
- Corporate name of proponent and location(s) of anticipated work
- Council and board resolutions
- Title search
- Tenant relocation plan
- Copy of Operating Agreement for federal projects
- Financing arrangements
- Clean Phase 1 ESA's
- Draft easements
- Draft Shared Facilities Agreement
- Site plan
- Draft purchase and sale agreements
- Pre and post property appraisals
- Partial discharges of first mortgages
- Severances of land no longer to be used for social housing

- Separate ownership of land no longer to be used for social housing
- Consent of the first mortgagee.

For clarification of consent requirements and documentation, please refer to Release 20 - *Procedures for obtaining Ministerial Consent under the Social Housing Reform Act 2000* and/or contact:

- East of Yonge Street – Lilian Hulme-Smith 416-585-6094 or lilian.hulme-smith@ontario.ca
- West of Yonge Street – Yvonne Wright 416-585-6423 or Yvonne.wright@ontario.ca
- City of Toronto – Christopher Ryter, 416-585-6711 or chris.ryter@ontario.ca

APPENDIX C – Program Timelines

Receive letter identifying notional allocation along with program guideline, Administration Agreement and Funding Agreement	
Submit signed Administration Agreement to the ministry	
Submit 2 year Take Up Plan (TUP)	September 30
Enter Project Information Forms into AIMS	Ongoing
Enter into Funding Agreements with ministry	Ongoing
Discussions with the ministry on the remaining projects planned to meet deadline	December 10
Ministry reallocates unused funding allocation	January 10
Final day to sign FA and use annual funding allocation	March 31
Final construction start date	June 30

APPENDIX D - Project Information Form (PIF)



Ministry of Municipal
Affairs and Housing

Social Housing Renovation and Retrofit Program (SHRRP) Project Information Form

Office Use Project Reference No.			
Date Submitted by (yyyy-mm-dd)		CMSM / DSSAB:	
1.0 Contact Information			
Housing Provider			
Legal Name <Select>		Position	
Organization Name (if different from Legal Name):			
Project Address			Main Address: <input type="checkbox"/>
Street #	Street Name	Street Type <Select>	Street Dir. <Select>
Unit Designator: <Select>		No.:	
City:	Province: Ontario	Postal Code:	
Extra Address Info:			
Main Intersection:			
P.O. Box:	No.:	Type: STN	Qualifier:
Area Name:			
Rural Route: <Select>	No.:		
Telephone: ()	Ext.	Fax No.: ()	
E-mail Address:			
Service Manager			

Contact Name:		Position:	
Street #	Street Name	Street Type <Select>	Street Dir. <Select>
Unit Designator <Select>		No.:	
City:	Province: Ontario	Postal Code:	
Extra Address Info:			
P.O. Box:	No.:	Type: <Select>	Qualifier:
Area Name:			
Rural Route: <Select>	No.:		
Telephone: ()	Ext.	Fax No.: ()	
E-mail Address:			

MSO

Contact Name:		Position:	
Street #	Street Name	Street Type <Select>	Street Dir. <Select>
Unit Designator <Select>		No.:	
City:	Province: Ontario	Postal Code:	
Extra Address Info:			
P.O. Box:	No.:	Type: <Select>	Qualifier:
Area Name:			
Rural Route: <Select>	No.:		
Telephone: ()	Ext.	Fax No.: ()	
E-mail Address:			

2.0 Project Information

Original Funding: <Select>
Property Type: <Select> Other – Specify:
Age of Property:
Number of Units (for this address):
Date Provider exits original program:

Confirm the 10 year affordability commitment: Yes No

Provide details of revised affordability date:

Special Features – Disabled Access: Fully Accessible Unit Modifications Building Access for Special Feature – Disabled Access

Repair Details						
Category of Repair	Type of Repair	Units (to be repaired)	Cost (\$)	Health and Safety	Energy Efficiency	Accessibility
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	TOTAL	0	0			

Attach additional page(s) if required

Eligibility

This project is eligible as defined under the SHRRP guidelines

2.1 Ministerial Consents

Are you planning to build on land/property originally developed under Federal/Provincial social housing programs, subject to SHRA 2000 regulations or federal operating agreements?

Yes No

If 'Yes', note a Ministerial consent is required to alter the existing mortgage and security. Please inform your provincial contact for more information.

3.0 Special Features Description

Energy Efficiency

Energy Audit Energy Star Products Smart Meter Other measures – Specify:

4.2 Other certifications

Does it meet Canadian Environmental

Assessment Act (CEAA) requirements? Yes No

5.0 Funding

	Percentage of Total Funding (%)	Amount (\$)
Total Estimated Funding Requested		
Federal Funding	50	0.0
Provincial Funding	50	0.0
1st Payment (up to a maximum of 20% of total funding requested)		0.0
2nd Payment (up to a maximum of 50% of total funding requested)		0.0
Final Payment		0.0

6.0 Milestones

	n/a not applicable	Initial Estimate Date (yyyy-mm-dd)	Revised Estimate Date (yyyy-mm-d)
Development Schedule			
Construction/Repair Start	<input type="checkbox"/>		
Substantial Completion	<input type="checkbox"/>		
Completion/Occupancy	<input type="checkbox"/>		

APPENDIX E – SHRRP Business Case

Under SHRRP, social housing regeneration projects may be permitted within an SM's social housing portfolio. Regeneration is the physical upgrading of a project that is physically and functionally obsolete.

A business case is required for all social housing regeneration proposals.

The ministry will review all business cases to determine eligibility for program funding.

Social Housing Regeneration Proposals should be submitted to the Team Lead, Regional Housing Services, at the local Municipal Services Office.

Regeneration projects typically involve:

- Conversion of units in response to changing client needs
- Rehabilitation of a vacant, or abandoned unit in very poor condition
- Demolition and reconstruction of all or part of a social housing project due to the functional obsolescence and/or poor condition of the units
- The unit/building type, physical placement, and density of the units may also be altered based on a best-use analysis of the site.

Business cases should include:

- A detailed description of why the social housing project is physically and functionally obsolete
- An analysis of the social housing project, including the preferred regeneration option and the alternative development options evaluated
- Drawings or site plans of the regeneration proposal, if available
- Details of any existing social housing mortgages. Please provide copies of the mortgage documents and, if applicable, any project operating agreements registered on title
- A Ministerial Consent may be required under the *Social Housing Reform Act, 2000* (SHRA) or a Transfer Order under the SHRA
- An estimated project capital budget outlining the total regeneration costs involved, including “soft” costs (consulting fees, professional fees, permit and application fees, development charges, etc.) and “hard” construction costs
- An estimated budget outlining all sources of funding for the regeneration project including SHRRP funds, other government assistance, municipal

contributions, contributions by others (including the proponent) and private financing

- An estimated project operating budget confirming there will be no operating deficits caused as a result of the regeneration
- Confirmation that there will be no reduction of SM service level standards due to the regeneration project. The number of existing social housing rent-geared-to-income units under administration must not be reduced as a result of the regeneration. Any units lost due to regeneration must be replaced elsewhere within the service area
- A detailed development schedule listing project milestones with estimated start and completion dates. Milestones should include municipal planning and building approvals, soils remediation, construction tenders, construction work, and any other details relevant to the proposal
- For social housing regeneration proposals involving in-situ residents, a tenant relocation plan provided by the delivery partner must be reviewed and approved by the SM.

APPENDIX F – SAMPLE Funding Agreement (FA)

[Ministry Letterhead]

DATE

SM NAME

SM TITLE

SM ADDRESS

Dear Mr./Ms. XXX:

Re:

Service Manager:

Funding Agreement Reference No:

AIMS Project Reference No:

Funding Agreement Letter

Canada-Ontario Affordable Housing Initiative

Social Housing Renovation and Retrofit Program (SHRRP)

I am pleased to confirm that funding in the amount of \$XXX for XX units for the attached project(s) has been approved under the Social Housing Renovation and Retrofit Program (SHRRP) of the Canada-Ontario Affordable Housing Initiative.

The SHRRP is a two-year initiative cost shared equally between the federal and provincial governments. A total of \$704 million will be provided to Service Managers across Ontario for renovations and energy efficiency retrofits to eligible social housing projects. Up to 10% of total SHRRP funding may be allocated to social housing regeneration projects, upon Ministry approval of Service Manager business cases.

Funding for the project(s) is conditional on the achievement of specific milestones.

Under this SHRRP Funding Agreement, the SM (NAME) and the Ministry agree to the foregoing:

- The province and the Service Manager for the jurisdiction in which the projects will be built shall have signed an Administration Agreement part of which pertains to SHRRP.
- The Ministry acknowledges that it has approved the SM recommended scope of work summary for the proposed social housing renovations/retrofits, the eligible

capital expenditures set out in the attached PIF(s), and for social housing regeneration, the related business case(s).

- The SM acknowledges that the social housing units funded under the SHRRP shall remain under the SM's administration, and remain affordable to targeted households over the minimum 10 year affordability period.
- The SM shall ensure that the social housing provider has obtained Ministerial Consent, if required under the *Social Housing Reform Act, 2000*.
- SMs are required to provide certain reports to the Ministry as set out in the SM's Administration Agreement. These include a Project Information Form (PIF) through the Affordable Housing Information System (AIMS) when a project has commenced the repairs/construction work and when repairs/construction are 90% complete, status reports while the project is under development and a report annually thereafter for the minimum 10-year affordability period following the completion of the repairs/construction.
- **The SM acknowledges that the Repairs/Construction of SHRPP projects must start within three (3) months of the date that this Funding Agreement letter has been fully executed by the Ministry and the SM. The SM further acknowledges that should a project not meet this requirement, this Funding Agreement shall terminate, and the Ministry shall demand repayment of all funding for the project and re-allocate the funding in order to ensure timely fulfillment of overall fiscal targets.**
- The SM agrees to comply with all of the terms and conditions set out in the SM's Administration Agreement and the *Social Housing Renovation and Retrofit Program Guidelines* (the "SHRPP Guidelines").
- The social housing provider shall submit to the SM within three months following the full completion of the repairs/construction related to the project, an audited statement in accordance with the SM's Administration Agreement and SHRPP Guidelines respecting its expenditure of the funds provided pursuant to this Funding Agreement. The SM will provide this audited statement to the Ministry in accordance with the SM's Administration Agreement.

The SM will begin receiving SHRRP funding for the (NAME of social housing project or attached list) from the province, once this Funding Agreement between the Ministry and the SM has been signed.

SHRRP payments shall be advanced for the/each project according to the following milestones:

- 20% of the approved estimated project costs when the funding agreement is executed.

- 50% of the approved estimated project costs at construction start (that is, when construction contract is signed or, in special circumstances, when materials must be pre-ordered).
- Final 30% to be paid when construction is approximately 90% complete.

However, the Ministry will have no obligation to make any of the above payments if the SM has not submitted, where applicable, the report to which the payment relates.

In order to confirm your agreement with the above conditions, please sign in the space provided below and return a fully executed copy of this letter to us.

Please also complete and return the attached Direct Deposit Authorization Form within 30 days from the date of this letter.

Please send both documents to the Ministry of Municipal Affairs and Housing (MMAH) Municipal Services Office in your area:

Attention: MSO Contact Name
Team Lead, Regional Housing Services
MSO Office Address

Telephone: MSO Number

Please be advised that this conditional funding commitment is confidential until a joint federal-provincial-municipal announcement is made.

Yours truly,

Name

Director, Housing Programs Branch

Attachments: 1. Service Manager Confirmation for Sign-back
2. Direct Deposit Authorization Form

c: MSO Name, Team Lead, Regional Housing Services, MSO –

Service Manager Confirmation

I understand and agree to abide with the terms and conditions of Social Housing Renovations and Retrofit Program funding under this letter for the _____ project in _____.

Dated at _____ this _____ day of _____, 20____

Name and Title of Service Manager

I have the authority to bind the Service Manager

APPENDIX G – Examples of Energy Efficiency Upgrades

Heating Systems	
	An ENERGYSTAR qualified gas furnace that has a 92% annual fuel utilization efficiency or higher
	An ENERGYSTAR qualified condensing gas boiler that has a 90% AFUE or higher
	An ENERGYSTAR qualified oil boiler that has an 85% AFUE or higher
	An ENERGYSTAR qualified oil furnace that has an 85% AFUE or higher and a brushless DC motor
	A CAN/CSA-C448 compliant earth-energy system (ground or water source)
	Replacing the heat pump unit of an existing earth-energy system (ground or water source) The system must be compliant with CAN/CSA – C448
Ventilation	
	Install a heat recovery ventilator that is 70% efficient or better
	Replace motors to high-efficiency with variable speed / variable frequency drives (VSD / VFD)
Cooling System	
	Replace central air-conditioning with an ENERGYSTAR qualified system that has a SEER 14.5 or higher (complete system replacement, including any indoor or outdoor components)
	Replace window air conditioners with ENERGYSTAR qualified units
	Replace chiller with high efficiency model
Domestic Hot Water	
	Install solar domestic hot water heater system that meets the CAN / CSA F378.87 standards and provides a minimum contribution of 6000 megajoules per year
	Replace domestic hot water heater with an Energy Star qualified instantaneous gas-fired water heater that has an energy factor (EF) of .82 or higher
	Replace domestic hot water heater with a condensing gas storage type water heater that has a thermal efficiency of 90% AFUE or higher
Ceiling Insulation	
	Increase attic insulation to achieve a total minimum insulation value of RSI (R 40)
	Increase flat roof to RSI 5 – R-28
Exterior Wall Insulation	
	Insulate exterior wall with minimum additional of R 3.8
	Insulate empty exterior wall cavities to RSI 2.11 (100 mm cavities) and RSI 3.5 R20 in 150 mm cavities
Exposed floor insulation	
	Insulate exposed floor and increase its insulation value to a minimum of RSI 3.5 (R 20)

Basement Insulation		
	Insulate basement walls with minimum additional insulation of R 10	
Basement Header Insulation		
	Seal all basement header area and increase its insulation value by a minimum of RSI 3.5 (R 20)	
Crawl Space Insulation		
	Insulate crawl space walls with Minimum R 10	
	Insulate 100 percent of the floor above the crawl space to increase its insulation by a minimum of RSI 4.2 (R 24)	
Doors / Windows		
	Replace windows and skylights with models with that are ENERGYSTAR qualified for climate zone	
	Replace exterior doors with ENERGY STAR qualified for climate zone	
Water Conservation		
	Replace toilet with low flush model or dual flush rated at 6 litres. A product list is available at veritec.ca	
	Replace washing machines with ENERGYSTAR rated front loading horizontal axis (H axis) units	
	Replace all leaking fixtures using washerless type taps and low flow aerators	
	Change all shower heads and faucet aerators to low flow models	
Lighting		
	Replace indoor and outdoor light fixtures to more efficient models – T8 or T5 fluorescents, LED and High Intensity Discharge (HID) lighting	
	Replace all existing incandescent exit signs to LED exit signs	
Energy Management Control Systems		
	Implement direct digital controls (DDC), occupancy / motion sensors, programmable thermostats, photocells and direct load controls	
	Add control to schedule make up air, central exhaust and laundry room exhaust systems	

APPENDIX H – Canadian Environment Assessment Act (CEAA)

Funding from CMHC is now subject to the *Canadian Environmental Assessment Act* (CEAA.) To be eligible for funding, a proponent must confirm that the proposal:

1. Does not involve construction, expansion, modification or demolition within 30m of a water body.
2. Does not involve construction, expansion or modification with a footprint of more than 500m² on land not serviced at the time of the commitment.
3. Does not involve the likely releasing of a polluting substance into a water body.
4. Does not involve the demolition of a building where its floor area is more than 1,000m² or where the proposal is to be carried out within 30m of another building.
5. Does not:
 - possibly affect the permafrost AND
 - take place on land not serviced at the time of the commitment AND
 - involve construction or expansion of a sidewalk, boardwalk, path, pedestrian ramp or access road longer than 100m.
6. Does not involve construction or expansion or modification in a national park, park reserve, national historic site or historic canal.
7. Does not involve a USE OTHER THAN:
 - residential accommodations
 - institutional accommodations offices
 - common-carrier-passenger facilities and services
 - retail sales facilities
 - medical, educational, informational or recreational facilities or services
 - food services
 - parking facilities
 - non-hazardous storage
 - presenting artistic, cultural, sporting or other community-related events.

The above requirements do not negate the provision of a Phase 1 ESA that may be required for Ministerial Consent.

APPENDIX I - Municipal Services Offices (MSO) - Contacts

Service Managers are encouraged to contact their regional Municipal Services Offices if they require clarification or have questions regarding the Social Housing Renovation and Retrofit Program Guidelines.

<p>Canada-Ontario Affordable Housing Program Housing Programs Branch 777 Bay Street, 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-5013 Fax: (416) 585-7003 www.mah.gov.on.ca</p> <p>Community Partnerships and Projects Branch – Toronto Unit 777 Bay St., 2nd Floor Toronto, ON M5G 2E5 Tel: (416) 585-6711 Fax: (416) 585-6588</p> <p><u>Contact:</u> Chris Ryter, Manager, Community Partnerships and Projects Branch Tel: 416-585-6711 Email: chris.ryter@ontario.ca Serving: Toronto</p>	<p>Central Municipal Services Office 777 Bay Street, 2nd Floor 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-6226 Toll Free: 1-800-668-0230 Fax: (416) 585-6882</p> <p><u>Contact:</u> Ian Russell, Team Lead, Regional Housing Services Tel: 416-585-6965 Email: ian.russell@ontario.ca</p> <p>Serving: Peel, Durham, Halton, York, Simcoe, Muskoka</p>
<p>Eastern Municipal Services Office 8 Estate Lane Rockwood House Kingston ON K7M 9A8 General Inquiry: (613) 548-4304 Toll Free: 1-800-267-9438 Fax: (613) 548-6822</p> <p><u>Contact:</u> Mila Kolokolnikova, Team Lead, Regional Housing Services</p>	<p>Western Municipal Services Office 659 Exeter Road, 2nd Floor London ON N6E 1L3 General Inquiry: (519) 873-4020 Toll Free: 1-800-265-4736 Fax: (519) 873-4018</p> <p><u>Contact:</u> Tony Brutto, Team Lead, Regional Housing Services Tel: 519-873-4032 Email: tony.brutto@ontario.ca</p>

<p>Tel: 613-545-2123 Email: mila.kolokolnikova@ontario.ca</p> <p>Serving: Northumberland, Peterborough, Kawartha Lakes, Ottawa, Kingston, Hastings, Lanark, Leeds & Grenville, Lennox & Addington, Prescott & Russell, Renfrew, Cornwall</p>	<p>Serving: Hamilton, Waterloo, Wellington, Bruce, St. Thomas, Windsor, Grey, Huron, Chatham-Kent, Lambton, London, Niagara, Oxford, Stratford, Norfolk, Brantford, Dufferin</p>
<p>Northeastern Municipal Services Office 159 Cedar Street, Suite 401 Sudbury ON P3E 6A5 General Inquiry: (705) 564-0120 Toll Free: 1-800-461-1193 Fax: (705) 564-6863</p> <p>Contact: Cindy Couillard, Team Lead, Regional Housing Services Tel: 705-564-6808 Email: cindy.couillard@ontario.ca</p> <p>Serving: Parry Sound, Sault Ste Marie, Algoma, Cochrane, Manitoulin, Nipissing, Sudbury, Timiskaming</p>	<p>Northwestern Municipal Services Office 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</p> <p>Contact: Peter Boban, Team Lead, Regional Housing Services Tel: 807-473-3017 Email: peter.boban@ontario.ca</p> <p>Serving: Kenora, Rainy River, Thunder Bay</p>

**Canada-Ontario Affordable Housing Program (AHP)
2009 Extension**

Northern Component



**Northern Home Repair
Northern Multi-Unit Repair**

Ministry of Municipal Affairs and Housing
© Queen's Printer for Ontario, 2009
ISBN 978-1-4435-0778-3 (PDF)
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Northern Component – Overview

The Northern component consists of two sub-components:

1. *Northern Home Repair* is designed to assist low- to moderate-income homeowner households repair their homes to bring them to acceptable standards.
2. *Northern Multi-Unit Repair* assists landlords of rental projects to rehabilitate affordable rental units.

The Northern component provides assistance in the form of a forgivable loan. Its objectives are to:

- Provide low- and moderate-income individuals and families with an opportunity to repair their homes, bring them up to health and safety standards and improve accessibility for persons with disabilities
- Encourage the repair of modest and affordable rental housing
- Prevent the loss of affordable housing stock in Northern communities.

“Northern” is defined as Ontario north of the French River, including Nipissing District, and excluding Indian Reserves.

Highlights of the AHP Extension (2009) - Northern Component

- Northern Service Manager’s (SM) will be required to submit a business case no later than July 31, 2009 that outlines funding requested for two years (2009-10 and 2010-11). Funding for the Northern component will be based on the SM’s business case as approved by the ministry.
- The loan forgiveness period for Northern Home Repair only is a minimum of 10 years and is at the discretion of the SM. Northern Multi-Unit Repair projects will retain the 20-year loan forgiveness period.
- Average AHP contribution has increased to \$25,000 per unit, to a maximum of \$50,000 under the Northern Component.
- SMs should access Rental Component funding for new affordable rental construction.
- Rural and Native Housing (RNH) Homeownership units are eligible for funding.
- Funding for repairs to the RNH Rental portfolio must be accessed through the Social Housing Renovation and Retrofit Program (SHRRP.)
- As CMHC’s Residential Renovation Assistance Program –Disability (RRAP-D) addresses accessibility repairs, Northern projects requiring more than 50% of AHP funding for accessibility repairs or construction are not eligible.

Program Requirements

Client and Unit Eligibility

Northern Home Repair

Northern Home Repair assists low- to moderate-income homeowners repair existing residences.

Eligible households must:

- Have a household income at or below the 60th income percentile for the SM area or province, whichever is lower (see Appendix A)
- Own a home that is their sole and principal residence with a market value, upon completion of repairs, at or below the average MLS resale price for the SM area (see Appendix B).

The province will supply annual updates to the 60th percentile of income figures and quarterly updates to the average MLS resale price data. In communities where MLS data are non-existent, market values may be determined by the SM. They may use these or more restrictive ceilings or figures, such as Household Income Limits (HILs.)

Income verification of homeowners will be the responsibility of the SMs. They should establish an approach to income verification to ensure households meet program eligibility criteria.

Units eligible for Northern Home Repair funding must be the sole and principal residence of the homeowner. Duplexes are eligible provided the owner resides in one of the units as their sole and principal residence. Secondary residences are not eligible for funding.

Repairs to the Rural and Native Housing (RNH) home ownership portfolio are eligible for Northern Home Repair funding.

SMs have the authority to approve all Northern Home Repair projects. They will be required to submit project information and proof of loan security to the ministry.

- Loans up to \$25,000 may be secured by promissory notes (see Appendix 3 for a sample)
- If Northern Home Repair funding exceeds \$25,000, mortgages registered on title are required
- The cost associated with registration fees for security may be included in the capital costs of the project.

Maximum funding available under the Northern Home Repair component is \$50,000 per unit at an average of \$25,000 per unit in the SM area.

Eligible costs include major repairs, rehabilitation and – where houses are overcrowded – additions to homes. Repairs should address health and safety concerns and bring houses up to a reasonable standard. The loan amount should not exceed the market value of the home after the completion of repairs.

SMs should ensure that repairs are warranted and completed by a contractor who is of no relation to the homeowner. A minimum of two estimates must be submitted prior to project approval. Original copies of all financial invoices must be kept for reporting and audit purposes. Invoices must have a business number and include GST and PST (or HST when implemented).

SMs are responsible for monitoring projects to ensure that repairs are warranted and that work has been completed and assessed. Municipal building officers should be consulted to determine which repairs may require a building permit and to ensure that works are inspected after completion.

SMs 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 homeowner and the SM.

Please Note

Northern Home Repair projects must remain affordable for a period of 10 years. The forgiveness period for Northern Home Repair funding has been reduced to 10 years at the discretion of the SM and is earned at a rate of 10% a year for 10 years. SMs may choose to maintain the 20-year loan forgiveness period, in which case forgiveness is earned at a rate of 8% per year for the first 10 years, and 2% per year for the remaining 10 years. The earning of loan forgiveness begins on the Interest Adjustment Date (IAD). The IAD is defined as the date upon which the security (mortgage or promissory note) is registered and/or signed.

To earn forgiveness, applicants must maintain continued ownership and occupancy of the dwelling and adhere to all other terms and conditions of the loan commitment. A homeowner who sells or vacates the home is responsible for paying back any outstanding loan amount. Alternatively, an eligible new buyer may choose to take on the conditions of the loan in order for the home to remain affordable. Any funding paid back to the SM is to be reinvested in the Northern component, unless otherwise directed by the ministry.

Northern Multi-Unit Repair

Northern Multi-Unit Repair assists landlords of projects with two or more rental units to rehabilitate those that are affordable.

Eligible projects under Northern Multi-Unit Repair include renovation of rental properties of two or more units. Units must be modest relative to community norms in terms of floor space and amenities. SMs may establish more detailed size and amenity requirements based on community norms.

Tenant households, at the completion of repairs, must have an income at or below the 60th income percentile for the SM area or province, whichever is lower.

SMs have the authority to approve all Northern Multi-Unit Repair projects. They must submit project information and provide proof of loan security to the ministry.

- Project loans up to \$25,000 may be secured by promissory notes (see Appendix C for a sample)

- When Northern Multi-Unit Repair project funding exceeds \$25,000, mortgages registered on title are required
- The cost associated with the registration fees for security may be included in the capital costs for the project.

Additional conditions on the funding to be verified by the SM include:

- Certificate of insurance, as appropriate
- The SM and proponent have signed a Funding Agreement
- The proponent is in compliance with the Funding Agreement.

The maximum funding available under Northern Multi-Unit Repair is \$50,000 per unit, with an average of \$25,000 per unit. 100% of funding for all Northern Multi-Unit Repair projects will be provided once the above conditions have been met.

SMs should ensure that repairs are warranted and completed by a contractor who is of no relation to the project owner. A minimum of two estimates must be obtained prior to project approval. Original copies of all financial invoices must be kept for reporting and audit purposes. Invoices must have a business number and include GST and PST (or HST, when implemented).

Transitional housing, rooming houses and group homes are also eligible for repairs and rehabilitation funding as long as they are not receiving support from the Ministry of Health and Long-Term Care (MOHLTC) or Ministry of Community and Social Services (MCSS). Transitional housing is defined under this component as second stage housing in which a resident pays rent and is covered under tenant legislation.

Rental projects must remain affordable for 20 years. Landlords must agree to maintain rent levels at or below CMHC average market rents for the full 20-year period. Forgiveness of Northern Multi-Unit Repair funding is earned at the rate of 5% per year for the 20-year period. The earning of loan forgiveness begins on the Interest Adjustment Date (IAD). The IAD is defined as the date upon which the security (mortgage or promissory note) is registered and/or signed.

Eligible Activities and Costs

Eligible repairs under Northern Home Repair and Northern Multi-Unit Repair may be in one or more of these areas:

- Structural
- Electrical
- Plumbing
- Heating
- Fire safety
- Septic systems and well water
- Remediation for an overcrowded dwelling.

Repairs may include updating or rehabilitating electrical, plumbing, water, and heating services; replacing or adding windows, doors, roof shingles, siding, fascia, soffits, gutters and downspouts; upgrading walls and attic insulation; modifications to a home to make it physically accessible; or adding habitable square footage in a home that is overcrowded.

In addition to repairs under these categories, other eligible costs include labour and applicable taxes, building permits, legal fees, certificates, appraisal fees, inspection fees, drawings and specifications and any other costs that the SM deems reasonable and that are agreed to by the ministry.

Ineligible Projects

Repairs to nursing and retirement homes (except seniors' buildings not receiving supportive services), shelters, and crisis care facilities (including hostels) are not eligible for funding. As CMHC's RRAP-D addresses accessibility repairs, Northern projects requiring more than 50% of AHP funding for accessibility repairs or construction are not eligible.

Funding for repairs to social housing and the RNH Rental portfolio must be accessed through the Social Housing Renovation and Retrofit Program (SHRRP).

Earning of Loan Forgiveness

Homeowners must maintain ownership and occupancy of the premises to earn loan forgiveness. Ownership and occupancy of the unit are to be monitored through annual reporting. Forgiveness is earned at a rate of 10% per year for the 10-year affordability period.

A default would occur if:

- The home is sold
- The homeowner ceases to occupy the unit as a sole and principal residence
- The unit or a portion of the unit is leased
- Misrepresentation by the homeowner related to eligibility for the program
- The Northern Home Repair funding is used for other purposes.

Under the Multi-Unit Repair sub-component, rents levels cannot exceed CMHC average market rent. Rent levels are to be monitored through annual reporting. Forgiveness is earned at a rate of 5% per year for the 20-year affordability period.

A default would occur if:

- The unit or project is sold
- Rent levels are increased beyond the rent increase guideline outlined in the *Residential Tenancies Act, 2006* during the first 10 years of the loan forgiveness period
- Rent levels are increased beyond the CMHC average market rent for the area during the 20-year affordability period

- Misrepresentation by the proponent related to eligibility for the program
- The Northern Multi-Unit Repair funding is used for other purposes.

The earning of loan forgiveness under both the Home Repair and Multi-Unit Repair sub-components begins on the Interest Adjustment Date (IAD). The IAD is the date upon which the security (i.e. the mortgage or promissory note) is registered and/or signed.

The ministry acknowledges that in certain circumstances, recovery of the non-forgiven portion of the funding could result in undue hardship (such as in the case of loss of employment or illness). These circumstances will be reviewed on a case-by-case basis.

Third Party Contracts

SMs may contract the delivery of units to third-party delivery agents while remaining responsible for the program as defined in the Administration Agreement (AA).

Income Verification

Initial income verification of homeowners or tenants will be the responsibility of the SM. In addition, incoming income levels that a homeowner or tenant cannot exceed should be established – these may be at or below the Northern Guidelines. The ministry will require confirmation at the time of occupancy that tenants' incomes do not exceed local criteria. The annual income verification process will be at the SM's discretion.

Ministerial Consents

Where it is proposed that: 1) a loan or mortgage to the owner of a social housing project be lent or insured by Canada Mortgage and Housing Corporation, Ministerial Consent will be required; 2) repairs be made to a project on social housing land, Ministerial Consent would likely be required under the *Social Housing Reform Act, 2000* (SHRA). For further information on Ministerial Consent requirements, please refer to Appendix D.

Environmental Assessment

Projects funded under the Northern component are subject to the *Canadian Environmental Assessment Act* (CEAA) (see Appendix E).

Submission Dates

July 31, 2009	SM submits business case, noting funding request and timelines for project commitment.
December 31, 2009	Review of Year One actual commitments and possible funding redistribution.
January 31, 2010	All Year One Northern component funding identified in approved business case to be committed by SMs. Uncommitted funding will be redistributed at this time.
December 31, 2010	Review of Year Two actual commitments and possible funding redistribution.
January 31, 2011	All Year Two Northern component funding identified in approved business case to be committed by SMs. Uncommitted funding will be redistributed at this time.
March 31, 2011	Program ends.

Funding

Northern SMs will be required to submit a business case no later than July 31, 2009 that outlines funding requested for two years (2009-10 and 2010-11). The purpose of the business case is to provide information on the local need for the program and how the SM intends to implement the funding within the time available. Funding for the Northern component will be based on the SM's business case as approved by the ministry.

SMs may vary the amount of funding per unit in order to address local priorities, up to a maximum of \$50,000 per unit. However, the average AHP funding over the SM's area must not exceed \$25,000 per unit. Repairs should commence within three months of project approval.

Payments

SMs are responsible for project selection, monitoring progress and quality of work and for the flowing of funds. Prior to funding a project, they should require proof that property taxes and mortgage payments are paid and up to date, and confirm that insurance coverage is for the full value of the home. See Appendix F for a suggested funding guideline.

Once SMs submit a completed Project Information Form (PIF) through the Affordable Housing Information Management System (AIMS), along with a copy of the required form of security, 100% of project funding will be provided within 20 business days following ministry approval.

Priority Target Groups

SMs are encouraged to target specific groups of people to meet local priorities:

- Aboriginal peoples
- New immigrants
- Persons with disabilities
- Working poor.

Energy Efficiency

A key aim of this program is to strengthen and expand energy efficiency. SMs are required, therefore, to ensure that approved projects meet minimum energy efficiency standards. Examples include window replacement using double pane, low E Argon windows and roof replacement using attic insulation to a minimum of R40.

More information on the range of energy efficiency products, incentives and measures is available from:

- Federal Office of Energy Efficiency – nrcan.gc.ca
- Ministry of Energy and Infrastructure – ontario.ca/mei
- Conservation Bureau of the Ontario Power Authority – conservationbureau.on.ca.

Stacking

Northern funding may not be stacked on a home or unit that has received Residential Rehabilitation Assistance Program (RRAP) funding if that commitment has occurred within the last 15 years. RRAP participation must be confirmed by the SM through the MSO (see Appendix G) where applicants state they have received these funds.

Northern funding may be stacked on a home or unit that has received Northern component funding under the original AHP, provided that the combined funding approved under both programs is not greater than \$50,000. Funding approved under the AHP Extension (2009) would need to be secured and the forgiveness would begin on the Interest Adjustment Date. This date is set based on the date on which applicable security is signed or registered.

Additionally, Strong Communities Rent Supplement Program (SCRSP) funding may be applied to a Northern component funded unit.

Reporting

SMs will be required to report to the ministry on the status of projects each financial quarter during the program delivery phase, and annually throughout the affordability period (see Appendix H). The existing Affordable Housing Information Management System (AIMS) will be upgraded and expanded to capture and track the required data. SMs should ensure that project information is updated in AIMS.

How to Make a Project Submission

Enhancements to AIMS are currently under development. In the interim, SMs will need to submit documentation to MSOs. Contact your local MSO for information on how to submit.

APPENDIX A – Maximum Income Levels (2009)

CMSMs	Income at 60th Percentile*
City of Greater Sudbury	\$67,600
Algoma DSSAB	\$59,300
Cochrane DSSAB	\$66,200
Kenora DSSAB	\$65,100
Manitoulin-Sudbury DSSAB	\$47,900
Nipissing DSSAB	\$57,400
Rainy River DSSAB	\$64,400
Sault Ste. Marie DSSAB	\$59,300
Thunder Bay DSSAB	\$67,100
Timiskaming DSSAB	\$54,600

* Based on 2006 census, rounded to the nearest hundred.

APPENDIX B – Average MLS® Resale Price – Q4, 2008

CMSMs	Average MLS® Resale Price
City of Greater Sudbury	\$203,809
Algoma DSSAB	\$117,746
Cochrane DSSAB	\$129,137
Kenora DSSAB	\$124,538
Manitoulin-Sudbury DSSAB	\$114,545
Nipissing DSSAB	\$176,145
Rainy River DSSAB	\$104,859
Sault Ste. Marie DSSAB	\$128,590
Thunder Bay DSSAB	\$133,670
Timiskaming DSSAB	\$106,158

Notes:

The maximum affordable house price will be updated approximately six weeks after the end of each quarter.

SMs may continue to establish local limits at or below the maximum limit.

APPENDIX C – SAMPLE Promissory Declaration

I/we hereby confirm that I/we are the owners of the house and property located at [insert address] and that no other person is the owner.

I/we hereby grant permission to [insert SM name] to make any necessary inquiries to verify my/our income, assets, liabilities and credit information.

I/we hereby acknowledge that if my/our funding application is accepted it will not apply to work completed prior to [insert date of signing].

I/we hereby certify that all information contained in this application, including income, is true and complete in every respect.

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

Signature of Owner

Print Name of Owner

Signature of Owner

Print Name of Owner

Signature of Witness

Print Name of Witness

PROMISSORY NOTE

Approved Home Repair Funding: _____

This Promissory Note is made by me/us in accordance with the terms of the accepted application dated _____ for my premises described above.

If I/we sell the above premises without the consent of the [insert SM name] or if I/we breach any terms of the accepted application I/we promise to pay [insert SM name] the whole of the approved Funding less an amount equal to the loan forgiveness as set out in the accepted application.

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

Signature of Owner

Print Name of Owner

Signature of Owner

Print Name of Owner

Signature of Witness

Print Name of Witness

APPENDIX D – Ministerial Consent Requirements

Reasons for Ministerial Consent

Ministerial Consents may be required for:

- Encumbrances – mortgages that are registered on title, registration of other instruments such as easements, funding agreements, etc.
- Postponement of first mortgages, replacement of mortgages.

Ministerial Consent Documentation

The ministry may require certain documents and/or other information in connection with an application for Ministerial Consent including:

- A comprehensive business case describing your plan(s) and how you will accomplish same
- Corporate name of proponent and location(s) of anticipated work
- Council and board resolutions
- Title search
- Tenant relocation plan
- Copy of Operating Agreement for Federal projects
- Financing arrangements
- Clean Phase 1 Environmental Site Assessments (ESA's)
- Consent of the first mortgagee.

Where a Ministerial Consent is required, it must be obtained **prior** to entering into a letter of agreement or Funding Agreement with the Service Manager.

Upon ministry receipt of three (3) copies of the complete consent package, there is a **10-business-day** average turnaround time for approval.

APPENDIX E – CEAA Considerations

Funding from CMHC is now subject to the Canadian Environmental Assessment Act (CEAA). To be eligible for funding, housing proponents must confirm that project proposals do not impose adverse impacts that cannot be mitigated.

Considerations include:

1. Projects that involve construction, expansion, modification or demolition within 30m of a water body.
2. Projects that involve construction, expansion or modification with a footprint of more than 500m² on land not serviced at the time of the commitment.
3. Does not involve the likely releasing of a polluting substance into a water body.
4. Projects that involve the demolition of a building where its floor area is more than 1,000m² or where the proposal is to be carried out within 30m of another building.
5. Does not:
 - (i) possibly affect the permafrost AND
 - (ii) take place on land not serviced at the time of the commitment AND
 - (iii) involve construction or expansion of a sidewalk, boardwalk, path, pedestrian ramp or access road longer than 100m.
6. Projects that involve construction or expansion or modification in a national park, park reserve, national historic site or historic canal.
7. Does not involve a USE OTHER THAN:
 - residential accommodations
 - institutional accommodations offices
 - common-carrier passenger facilities and services
 - retail sales facilities
 - medical, educational, informational or recreational facilities or services
 - food services
 - parking facilities
 - non-hazardous storage facilities
 - presenting artistic, cultural, sporting or other community-related events.

APPENDIX F – Suggested Funding Guideline

Suggested Funding Guideline	
Milestone	Flow of Funding
Scope of work approved by SM	Up to 50% of project repair funding
Stages of work	Advances are project specific based on approved scope of work
Evidence of completion of work	Balance of repair funds, subject to any lien holdbacks
45-day lien period ends	10% lien holdback applies

APPENDIX G - Municipal Services Offices (MSO) - Contacts

SMs are encouraged to contact their regional Municipal Service Offices if they require clarification or have questions regarding the AHP Extension (2009).

<p>Canada-Ontario Affordable Housing Program Housing Programs Branch 777 Bay Street, 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-5013 Fax: (416) 585-7003 ontario.ca/mah</p>	
<p>Northeastern Municipal Services Office 159 Cedar Street, Suite 401 Sudbury ON P3E 6A5 General Inquiry: (705) 564-0120 Toll Free: 1-800-461-1193 Fax: (705) 564-6863</p> <p>Contact: Cindy Couillard, Team Lead, Regional Housing Services Tel: 705-564-6808 Email: cindy.couillard@ontario.ca</p> <p>Serving: Districts of Sault Ste Marie, Algoma, Cochrane, Manitoulin, Nipissing, Timiskaming, and the City of Greater Sudbury</p>	<p>Northwestern Municipal Services Office 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</p> <p>Contact: Peter Boban, Team Lead, Regional Housing Services Tel: 807-473-3017 Email: peter.boban@ontario.ca</p> <p>Serving: Districts of Kenora, Rainy River, Thunder Bay</p>

APPENDIX H - Reporting Requirements

During the program delivery phase, quarterly reports will provide information on:

- Project address
- Project status (application approved; repairs commenced; work completed)
- Approval date
- Approved funding.

During the 10-year affordability period for the Home Repair sub-component, annual reports will provide information on:

- Utilization of funds
- Maintained homeowner occupancy
- Repayments received
- Details on repair projects funded through repaid funds.

During the 20-year affordability period for Multi-Unit Repair, annual reports will provide information on:

- Landlord maintaining ownership of project
- Average rent levels and depth of affordability
- Repayments received
- Details on repair projects funded through repaid funds.

**Canada-Ontario Affordable Housing Program (AHP)
2009 Extension**

Homeownership Component



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Program Guidelines
June 2009

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Homeownership Component – Overview

The Homeownership component of the Canada-Ontario Affordable Housing Program (AHP) Extension 2009 was developed to assist low- to moderate-income rental households to purchase affordable homes by providing down payment assistance in the form of a forgivable loan. The objectives of the program are to:

- Ease the demand for rental housing by assisting renter households across the province to purchase affordable homes
- Provide low- and moderate-income individuals and families with an opportunity to move up the socio-economic ladder through home ownership
- Encourage developers to build affordable housing by fostering demand.

Highlights of the AHP Extension (2009) – Homeownership Component

Homes eligible under the Homeownership component of the AHP must be new construction units, including conversions from non-residential use that qualify for Tarion's new home warranty.

The total funding advanced by each Service Manager (SM) must not exceed 10% of the sum of purchase prices for all units acquired by eligible purchasers (other than units acquired from Habitat for Humanity affiliates). Maximum down payment assistance is \$50,000 per eligible unit.

Funding will be provided on receipt of Purchase and Sale Agreements on a "first come first served" basis until all funding is exhausted, or the deadline of March 31, 2011 is reached.

SMs may partner with private or non-profit homeownership developers to deliver the program.

Program Requirements

Service Manager Homeownership Revolving Fund (HRF)

The HRF is a permanent fund/dedicated account designed to provide sustainable ongoing support to moderate income individuals and households to pursue homeownership.

Creation and maintenance of a revolving fund is a prerequisite of program participation. Those with an already-established HRF of 20 years are eligible to receive federal/provincial down payment assistance funding. SMs who do not have an HRF established will need to ensure that one is created and maintained for a 20-year period with the option of phasing out after 15 years.

Service Managers participating in this component of the AHP must commit to the delivery of the Homeownership component through the HRF for a minimum of 15 years. After the 15-year period, SMs may continue to provide down payment assistance to households to purchase affordable homes, or phase out the program. If they choose to phase out the program, they must inform the province and submit a phase-out plan. It is expected that money from the HRF would be returned to the province or reinvested in affordable housing within the SM's area (subject to provincial agreement). The plan must detail how remaining funds will be reinvested within the SM area.

SMs are encouraged to partner with private or non-profit home ownership developer(s) to assist in program delivery and administration (e.g., establish and maintain the Revolving Loan Fund). However, SMs must remain as the sole trustees to the AHP funds.

In addition, AHP funding for Homeownership is available for down payment assistance only, and may not be used for any construction financing.

Household Eligibility and Selection

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

- Be a renter household buying a sole and principal residence
- Have incomes at or below the 60th percentile income level for the SM's area or the province, whichever is lower (See Appendix A)
- Meet any additional criteria as established and communicated by the SM

Persons seeking funds to offset construction costs on land that they currently own are not eligible for funding.

The maximum income levels will be updated annually and posted on the ministry website at ontario.ca/mah. SMs may establish local limits at or below the posted levels.

Purchase Price

The purchase price of the home must not exceed the average resale price in that particular SM's area (see Appendix B). SMs may establish their own maximum house prices, provided they are consistent with mandatory program requirements.

Maximum house prices will be updated on a quarterly basis and posted on the ministry's website.

Eligible Unit Types

Since the AHP Extension Program (2009) is meant to provide economic stimulus, eligible homes must be new construction units.

New construction is defined as new homes not previously occupied, including conversions from non-residential use, to which the *Ontario New Home Warranties Plan Act* applies. Units must be located in a neighbourhood revitalization area designated by the Service Manager.

New construction units may be detached, semi-detached, town (condo and freehold), stacked homes, row houses, apartments or other similar built forms approved by the ministry.

SMs may choose to include new construction duplexes or year-round new mobile homes as eligible units. Mobile homes may include both mobile units and prefabricated dwellings.

The SM should consult with municipal staff to ensure that the use of a mobile home on a particular parcel of land is permitted and suitable on a year-round, not just seasonal, basis.

If an SM wishes to include these types of dwellings as eligible units, a number of other issues must be taken into account. In particular, additional considerations for mortgage underwriting and security interests for mobile homes under the *Personal Property Security Act (PPSA), 1990* are required.

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

SMs are encouraged to set local guidelines outlining a definition of "modest" in the context of the local housing market and AHP program parameters.

The home must be the sole and principal residence of the purchaser.

AHP funding is not available for projects on First Nations lands, including down payment assistance for properties located on reserves.

Co-ownership/co-signing and Guarantee Agreements

The Administration Agreement (AA) and mortgage documents state that if during the period in which the borrowed amount is outstanding the borrower ceases to occupy the home as his or her sole and principal residence, the loan becomes due and the associated capital appreciation must be paid. Where there are two borrowers/mortgagors (i.e. two owners of the home), both must live in the home. In the event where one of the two owners wishes to move out of the home, and/or have the home transferred to the one who will remain living in the home, both parties (former co-owners) are responsible for the loan and capital appreciation payment.

An SM could consider waiving its right to require the loan payment at that time, provided the loan remains in place with respect to the remaining homeowner. In such case, it would be up to the owner staying in the home to ensure that he/she receives from the person leaving the home such share of the liability for the loan as the homeowner deems appropriate.

A parent or another party not living in the home and not on title to the home may guarantee the obligations of a borrower under his or her mortgage in favour of the primary lender. This would be in the form of a Guarantee Agreement. Mortgage guarantors would not enter into Homeownership agreements or be subject to the purchaser's eligibility requirements. This Guarantee Agreement may satisfy a primary lender's requirement for security.

Title Search

SMs must ensure a title search is conducted to confirm that the property is, at the time of closing, free and clear of registered restrictions, charges, encumbrances and liens. Once the title search is completed, and either a legal opinion on title matters or title insurance has been obtained, a finance provider can register the mortgage with assurances as to its priority.

Security Agreements

SMs should enter into a loan agreement with the purchaser and register the AHP loan in the form of a second mortgage on title. This will provide for any repayment of the down payment assistance and a proportionate percentage of the realized capital gains to the HRF. Either the SM or the purchaser will assume the cost of registering the mortgage.

Environmental Assessment

Funding from CMHC is now subject to the Canadian Environmental Assessment Act (CEAA) (see Appendix C for details).

Funding

Down payment assistance funding will be provided to participating SMs on receipt of fully executed Purchase and Sale Agreements (PSAs.) These may be fully executed prior to the end of construction.

An eligible purchaser will use Homeownership assistance as a down payment on the purchase of a new home. The amount of down payment assistance for each eligible purchaser will be determined by the SM, up to a maximum of \$50,000 per eligible unit. However, the total of all funding advanced by the SM must not exceed 10% of the sum of the purchase price for all units acquired by eligible purchasers (other than units acquired from Habitat for Humanity affiliates.)

If an SM elects to provide less than 5% down payment assistance, the primary lending institution and/or insurance provider may require additional equity to be contributed by the purchaser.

The SM will provide the down payment assistance to eligible purchasers at the time of closing of the purchase and sale of the home. Traditional interest shall not be charged on the assistance (please refer to “Conditions for Repayment by Homeowner.”) Appropriate documentation should be in place on title or in an agreement on closing to secure the down payment assistance.

AHP funding may not be used for deposits toward eligible units. Funding is provided to the home buyer at closing when a mortgage can be registered on title.

Payment

Once an eligible purchaser has been approved by the SM, a payment request – along with a copy of the first page and the signature page of the Purchase and Sales Agreement (PSA) – must be submitted to the ministry. Please contact your local MSO for information on submission requirements.

Funding will be provided by the province upon receipt of fully executed PSAs on a “first come first served basis” until all funding is exhausted or the deadline of March 31, 2011 is reached.

If federal funding for the first fiscal year of the AHP Extension (2009) is exhausted prior to the end of the first fiscal year of the AHP Extension (2009) - March 31, 2010 - the province is under no obligation to fund any further funding requests submitted before the commencement of the second fiscal year.

Conditions for Repayment by Homeowner

When a homeowner is in default, a unit is sold, or if it is no longer the principal residence of the purchaser before the 20-year affordability period expires, repayment of the original AHP contribution must be made, plus a percentage share of the realized capital gains proportionate to the down payment assistance.

For example, if the purchaser was assisted with 5% of the purchase price, this amount plus 5% of any capital gains/appreciation would have to be repaid.

Homeowners may wish to repay the down payment assistance within the 20-year affordability period without selling the home. Homeowners are still required to repay the proportionate percentage of any notional capital gain as of the date of repayment. Notional capital gains will be calculated based on current fair market value of the home at the time of repayment of the loan. Fair market value may be based on either an independent appraisal or the current municipally-assessed value of the home. The cost of an independent appraisal may, at the discretion of the Service Manager, be paid by the Service Manager or homeowner.

Only the principal would have to be repaid in the event of the death of a homeowner prior to the expiry of the 20-year affordability period.

Repayments are to be made into the HRF and redistributed under the Homeownership component in the SM's area.

Conditions for Non-Repayment by Homeowner

The AHP loan is forgiven after 20 years.

If a home is sold within the 20-year affordability period, but the seller experiences a capital loss (meaning the home is sold for less than the original purchase price) repayment of the Homeownership down payment assistance would be waived, provided the sale meets the following criteria:

- The unit is sold at fair market value
- The purchase and sale of the unit is an arm's-length transaction

Fair market value may be based on an independent appraisal or the current municipally assessed value of the home. The cost for an independent appraisal may, at the discretion of the Service Manager, be paid by the Service Manager or homeowner.

If the home were sold after 20 years, there would be no repayment of the contribution or capital gains.

Reporting

SMs are responsible for timely and accurate reporting so that the ministry can, in turn, report back to the CMHC.

Enhancements to AIMS are currently under development. In the interim, SMs will need to submit documentation to MSOs. Contact your local MSO for information on how to submit.

Participating SMs are required to report annually to the ministry on the progress of the Homeownership component. The report will include information on:

- Number of households assisted/units financed through the program
- Number of occupants
- Price of unit
- Actual occupancy and closing dates
- Amount of AHP subsidy
- Funding commitments to date
- Financial position of the HRF
- Other financial contributions.

Documentation Required for Records

SMs 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:

- Purchase and Sale Agreements
- AHP 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 SM and the participant on any defaults.

General Recommendations

Purchaser Selection

SMs should establish an approach to income verification to target households in need.

Purchasers should be selected through a fair and open process developed by the SM based on local criteria and needs. The SM is expected to make information about the Homeownership component – including administrative procedures – available to the public. This should include information about the application process and selection procedures in the SM’s area. This allows potential purchasers to submit their names for consideration for down payment assistance.

SMs are encouraged to address target groups identified under the Canada-Ontario Affordable Housing Program Agreement such as Aboriginal peoples, persons with disabilities, and/or groups identified through municipal needs assessments or other methods (this could include first-time home buyers, new immigrants, single-parent households or recent graduates), provided the eligibility criteria are met.

SMs are encouraged to increase the level of down payment assistance based on the number of dependents* in the household, in accordance with applicable laws. This is in recognition of the additional expenses for households with one or more dependents. Larger households may face extra challenges with saving for a down payment and may also need to spend more to buy a home with adequate space.

*The definition of dependants can be taken from Ontario Works, Ontario Regulation 134/98 made under the *Ontario Works Act, 1997*

For the purposes of the Act and the regulations,

“child” means a person under 18 years of age; (“enfant”)

“dependant”, in relation to an applicant or recipient, means,

- (a) a person who resides in the same dwelling place and who is,
 - (i) the spouse of the applicant or recipient,
 - (ii) a dependent child of the applicant or recipient or of his or her spouse, or
 - (iii) a dependent adult of the applicant or recipient or of his or her spouse, or,
- (b) a spouse who is absent from the dwelling place of the applicant or recipient if the absence is for a reason other than a breakdown in the relationship with no reasonable prospect of reconciliation

Mortgage Insurance

Neither the AHP nor the Administration Agreement requires that CMHC insure participants’ mortgages.

In support of the AHP Homeownership component, CMHC has agreed to waive the surcharge for extending the amortization period for eligible purchasers to 35 years. In addition, CMHC will recognize AHP down payment assistance as owner's equity in its underwriting evaluation.

If the eligible purchaser's lender is seeking mortgage insurance through CMHC, a notification is required to confirm that the SM has approved the client for AHP assistance. The notification will allow local CMHC underwriters to prepare and work with the primary lender to support the eligible purchaser's application, should the primary lender have questions regarding the treatment of AHP funds. SM approval of Homeownership funding should include a notification to the eligible purchaser of CMHC's recognition of AHP down payment assistance as equity.

Mortgage insurance underwriting approval and AHP approval are two separate processes. Eligible purchasers may be approved by the SM under the Homeownership component, but may not be eligible for mortgage insurance. Whether or not an AHP-eligible purchaser requires mortgage insurance will be determined by the primary lender based on the client's application (i.e. credit history, equity contribution). The client's lender may seek mortgage insurance from any vendor.

Mortgage Terms

The SM's AHP mortgage is long term (20 years) and no renewal is required.

The Mortgages Act, 1990 outlines prepayment rights so that the mortgagor has the right to pay off the mortgage after five years if he/she also pays interest due at the time of payment and interest for three additional months. The AHP mortgage characterizes the percentage of capital appreciation owing, as outlined in the terms of the AHP loan, as the interest due up to the time of payment.

SMs may wish to limit any postponement of the AHP mortgage to only "renewals" of the current first mortgage on the property. Otherwise the mortgagor may be able to add to the first mortgage by amending it and increasing the principal, which would reduce the amount of security available for the SM's mortgage.

Education and Training

SMs are encouraged to offer education and training sessions for recipients of down payment assistance. They should also consider partnering with neighbouring SMs, builders and/or developers to facilitate providing these sessions.

Ministry Contacts

Housing staff in Municipal Services Offices are available to assist in an advisory role to SMs. Please refer to Appendix D for contact information.

APPENDIX A: Maximum Household Income Level – 2009

Service Manager Area	Income at 60th Percentile*
Greater Toronto Area**	\$73,500
City of Toronto	
Regional Municipality of Durham	
Regional Municipality of Halton	
Regional Municipality of Peel	
Regional Municipality of York	
City of Brantford	\$68,800
City of Cornwall	\$58,800
City of Greater Sudbury	\$67,600
City of Hamilton	\$68,000
City of Kawartha Lakes	\$64,600
City of Kingston	\$66,700
City of London	\$67,000
City of Ottawa**	\$73,500
City of Peterborough	\$63,300
City of St. Thomas	\$68,400
City of Stratford	\$68,300
City of Windsor	\$72,800
County of Bruce	\$67,200
County of Dufferin**	\$73,500
County of Grey	\$60,000
County of Hastings	\$59,500
County of Huron	\$62,200
County of Lambton	\$69,200
County of Lanark	\$67,800
County of Lennox & Addington	\$65,700
County of Norfolk	\$68,200
County of Northumberland	\$66,300
County of Oxford	\$70,100
County of Renfrew	\$62,400
County of Simcoe**	\$73,500
County of Wellington**	\$73,500
District Municipality of Muskoka	\$63,600
Municipality of Chatham Kent	\$62,300
Regional Municipality of Niagara	\$66,100

Service Manager Area	Income at 60th Percentile*
Regional Municipality of Waterloo**	\$73,500
United Counties of Leeds & Grenville	\$66,300
United Counties of Prescott & Russell	\$72,900
Algoma DSAB	\$59,300
Cochrane DSSAB	\$66,200
Kenora DSSAB	\$65,100
Manitoulin-Sudbury DSSAB	\$47,900
Nipissing DSSAB	\$57,400
Parry Sound DSSAB	\$56,300
Rainy River DSSAB	\$64,400
Sault Ste. Marie DSSAB	\$59,300
Thunder Bay DSSAB	\$67,100
Timiskaming DSSAB	\$54,600
ONTARIO**	\$73,500

* Based on 2006 census, rounded to the nearest hundred.

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

APPENDIX B - Maximum House Price Limit – Fourth Quarter, 2008

Service Manager Area	Maximum House Price Limit*
Greater Toronto Area:	
City of Toronto	\$383,613
Regional Municipality of Durham	\$269,711
Regional Municipality of Halton	\$396,699
Regional Municipality of Peel	\$330,419
Regional Municipality of York	\$408,666
City of Brantford	\$212,650
City of Cornwall	\$141,387
City of Greater Sudbury	\$203,809
City of Hamilton	\$260,861
City of Kawartha Lakes	\$202,034
City of Kingston	\$231,147
City of London	\$204,647
City of Ottawa	\$282,390
City of Peterborough	\$216,412
City of St. Thomas	\$204,647
City of Stratford	\$196,793
City of Windsor	\$153,565
County of Bruce	\$191,178
County of Dufferin	\$258,582
County of Grey	\$191,178
County of Hastings	\$181,963
County of Huron	\$196,793
County of Lambton	\$175,972
County of Lanark	\$282,390
County of Lennox and Addington	\$231,147
County of Norfolk	\$188,997
County of Northumberland	\$234,884

Service Manager Area	Maximum House Price Limit*
County of Oxford	\$182,758
County of Renfrew	\$182,815
County of Simcoe	\$247,862
County of Wellington	\$270,021
District Municipality of Muskoka	\$270,657
Municipality of Chatham-Kent	\$131,809
Regional Municipality of Waterloo	\$261,637
Regional Municipality of Niagara	\$189,999
United Counties of Leeds Grenville	\$282,390
United Counties of Prescott Russell	\$282,390
Algoma DSSAB	\$117,746
Cochrane DSSAB	\$129,137
Kenora DSSAB	\$124,538
Manitoulin-Sudbury DSSAB	\$114,545
Nipissing DSSAB	\$176,145
Parry Sound DSSAB	\$268,967
Rainy River DSSAB	\$104,859
Sault Ste. Marie DSSAB	\$128,590
Thunder Bay DSSAB	\$133,670
Timiskaming DSSAB	\$106,158

*Average MLS® Resale Price - Q4, 2008

APPENDIX C – CEEA Considerations

Funding from CMHC is now subject to the Canadian Environmental Assessment Act (CEEA). To be eligible for funding, housing proponents must confirm that project proposals do not impose adverse impacts that cannot be mitigated. Considerations include:

1. Projects that involve construction, expansion, modification or demolition within 30m of a water body.
2. Projects that involve construction, expansion or modification with a footprint of more than 500m² on land not serviced at the time of the commitment.
3. Does not involve the likely releasing of a polluting substance into a water body.
4. Projects that involve the demolition of a building where its floor area is more than 1,000m² or where the proposal is to be carried out within 30m of another building.
5. Does not:
 - (i) possibly affect the permafrost AND
 - (ii) take place on land not serviced at the time of the commitment AND
 - (iii) involve construction or expansion of a sidewalk, boardwalk, path, pedestrian ramp or access road longer than 100m.
6. Projects that involve construction or expansion or modification in a national park, park reserve, national historic site or historic canal.
7. Does not involve a USE OTHER THAN:
 - residential accommodations
 - institutional accommodations offices
 - common-carrier passenger facilities and services
 - retail sales facilities
 - medical, educational, informational or recreational facilities or services
 - food services
 - parking facilities
 - non-hazardous storage facilities
 - presenting artistic, cultural, sporting or other community-related events.

APPENDIX D - Municipal Services Offices (MSOs) Contacts

Service Managers are encouraged to contact their regional Municipal Services Office if they require clarification or have questions regarding the AHP Extension (2009) Homeownership Component Guidelines.

<p>Canada-Ontario Affordable Housing Program Housing Programs Branch 777 Bay Street, 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-5013 Fax: (416) 585-7003 www.mah.gov.on.ca</p> <p>Community Partnerships and Projects Branch – Toronto Unit</p> <p>777 Bay St., 2nd Floor Toronto, ON M5G 2E5 Tel: (416) 585-6711 Fax: (416) 585-6588</p> <p><u>Contact:</u> Chris Ryter, Manager, Community Partnerships and Projects Branch</p> <p>Tel: 416-585-6711 Email: chris.ryter@ontario.ca Serving: Toronto</p>	<p>Central Municipal Services Office 777 Bay Street, 2nd Floor 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-6226 Toll Free: 1-800-668-0230 Fax: (416) 585-6882</p> <p><u>Contact:</u> Ian Russell, Team Lead, Regional Housing Services</p> <p>Tel: 416-585-6965 Email: ian.russell@ontario.ca Serving: Peel, Durham, Halton, York, Simcoe, Muskoka</p>
<p>Eastern Municipal Services Office 8 Estate Lane Rockwood House Kingston ON K7M 9A8 General Inquiry: (613) 548-4304 Toll Free: 1-800-267-9438 Fax: (613) 548-6822</p> <p><u>Contact:</u> Mila Kolokolnikova, Team Lead, Regional Housing Services</p> <p>Tel: 613-545-2123 Email: mila.kolokolnikova@ontario.ca Serving: Northumberland, Peterborough, Kawartha Lakes, Ottawa, Kingston, Hastings, Lanark, Leeds & Grenville, Lennox & Addington, Prescott & Russell, Renfrew, Cornwall</p>	<p>Western Municipal Services Office 659 Exeter Road, 2nd Floor London ON N6E 1L3 General Inquiry: (519) 873-4020 Toll Free: 1-800-265-4736 Fax: (519) 873-4018</p> <p><u>Contact:</u> Tony Brutto, Team Lead, Regional Housing Services</p> <p>Tel: 519-873-4032 Email: tony.brutto@ontario.ca</p> <p>Serving: Hamilton, Waterloo, Wellington, Bruce, St. Thomas, Windsor, Grey, Huron, Chatham-Kent, Lambton, London, Niagara, Oxford, Stratford, Norfolk, Brantford, Dufferin</p>

<p>Northeastern Municipal Services Office 159 Cedar Street, Suite 401 Sudbury ON P3E 6A5 General Inquiry: (705) 564-0120 Toll Free: 1-800-461-1193 Fax: (705) 564-6863</p> <p>Contact: Cindy Couillard, Team Lead, Regional Housing Services Tel: 705-564-6808 Email: cindy.couillard@ontario.ca</p> <p>Serving: Parry Sound, Sault Ste Marie, Algoma, Cochrane, Manitoulin, Nipissing, Sudbury, Timiskaming</p>	<p>Northwestern Municipal Services Office 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</p> <p>Contact: Peter Boban, Team Lead, Regional Housing Services Tel: 807-473-3017 Email: peter.boban@ontario.ca</p> <p>Serving: Kenora, Rainy River, Thunder Bay</p>
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2009 Extension**

New Rental Housing Component



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New Rental Housing Component – Overview

The New Rental Housing Component of the AHP Extension (2009) will lead to the creation of new affordable rental housing units, with a specific focus on housing for low-income seniors and persons with disabilities.

Over two years (2009/10 and 2010/11), \$307.76 million is dedicated to the creation of new rental housing units for low-income seniors and \$57.7 million for new rental housing units for persons with disabilities.

The New Rental Housing Component will:

- Increase the supply of rental housing for households on, or eligible to be on, social housing waiting lists
- Increase the supply of affordable rental housing for low-income seniors and persons with disabilities
- Ensure that safe, adequate and affordable rental housing is available to Ontario households.

Highlights of the AHP Extension (2009) – New Rental Housing Component

- The average combined federal and provincial AHP contribution is \$120,000 per unit to a maximum of \$150,000
- Elimination of the 20-year affordability payment (all payments made during construction)
- Dedicated funding has been earmarked for units for low-income seniors and persons with disabilities
- Other target groups include Aboriginal persons, recent immigrants, victims of domestic violence, working poor
- Efficiency measures are required to be incorporated into the design of AHP-funded projects
- Accessible and barrier-free design is encouraged
- Priority is given for projects that contribute to increased job creation in Ontario (i.e. new construction).

Program Requirements

Eligible Projects

Projects under the New Rental Housing Component must be one of the following:

- New construction, including additions and extensions
- Major renovation and rehabilitation
- Acquisition and conversion of non-residential buildings or units to purpose-built rental buildings/units*.

Projects that are **not eligible** are:

- Secondary suites in ownership housing
- Nursing and retirement homes
- Social housing that receives ongoing federal subsidies
- Shelters and crisis care facilities
- Ownership housing.

*Acquisition and rehabilitation of rental buildings should involve **significant** renovations and demonstrate that the project is in danger of being lost to the rental stock. Please refer to AHP Bulletin No. 23 at ontario.ca/mah for additional information.

Construction of new rental housing on social housing lands may also be eligible provided that SMs acquire the appropriate ministerial consent, as per the *Social Housing Reform Act, 2000 (SHRA)*.

Project Criteria

SMs will recommend projects that:

- Are approved by council and/or board as required under the *Municipal Act, 2001*
- Address local housing needs
- Are environmentally sustainable
- Meet energy efficiency requirements
- Are accessible
- Are financially viable – based on the SM's confirmation
- Are able to meet the 20-year affordability requirement
- Have the required equity – private sector proponents are required to provide 10%; 4% will be required for partnership ventures between private sector and non-profit organizations
- Have secured a suitable site or made an offer to purchase or lease a suitable site

- Can begin construction within three months of signing a Contribution Agreement (CA)
- Have an occupancy plan in place to ensure that units will be occupied in a timely fashion
- Have rents that are at or below 80% of the CMHC Average Market Rent for the community
- Have existing support services in place, if required.

Housing staff in Municipal Services Offices are available to assist in an advisory role in the review and selection of projects. Please refer to Appendix A for contact information.

Unit Size

Units must be similar in size and amenities to other housing in the community. SMs may establish size and amenity requirements. If SMs do not set size requirements, the following provincial average size requirements will be used for new construction projects.

Unit Type	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Apartment	41.8 m ²	60.4 m ²	79.0 m ²	92.9 m ²	111.5 m ²
Townhouse (Row houses)	N/A	65.0 m ²	83.6 m ²	102.2 m ²	120.8 m ²

Units must be self-contained to receive full funding per unit, based on a cost analysis. Housing proponents who wish to develop congregate living buildings (rooms with shared living spaces) will need to provide a rationale in order to receive full funding per unit.

Ministerial Consents

If it is proposed that an AHP project is to be developed on social housing land, ministerial consent will likely be required under either the *Social Housing Reform Act, 2000* (SHRA) or transfer orders under the SHRA. In addition to reviewing the SHRA to determine if consent is necessary, transfer orders should be reviewed for federal projects.

For further information on ministerial consent requirements, please refer to Appendix B.

Duty to Consult

The province has a duty to consult and accommodate Aboriginal peoples where it has knowledge of the potential existence of an Aboriginal right or title and contemplates conduct that might adversely impact that right or title. If such a duty arises in the context of making a decision to provide AHP New Rental Housing funding, the province has an obligation to consult Aboriginal peoples before the decision is made.

The Housing Division of the Ministry of Municipal Housing and Affairs (MMAH) has established a protocol for assessing when a duty to consult may arise and with whom consultation may be required. Please contact your local Municipal Services Office Team Lead if you have any questions or are uncertain if a proposed AHP project requires consultation.

Submission Dates

Service Managers must submit project proposals for each year (2009/10; 2010/11) of the program. They should identify whether proposals include rental units for low-income seniors, rental units for persons with disabilities, and which component of the AHP Extension (2009) they wish to participate in (New Rental, Homeownership or Northern.) SMs are encouraged to submit projects that reflect a balance of municipal non-profits, private non-profits and cooperatives, as well as private proponents.

SMs are asked to submit project proposals by the ministry's **submission dates** in order to be eligible for AHP funding.

Year 1 projects must be committed (CA signed) between June 2009 and March 31, 2010 and **Year 2** projects must be committed (CA signed) between April 1, 2010 and March 31, 2011.

AHP Extension (2009) funding must be used within its specified year as funding will not be carried over. SMs are encouraged to submit project proposals as early as possible.

Submission dates have been chosen to encourage quick take-up of the program within the two-year timeframe. It is also important to incorporate the program's objectives of economic stimulus, energy efficiency, and accessibility for designated client groups – low-income seniors and persons with disabilities.

Year 1 – Quick Starts (June 2009)

Funding will be allocated to construction-ready projects identified by SMs. These are projects that will be ready for construction by September 30, 2009.

Projects funded under Quick Starts must begin construction before **September 30, 2009**. Funding approvals for construction-ready projects will begin immediately.

Year 1 – (July 2009 – March 2010)

For the remainder of Year 1, the ministry will allocate funding to project proposals that are submitted by the following dates:

- July 31, 2009
- September 30, 2009
- November 2, 2009

Funding approvals for these projects will begin shortly after each submission date has closed.

Please note that if federal funding for the first fiscal year (2009/10) is exhausted prior to the end of the first fiscal year of the AHP Extension, the ministry will be under no obligation to fund any further funding requests submitted prior to the commencement of the second year of the AHP Extension (2009).

Year 2 (April 2010 – March 2011)

SMs will be asked to submit project proposals for Year 2 of the program. Year 2 submissions will be considered after February 1, 2010. Projects receiving funding approval in Year 2 should begin construction between April 1, 2010 and March 31, 2011.

Please submit all project proposals using the Affordable Housing Information Management System (AIMS).

Project Approvals

Project selection will be based on construction readiness:

- Building site is acquired
- Zoning is in place
- Council approval has been obtained
- Building permit has been obtained
- Financial viability has been proven
- The project targets the program's priority groups.

Once a project has been selected and approved for AHP funding, it will receive a Conditional Letter of Commitment (CLC) from the ministry. Samples of a CLC and a Director's Letter are provided in Appendix C and D.

The CLC confirms the ministry's approval of the project and outlines the steps that must be taken prior to signing a Contribution Agreement (CA), which allows for the advancement of AHP funds. After receiving a CLC for a project, SMs are expected to sign a CA **within 30 days**.

The CA describes the legal obligations and reporting requirements for the project. Please refer to Appendix E for the requirements needed to sign a CA.

The ministry expects to have all Year 1 CAs signed no later than **December 31, 2009** with construction starting prior to **March 31, 2010**.

All Year 2 CAs are expected to be signed no later than **December 31, 2010** and begin construction prior to **March 31, 2011**.

SMs and housing proponents not able to sign CAs or begin construction by the required dates will have their funding re-allocated.

Funding for the New Rental Housing Component is offered on a strict "use it or lose it" basis. Funding that is uncommitted by each fiscal year-end will lapse. Therefore, funding approved during Year 1 and Year 2 will need to be committed (CA signed) at the latest by March 31st of each year and projects **must start repairs/construction within three months of the CA date**.

Funding

Under the New Rental Housing Component, the average combined federal and provincial contribution is \$120,000 per unit, with a maximum combined contribution of \$150,000 per unit. The maximum contribution is available to projects that incorporate enhanced energy efficiency measures and provide units for low-income seniors and persons with disabilities. In addition, the overall average per unit contribution for an SM's project portfolio must be at or below \$120,000.

AHP New Rental funding is provided as a forgivable capital loan that is available during the development and construction phase of the project.

The AHP funding will be advanced to the project based on the completion of construction milestones. **There will be no provincial affordability payment over 20 years.**

Project housing proponents are eligible to receive funding once a CA has been signed.

Payments for Projects

Payments for projects will be made based on completion of construction milestones.

Under the **Service Manager Direct Delivery Model**, SMs are responsible for making project payments to housing proponents. The ministry will flow AHP funds to the SM based on the completion of three major milestones. SMs will be required to forward signed project checklists to the ministry confirming fulfillment of conditions for each payment request.

The SM will then flow AHP funds to the proponent based on the completion of construction milestones.

Please note that it is expected that all SMs will adopt the Service Manager Direct Delivery Model by Year 2 of the program.

Under the **Shared Delivery Model**, the ministry is responsible for making project payments to housing proponents. Proponents, through their SM, must submit confirmation of construction milestones with each payment request.

The payment breakdowns in Table 1 will be used for the Service Manager Direct Delivery Model and the Shared Delivery Model.

The ministry may consider an accelerated payment after construction starts on a case-by-case basis (i.e., payment at structural framing).

Table 1

Construction Milestones	Direct Delivery Payment New Construction	Shared Delivery Payment New Construction	Direct & Shared Payments Conversion/Acquisition/Repairs
<ul style="list-style-type: none"> • Proponent confirms title to land • Registers notice of CA & securities on title • First building permit or demolition permit received 	10%	10%	An accelerated payment process based on specific project needs will be considered on a case-by-case basis
<ul style="list-style-type: none"> • Construction Start 	40%	40%	
<ul style="list-style-type: none"> • Occupancy certificate received 	50%	40%	
<ul style="list-style-type: none"> • 45-day lien period ends 	N/A	10%	

For both Service Manager Direct Delivery and Shared Delivery, SMs will be required to provide the ministry with **written confirmation of start of construction**, with adequate supporting documents, if available. See Appendix F for a sample confirmation form.

Target Tenants

Low-Income Seniors

Under this component, dedicated funding is available for projects with rental units for low-income seniors.

To be considered a low-income senior household, at least one person in the household applying to rent the unit must be a senior at the time of application. Priority should be given to seniors who are 65 years and over. SMs may lower this age limit according to local circumstances, provided they comply with all applicable laws and adhere to the Ontario and Canadian Human Rights Code.

People living in households must be residents of Ontario and have status in Canada (citizenship, landed immigrant or refugee status).

To qualify as low income, the household must be on, or eligible to be on, a social housing waiting list.

SMs are encouraged to consider the special needs of fixed-income households, such as those on Ontario Works (OW) or the Ontario Disability Support Program (ODSP). Lower rents should be offered to match the affordability needs of low-income seniors and persons with disabilities.

Persons with Disabilities

Under this component, dedicated funding is available for projects with rental units for persons with disabilities.

To be considered a household with disability challenges, at least one person in the household, such as one of the spouses (including common-law and same sex) or dependants, must have a physical or mental disability, or both.

People living in households must be residents of Ontario and have status in Canada (citizenship, landed immigrant or refugee status).

Definitions of Disability

Under the New Rental Housing Component, disability refers to both physical and mental conditions. These conditions may be visible or invisible, temporary or permanent/chronic, past or present. They may include restricted mobility, mental disorders, hearing or vision disabilities, learning disabilities, dependence on alcohol or drugs, as well as other conditions requiring special accommodation and/or services.

Section 25 of the Canadian Human Rights Act defines disability as “any previous or existing mental or physical disability and includes disfigurement and previous or existing dependence on alcohol or a drug.”

Funding provided to projects with units for persons with disabilities is to be used to cover capital costs only. If support services are required, SMs are responsible for ensuring that adequate ongoing support funding is in place and to provide written confirmation of the source of this funding.

For further information on the definition of “disability”, please refer to Appendix G.

Other Target Tenant Groups

Priority funding may be available for projects that create units for the following tenant groups:

- Aboriginal people (status/non-status, Inuit, Métis)
- Recent immigrants
- Victims of domestic violence
- Working poor.

Projects with units that accommodate households that are on, or eligible to be on, social housing waiting lists are also eligible for funding.

Barrier-Free Units

SMs are encouraged to include barrier-free units. These units should be located in fully accessible buildings and provide ramps, grab bars, wider doorways and/or lower cabinets, as well as provisions for persons with hearing and vision impairments.

Income Verification

SMs are required to establish maximum income levels for AHP-funded units at the time of initial tenancy. They must establish an approach to income verification in order to ensure households in need are targeted. Annual income verification is at the SM's discretion.

Rents

Rents are required to be at or below 80% of Canada Mortgage and Housing Canada (CMHC) Average Market Rent (AMR) at the time of occupancy. Average rent for a project is calculated using the actual rents paid by tenants after factoring in rent supplement or housing allowance assistance. Other reasonable methods of achieving 80% of CMHC Average Market Rent for a project will be considered on a case-by-case basis.

Service Managers are encouraged to provide more affordability for units that are designated for low-income seniors and persons with disabilities.

Housing projects that include both AHP funded units and market rent units are possible, but only units with rents at or below the CMHC Average Market Rent will receive AHP funding.

In some SM areas, maximum rents will be based on a Modified Ontario Works shelter allowance. The proponent is allowed to charge rents of up to 105% of a modified Ontario Works shelter allowance, provided it does not exceed the CMHC Average Market Rent. In areas where 80% of the CMHC Average Market Rent is less than 105 % of a modified shelter allowance, the higher rent will prevail.

Rent increases after initial occupancy must be made in accordance with the rules established under the *Residential Tenancies Act* (RTA) Annual Rent Increase Guidelines, or as otherwise permitted under legislation. New rental buildings (built after 1991) are technically exempt from RTA rent increase guidelines, but are subject to terms and conditions in the Contribution Agreement. The Contribution Agreement states that rent increases in AHP-funded units follow the RTA rent increase guidelines but must still remain at 80% of CMHC Average Market Rent.

For additional information on rent increases in AHP units, please refer to AHP Bulletin No. 21 on the MMAH website: ontario.ca/mah.

Energy Efficiency and Building Design

Several energy efficiency measures are now required in projects funded under the New Rental Housing Component.

Building Design

Buildings must meet the energy efficiency requirements of the proposed 2012 Ontario Building Code. These include:

- The energy efficiency of building design for buildings under Part 3 of the Building Code must be at least 25% higher than the reference building designed to the Model National Energy Code for Buildings, or 18% higher than the reference building designed to ASHRAE 90.1 - 1999 (without amendments).
- Building design for buildings under Part 9 of the Building Code must at least meet the performance of Energuide 80 or equivalent.

SMs are required to confirm that all submitted projects meet this requirement. Confirmation by qualified professionals, such as the project architect or engineer, is acceptable.

Building Components and Appliances

ENERGYSTAR-rated products must be used when available.

Smart Meters

SMs who decide to install smart meters (either in directly metered units or by sub-meter) in their social or affordable rental buildings should refer to the *Electricity Act, 1998*, to ensure that the installation of the meters does not contravene the legislation.

SMs may also contact the Ontario Energy Board to confirm if the installation of meters (individual and/or sub-meters) is currently authorized and who is authorized to install the metering equipment. **For further information, please contact the Ontario Energy Board's (OEB) Consumer Relations Centre at 1-877-632-2727 or 416-314-2455, or go to www.oeb.gov.on.ca.**

Other Energy Efficient Initiatives

Proponents are encouraged to utilize all other incentives available in their location. The Energy Efficiency Resource & Funding Guide provided by the Ministry of Energy and Infrastructure provides an overview of available programs:
http://www.mei.gov.on.ca.wsd6.korax.net/english/pdf/conservation/energyefficiency_funding.pdf

Housing proponents are also encouraged to participate in the High Performance New Construction program. Please refer to the program's website for more details:
www-opa.hpnc.ca

Environmental Assessment

Projects funded under the AHP Extension (2009) are now subject to the *Canadian Environmental Assessment Act* (CEAA). SMs are required to check for compliance of the CEAA and provide confirmation to the ministry. Please refer to Appendix H for specific considerations.

Stacking

Other AHP Funding

Projects that have received funding under AHP Wave 1 and Residual rounds cannot receive AHP Extension (2009) funding (for example, as a top-up) for the same units.

Other Capital Funding

Projects that have received funding from the Off-Reserve Aboriginal Housing Trust cannot receive New Rental Housing funding for the same project. For further information on programs that can be combined with the AHP, please refer to AHP Bulletin No. 15 found at ontario.ca/mah.

Rent Supplements

Strong Community Rent Supplements and other existing rent supplement program funding can be applied to an AHP-funded unit.

Reporting

SMs are required to report to the province on the status of each project during every financial quarter of the development and construction phases, as well as annually, as per the Administration Agreement.

This reporting ensures compliance with the provisions of the Canada-Ontario Affordable Housing Program agreement and other established program parameters. Proponents will be required to report accordingly to the SM.

Quarterly reports will identify and address project status. These reports will also describe the progress of projects with units for low income seniors and persons with disabilities to ensure that housing for these groups is constructed.

Due to the nature of the AHP Extension (2009) and the program's tight timelines, the quarterly reports will be supplemented with monthly updates to Municipal Service Office Team Leads describing project progress and any issues of concern. These updates may be used to determine the need for re-allocating funding.

SMs are required to submit their quarterly reports through the ministry's Affordable Housing Information Management System (AIMS). SMs should also ensure that project information is updated in AIMS especially in terms of construction start dates.

Please refer to Appendix I for further information on quarterly reports and tips on updating projects and submitting reports in AIMS.

Other Program Requirements

SMs are encouraged to provide the following contributions to increase the level of affordability for tenants:

Municipal Property Tax

SMs will be required to reduce property taxes for rental housing projects by setting it at an effective rate equivalent to, or lower than, the single residential rate for the area.

Municipal Housing Facility Bylaw

SMs are required to have a Municipal Housing Facility Bylaw for affordable housing to enable municipal contributions according to the *Municipal Act, 2001*, beyond the required property tax concessions.

SMs are encouraged to provide exemptions from, or reductions of, development charges and *Planning Act* fees. SMs are also encouraged to waive Building Permit fees.

Indemnification and Repayment of Funds

There are obligations for all AHP parties with regard to indemnification and recovery of government funding. Please see Appendix J for specific obligations.

How to Make a Project Submission

All project proposals must be submitted to MMAH through the Affordable Housing Information Management System (AIMS). For assistance in submitting projects, contact the AIMS Support Desk by calling 416-585-7070 (GTA) or 1-866-417-5399 or by email at aimssupport.mah@ontario.ca.

APPENDIX A - Municipal Services Offices (MSO) - Contacts

Service Managers are encouraged to contact their regional Municipal Services Office for more information on the AHP Extension (2009) New Rental Housing Component Guidelines.

<p>Canada-Ontario Affordable Housing Program (AHP) Housing Programs Branch 777 Bay Street, 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-5013 Fax: (416) 585-7003 www.mah.gov.on.ca</p> <p>Community Partnerships and Projects Branch – Toronto Unit 777 Bay St., 2nd Floor Toronto, ON M5G 2E5 Tel: (416) 585-6711 Fax: (416) 585-6588</p> <p><u>Contact:</u> Chris Ryter, Manager, Community Partnerships and Projects Branch Tel: 416-585-6711 Email: chris.ryter@ontario.ca Serving: Toronto</p>	<p>Municipal Services Office - Central 777 Bay Street, 2nd Floor 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-6226 Toll Free: 1-800-668-0230 Fax: (416) 585-6882</p> <p><u>Contact:</u> Ian Russell, Team Lead, Regional Housing Services Tel: 416-585-6965 Email: ian.russell@ontario.ca</p> <p>Serving: Peel, Durham, Halton, York, Simcoe, Muskoka</p>
<p>Municipal Services Office - Eastern 8 Estate Lane Rockwood House Kingston ON K7M 9A8 General Inquiry: (613) 548-4304 Toll Free: 1-800-267-9438 Fax: (613) 548-6822</p> <p><u>Contact:</u> Mila Kolokolnikova, Team Lead, Regional Housing Services Tel: 613-545-2123 Email: mila.kolokolnikova@ontario.ca</p> <p>Serving: Northumberland, Peterborough, Kawartha Lakes, Ottawa, Kingston, Hastings, Lanark, Leeds & Grenville, Lennox & Addington, Prescott & Russell, Renfrew, Cornwall</p>	<p>Municipal Services Office - Western 659 Exeter Road, 2nd Floor London ON N6E 1L3 General Inquiry: (519) 873-4020 Toll Free: 1-800-265-4736 Fax: (519) 873-4018</p> <p><u>Contact:</u> Tony Brutto, Team Lead, Regional Housing Services Tel: 519-873-4032 Email: tony.brutto@ontario.ca</p> <p>Serving: Hamilton, Waterloo, Wellington, Bruce, St. Thomas, Windsor, Grey, Huron, Chatham-Kent, Lambton, London, Niagara, Oxford, Stratford, Norfolk, Brantford, Dufferin</p>

<p>Municipal Services Office - Northeastern 159 Cedar Street, Suite 401 Sudbury ON P3E 6A5 General Inquiry: (705) 564-0120 Toll Free: 1-800-461-1193 Fax: (705) 564-6863</p> <p>Contact: Cindy Couillard, Team Lead, Regional Housing Services Tel: 705-564-6808 Email: cindy.couillard@ontario.ca</p> <p>Serving: Parry Sound, Sault Ste Marie, Algoma, Cochrane, Manitoulin, Nipissing, Sudbury, Timiskaming</p>	<p>Municipal Services Office - Northwestern 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</p> <p>Contact: Peter Boban, Team Lead, Regional Housing Services Tel: 807-473-3017 Email: peter.boban@ontario.ca</p> <p>Serving: Kenora, Rainy River, Thunder Bay</p>
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APPENDIX B – Ministerial Consent Requirements

Reasons for Ministerial Consent

Ministerial Consent may be required for:

- Encumbrances – mortgages that are registered on title, registration of other instruments such as easements, funding agreements, etc.
- Postponement of first mortgages, replacement of mortgages
- Sale/transfer/lease of social housing property/units, development/redevelopment of social housing property, granting/disposing of property
- Altering any condition or state of social housing property, excluding repairs or maintenance.

Ministerial Consent Documentation

The ministry may require certain documents and/or other items in connection with an application for Ministerial Consent including:

- A comprehensive business case describing the project's plan(s) and how objectives will be met
- Corporate name of proponent and location(s) of anticipated work
- Council and board resolutions
- Title search
- Tenant relocation plan, if required
- Copy of Operating Agreement for federal projects
- Financing arrangements
- Clean Phase 1 ESA's
- Draft easements
- Draft Shared Facilities Agreement
- Draft mortgage assumption agreements
- Site plan
- Draft purchase and sale agreements
- Pre and post property appraisals
- Partial discharges of first mortgages
- Severances of land no longer to be used for social housing

- Separate ownership of land no longer to be used for social housing; and
- Consent of the first mortgagee.

For example, when it is proposed that an AHP project be developed on social housing land and a mortgage registered against the property, Ministerial Consent will generally require, among other things:

- A severance of the property to be used for the AHP project
- The incorporation of a separate corporation to hold the land on which the AHP project is situate
- The consent of any first mortgagee
- A partial discharge of the first mortgage over the land to be used for the AHP project; and if, after the severance, the two facilities share amenities, a shared facilities agreement.

It may also require a postponement of mortgages to the shared facilities agreement.

Where a Ministerial Consent is required, it must be obtained **prior** to entering into a Contribution Agreement with the Service Manager or province, as applicable.

Three copies of the complete consent package must be provided to the ministry. The average turnaround time for approval is ten business days.

Even if Ministerial Consent is **not** required, please note that if a social housing provider is developing an AHP project on **non-social housing lands** it is recommended that they consider:

- Setting up a separate corporation to own the new AHP project (or receive consent from the Service Manager)
- This is suggested because, should the AHP project cease to be financially viable and adversely affect the social housing project, the Minister may recoup from the Service Manager as provincial housing costs under the SHRA and O.Reg 642/00 any losses, costs and expenses, including settlement losses, costs and expenses, that the Province may suffer or incur under the Canada-Ontario Social Housing Agreement in relation to the social housing project.

For clarification of consent requirements and documentation, please refer to Release 20 - *Procedures for obtaining Ministerial Consent under the Social Housing Reform Act 2000* and/or contact:

- East of Yonge Street – Lilian Hulme-Smith, 416-585-6094 or lilian.hulme-smith@ontario.ca
- West of Yonge Street – Yvonne Wright, 416-585-6423 or yvonne.wright@ontario.ca
- City of Toronto – Chris Ryter, 416-585-6711 or chris.ryter@ontario.ca

APPENDIX C - SAMPLE Conditional Letter of Commitment (CLC)

[Insert Proponent Contact Name & Address]

Dear Proponent Contact Name,

Re: Project Address, Project Municipality, # of Units
Project Name, SM Area
AHP Extension (2009) – New Rental Housing Component

I am pleased to confirm that funding in the amount of \$XXXX for XX units for the [Name of Project] in the [SM area] has been conditionally approved under the New Rental Housing component of the AHP Extension (2009). This includes XX units for low-income seniors and XX units for persons with disabilities.

This conditional funding is dependant upon the [SM area] and the Province of Ontario entering into an Administrative Agreement. Furthermore, funding is conditional upon obtaining all required approvals for the project from the [SM area], entering into a Contribution Agreement (CA), and **starting construction within three months of the CA date**. Projects that do not meet these timelines may have their funding re-allocated.

Further details regarding the terms and conditions of this funding will follow shortly. We will work with you on an announcement in accordance with our communications protocol with the federal government.

The AHP Extension (2009) is a two-year initiative to fund new units of affordable housing, while stimulating Ontario's economy. Under this initiative, housing will be provided for Ontario's most vulnerable, including low-income seniors and persons with disabilities.

Congratulations on this significant accomplishment and we look forward to the above conditions being met and the project proceeding to construction. The Province of Ontario is pleased that you are able to utilize AHP funding to provide affordable housing in your community.

Sincerely,

Assistant Deputy Minister
Housing Division

c: SM Contact Name, Title, SM area
MSO Contact Name, Team Lead, Regional Housing Services, MSO – Region

APPENDIX D - SAMPLE Director's Letter – SM Direct Delivery/Shared

[Ministry Letterhead]

DATE

To be addressed to both the proponent and the SM in case of Shared Delivery and only to SM in case of SM Delivery

Dear Mr./Ms. XXX:

Re: Project Address, Project City, XX units
Name of Project (if applicable), Proponent/Company Name
Affordable Housing Program (AHP) – AHP Extension (2009) – New Rental Housing

Name of the project received a conditional funding commitment of \$XXX for XX units under the **Affordable Housing Program (AHP) – AHP Extension New Rental Housing Component**. Ministry approval of this funding was based on the recommendation of the [SM Name].

INSERT FOR SHARED DELIVERY

This project is approved under the Shared Delivery model. Funding for the project is conditional on the achievement of specific milestones and the project proponent and the province entering into a Provincial Contribution Agreement (PCA), with such conditions and security for the AHP funding as are acceptable to the ministry. It is expected that the PCA will be signed within thirty (30) days of the date of the CLC.

Funding is subject to the Insert SM & Insert Proponent agreement with the terms and conditions outlined in this letter.

INSERT FOR SM DELIVERY

This project is approved under the Service Manager Direct Delivery model. Funding for the project is conditional on the achievement of specific milestones and the project proponent and the Service Manager (SM) entering into a Contribution Agreement (CA), with such conditions and security for the AHP funding as are acceptable to the SM. It is expected that the CA will be signed within thirty (30) days of the date of the CLC.

Funding is subject to the **Insert SM** agreement with the terms and conditions outlined in this letter.

Conditions for AHP Extension (2009) funding include, but are not limited to, the fulfillment of:

- The province and the Service Manager for the jurisdiction in which the project will be built have signed an Administration Agreement
- Any required project-specific Municipal Housing Facilities Bylaws or Agreement or any other required Agreement by the Service Manager and/or other party and the proponent
- Proof of ownership or long term lease to permit the development of the proposed project over the minimum twenty (20) year period
- The first permit that permits the demolition of an existing structure or the construction of the foundation of the project to be completed and/or permits a subsequent phase in the construction process
- Confirmation of construction start within three (3) months of the date of the **[insert Provincial Contribution Agreement or Contribution Agreement, whichever is applicable]**. Any project that does not meet this requirement may have their funding re-allocated as per the province's obligations under the Canada-Ontario Affordable Housing Agreement
- Certificate of Insurance (COI) and any required insurance as part of the **[insert Provincial Contribution Agreement or Contribution Agreement, whichever is applicable]**
- Confirmation of required owner equity
- Approval of mortgage financing and interest rate, if required, in the form of a mortgage commitment satisfactory to the ministry
- Ministerial Consent, if required under the *Social Housing Reform Act, 2000*
- Confirmation in writing of existing support services, if required
- All other conditions precedent to the implementation of the project as set out in the proponent's submission to the procurement process and as outlined in the *AHP Extension (2009) – New Rental Housing Guidelines* (see attachment 2).

Attached for your use is a checklist that sets out conditions to be fulfilled prior to signing the **[insert Provincial Contribution Agreement or Contribution Agreement, whichever is applicable]** and advance of funding.

The Service Manager should ensure that **insert proponent name** keeps them informed regarding the progress in meeting these conditions.

INSERT FOR SHARED DELIVERY

Please note that the ministry expects all Service Managers to adopt the Service Manager Direct Delivery Model to participate in the New Rental Housing Component by Year 2 of the program.

After all conditions for funding are met and confirmation of fulfilment of conditions as per the Checklist has been received, the ministry will prepare the PCA. The customized PCA will be sent to **insert SM Name** to coordinate with the **proponent name** for signing and to insert the necessary schedules in the PCA. Once the PCA is signed and dated by the ministry, the first instalment of AHP funding will be deposited into the proponent's account, pursuant to the funding schedule.

In order for the ministry to deposit the amount into the proponent's account, the Service Manager is requested to obtain the completed Direct Deposit Authorization Form (attached) from the proponent and send it to the ministry.

INSERT FOR SM DELIVERY

As you are aware, SMs are required to report to the province when a Contribution Agreement is signed, and comply with program guidelines specified in the Administration Agreement.

Once the CA between the proponent and the SM has been signed and confirmation of fulfilment of conditions as per the Checklist has been received, the AHP funding will be advanced to the SM. The SM will receive the AHP funding for the project from the province and the SM will advance the funding to the proponent, pursuant to the funding schedule.

AHP funding will be based on the achievement of project milestones. The schedule of funding will be based on the project value, progress and completion of eligible activities, and security available at various stages of the work. Please see the attached preliminary schedule of funding for a description and breakdown of the funding for the project.

In order to confirm your agreement with the above conditions, **please sign and return the second portion of this letter** to us.

The proponent should send all documents to the Service Manager and the SM should forward them to the Ministry of Municipal Affairs and Housing (MMAH) Municipal Services Office in the area:

Attention: MSO Contact Name
Team Lead, Regional Housing Services
MSO Office Address
Telephone: MSO Number

Please be advised that if federal funding for the first fiscal year (2009/10) is exhausted prior to the end of the first fiscal year of the AHP Extension, the ministry will be under no obligation to fund any further funding requests submitted prior to the commencement of the second year of the AHP Extension.

Further, this conditional funding commitment is confidential until a joint federal-provincial-municipal announcement is made. The province will co-ordinate the announcement of this funding and the [SM name] will notify the proponent in advance.

Thank you once again for your interest and participation in the AHP.

Yours truly,

Name

Director, Housing Programs Branch

- Attachments:
1. Confirmation for Sign-back
 2. New Rental Housing Guidelines
 3. Direct Deposit Authorization Form (Shared DELIVERY)
 4. Funding Schedule
 5. Checklist

c. Proponent Contact Name (SM DELIVERY)

MSO Name, Team Lead, Regional Housing Services, MSO – Region

Include both SM and Proponent Acknowledgement for the Shared Letter and only SM Acknowledgement for the SM Delivery letter

SM Acknowledgement

I understand and agree to abide with the terms and conditions of AHP Extension funding for the _____ project.

Dated at _____ this _____ day of _____, 20____

NAME OF SERVICE MANAGER

Name of Authorized Signing Officer

Title

I have authority to bind the Corporation

Proponent Acknowledgement

I understand and agree to abide with the terms and conditions of AHP Extension funding for the _____ project.

Dated at _____ this _____ day of _____, 20____

NAME OF PROPONENT

Name of Authorized Signing Officer

Title

I have authority to bind the Corporation

APPENDIX E – Requirements to Enter into Contribution Agreement

In order to enter into a CA, housing proponents must meet these requirements:

- The province and the SM must sign an AA for the jurisdiction in which the project will be built.
- Have any required Municipal Housing Facilities Bylaws/Agreement or any other required Agreement in place
- Have proof of ownership or long-term lease to permit development of the proposed project over a minimum 20-year period
- Have the first permit for the demolition or foundation of the project to be completed and/or permits for subsequent phases in the construction process
- Have approval of mortgage financing and interest rate, in the form of a mortgage commitment satisfactory to the ministry, for the balance of the required capital cost
- Have written confirmation of existing support services funding, if required.

APPENDIX F – SAMPLE Written Confirmation of Construction Start

Confirmation of Construction Start AHP Extension (2009) – New Rental Housing Component

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

The start of construction for this project is within three months 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

Dated at _____ this _____ day of _____, 20____

Name and Title of Service Manager/Authorized Signing officer

APPENDIX G – Definition of Disability

The *Ontarians with Disabilities Act, 2005* defines a person with disabilities as having:

- (a) any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, a brain injury, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device,
- (b) a condition of mental impairment or a developmental disability,
- (c) a learning disability, or a dysfunction in one or more of the processes involved in understanding or using symbols or spoken language,
- (d) a mental disorder, or
- (e) an injury or disability for which benefits were claimed or received under the insurance plan established under the *Workplace Safety and Insurance Act, 1997* (“handicap”).

SMs should refer to the Ontario Act, and municipal accessibility plans and advisory committees, to guide their approach to identifying new units for persons with disabilities. SMs may also wish to consult the **Municipal Accessibility Toolkit** (Association of Municipal Managers, Clerks & Treasurers of Ontario - AMCTO) website. The kit was developed in 2007 to provide information on tools, resources and training opportunities for the municipal sector.

APPENDIX H – Canadian Environmental Assessment Act (CEAA) Considerations

Funding from CMHC is now subject to the Canadian Environmental Assessment Act (CEAA). To be eligible for funding, housing proponents must confirm that project proposals do not impose adverse impacts that cannot be mitigated. Considerations include:

1. Projects that involve construction, expansion, modification or demolition within 30m of a water body.
2. Projects that involve construction, expansion or modification with a footprint of more than 500m² on land not serviced at the time of the commitment.
3. Does not involve the likely releasing of a polluting substance into a water body.
4. Projects that involve the demolition of a building where its floor area is more than 1,000m² or where the proposal is to be carried out within 30m of another building.
5. Does not:
 - (i) possibly affect the permafrost AND
 - (ii) take place on land not serviced at the time of the commitment AND
 - (iii) involve construction or expansion of a sidewalk, boardwalk, path, pedestrian ramp or access road longer than 100m².
6. Projects that involve construction or expansion or modification in a national park, park reserve, national historic site or historic canal.
7. Does not involve a USE OTHER THAN:
 - residential accommodations
 - institutional accommodations/offices
 - common-carrier-passenger facilities and services
 - retail sales facilities
 - medical, educational, informational or recreational facilities or services
 - food services
 - parking facilities
 - non-hazardous storage facilities
 - presenting artistic, cultural, sporting or other community-related events.

APPENDIX I – Quarterly Reports and Required AIMS Updates

Quarterly reports address project status, including:

- Approvals
- Progress toward milestones
- Timelines for development
- Start of construction
- Occupancy
- Number of units for seniors and persons with disabilities
- Flow of payments
- Status of financing
- Any changes in the project (such as change in size)
- Information on project characteristics for the purpose of program evaluation
- Final financial information including actual project costs, contributions by Service Managers, local municipalities, proponents and third parties.

Also, Service Managers are expected to ensure that their projects are regularly updated in AIMS. Below are the sections that should be updated during project development and annually after occupancy:

1. General Project Information
 - a. Project address
 - b. Proponent's contact information
 - c. Milestones tab
2. Monthly Updates
 - a. Milestones tab (Development Schedule, especially Construction Start)
 - b. Units tab
3. Project's Development Stage
 - a. Under construction
 - Construction start milestone (*Actual Date*)
 - Building Permit milestone (*Actual Date*) **or** post document for construction start milestone
 - b. Occupied/completed
 - Occupancy milestone (*Actual date*)

- Milestones tab (*Actual Date*)
- Units tab
- Rents tab
- Financial tab (*actuals*)
- Initial occupancy report (*through submit report*)

4. Required Reports

- a. Quarterly (every July, October, January, and April)
 - Development stage
 - Milestones tab
 - Units tab
 - Financial tab
- b. Annual (includes annual occupancy report, every January)
 - Units tab
 - Rents tab

APPENDIX J – Indemnification and Repayment

During the construction period for the project, the SM will fully indemnify the province, with one exception. The SM's share of any loss associated with environmental claims will be 50% of the provincial share (25%).

During the operation of the project, there will be consultation and notification requirements if there are indications there may be operational or financial difficulties. If the SM becomes aware of a proponent's failure to observe or perform a material condition in the CA, the SM shall notify the ministry immediately. The ministry will, in turn, notify CMHC.

An ad hoc committee may be struck to assemble information relating to the project, in order to determine a course of action for rectifying the difficulty and using best efforts to maintain the affordability of the rents for the project. The parties will acknowledge that the interests of the tenants shall be considered in determining what course of action may be most suitable for a project in difficulty.

In situations of non-compliance due to misuse or negligence, the SM is expected to take remedies available to recover government contributions.

Project proponents may earn forgiveness of AHP funds at a rate of 5% per year for 20 years, at the discretion of the SM, provided the project remains in compliance with program guidelines.

It is recommended that all AHP Extension projects obtain CMHC insurance for the first mortgage. However, there is the option to waive the CMHC mortgage insurance requirement and seek alternative loan financing arrangements, at the discretion of the lender and the SM. For further information, please refer to AHP Bulletin No. 28 on the MMAH website: www.mah.gov.on.ca.

There are also certain exceptions – for example, when a municipality is providing construction and take-out financing. The details of the indemnification provisions will be contained in the legal agreements for the program.