LANARK COUNTY

Request for Proposals for
Affordable Housing Units in
Lanark County & The Town of Smiths Falls

Request for Proposals No.: LC-2026-04

Issued: August 6th, 2026

Submission Deadline**: August 24th, 12:00:00 local time**

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PART 1 – INVITATION AND SUBMISSION INSTRUCTIONS

1.1 Invitation to Proponents

This Request for Proposals (the "RFP") is an invitation by the Corporation of the County of Lanark (the "County") to prospective proponents to submit proposals for **Affordable Housing Units in Lanark County & The Town of Smiths Falls**, as further described in Section A of the RFP Particulars (Appendix D) (the "Deliverables").

1.2 RFP Contact

For the purposes of this procurement process, the "RFP Contact" will be:

kwills@lanarkcounty.ca

Proponents and their representatives are not permitted to contact any employees, officers, agents, elected or appointed officials, or other representatives of the County, other than the RFP Contact, concerning matters regarding this RFP. Failure to adhere to this rule may result in the disqualification of the proponent and the rejection of the proponent's proposal.

1.3 Contract for Deliverables

1.3.1 Type of Contract

The selected proponent(s) will be requested to enter into direct contract negotiations to finalize an agreement with the County for the provision of the Deliverables. The terms and conditions found in the Form of Agreement (Appendix A) are to form the basis for commencing negotiations between the County and the selected proponent(s).

1.3.2 Term of Contract

The term of the agreement will be established under the awarded contract to encompass the duration of the contemplated work.

1.4 RFP Timetable

1.4.1 Key Dates

Issue Date of RFP	August 6th, 2026
Deadline for Questions	August 14th, 2026 12:00:00 p.m. local time
Deadline for Issuing Addenda	August 19th, 2026
Submission Deadline	August 24th, 2026 12:00:00 p.m. local time
Rectification Period	Three (3) business days
Anticipated Ranking of Proponents	August 28th, 2026
Contract Negotiation Period	5 calendar days
Anticipated Execution of Agreement	September 28th, 2026

The timing the contract negotiation period and execution of agreement may be subject to delay due to the municipal election period and associated decision-making processes.

The RFP timetable is tentative only, and may be changed by the County at any time. For greater clarity, business days means all days that the County is open for business.

1.5 Submission of Proposals

1.5.1 Proposals to be Submitted at Prescribed Location

Proposals must be submitted to kwills@lanarkcounty.ca

Submissions by other methods will not be accepted.

1.5.2 Proposals to be Submitted on Time

Proposals must be emailed to kwills@lanarkcounty.ca before the Submission Deadline set out in the RFP Timetable.

1.5.3 Proposals to be Submitted in Prescribed Format

Submission materials should be prepared in the file formats listed under Requested Information for this opportunity.

The maximum email file is 30 MB.

Documents should not be embedded within uploaded files, as the embedded files will not be accessible or evaluated.

1.5.4 Amendment of Proposals

Proponents may amend their proposals prior to the Submission Deadline by submitting a revised proposal via email.

1.5.5 Withdrawal of Proposals

At any time throughout the RFP process until the execution of a written agreement for provision of the Deliverables, a proponent may withdraw a submitted proposal. To withdraw a proposal prior to the Submission Deadline, a proponent should request via email to un-submit the proposal. Following the Submission Deadline, a notice of withdrawal must be sent to the RFP Contact and must be signed by an authorized representative of the proponent.

[End of Part 1]

PART 2 – EVALUATION, NEGOTIATION AND AWARD

2.1 Stages of Evaluation and Negotiation

The County will conduct the evaluation of proposals and negotiations in the following stages:

2.2 Stage I – Mandatory Submission Requirements

Stage I will consist of a review to determine which proposals comply with all of the mandatory submission requirements. If a proposal fails to satisfy all of the mandatory submission requirements, the County will issue the proponent a rectification notice identifying the deficiencies and providing the proponent an opportunity to rectify the deficiencies. If the proponent fails to satisfy the mandatory submission requirements within the Rectification Period, its proposal will be rejected. The Rectification Period will begin to run from the date and time that the County issues a rectification notice to the proponent. The mandatory submission requirements are set out in Section C of the RFP Particulars (Appendix D).

2.3 Stage II – Evaluation

Stage II will consist of the following two sub-stages:

2.3.1 Mandatory Technical Requirements

The County will review the proposals to determine whether the mandatory technical requirements as set out in Section D of the RFP Particulars (Appendix D) have been met. Questions or queries on the part of the County as to whether a proposal has met the mandatory technical requirements will be subject to the verification and clarification process set out in Part 3.

2.3.2 Rated Criteria

The County will evaluate each qualified proposal on the basis of the non-price rated criteria as set out in Section F of the RFP Particulars (Appendix D).

2.4 Stage III – Pricing

Stage III will consist of a scoring of the submitted pricing of each qualified proposal in accordance with the price evaluation method set out in Pricing (Appendix C). The evaluation of price will be undertaken after the evaluation of mandatory requirements and rated criteria has been completed.

2.5 Stage IV – Ranking and Contract Negotiations

2.5.1 Ranking of Proponents

After the completion of Stage III, all scores from Stage II and Stage III will be added together and the proponents will be ranked based on their total scores. The top-ranked proponent will receive a written invitation to enter into direct contract negotiations to finalize the agreement with the County. In the event of a tie, the selected proponent will be the proponent selected by way of coin toss.

2.5.2 Contract Negotiation Process

Any negotiations will be subject to the process rules contained in the Terms and Conditions of the RFP Process (Part 3) and will not constitute a legally binding offer to enter into a contract on the part of the County or the proponent, and there will be no legally binding relationship created with any proponent prior to the execution of a written agreement. The terms and conditions found in the Form of Agreement (Appendix A) are to form the basis for commencing negotiations between the County and the selected proponent. Negotiations may include requests by the County for supplementary information from the proponent to verify, clarify, or supplement the information provided in its proposal or to confirm the conclusions reached in the evaluation, and may include requests by the County for improved pricing or performance terms from the proponent.

2.5.3 Time Period for Negotiations

The County intends to conclude negotiations and finalize the agreement with the top-ranked proponent during the Contract Negotiation Period, commencing from the date the County invites the top-ranked proponent to enter negotiations. A proponent invited to enter into direct contract negotiations should therefore be prepared to satisfy the pre-conditions of award listed in Section E of the RFP Particulars (Appendix D), provide requested information in a timely fashion and conduct its negotiations expeditiously.

2.5.4 Failure to Enter into Agreement

If the pre-conditions of award listed in Section E of the RFP Particulars (Appendix D) are not satisfied or if the parties cannot conclude negotiations and finalize the agreement for the Deliverables within the Contract Negotiation Period, the County may discontinue negotiations with the top-ranked proponent and may invite the next-best-ranked proponent to enter into negotiations. This process will continue until an agreement is finalized, until there are no more proponents remaining that are eligible for negotiations, or until the County elects to cancel the RFP process.

2.5.5 Notification of Negotiation Status

Other proponents that may become eligible for contract negotiations may be notified at the commencement of the negotiation process with the top-ranked proponent.

[End of Part 2]

PART 3 – TERMS AND CONDITIONS OF THE RFP PROCESS

3.1 General Information and Instructions

3.1.1 Proponents to Follow Instructions

Proponents should structure their proposals in accordance with the instructions in this RFP. Where information is requested in this RFP, any response made in a proposal should reference the applicable section numbers of this RFP.

3.1.2 Proposals in English

All proposals are to be in English only.

3.1.3 No Incorporation by Reference

The entire content of the proponent's proposal should be submitted in a fixed format, and the content of websites or other external documents referred to in the proponent's proposal but not attached will not be considered to form part of its proposal.

3.1.4 Past Performance

In the evaluation process, the County may consider the proponent's past performance or conduct on previous contracts with the County or other institutions.

3.1.5 Information in RFP Only an Estimate

The County and its advisers make no representation, warranty, or guarantee as to the accuracy of the information contained in this RFP or issued by way of addenda. Any quantities shown or data contained in this RFP or provided by way of addenda are estimates only, and are for the sole purpose of indicating to proponents the general scale and scope of the Deliverables. It is the proponent's responsibility to obtain all the information necessary to prepare a proposal in response to this RFP.

3.1.6 Proponents to Bear Their Own Costs

The proponent will bear all costs associated with or incurred in the preparation and presentation of its proposal, including, if applicable, costs incurred for interviews or demonstrations.

3.1.7 Proposal to be Retained by the County

The County will not return the proposal or any accompanying documentation submitted by a proponent.

3.1.8 No Guarantee of Volume of Work or Exclusivity of Contract

The County makes no guarantee of the value or volume of work to be assigned to the successful proponent. The agreement to be negotiated with the selected proponent will not be an exclusive contract for the provision of the described Deliverables. The County may contract with others for goods and services the same as or similar to the Deliverables or may obtain such goods and services internally.

3.2 Communication after Issuance of RFP

3.2.1 Proponents to Review RFP

Proponents should promptly examine all of the documents comprising this RFP and may direct questions or seek additional information in writing by email to the RFP Contact on or before the Deadline for Questions. No such communications are to be directed to anyone other than the RFP Contact. The County is under no obligation to provide additional information, and the County is not responsible for any information provided by or obtained from any source other than the RFP Contact. It is the responsibility of the proponent to seek clarification from the RFP Contact on any matter it considers to be unclear. The County is not responsible for any misunderstanding on the part of the proponent concerning this RFP or its process.

3.2.2 All New Information to Proponents by Way of Addenda

This RFP may be amended only by addendum in accordance with this section. If the County, for any reason, determines that it is necessary to provide additional information relating to this RFP, such information will be communicated to all proponents by addendum. Each addendum forms an integral part of this RFP and may contain important information, including significant changes to this RFP. Proponents are responsible for obtaining all addenda issued by the County.

3.2.3 Post-Deadline Addenda and Extension of Submission Deadline

If the County determines that it is necessary to issue an addendum after the Deadline for Issuing Addenda, the County may extend the Submission Deadline for a reasonable period of time.

3.2.4 Verify, Clarify, and Supplement

When evaluating proposals, the County may request further information from the proponent or third parties in order to verify, clarify, or supplement the information provided in the proponent’s proposal, including but not limited to clarification with respect to whether a proposal meets the mandatory technical requirements set out in Section D of the RFP Particulars (Appendix D). The County may revisit, re-evaluate, and rescore the proponent's response or ranking on the basis of any such information.

3.3 Notification and Debriefing

3.3.1 Notification to Other Proponents

Once an agreement is executed by the County and a proponent, the other proponents may be notified directly in writing and will be notified by public posting of the outcome of the procurement process.

3.3.2 Debriefing

Proponents may request a debriefing after receipt of a notification of the outcome of the procurement process. All requests must be in writing to the RFP Contact and must be made within sixty (60) days of such notification.

3.3.3 Procurement Protest Procedure

If a proponent wishes to challenge the RFP process, it should provide written notice to the RFP Contact in accordance with applicable procurement protest procedures.

3.4 Conflict of Interest and Prohibited Conduct

3.4.1 Conflict of Interest

For the purposes of this RFP, the term "Conflict of Interest" includes, but is not limited to, any situation or circumstance where:

(a) in relation to the RFP process, the proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of the County in the preparation of its proposal that is not available to other proponents; (ii) having been involved in the development of the RFP, including having provided advice or assistance in the development of the RFP; (iii) receiving advice or assistance in the preparation of its response from any individual or entity that was involved in the development of the RFP; (iv) communicating with any person with a view to influencing preferred treatment in the RFP process (including but not limited to the lobbying of decision makers involved in the RFP process); or (v) engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive RFP process or render that process non-competitive or unfair; or

(b) in relation to the performance of its contractual obligations under a contract for the Deliverables, the proponent's other commitments, relationships, or financial interests (i) could, or could be seen to, exercise an improper influence over the objective, unbiased, and impartial exercise of its independent judgement; or (ii) could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

3.4.2 Disqualification for Conflict of Interest

The County may disqualify a proponent for any conduct, situation, or circumstances, determined by the County, in its sole and absolute discretion, to constitute a Conflict of Interest as defined above.

3.4.3 Disqualification for Prohibited Conduct

The County may disqualify a proponent, rescind an invitation to negotiate or terminate a contract subsequently entered into if the County determines that the proponent has engaged in any conduct prohibited by this RFP.

3.4.4 Prohibited Proponent Communications

Proponents must not engage in any communications that could constitute a Conflict of Interest and should take note of the Conflict of Interest declaration set out in the Submission Form (Appendix B).

3.4.5 Proponent Not to Communicate with Media

Proponents must not at any time directly or indirectly communicate with the media in relation to this RFP or any agreement entered into pursuant to this RFP without first obtaining the written permission of the RFP Contact.

3.4.6 No Lobbying

Proponents must not, in relation to this RFP or the evaluation and selection process, engage directly or indirectly in any form of political or other lobbying whatsoever to influence the selection of the successful proponent(s).

3.4.7 Illegal or Unethical Conduct

Proponents must not engage in any illegal business practices, including activities such as bid-rigging, price-fixing, bribery, fraud, coercion, or collusion. Proponents must not engage in any unethical conduct, including lobbying, as described above, or other inappropriate communications; offering gifts to any employees, officers, agents, elected or appointed officials, or other representatives of the County; deceitfulness; submitting proposals containing misrepresentations or other misleading or inaccurate information; or any other conduct that compromises or may be seen to compromise the competitive process provided for in this RFP.

3.4.8 Past Performance or Past Conduct

The County may prohibit a supplier from participating in a procurement process based on past performance or based on inappropriate conduct in a prior procurement process, including but not limited to the following:

(a) illegal or unethical conduct as described above;

(b) the refusal of the supplier to honour its submitted pricing or other commitments; or

(c) any conduct, situation or circumstance determined by the County, in its sole and absolute discretion, to have constituted an undisclosed Conflict of Interest.

3.5 Confidential Information

3.5.1 Confidential Information of the County

All information provided by or obtained from the County in any form in connection with this RFP either before or after the issuance of this RFP

(a) is the sole property of the County and must be treated as confidential;

(b) is not to be used for any purpose other than replying to this RFP and the performance of any subsequent contract for the Deliverables;

(c) must not be disclosed without prior written authorization from the County; and

(d) must be returned by the proponent to the County immediately upon the request of the County.

3.5.2 Confidential Information of Proponent

A proponent should identify any information in its proposal or any accompanying documentation supplied in confidence for which confidentiality is to be maintained by the County. The confidentiality of such information will be maintained by the County, except as otherwise required by law or by order of a court or tribunal. Proponents are advised that their proposals will, as necessary, be disclosed, on a confidential basis, to advisers retained by the County to advise or assist with the RFP process, including the evaluation of proposals. If a proponent has any questions about the collection and use of personal information pursuant to this RFP, questions are to be submitted to the RFP Contact.

3.6 Procurement Process Non-Binding

3.6.1 No Contract A and No Claims

This procurement process is not intended to create and will not create a formal, legally binding bidding process and will instead be governed by the law applicable to direct commercial negotiations. For greater certainty and without limitation:

(a) this RFP will not give rise to any Contract A–based tendering law duties or any other legal obligations arising out of any process contract or collateral contract; and

(b) neither the proponent nor the County will have the right to make any claims (in contract, tort, or otherwise) against the other with respect to the award of a contract, failure to award a contract, or failure to honour a proposal submitted in response to this RFP.

3.6.2 No Contract until Execution of Written Agreement

This RFP process is intended to identify prospective suppliers for the purposes of negotiating potential agreements. No legal relationship or obligation regarding the procurement of any good or service will be created between the proponent and the County by this RFP process until the successful negotiation and execution of a written agreement for the acquisition of such goods and/or services.

3.6.3 Non-Binding Price Estimates

While the pricing information provided in proposals will be non-binding prior to the execution of a written agreement, such information will be assessed during the evaluation of the proposals and the ranking of the proponents. Any inaccurate, misleading, or incomplete information, including withdrawn or altered pricing, could adversely impact any such evaluation or ranking or the decision of the County to enter into an agreement for the Deliverables.

3.6.4 Cancellation

The County may cancel or amend the RFP process without liability at any time.

3.7 Governing Law and Interpretation

These Terms and Conditions of the RFP Process (Part 3):

(a) are intended to be interpreted broadly and independently (with no particular provision intended to limit the scope of any other provision);

(b) are non-exhaustive and will not be construed as intending to limit the pre-existing rights of the parties to engage in pre-contractual discussions in accordance with the common law governing direct commercial negotiations; and

(c) are to be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

[End of Part 3]

APPENDIX A – FORM OF AGREEMENT

The County will use the terms and conditions noted in this RFP document, as the starting point for negotiations with the selected proponent.

APPENDIX B – SUBMISSION FORM

1. Proponent Information

Please fill out the following form, naming one person to be the proponent's contact for the RFP process and for any clarifications or communication that might be necessary.	
Full Legal Name of Proponent:	
Any Other Relevant Name under which Proponent Carries on Business:	
Street Address:	
City, Province/State:	
Postal Code:	
Phone Number:	
Company Website (if any):	
Proponent Contact Name and Title:	
Proponent Contact Phone:	
Proponent Contact Email:	

2. Acknowledgment of Non-Binding Procurement Process

The proponent acknowledges that the RFP process will be governed by the terms and conditions of the RFP, and that, among other things, such terms and conditions confirm that this procurement process does not constitute a formal, legally binding bidding process (and for greater certainty, does not give rise to a Contract-A bidding process contract), and that no legal relationship or obligation regarding the procurement of any good or service will be created between the County and the proponent unless and until the County and the proponent execute a written agreement for the Deliverables.

3. Ability to Provide Deliverables

The proponent has carefully examined the RFP documents and has a clear and comprehensive knowledge of the Deliverables required. The proponent represents and warrants its ability to provide the Deliverables in accordance with the requirements of the RFP for the rates set out in its proposal.

4. Non-Binding Pricing

The proponent has submitted its pricing in accordance with the instructions in the RFP and in Pricing (Appendix C) in particular. The proponent confirms that the pricing information provided is accurate. The proponent acknowledges that any inaccurate, misleading, or incomplete information, including withdrawn or altered pricing, could adversely impact the acceptance of its proposal or its eligibility for future work.

5. Addenda

The proponent is deemed to have read and taken into account all addenda issued by the County prior to the Deadline for Issuing Addenda.

6. No Prohibited Conduct

The proponent declares that it has not engaged in any conduct prohibited by this RFP.

7. Conflict of Interest

The proponent must declare all potential Conflicts of Interest, as defined in section 3.4.1 of the RFP. This includes disclosing the names and all pertinent details of all individuals (employees, advisers, or individuals acting in any other capacity) who (a) participated in the preparation of the proposal; **AND** (b) were employees of the County within twelve (12) months prior to the Submission Deadline.

If the box below is left blank, the proponent will be deemed to declare that (a) there was no Conflict of Interest in preparing its proposal; and (b) there is no foreseeable Conflict of Interest in performing the contractual obligations contemplated in the RFP.

Otherwise, if the statement below applies, check the box.

- ❑ The proponent declares that there is an actual or potential Conflict of Interest relating to the preparation of its proposal, and/or the proponent foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.

If the proponent declares an actual or potential Conflict of Interest by marking the box above, the proponent must set out below details of the actual or potential Conflict of Interest:

____

____

____

____

8. Disclosure of Information

The proponent hereby agrees that any information provided in this proposal, even if it is identified as being supplied in confidence, may be disclosed where required by law or by order of a court or tribunal. The proponent hereby consents to the disclosure, on a confidential basis, of this proposal by the County to the advisers retained by the County to advise or assist with the RFP process, including with respect to the evaluation of this proposal.

____

Signature of Proponent Representative

____

Name of Proponent Representative

____

Title of Proponent Representative

____

Date

I have the authority to bind the proponent.

APPENDIX C – PRICING

1. Instructions on How to Provide Pricing

(a) Proponents should provide the information requested under Appendix D (i.e. Financing and Operating Plan).

(b) Rates must be provided in Canadian funds, inclusive of all applicable duties and taxes except for HST, which should be itemized separately.

(c) Rates quoted by the proponent must be all-inclusive and must include all labour and material costs, all travel and carriage costs, all insurance costs, all costs of delivery, all costs of installation and set-up, including any pre-delivery inspection charges, and all other overhead, including any fees or other charges required by law.

APPENDIX D – RFP PARTICULARS

A. THE DELIVERABLES

1.1 Background Information

The Corporation of the County of Lanark (hereinafter referred to as the County), is seeking proposals from non-profit corporations, co-operative housing providers, Indigenous organizations, and other eligible non-profit housing providers to create new rent-geared-to-income (RGI) and affordable housing units in the County and/or the Town of Smiths Falls through new construction or the conversion of existing non-residential buildings.

Successful proposal(s) will be forwarded to Lanark County Council for review and approval.

1.2 Funding/Participation Framework

Approved funding may be up to 75% of the total capital cost per unit or $235,500 per unit (whichever is less) to a total maximum funding contribution of $869,630. Total capital costs may include land, financing, hard (construction) and soft costs (consultant fees, design costs) less any HST rebate. Successful proponents will be required to sign a Contribution Agreement with the County which sets out the term and conditions for the funding and will be registered on title of the project, behind the primary mortgage, for a minimum of 20-years.

Funds may be used for a new build or for purchasing / renovating existing non-residential rental structures. Units must be modest relative to community norms in terms of floor space and amenities, with rents at or below the average market rent for the service area as determined by the Canada Mortgage and Housing Corporation (or the County in the absence thereof CMHC data) for the entire loan forgiveness period. Proponents are encouraged to leverage other funding dedicated to the creation of affordable housing.

The following projects <u>are not</u> eligible:

- Projects proposed by private sector proponents
- Secondary suites in owner-occupied housing
- Nursing and retirement homes
- Shelter and crisis care facilities
- Owner-occupied housing
- Space currently occupied as residential rental
- Student residences

Funding is provided as a forgivable capital loan paid during construction or at building purchase. First payment will be after the Contribution Agreement is fully executed and registered on title with a Building Permit. The Deadline to execute the Contribution Agreement and provide confirmation of security is November 30th, 2026. The second payment will be provided at confirmation of structural framing for new construction or 50% completion for acquisition and rehabilitation projects. Final payment will be at confirmation of Occupancy, submission of Initial Occupancy Report, and the submission of actual capital costs. Actual payment milestones and amounts will be determined by the County and Proponent based on type of development and cash flow needs.

There is no minimum project size; however, proponents should demonstrate how the proposed number of units represents an efficient and meaningful contribution to affordable housing supply in Lanark County and/or the Town of Smiths Falls. In order to create as many affordable housing units as possible, the County may give priority to proposals that require less funding per unit. Funding may be awarded to one or more proponents. The County reserves the right to award funding in whole or in part, depending on the quality of submissions, the number of eligible units proposed, and overall funding availability.

Proponents may secure a mortgage with any Qualified Lender and may secure mortgage insurance with any qualified mortgage insurance provider. However, proponents must be aware that first mortgages for projects and first mortgage guarantees will not be provided by the County.

Projects must commence within 120 days after signing the Contribution Agreement, and be completed within two (2) years of the date of the Contribution Agreement, and, in all circumstances, within any timelines required by applicable COCHI and OPHI program guidelines.

The County will require detailed and comprehensive financial information that demonstrates the project will be financially viable from a construction cost and ongoing operating context. The proponent must also show that the costs per unit are accurate and reasonable. The County, at its discretion, may require an independent analysis to confirm project financial viability prior to their approval of the project for funding.

The County will evaluate proposals based on the information and commitments provided by the proponent and rely on those commitments when making funding decisions. Proponents are expected to ensure that all proposed project details are realistic, sustainable, and achievable. Successful proponents will be expected to deliver the project substantially as proposed.

1.3 Assumptions

The following assumptions apply to this RFP and must be taken into account by all proponents in preparing their responses:

- This RFP is limited to the creation of new affordable and RGI housing units through new construction, and conversion from non-residential buildings to residential, within the County and/or the Town of Smiths Falls.
- Funding under this RFP is limited to eligible capital costs. RFP funding may not be used for operating subsidies, rent supplements, support services, or ongoing program administration costs.
- The County may consider proposals that include requests for ongoing housing subsidies or affordability assistance, such as RGI assistance, where such supports are identified and supported within the proposal. Any operating, subsidy, or affordability commitments would be subject to separate County review and approval and are not guaranteed through this capital funding process.
- Where rent supplements or other rental assistance are utilized, total revenue received by the housing provider for a funded unit shall not exceed applicable affordability thresholds.
- While ongoing support services cannot be funded through this RFP, proponents should describe how their project will promote housing stability through design features, service partnerships, referral pathways, or other measures that support successful tenancies and long-term housing stability.
- Annual reporting to the County will be required for the minimum 20-year term.
- During the Term of the Contribution Agreement, the County may perform operational reviews to confirm continued financial stability and adherence to the operating guidelines as set in this RFP and the Contribution Agreement.
- All developments must meet the current requirements set out in the Ontario Building Code and the Canadian Environmental Assessment Act (CEAA) if applicable.
- All developments must be designed to maximize achievable reductions in energy consumption and greenhouse gas emissions relative to minimum requirements (i.e., meet or exceed the current National Energy Code or Ontario Building Code requirements for new construction; and maximize the achievable energy savings where possible when planning work or retrofits for renovations/repairs).
- All developments must be designed in accordance with the Energy Consumer Protection Act, 2010 s. 33(2) and O. Reg. 389/10 s. 39 (1) suite metering is mandatory in all new rental units in a residential complex as of January 1, 2011; however, the decision to bill tenants directly is at the discretion of each housing provider.

- The successful proponent will be required to ensure that all contractors comply with all applicable domestic procurement requirements, including current and future Buy Ontario legislation and related policies, as applicable.
- The majority of households on the Centralized Waiting List require one-bedroom units, followed by two-bedroom units. Preference may be given to proposals who address this local housing-system pressure.
- Preference will be given to proposals that demonstrate a clear, actionable, and comprehensive approach to addressing housing and homelessness priorities, including a strong and intentional focus on supporting long-term housing stability.
- Where units are intended for a specific population group, proponents must clearly identify the number of such units, the target population, the rationale for the designation, and how the designation aligns with identified local housing need. Undisclosed or altered designations may affect funding eligibility.
- Projects serving one or more identified priority populations under the COCHI Program Guidelines may receive additional consideration.
- Preference will be given to proponents that demonstrate strong long-term financial viability, including evidence of secured or prospective partnerships, diversified funding sources, and contributions that support the sustainability of the project over time.
- Preference will be given to proponents that demonstrate an integrated approach to housing stability, including coordination with services and supports that contribute to positive tenancy outcomes and long-term housing success.
- Proponents must ensure that proposed projects meet all applicable eligibility requirements under the Canada-Ontario Community Housing Initiative (COCHI) Program Guidelines, including criteria related to the new build component.
- The County will give preference to proposals that demonstrate strong alignment with local housing need, including deeper affordability, a unit mix responsive to demand, long-term project viability, and an approach that supports housing stability and positive tenancy outcomes.

1.4 Unit Size and Bedroom Count

The provincial size requirements shown in the following chart will be used as a guide.

Unit Type	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Minimum	40.0 m2	48.7 m2	60.4 m2	83.6 m2	102.2 m2
Average	41.8 m2	55.0 m2	67.4 m2	92.9 m2	109.2 m2

Units must be modest in size and amenities relative to other housing in the community. Units are expected to be self-contained. Proponents who wish to develop congregate living buildings (rooms with shared living spaces) for supportive housing may be eligible for program funding and should provide a rationale in order to receive funding. Up to 30% of the total available space may be used for non-residential purposes, including common areas and services used directly with the residential accommodation such as office space for support services providers.

1.5 Affordability Criteria and Rents

Approved projects must remain affordable or RGI for a minimum period of 20-years. Affordability is defined as having rents that are at or below Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) or RGI rents calculated in accordance with applicable provincial legislation and County policies at the time of occupancy. Projects may include a mix of market rent, affordable, and RGI units; however, only units that meet the affordability or RGI criteria will be eligible for program funding and different occupancy and administration requirements apply.

A project is considered affordable if it meets both of the following criteria:
- Individual unit rents for the project must be at or below CMHC AMR's at the time of occupancy. Individual unit rent is calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager.
- The project weighted average rent must be at or below 80% of CMHC AMR. The project weighted average rent considers the proportion and project's total number of units of varying sizes and types.

The 2025 and 2026 Lanark County Average Market Rent values (below) have been provided for reference purposes to support project planning and financial analysis. The inclusion of the 2025 AMR values is intended to illustrate historical affordability benchmarks and assist proponents in assessing project viability under a range of potential affordability scenarios.

Lanark County Average Market Rents				
Unit Size	**2026**		**2025**	
	100% AMR	**80% AMR**	**100% AMR**	**80% AMR**
Bachelor	$1,519**	$1,215	$1,350***	$1,080
One-Bedroom	$1,519*	$1,215	$1,350*	$1,080
Two-Bedroom	$1,640 **	$1,312	$1,503***	$1,202
Three+ Bedroom	$1,760**	$1,408	$1,725***	$1,380

Source: * Data provided by CMHC.
** County-established reference value for planning purposes where there is no data or where published CMHC values may not reasonably reflect local market conditions or affordability objectives.
*** Value set by Lanark County where there is no data, approved by the Ministry of Municipal Affairs and Housing.

Important Note Regarding Average Market Rents
The AMR values above represent the County's current affordability benchmarks and the County-established reference values are intended to provide proponents with a reasonable estimate of expected affordability requirements. Final affordability requirements remain subject to Ministry review and approval. Although the County anticipates these values will apply, proponents should be aware that alternate affordability requirements may be established through the approval process. Proponents are encouraged to consider both current and historical affordability benchmarks when assessing project viability and should ensure that proposed projects remain financially viable should lower affordability thresholds ultimately be required.

Rent increases after initial occupancy for affordable units shall be made in accordance with Rent Increase Guidelines and other rules established in the *Residential Tenancies Act* (RTA). While new rental buildings (built after 1991) are exempt from RTA rent increase guidelines, the Administration Agreement for the program will require that rent increases must follow the RTA rent increase guidelines, and must still remain at or below average market rent.

1.6 Eligible Client Groups

The funding aims to create affordable community housing for households that are on, or eligible to be on, social housing waitlists.

To be eligible for affordable housing, households must meet the following criteria:

- At least one member of the household must be 16 years of age or older and able to live independently.
- Each member of the household must be a Canadian citizen **or** has made an application for status as a permanent resident under the *Immigration and Refugee Protection Act* (Canada) **or** has made a claim for refugee protection under the *Immigration and Refugee Protection Act* (Canada) **and** no removal order has become enforceable against any member of the household.
- No member of the household may owe money to any community housing provider in Ontario. For any outstanding amounts, the member must either pay the balance in full or enter into a repayment agreement with the provider. The member must provide evidence of ongoing payments under the agreement, demonstrating a genuine and sustained commitment to reducing the arrears
- No member of the household has been convicted of misrepresenting their income for the purpose of receiving RGI assistance in the past two years.
- The County will establish maximum income and asset levels for funded Rental Housing units at the time of initial tenancy.

To be eligible for RGI housing:

- Applicants must meet the above noted criteria of affordable housing, in addition household income and assets must be within the allowable limit and households must have a source of income.
- These households must be approved for, and selected from, the County's centralized housing waitlist as per County direction.

1.7 Tenant Selection

- Proponents may maintain their own waiting list for affordable units, provided that all households meet the County's established eligibility criteria for income and assets. Proponents will be responsible for assessing eligibility, and the County reserves the right to audit and verify compliance at any time.
- For RGI units, selection of tenant must come directly from the County's centralized wait list.
- If the project is prioritizing homelessness, preference will be given to proponents who will draw from the By-Name List.

1.8 County Incentives

<u>Development Charges</u>

Non-profit housing providers are exempt from Development Charges in the County's By-Law.

<u>Property Taxes</u>

Grant in lieu of the County portion of property taxes for the funded units will be provided for the length of the affordability period.

B. MATERIAL DISCLOSURES

The full COCHI Program Guidelines are included in Appendix E for reference.

C. MANDATORY SUBMISSION REQUIREMENTS

1. Submission Form (Appendix B)

Each proposal must include a Submission Form (Appendix B) completed and signed by an authorized representative of the proponent.

2. Pricing (Appendix C)

Each proposal must include pricing information that complies with the instructions contained in Pricing (Appendix C).

D. MANDATORY TECHNICAL REQUIREMENTS

1. The proposed project must be located within Lanark County and/or the Town of Smiths Falls.

2. The proponent must be an eligible non-profit or public/community housing provider under the RFP.

3. The project must create net new affordable and/or RGI housing units through eligible capital activity.

4. The project must meet applicable COCHI New Build Component eligibility requirements.

5. Funded units must remain affordable and/or RGI for a minimum of 20-years.

6. Only units meeting the RFP's affordability or RGI criteria are eligible for funding.

E. PRE-CONDITIONS OF AWARD

1. Confirmation of Workplace Safety and Insurance Board Coverage

The selected proponent must provide confirmation of Workplace Safety and Insurance Board ("WSIB") coverage prior to the award of the contract. Failure to provide confirmation will result in the disqualification of the proponent from the RFP process.

2. Confirmation of Commercial Liability Insurance

The selected proponent must provide confirmation of commercial liability insurance in amount of no less than five million dollars ($2,000,000) per occurrence prior to the award of the contract. Failure to provide confirmation will result in the disqualification of the proponent from the RFP process.

F. RATED CRITERIA

The following sets out the categories, weightings, and descriptions of the rated criteria of the RFP. Proponents who do not meet a minimum threshold score for a category will not proceed to the next stage of the evaluation process.

Rated Criteria Category	Weighting (Points)	Minimum Threshold
i. Organization Profile	15 points	N/A
ii. Relevant Experience	15 points	N/A
iii. Proposed Project Concept	45 points	N/A
iv. Development Team	5 points	N/A
v. Financing and Operating Plan	20 points	N/A
Total Points	**100 points**	N/A

i. Organization Profile (15 points)

Proponents are to provide information on their company such as, but not limited to, the following:

a) Provide a general organization profile including the ownership and affiliations of the of the organization, and number of years the organization has been in existence.
b) Address, and contact information for the proposing organization;
c) Size of organization, number for employees both locally and other.
d) Briefly describe mission and core services of the organization.
e) Capacity of the proponent to complete the project.

ii. Relevant Experience (15 points)

Please provide examples of relevant experience with affordable, RGI or related rental housing experiences.

The County reserves the right to contact references, which may affect a Proponent's evaluation score.

iii. Proposed Project Concept (45 points)

This section should provide a comprehensive overview of the proposed project, including how the development will advance affordable housing supply and contribute to reducing housing and homelessness pressures in Lanark County by responding to demonstrated need and supporting improved system outcomes. Proponents should provide information on, but not limited to, the following:

a) Description of the proposed project: including the location, design of the build or renovation, energy efficiency measures, accessibility features, number and type of units, proposed property management approach, and tenure arrangements (e.g., rental).

b) Illustrations such as a site plan and building elevation; detailed architectural drawings are not required.
c) Project schedule outlining key development milestones and the anticipated timeline (in months) required to achieve occupancy.
d) Identify amenities located within a short walking distance of the proposed development and describe how the site location supports convenient access to services, transportation, employment opportunities, and community supports.
e) Describe the proposed occupancy and lease-up plan, including how units will be marketed and occupied in a timely manner.
f) Describe the project's approach to supporting housing stability, including relevant design features, partnerships, service linkages, or other measures that will support successful tenancies and long-term housing outcomes.
g) Describe how the proposed project will contribute to addressing housing and/or homelessness system pressures within Lanark County, including the populations to be served, housing needs to be addressed, and the anticipated impact on housing availability, affordability, housing stability, or homelessness prevention and reduction.

iv. Development Team (5 points)

Proponents must demonstrate experience/expertise in the following areas: project development, residential construction, project management, and rental housing management.

Please list the company/organization's development team members and indicate their areas of expertise.

v. Financing and Operating Plan (20 points)

Please provide a financial plan related to the affordable units specifically including the amount of grant requested per unit, estimated operating costs forecasted and income generated recognizing the minimum 20-year affordability commitment. This plan does not need to identify exact costs or income but should outline a reasonable approach to finance the project including available financial contributions from parties.

In the financial plan please provide sufficient information so that it can be determined that the plan is sound, realistic and sustainable. Program payments are made throughout construction and there is a minimum of 10% holdback until after the lien period. Proponents must demonstrate that they can finance the construction costs.

Proponents should identify all confirmed and potential contributions from other sources, including land contributions, municipal incentives, fundraising proceeds, grants, financing commitments, and partner contributions.

There is no ongoing funding so the financial plan must provide an operating budget that can be maintained for a minimum of 20-years with rents at the affordable or RGI level as set out in the RFP. Although maintenance costs may be minimal in the first few years, it is important that the budget includes contributions to a capital reserve fund for future use.

APPENDIX E - CANADA-ONTARIO COMMUNITY HOUSING INITIATIVE (COCHI) & ONTARIO PRIORITIES HOUSING INITIATIVE (OPHI) EFFECTIVE APRIL 1, 2025

Canada-Ontario Community Housing Initiative (COCHI) & Ontario Priorities Housing Initiative (OPHI) – Effective April 1, 2025

SERVICE MANAGERS' PROGRAM GUIDELINES

Table of Contents

Program Guidelines Summary

Introduction

Ontario's Community Housing Renewal Strategy[1] was introduced as a multi-year plan to stabilize and grow Ontario's community housing (including social and affordable housing) sector, with the aim of achieving the following outcomes and measures of success:

Strategic Outcomes	Desired Intermediate Outcomes
Increased supply and appropriate mix of affordable and adequate housing	• Increased non-profit, co-op and municipal affordable rental supply • Housing stock is in better state of repair and meets the housing needs of the people of Ontario • Greater involvement of the private sector to support more opportunities for affordable and mixed-income buildings
People have improved access to affordable housing and supports that meet their needs to achieve housing stability	• People are better connected to housing assistance and supports that are responsive to their complex and changing needs • People live in safe and well-maintained housing • People have more choice about their housing and opportunities to participate in the economy and their community • People experiencing homelessness obtain and retain housing
Improved efficiency of the community housing system to ensure value for money and long-term sustainability	• Improved system and inter-ministerial coordination to better identify and respond to people's needs • Improved system management and provider sustainability to better provide a range of housing options • Increased administrative efficiency • Reduced pressure on other service systems including health, social services, emergency, criminal justice

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

Phase III of Ontario's implementation of the National Housing Strategy builds on the progress made in previous phases by continuing key funding streams and advancing the province's commitment to housing affordability and supply. With an enhanced focus on expanding the number of rent-assisted units, Phase III aims to ensure that low-income households have greater access to safe, affordable, and stable housing across Ontario.

[1] https://www.ontario.ca/page/community-housing-renewal-strategy

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

The Bilateral Agreement defines community housing as:

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

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

- A project administered within a “Transferred Housing Program” as prescribed in Schedule 1 to Ontario Regulation 367/11[2] under the Housing Services Act, 2011.

The nine-year National Housing Strategy investments are structured into three, three-year funding phases consistent with the Community Housing Renewal Strategy:

- Phase I - (2019-20 through 2021-22)
- Phase II - (2022-23 through 2024-25)
- Phase III - (2025-26 through 2027-28)

Phase III of the National Housing Strategy bilateral agreement continues the delivery of the following funding streams under these Program Guidelines:

- Canada-Ontario Community Housing Initiative (COCHI) - to protect affordability for households in social housing, to support the repair and renewal of existing social housing supply, and to expand the supply of community housing over time.
- Ontario Priorities Housing Initiative (OPHI) - to address local housing priorities, including affordability, repair, and new construction.

Canada-Ontario Housing Benefit (COHB), a portable housing allowance for low-income households, continues under Phase III but is administered under a separate set of program guidelines.

While the funding streams remain consistent, Phase III places enhanced focus on expanding the supply of rent-assisted units[3]. As part of Ontario’s commitment under the NHS, the province has committed to create 19,660 rent-assisted units by March 31, 2028. To support this, the Ministry is assigning unit targets to Service Managers (SMs).

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[2] https://www.ontario.ca/laws/regulation/110367

[3] In the context of the NHS, “rent-assisted units” are those that receive funding or subsidies aimed at making housing affordable for low-income households. These units are integral to the NHS’s goal of expanding affordable housing options and reducing core housing need across Canada.

Service Managers will be responsible for reporting on progress towards their assigned targets, with flexibility to meet them through a range of eligible projects and funding streams, including COCHI, OPHI, municipal and other provincial programs (e.g., HPP). Only projects that meet the criteria outlined in the ***NHS Eligibility Guide: Expansion Target, June 2025*** will count toward Service Managers' rent-assisted unit targets (refer to Appendix E). The Guide defines eligible units and activities under the National Housing Strategy. This unit tracking approach is a key accountability mechanism and will help ensure Ontario meets its overall Expansion Target[4] by the end of the NHS funding term.

Scope of the Guidelines

These Program Guidelines provide direction for the planning and implementation of COCHI and OPHI during the 2025-26, 2026-27, and 2027-28 Phase III funding period under the National Housing Strategy. Phase III places increased emphasis on aligning program delivery with Ontario's commitment to achieve 19,660 rent-assisted units by March 31, 2028.

To support this commitment, the Ministry of Municipal Affairs and Housing (MMAH) is assigning rent-assisted unit targets to each Service Manager for the 2025-26 program year.

Looking ahead, the Ministry may also implement Service Manager rent-assisted unit targets in 2026-27 and 2027-28 to ensure Ontario remains on track to meet its Expansion Target. However, targets for these years may be considered and assigned based on 2025-26 program outcomes.

COCHI and OPHI Program Parameters

Although COCHI and OPHI are separate programs under the Bilateral Agreement, they share many common elements. Given their overlapping eligibility parameters, Service Managers are encouraged to view COCHI and OPHI as complementary and stackable. For example, repairs are supported through both the COCHI Repair Component and the OPHI Ontario Renovates Component; rent supplements are available under the COCHI Operating Component and the OPHI Rental Assistance Component; and new rental construction is eligible under the COCHI New Build Component as well as the OPHI Rental Housing Component.

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[4] Under the NHS, the "Expansion Target" refers to the commitment by province to increase the number of rent-assisted housing units by 15% over the course of the funding agreement period. This target is established through bilateral agreement between the federal government and the province, with specific goal outlined in Ontario's Action Plan.

Key Changes, What's New / Added

Area	2025 Update
Document scope and phase	Launches Phase III; guidelines effective 2025-26 to 2027-28, setting the agenda for the NHS "final three-year term."
Strategic focus on rent-assisted NHS Expansion Target	Introduces a province-wide commitment to create 19,660 rent-assisted units by March 31, 2028, assigns individual unit targets to each Service Manager, and references a new ***NHS Eligibility Guide: Expansion Target, June 2025*** for qualifying units. Targets are being assigned for 2025-26. Targets for 2026-27 and 2027-28 may be set later, based on progress in 2025-26.
Communication Protocol Attestation Report	New requirement to complete an annual attestation template as part of SM's year-end reporting.
Investment Plan (IP)	Each Fiscal Year, Investment Plans for COCHI and OPHI are required.
Reporting and monitoring	Centralized reporting framework: SMs must file a separate NHS Expansion Target Forecast, Mid-Year Expansion Results and Forecast Report, and Year-End Expansion Target Results.
Role of the Service Manager	Additional obligations include submitting reports on SM rent-assisted unit targets, fulfilling Ontario Builds Signage requirements; and submitting year-end Communication Protocol Attestation Report.
Ontario Builds (OB) Signage Requirements	Introduces mandatory Ontario Builds signage for capital projects receiving more than $250,000 or with a construction duration of 90 days or more.
Important dates table	Three new reporting dates: "Unit Expansion Target Forecast" to be submitted with Investment Plan, "Mid-Year Expansion Results and Forecast Report" due Oct 15. Final report due May 1.
Funding re-allocations	The Ministry may reallocate funding from SMs not meeting or actively pursuing their assigned unit targets. SMs must submit a business case for any requests to transfer funding between components.
Appendices / guidance tools	References to the ***NHS Eligibility Guide: Expansion Target, June 2025*** and Ontario Builds guide and templates as integral supporting documents.
OPHI Rental Assistance Component	Canada Disability Benefit (CBD) must be excluded when calculating household income.

Ontario’s NHS Targets

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

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

Service Manager Rent-Assisted Unit Targets

As outlined in the NHS Action Plan, Ontario has committed to meeting its NHS target of 19,660 rent-assisted units (the Expansion Target) by March 31, 2028. With the support of Service Managers, Ontario has made significant progress toward this goal to date. However, additional efforts are required during the final three years of the NHS to stay on track. Ontario will continue to work with Service Managers to ensure that appropriate funding is dedicated toward achieving the Expansion Target. This ongoing collaboration will help ensure that federal NHS funding continues to flow to both the Province and Service Managers.

To support this commitment, the Ministry is assigning 2025-26 rent-assisted unit targets to each Service Manager. These targets are proportionate to each Service Manager’s share of the province’s population, core housing need, and social housing stock. This approach is consistent with the formulas used to allocate COCHI and OPHI funding. By using the same evidence-based, proportional method to determine unit targets, the Ministry ensures that responsibilities reflect local housing pressures and available funding capacity, and supports a consistent, fair, and transparent framework across the province.

The Canada Mortgage and Housing Corporation (CMHC) has agreed that the Expansion Target can be met through the following programs:

- Provincial NHS programs (e.g., COCHI New Build, OPHI Rental Housing),
- Non-NHS provincial programs (e.g., Homelessness Prevention Program),
- Municipal programs that meet the eligibility criteria.

There are multiple ways that Service Managers can meet their rent-assisted unit targets, such as through new construction, acquisition, or other eligible approaches. For detailed information on qualifying activities, please refer to the eligibility criteria outlined in the ***NHS Eligibility Guide: Expansion Target, June 2025***. Refer to Appendix E for additional details.

Service Managers are required to report all units that qualify under the NHS Eligibility Guide by completing and submitting reports to ensure that all eligible units are accounted for, and that targets are met (refer to the Reporting section below for details).

Uses of Funding

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

Initiative	COCHI	OPHI
	Capital Expenditures	
New Supply	✓ • Community Housing New Construction • Community Housing Acquisition and/or Rehabilitation • Community Housing Conversion	✓ • Community Housing New Construction • Community Housing Acquisition and/or Rehabilitation • Community Housing Conversion • Affordable Homeownership
Repair	✓ • Social Housing (with priority to Urban Native Housing stock by SMs with UNH units)	✓ • Affordable Ownership Housing • Community Rental Housing
Homeownership Down Payment Assistance	✗	✓
	Operating Expenditures	
Rent Supplements	✓	✓
Housing Allowance	✗	✓
Support Services*	✗	✓
Transitional Operating Funding for Housing Providers	✓	✗

Refer to Appendix D for a non-exhaustive list of eligible support services.

Funding Stacking Provisions

There are common eligibility parameters for uses of funding within the COCHI and OPHI Components.

COCHI & OPHI capital funding may be stacked as follows:

Scenario 1: For projects receiving funding from both the COCHI New Build and OPHI Rental program components, no single unit can be funded by both components simultaneously. Additionally, the combined funding from these two programs to the project cannot exceed 75% of the total cost.

> Example: 20-unit project:
>
> Single-source funding:
> - 15 units get only COCHI dollars.
> - 5 units get only OPHI dollars.
> - No unit receives both, so there's no stacking.
>
> 75% program-funding ceiling:
> - Total build cost assumed = $8 M.
> - COCHI contributes $4.5 M; OPHI contributes $1.25 M = $5.75 M combined.
> - $5.75 M ÷ $8 M = 72%, which is below the 75% limit.

Scenario 2: Combining COCHI Repair and OPHI Ontario Renovates funding is permissible, but only for social housing projects. Each funding stream must support a separate and unique purpose or scope of work within the project.

> Example:
>
> If COCHI Repair funds are dedicated to roof repairs, the OPHI Ontario Renovates funds must be used for a different repair or renovation area, not the same roof repairs.

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

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

Role of the Service Manager

Service Managers are responsible for the following activities:

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

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

The Ministry is available to assist Service Managers with the implementation of COCHI and OPHI. For any questions or more information, Service Managers are encouraged to contact their respective Regional Municipal Services Office Housing Team Leads or Housing Programs Branch Account Managers (refer to Appendix A).

Transfer Payment Agreement

With three years remaining in Phase III of the program, a single Transfer Payment Agreement will be established to cover the remainder of the NHS period. As a result, Service Managers will be required to sign one agreement with the Province of Ontario for the full three-year term.

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

The Transfer Payment Agreement outlines:

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

Investment Plan, Reporting and Monitoring Approach

Investment Plan

To balance Service Manager flexibility and the Province's need to be accountable to CMHC for spending under the Bilateral Agreement, Service Managers are required to develop an Investment Plan. Investment Plans serve as the main budget setting and quarterly reporting tool.

Each Fiscal Year, Service Managers must create an Investment Plan for the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative (COCHI/OPHI).

The Investment Plan will outline how the annual COCHI and OPHI funding allocations will be used, and it must be approved by Council/Board (or delegated authority). Ministry approval of an Investment Plan is partially predicated on the Plan clearly demonstrating how the Service Managers will achieve their assigned rent-assisted unit targets. The Ministry will review and approve these Investment Plans to ensure consistency with the Bilateral Agreement and Program Guidelines.

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

- The COCHI and OPHI components the Service Manager will deliver in each program year and narrative information including a description of how the selected components address the needs identified in the Service Managers' Housing and Homelessness Plan.
- How, in the COCHI and OPHI capital components, Service Manager decisions will reflect value for money and prudent use of public funds.
- The number of units expected to be created and repaired and the number of households to be assisted under the selected COCHI and OPHI components in each program year.

- The amount of funding to be used for the COCHI and OPHI selected components, and the projected and actual commitments on a quarterly basis.
- Details of the Urban Native Housing units to be maintained, if applicable.
- Any targeted vulnerable sub-populations under the selected program components, according to the groups defined under the National Housing Strategy[5], as applicable.
- The amount of funding to be used for administration.
- A clear explanation of how planned activities and funding allocations will support achievement of the Service Manager's assigned rent-assisted unit targets, including milestones and timelines.

Reporting

The Investment Plan will also serve as the primary reporting tool to enable the Ministry to monitor program achievements and report to CMHC. As such, Service Managers will be required to submit quarterly updates to the Investment Plan. All reporting will be managed through TPON along with reports (see table below) using templates provided by the Ministry.

Timely and accurate reporting is critical as delays may affect the Ministry's ability to flow quarterly advances, particularly for the operating components.

To strengthen tracking and transparency, a centralized reporting framework has been established to monitor progress toward the NHS Expansion Target.

Service Managers will be required to complete a new Unit Expansion Target Forecast report starting in 2025-26 (Reporting requirements for subsequent years may be reviewed based on program needs and outcomes). This report will outline eligible programs that Service Managers intend to use to meet their rent-assisted unit targets.

In addition to the Unit Expansion Target Forecast Report, Service Managers will also be required to submit:

- a Mid-Year Expansion Results and Forecast Report to provide an update on progress toward assigned targets and to revise forecasts as necessary; and

- a Year-End Expansion Target Results Report to summarize actual outcomes achieved during the reporting year.

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

To support Service Managers in meeting these targets, the Ministry will provide:

- Assigned rent-assisted unit targets through allocation letters.
- The ***NHS Eligibility Guide: Expansion Target, June 2025***.
- Additional guidance as needed.

Service Managers must continue to submit detailed Investment Plans for each program in their portfolios to MMAH. In 2025-26, MMAH will review Investment Plans to determine if Service Managers are dedicating funding towards their assigned rent-assisted unit targets. If the Mid-Year Expansion Results and Forecast Report shows that a Service Manager is off track to meet its rent-assisted unit target and lacks a corrective plan accepted by the Ministry, the Ministry may reallocate the Service Manager's funding.

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

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

- Details on initial budget by component for both COCHI and OPHI.
- Quarterly updates on actual disbursements to date (this will include a comparison of initial projected disbursements to actual disbursements).
- Enter applicable capital and operating disbursements prior to submitting quarterly updates through the Disbursement Applet in TPON.
- Provide a clear and comprehensive account of all NHS-eligible units to be counted towards the Service Manager' rent-assisted unit target, including those supported through rent supplement programs.
- Changes to the budget by component.

In addition, through the final year-end reporting to annual Investment Plan, Service Managers will be required to provide the following:

- Confirmation of compliance with the French Language Services provisions of the Transfer Payment Agreement for those Service Managers with designated municipalities under the French Language Services Act (FLSA).

- Confirmation of compliance with the CMHC-Ontario Bilateral agreement Communications Protocol, COCHI communication requirements, and Ontario Builds signage requirements for COCHI and OPHI capital projects.

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

The Province is required to submit an Annual Audited Statement of Disbursements to CMHC for each fiscal year. The information provided through the year-end Investment Plan is due to the Ministry by May 1 of each year for the previous fiscal year. This will be aggregated at the provincial level, audited, and presented to the CMHC as part of the Annual Audited Statement of Disbursements requirement under the Bilateral Agreement.

Please note that additional reporting requirements for components for COCHI and OPHI are outlined under each respective component in the Program Guidelines.

Service Managers are required to update their Investment Plans to include progress details, such as actual versus projected disbursements and revised forecasts. Service Managers must also submit the required rent-assisted unit target reports, including mid-year and year-end results as per the schedule below:

Investment Plan and Expansion Target Reporting Timelines		
Due Date	**Description**	**Purpose**
Within 15 business days of receiving confirmation of funding allocations.	Initial Investment Plan to Ministry due, including: • Budget by component for both COCHI and OPHI. • For applicable components, projected disbursements by quarter for both COCHI and OPHI.	• Provides a budget breakdown by component for COCHI and OPHI to be inputted into TPON for program spending requirements. • The forecast spending by quarter allows the Ministry to know how to flow quarterly payments.
	Unit Expansion Target Forecast Report • Year-start report is submitted with the IP at the beginning of the year.	• Provides the number of rent-assisted units the SM expects to deliver by the end of the fiscal year.
October 15 each year Quarter 2 Report	Updates to the Investment Plan. Includes: • Year to Date (YTD) actual disbursements for both COCHI and OPHI.	• YTD information allows for program monitoring. • Projected disbursements by quarter allows for updated payment information.

	• Projected disbursements for remainder of the year for both COCHI and OPHI.	
	Mid-Year Expansion Target Results and Forecast Report • Assesses progress toward the SM's rent-assisted unit target, highlighting strategies used.	• Demonstrates SM's progress toward achieving its rent-assisted unit target, highlighting strategies, challenges, and adjustments needed to stay on track. • Also includes adjusted number of units expected to be achieved by the end of the fiscal year.
January 15 each year Quarter 3 Report	Updates to the Investment Plan, including: • YTD actual disbursements for both COCHI and OPHI. • Projected disbursements for remainder of the year for COCHI and OPHI • Attestation that Service Manager intends to fully take up all funding by fiscal year end.	• YTD information allows for program monitoring. • Projected disbursements for remainder of the year allows for updated payment information
May 1 each year for the previous program year Year-End Report	Final year-end reporting to annual Investment Plan Includes: • Updated actual disbursements for both COCHI and OPHI. • Report confirming continued compliance with the French Language Services (FLS) requirements. • Report confirming compliance with communications requirements. • Any other updates if necessary.	• Allows the Ministry to complete final reconciliation. • The final information will be used to form the Annual Audited Statement of Disbursements requirement of CMHC. • FLS reporting is to comply with TPA requirements. • Communications Protocol Attestation Report required to comply with Bilateral Agreement and Action Plan and Ontario Builds requirements.
	Year-End Expansion Target Results Report • Evaluates overall progress toward the SM's rent-assisted unit target.	• Provides the actual number of affordable units delivered by the SM toward their rent-assisted unit target during the fiscal year.

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

**The Ministry is assigning rent-assisted unit targets to each Service Manager for the 2025-26 fiscal year. The Ministry will provide further communication to Service Managers regarding whether these reports will be required in future fiscal years.*

Monitoring

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

Additionally, the Ministry will utilize Unit Expansion Target Forecast and Mid-Year Expansion Results and Forecast Reports to monitor Service Manager progress in meeting their rent-assisted unit targets. These reports must be submitted by each Service Manager within the timelines outlined in the table above to support MMAH's monitoring of progress and ensure alignment with provincial objectives.

Communication and Signage

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

COCHI Communication Protocol

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

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

- *COCHI Capital Components:*

  For COCHI New Build projects that are required to have an Ontario Builds sign (as set out below), the COCHI communications requirement is considered met when the Ontario Builds signage requirements are followed in full.

  For projects not eligible for Ontario Builds Signage, the COCHI Communication protocol can be met by ensuring the following wording is included in appropriate documentation (e.g. letters of agreement, funding approval letters, or contribution agreements with the recipient):

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

- *COCHI Operating Component:*

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

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

Ontario Builds Signage Requirements

Ontario Builds (OB) signage requirements now apply to projects funded through the COCHI New Build and OPHI Rental Housing components.

Signage Requirements

As part of a province-wide Ontario Builds initiative, Service Managers are required to post Ontario Builds signs, in both English and French, at eligible project construction sites as follows:

1. An Ontario Builds sign must be present at the construction site of COCHI New Build and OPHI Rental Housing projects that are approved for $250,000 or more in COCHI and OPHI funding, or that have a construction duration of 90 days or more. throughout all stages of development, including prior to and during construction unless directed otherwise by the Ministry in writing.
2. The Ministry will provide the Service Manager with digital templates, digital artwork and any guidelines that the Service Manager must use to create the Ontario Builds signage.
3. In accordance with the CMHC Brand Style Guide, the Service Manager must use the CMHC as well as the Canada Logo within the Ontario Builds template since the projects are jointly funded by both the federal and provincial government.
4. The Service Manager must submit all signage to the Ministry for review and approval prior to production and installation. Service Managers must submit signage to the Ministry by email for approval after funding has been

committed by the Service Manager for each project. All approval requests shall be sent to the Service Manager's Regional Housing team Leads and/or Housing Programs Account Manager. Following Ministry approval, the Service Manager must install Ontario Builds signs in a timely manner.

5. The Service Manager shall ensure that Ontario Builds signs remain in place for at least 90 days following completion of construction of each project. The Service Manager is responsible for removing the signage within six months after the completion of construction of each project.

6. The Service Manager must provide the Ministry with photographs of the signage once it is on display. Photographs of the Ontario Builds signage installed at project sites shall be uploaded in Transfer Payment Ontario (TPON).

7. The Service Manager shall ensure that the Ontario Builds signs are maintained in a good state of repair for the duration of each project.

8. The Service Manager shall ensure that the proponent receiving funding under the programs for a project is compliant with the Ontario Builds signage requirements.

9. The Ministry will monitor compliance with the requirements of this section, and may, at its discretion, advise the Service Manager of issues and required adjustments. The Service Manager shall promptly implement any adjustments required by the Ministry.

10. All expenses related to Ontario Builds signage, such as design, production, and installation are the responsibility of the Service Manager and will be within the Service Manager's program funding allocation.

Exemptions

Projects that include units designated for victims of gender-based or domestic violence are exempt from the signage requirements.

Accessing Signage Templates and Guides

- Provincial templates and guidelines are available online at: https://www.ontario.ca/page/ontario-builds-templates
- Federal templates and guidelines can be obtained by contacting your Municipal Services (MSO) office.

Communication Protocol Attestation Report

Service Managers are required to complete an annual Communications Protocol Attestation as part of their year-end reporting.

This attestation confirms compliance with:

- The CMHC-Ontario Bilateral agreement Communications Protocol,
- COCHI operating communications requirements (e.g., providing written notification to rent supplement recipients with prescribed wording),
- Ontario Builds signage requirements for COCHI New Build and OPHI Rental Housing projects, including use of approved templates, bilingual content, and prior submission to the Ministry for approval.

The complete attestation form must be uploaded to Transfer Payment Ontario (TPON) system at the time of year-end report submission. Failure to submit the complete attestation may affect program compliance status and could result in delays in processing funding or report approvals.

A template of the attestation form is provided in the TPON system and outlines all necessary confirmations, including signage installation, use of required logos and templates, and required communication language.

Funding Commitments

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

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

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

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

Payments

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

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

Payments to Service Managers will be made on a quarterly basis in the following months:

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

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

Administration Costs

Service Managers may use up to five percent of each of their annual COCHI and OPHI funding allocations to assist with the administration costs for delivering the respective initiatives.

Service Managers are responsible for determining the amounts required by program year and identifying these amounts in their Investment Plans but are encouraged to reduce their administration costs below five percent to provide more funding to program recipients.

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

French Language Services

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

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

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

Service Managers are required to submit annual French Language Services Reports confirming their continued compliance with the French language services requirements by May 1 of each year so that it aligns with the final year-end reporting.

Environmental Assessment

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

Important Dates

Date	Description
Within 15 business days of receiving confirmation of funding allocations.	• Signed Transfer Payment Agreement due to ensure timely quarterly payments. • Unit Expansion Target Forecast Report
October 15 each year	• Deadline for Service Managers to formally request realignment of funding between Capital and Operating components, and vice versa, within each of their COCHI and OPHI allocations. • Realignment Request forms can be provided by the Regional Housing Team Leads or Housing Programs Account Managers. • Mid-Year Expansion Target Results and Forecast Report

November 30 each year	• Final day to submit Project Information Forms (PIFs) in TPON:
	  o COCHI New Build projects
	  o OPHI Rental projects

December 15 each year	• OPHI Rental and COCHI New Build - Final day to submit signed Contribution Agreements and Confirmation of Registered Security into TPON to commit funding. • OPHI Ontario Renovates, Homeownership and COCHI Repair – Must have 90 percent of funding under these components committed by this day.
January 31 each year	• OPHI Ontario Renovates, Homeownership and COCHI Repair - Final day to input Project Information Forms and, where applicable, Contribution/Loan Agreements as well as other required documents into TPON and to commit remaining funding under these components.
March 15 each year	• Deadline for Service Managers to enter COCHI and OPHI operating disbursements. • Deadline for Service Managers to enter COCHI Cost-Matching disbursements into TPON to report on municipal Social Housing expenditures that match the Service Manager's annual COCHI allocation.
May 1 each year	• COCHI/OPHI Year-End Report due. • Year-End Expansion Target Results Report • Communication Protocol Attestation Report

Note: These dates are in addition to the reporting dates in the table on pages 15 – 16.

**The Ministry is assigning rent-assisted unit targets to each Service Manager for the 2025-26 fiscal year. The Ministry will provide further communication to Service Managers regarding whether these reports will be required in future fiscal years.*

Canada-Ontario Community Housing Initiative (COCHI)

Introduction

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

Social housing projects that were funded solely by the federal government retained their original operating agreements and mortgages, as required by the Canada-Ontario Social Housing Agreement. The same applies to units funded through federal rent supplement programs. At the time COCHI-OPHI was launched, these units represented approximately 25 percent of Ontario's social housing supply:

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

Social housing projects that included provincial funding had their operating agreements voided and their rules transferred into provincial legislation, now the *Housing Services Act, 2011*. At the time COCHI-OPHI launched, these projects accounted for over 70 percent of the social housing supply:

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

calculated, and how the Service Manager may intervene in provider operations or governance under certain circumstances.
- As these projects are no longer tied to an operating agreement, there is no specific "end date" to the housing provider's obligations to provide social housing (or to the Service Manager's responsibility to fund that provider).

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

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

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

Consistent with the goals of Ontario's Community Housing Renewal Strategy, COCHI is designed to offer a flexible approach that enables Service Managers to address key challenges, modernize the community housing system, promote greater sustainability and self-sufficiency among housing providers, and expand the overall supply of community housing.

Objective

COCHI's objective is to protect tenants in projects with expiring operating agreements/ mortgages and to begin to stabilize and grow the supply of community housing through regeneration and expansion, repairs, renovations, and operating support.

COCHI funding is intended to support providers that can demonstrate their potential for long- term sustainability.

Program Components

COCHI offers the following program components to Service Managers:

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

General Eligibility

Housing projects are eligible to receive COCHI funding for all three components if they qualify as Social Housing, which means that:

- As of April 1, 2019, the project was administered within a “Transferred Housing Program” in Schedule 1 to Ontario Regulation 367/11[6] under the *Housing Services Act, 2011*[7].
- At the time of the commitment and use of the COCHI funding for the project, the project is still administered within a “Transferred Housing Program” in Schedule 1 to Ontario Regulation 367/11 under the *Housing Services Act, 2011.*
- Housing projects whose original operating agreement or mortgage has ended and have entered into a service agreement under Part VII.1 of the *Housing Services Act, 2011*, are also eligible to receive COCHI funding.

Note that housing that was, or is, only within either of the following social housing categories does **not** qualify:

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

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

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

Uses of Funding

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

- Protect, regenerate, and expand social housing and community housing and to reduce housing need in social housing and community housing.
- Prioritize the preservation and protection of Urban Native housing units – no net loss of units; retained units improved through repair/capital replacement; and provide adequate affordability support.

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[6] https://www.ontario.ca/laws/regulations/110367
[7] https://www.ontario.ca/laws/statute/11h06

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

- Protecting rent-geared-to-income tenants in non-profit and co-operative housing projects with expiring operating agreements/mortgages
- Preserving social housing supply through repairs and renovations
- Regeneration & expansion of community housing (including social and affordable housing) stock.
- Expansion of the number of rent-assisted units
- Supporting social housing providers that can demonstrate their potential for long-term sustainability through transitional operating funding.

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

Urban Native Housing

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

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

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

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

The Ministry acknowledges that operating subsidies for many Urban Native housing projects will likely need to be ongoing (rather than transitional), given that most projects have no market housing units to offset operating costs. Further guidelines on Urban Native housing may be developed in consultation with housing providers and Service Managers.

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

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

Funding Allocation

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

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

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

COCHI Cost-Matching

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

Funding Commitments

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

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

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

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

The following documentation is required to commit funds under COCHI:

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

Reallocation

To ensure that all COCHI funding is fully committed and used effectively, Service Managers may request to shift funding between program components within the same program year if the original planned use cannot be met through submission of a Business Case to the Ministry. No realignment of funding may occur without prior approval by the Ministry.

This requirement supports the achievement of Service Manager's rent-assisted unit targets by ensuring funding is aligned with program priorities and outcomes.

The following apply:

- Realignment between components:

  Service Managers seeking to move funding between COCHI components (whether within capital or operating components, or between capital and operating) must submit a Business Case to the Ministry by October 15 of the program year. The Business Case must clearly demonstrate how the proposed reallocation supports, or at least does not hinder, the achievement of the Service Manager's assigned rent-assisted unit targets.

  - Note that this requirement replaces any previous practice of informing Ministry staff of funding shifts through quarterly Investment Plan updates.

- Year-end reallocation of uncommitted funds:

  Any COCHI funding not committed to eligible projects by January 31 of the program year may be reallocated by the Ministry to other Service Managers. As part of this review of third-quarter Investment Plan updates, the Ministry will assess whether funding and progress toward Service Manager rent-assisted unit targets are on track. If necessary, uncommitted funds will be reallocated and deducted from the Service Manager's overall allocation.

COCHI New Build Component

The New Build Component

- Supports social & community housing regeneration and expansion which involves building new affordable rental units, including additions on community housing sites.
- Supports ongoing social housing provider sustainability.
- Ensures that safe, adequate, and affordable new units are available to Ontario households.
- Contributes to achieving the expansion of rent-assisted units by 15% (19,660 units) by 2027-28.

Eligibility Criteria – Projects

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

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

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

Eligible projects must also be one of the following:

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

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

Amendments to the *Housing Services Act, 2011*, effective January 1, 2017, have resulted in changes to consent authorities. Specifically, Service Managers now have consent authority for the transfer of most social housing properties. Please refer to the Guide for Service Manager Consents under the Housing Services Act, 2011 which can be found at: https://www.ontario.ca/page/consent-authority-service-managers

Ineligible Projects

Projects that are **not eligible** include:

- Projects proposed by private sector proponents*
- Additional units (secondary or garden suites) in owner-occupied housing
- Nursing and retirement homes
- Shelters and crisis care facilities
- Owner-occupied housing
- Student residences

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

Eligibility Criteria – Units

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

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

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

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

Project Submission Process

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

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

Recommended projects shall:

- Be approved by council and/or board based on municipal/board procurement practices and in accordance with the Municipal Act, 2001 or the City of Toronto Act, 2006 (applicable to the City of Toronto)
- Be able to sign a Contribution Agreement and confirm registration of security (in a format that is applicable) no later than **December 15** of each program year.
- Be able to start construction within 120 days after signing a Contribution Agreement and be completed within four years.
- Be financially viable from a construction and operating cost perspective – based on Service Manager confirmation.
- Meet the current Ontario Building Code and comply with the CMHC-provided checklist in Appendix C
- Have unit rents that are at or below the CMHC Average Market Rent for the community or as approved by the Ministry for a minimum of 20 years (see "Affordability Criteria and Rents" on page 37 for additional details)
- Project weighted average rent must be at or below 80 percent of CMHC AMR
- Provide the required equity, if applicable – zero (0) percent for non-profit organizations
- Address local housing needs and target tenant groups identified in local housing and homelessness plans.
- Be designed to maximize achievable reductions in energy consumption and greenhouse gas emissions relative to minimum requirements (i.e., meet or exceed the current National Energy Code or Ontario Building Code requirements for new construction; and maximize the achievable energy savings where possible when planning work or retrofits for renovations/repairs). The Ministry will provide guidance and requirements for energy consumption and greenhouse gas emissions reductions in a separate communication to Service Managers.
- Have an occupancy plan in place to ensure that units will be occupied in a timely manner.

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

- Have Contributions by Others, including the Service Manager, local municipality, and proponent – to be used in partnership with COCHI New Build funding.
- Include family-sized (multi-bedroom) units.

- Are fully accessible and/or have units that are accessible to persons with disabilities.
- Provide community employment benefits (for project with total contributions $10M or above) including:
  - Work contracts for small and medium-sized businesses (As per Statistics Canada, a small enterprise has fewer than 100 employees and a medium enterprise has 100 to 499 employees)
  - Job creation for apprentices, Indigenous peoples, women in construction, veterans, and newcomers to Canada
- Have support service funding in place, if applicable.

Project Approval Process

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

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

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

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

Funding

Service Manager funding for the New Build component is provided as a forgivable capital loan.

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

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

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

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

Funding Commitment

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

Contributions by Others

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

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

Where appropriate, and to avoid the granting of bonuses, a Service Manager must ensure that a suitable policy or program is in place, such as a Community Improvement Plan (under Section 28 of the *Planning Act, 1990*) or a Municipal Housing Facilities By-law (under Section 110 of the *Municipal Act, 2001*) is in place to enable municipal contributions.

For additional information on this and other municipal tools and incentives for affordable housing development, please contact the appropriate Service Manager, municipality, and/or respective Regional Municipal Offices Team Leads for more information.

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

Payment Process

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

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

- Fifty percent at signing of the Contribution Agreement and confirmation of registration of security (or signed alternate security where the Service Manager is also the proponent).
- Forty percent at confirmation of structural framing for new construction or 50 percent completion for acquisition and rehabilitation projects.
  - Prior to the confirmation of structural framing or 50 percent completion, Service Managers are required to confirm the start of construction and receipt of the first building permit in TPON.
- Ten percent at confirmation of occupancy, submission of Initial Occupancy Report, including actual capital costs.

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

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

Confirmation of Registration of Security

The confirmation of registration of security is required before the first milestone payment (at 50% payment) to ensure that public funds are protected. It secures the investment in the event of default or non-compliance by the project proponent.

Alternate Security in leu of Registration of Security

When a Service Manager is also acting as the project proponent for a COCHI New Build project, standard security documents cannot be registered on title, and alternate security is required to ensure accountability and safeguard program funds. In these cases, the Service Manager is required to sign a Letter of Agreement with the Ministry to confirm funding and outline obligations, including compliance with rental protocols. The Letter of Agreement template is attached as Sub-Appendix C-3E to the Transfer Payment Agreement.

Eligible Target Groups

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

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

Income Verification

Service Managers are required to establish maximum income levels for COCHI-funded New Build units at the time of initial tenancy; however, all households must be on, or eligible to be on, the waiting list for social housing. Service Managers must establish an approach for income verification to ensure that households in need are targeted.

Annual income verification is at the Service Manager's discretion.

Affordability Criteria and Rents

Projects approved under the New Build component must remain affordable for a minimum 20 years. A project is considered affordable if it meets both of the following criteria:

1. Individual unit rents for the project must be at or below Canada Mortgage and Housing Corporation Average Market Rent (CMHC AMR) at the time of occupancy. Individual unit rent is calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager.
2. The project weighted average rent must be at or below 80 percent of CMHC AMR. The project weighted average rent considers the proportion and project's total number of units of varying sizes and types.

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

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

Projects may include both COCHI New Build and market units, but only units with rents that meet affordability requirements will receive COCHI funding.

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

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

Alternate Average Market Rent Values

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

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

General Requirements

The following general program requirements apply to projects approved under the New Build component:

<u>Municipal Housing Facility By-law</u>

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

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

<u>Municipal Capital Facilities Agreement</u>

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

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

Construction

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

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

Equity

- No equity contribution is required for projects sponsored by non-profit or co-operative housing organizations to encourage participation by these groups in the program.
- Please note that private lenders may have additional equity requirements.

Municipal Property Tax

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

Indemnification and Repayment

There are obligations for all COCHI parties regarding the indemnification and recovery of government funding. Specific obligations and provisions are included in the Transfer Payment Agreement.

Reporting

In addition to individual project submission through the TPON, Service Managers are required to update their Investment Plans with their funding commitment projections under the New Build component on a quarterly basis. Please refer to pages 15 and 16 for reporting requirements and due dates. Proponents will be required to report accordingly to their Service Manager.

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

Service Managers will be required to submit documentation in TPON as follows:

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

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

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

COCHI Repair Component

The COCHI Repair Component provides support for social housing providers, including Local Housing Corporations, to repair and renovate their housing stock.

Service Managers may utilize COCHI funding for strategic capital repairs which preserve and extend the functional lifespan of the social housing supply, such as investments based on capital needs identified in current building condition audits. Funding under COCHI Repair is limited to $50,000 per unit to align with OPHI Ontario Renovates. Funds will be advanced quarterly based on Service Manager's projected planned commitments in the approved Investment Plan.

To balance funding for new housing construction with ensuring the preservation of existing affordable housing stock, Service Managers should strategically allocate resources under the COCHI Repair Component to prevent deterioration and loss of units. This approach helps maintain Ontario's existing affordable housing supply while advancing NHS Expansion Target goals.

Eligible work could include:

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

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

Project Submission/Approval Process

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

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

Once an eligible project has been approved by the Service Manager, a completed Project Information Form along with required documents must be entered and approved in TPON to confirm the program take-up. Service Managers must submit one Project Information Form for each unique address. For example, if an address requires various repairs, the Service Manager should include all relevant scope of works within a single Project Information Form for that address.

The number of units reported in the Project Information Form should reflect only those included in the project's scope of work. For example, if only some units in the building are being repaired, the Project Information Form should report only the number of units undergoing repairs.

Service Managers must not approve a funding request unless the housing provider has agreed to operate the project as per the affordability requirements for the COCHI Repair Component.

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

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

Repairs must commence within 120 days of signing the funding agreement and completed by the end of the subsequent Fiscal Year, (i.e., March 31, 2027, for projects approved in the 2025- 26 funding year). Projects that do not meet these timelines may have their funding reallocated.

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

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

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

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

Payment Process

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

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

Reporting

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

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

COCHI Operating Component

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

> Households who are supported with COCHI operating funding and are paying rent-geared- to-income consistent with prescribed service level rules can count towards a Service Manager's service levels.
>
> To count towards service levels the RGI assistance provided to the household must either:
>
> - Follow RGI rules in part V of the *Housing Services Act, 2011*, or
> - Follow the requirements for alternate forms of assistance in schedule 4.2 of Ontario Regulation 367/11

Rent Supplements

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

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

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

To support Ontario's commitment under the NHS to expand rent-assisted units, the province will maximize the use of rent-supplement programs as a key tool for increasing the supply of affordable housing.

COCHI Rent Supplements funding cannot be used for agreements with private landlords. Funds under this component must be provided only to existing Urban Native Housing (UNH) providers and other municipal, non-profit or co-operative housing providers for both new and existing units.

Transitional Operating Funding

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

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

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

Project Submission/Approval Process

Allocations will be committed at the beginning of each program year through a letter from the Ministry based on the projected disbursements identified in the Investment Plan submitted by the Service Manager through the TPON System.

Service Managers are required to report-back on a quarterly basis and demonstrate program take-up through updates of their actual disbursements in their Investment Plans. Please see pages 15 and 16 for details on reporting requirements and due dates.

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

Payment Process

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

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

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

Reporting

COCHI Operating Component reporting consists of updating and submitting the Investment Plan with Service Manager progress on a quarterly basis. Quarterly reports should be completed and submitted through TPON. Please see pages 15 and 16 for dates and reporting requirements.

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

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

- Landlord agreements and, if applicable, agreements with third-party delivery agencies
- Where the funding specifically targets any of the targeted vulnerable sub-populations listed on page 13, the numbers of units supported.

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

Ontario Priorities Housing Initiative (OPHI)

Program Components

OPHI offers the following program components to Service Managers:

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

Details on each component are included in these Guidelines.

Service Managers have the flexibility to select the components they will deliver each year using their OPHI approved and planned annual funding allocations. Planned commitments and projected take-up for selected program components must be identified in each Service Manager's Investment Plan – see page 12.

Funding Allocations

Allocations are based on the Service Manager's share of all households in Ontario and their share of Ontario households in core housing need equally weighted.

The following documentation is required to commit funds under OPHI:

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

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

Funding Commitments

Funding allocations are provided on a “use it or lose it” basis. Funds not committed by the required timelines may be reallocated to other Service Managers.

Capital Components

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

To support the objective of expanding rent-assisted units, the Expansion Target has been established to increase the number of rent-assisted units by 15% (19,660 units) by 2027-28. Service Managers are required to report on their rent-assisted unit targets assigned by the Ministry semi-annually.

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

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

Operating Components

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

To support Ontario’s commitment under the National Housing Strategy (NHS) to expand rent-assisted units, the province encourages Service Managers to use of rent-supplement programs as a tool for increasing the supply of affordable housing.

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

Reallocation

To ensure that all OPHI funding is fully committed and used effectively, Service Managers may request to shift funding between OPHI components within the same program year if the original planned use cannot be met through the submission of a Business Case to the Ministry. No realignment of funding may occur without prior Ministry approval.

This requirement supports the achievement of Service Manager's rent-assisted unit targets by ensuring funding is aligned with program priorities and outcomes.

The following apply:

- <u>Realignment between components:</u>

  Service Managers seeking to move funding between OPHI components (whether within capital or operating components, or between capital and operating) must submit a Business Case to the Ministry by October 15 of the program year. The Business Case must clearly demonstrate how the proposed reallocation supports, or at least does not hinder, the achievement of the Service Manager's assigned rent-assisted unit targets.

  - Note that this requirement replaces any previous practice of informing Ministry staff of funding shifts through quarterly Investment Plan updates.

- <u>Restrictions on Shared Delivery Stream funding:</u>

  Funding for the Housing Allowance Shared Delivery stream cannot be moved to or from other OPHI streams or components without Ministry approval. Any requests for reallocation to or from the Housing Allowance Shared Delivery stream must follow the same reallocation process and timelines as noted above for other components.

- <u>Year-end reallocation of uncommitted funds:</u>

  Any OPHI funding not committed to eligible projects by January 31 of the program year may be reallocated by the Ministry to other Service Managers. As part of this review of third-quarter Investment Plan updates, the Ministry will assess whether funding and progress toward Service Manager rent-assisted unit targets are on track. If necessary, uncommitted funds will be reallocated and deducted from the Service Manager's overall allocation.

Rental Housing Component

The Rental Housing component will:

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

Eligibility Criteria – Projects

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

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

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

Amendments to the *Housing Services Act, 2011*, effective January 1, 2017, have resulted in changes to consent authorities. Specifically, Service Managers now have consent authority for the transfer of most social housing properties. Please refer to the Guide for Service Manager Consents under the Housing Services Act, 2011 which can be found at: https://www.ontario.ca/page/consent-authority-service-managers

Ineligible Projects

Projects that are **not eligible** include:

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

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

Eligibility Criteria – Units

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

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

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

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

Project Submission Process

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

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

Recommended projects shall:

- Be approved by council and/or board based on municipal/board procurement practices and in accordance with the Municipal Act, 2001 or the City of Toronto Act, 2006 (applicable to the City of Toronto)
- Be able to sign a Contribution Agreement and confirm registration of security (in a format that is applicable) no later than **December 15** of each program year
- Be able to start construction within 120 days after signing a Contribution Agreement and be completed within four years

- Be financially viable from a construction and operating cost perspective – based on Service Manager confirmation
- Meet the current Ontario Building Code and comply with the CMHC-provided checklist in Appendix C
- Have unit rents that are at or below the Canada Mortgage and Housing Corporation Average Market Rent for the community or as approved by the Ministry for a minimum of 20 years (see “Affordability Criteria and Rents” on page 57 for additional details)
- Project weighted average rent must be at or below 80 percent of CMHC AMR
- Provide the required equity, if applicable – 4 percent for partnerships between private sector and non-profit organizations; zero (0) percent for non-profit organizations
- Address local housing needs and target tenant groups identified in local housing and homelessness plans
- Be designed to maximize achievable reductions in energy consumption and greenhouse gas emissions relative to minimum requirements (i.e., meet or exceed the current National Energy Code or Ontario Building Code requirements for new construction; and maximize the achievable energy savings where possible when planning work or retrofits for renovations/repairs). The Ministry will provide guidance and requirements for energy consumption and greenhouse gas emissions reductions in a separate communication to Service Managers.
- Have an occupancy plan in place to ensure that units will be occupied in a timely manner.

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

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

Project Approval Process

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

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

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

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

Funding

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

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

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

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

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

Funding Commitment

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

Contributions by Others

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

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

Where appropriate, and to avoid the granting of bonuses, a Service Manager will need to ensure that an appropriate policy or program (e.g., Community Improvement Plan (per Section 28 of the *Planning Act, 1990*), Municipal Housing Facilities By-law (per Section 110 of the *Municipal Act, 2001* – see page 59)) is in place to enable municipal contributions.

For additional information on this and other municipal tools and incentives for affordable housing development, please contact the appropriate service manager, municipality, and/or respective Regional Municipal Offices Team Leads for more information.

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

Payment Process

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

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

- 50 percent at signing of the Contribution Agreement and confirmation of registration of security (or signed alternate security where the Service Manager is also the proponent).
- 40 percent at confirmation of structural framing for new construction or 50 percent completion for acquisition and rehabilitation projects.

    - Prior to the confirmation of structural framing or 50 percent completion, Service Managers are required to confirm the start of construction and receipt of the first building permit in TPON.
- 10 percent at confirmation of occupancy, submission of Initial Occupancy Report, including actual capital costs.

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

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

Confirmation of Registration of Security

The confirmation of registration of security is required before the first milestone payment (at 50% payment) to ensure that public funds are protected. It secures the investment in the event of default or non-compliance by the project proponent.

Alternate Security in leu of Registration of Security

When a Service Manager is also acting as the project proponent for a Rental Housing Component project, standard security documents cannot be registered on title, and alternate security is required to ensure accountability and safeguard program funds. In these cases, the Service Manager is required to sign a Letter of Agreement with the Ministry to confirm funding and outline obligations, including compliance with rental protocols. The Letter of Agreement template is attached as Sub-Appendix D-1E to the Transfer Payment Agreement.

Eligible Target Groups

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

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

Income Verification

Service Managers are required to establish maximum income levels for OPHI-funded Rental Housing units at the time of initial tenancy; however, all households must be on, or eligible to be on, the waiting list for social housing. Service Managers must establish an approach for income verification to ensure that households in need are targeted.

Annual income verification is at the Service Manager’s discretion.

Affordability Criteria and Rents

Projects approved under the New Build component must remain affordable for a minimum period of 20 years. A project is considered affordable if it meets Affordability is defined as having both of the following below criteria:

1. Individual unit rents for the project must be at or below Canada Mortgage and Housing Corporation Average Market Rent (CMHC AMR) at the time of occupancy. Individual unit rent is calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager.

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

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

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

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

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

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

Alternate Average Market Rent Values

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

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

General Requirements

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

Municipal Housing Facility By-law

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

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

Municipal Capital Facilities Agreement

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

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

Construction

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

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

Equity

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

Municipal Property Tax

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

Indemnification and Repayment

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

Reporting

In addition to individual project submission through the TPON, Service Managers are required to update their Investment Plans with their funding commitment projections under the Rental Housing component on a quarterly basis. Please refer to pages 15 and 16 for reporting requirements and due dates. Proponents will be required to report accordingly to their Service Manager.

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

Service Managers will be required to submit documentation in TPON as follows:

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

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

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

Homeownership Component

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

Specific objectives are:

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

OPHI NON-PROFIT AFFORDABLE HOMEOWNERSHIP SUB-COMPONENT

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

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

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

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

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

Purchaser Eligibility Criteria

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

- Be at least eighteen (18) years old
- Be a Canadian citizen or permanent resident of Canada
- Be a renter household or a first-time home buyer (as defined in the TPA) buying a sole and principal residence in a participating Service Manager area.
- Have household income for the Service Manager area or the province, whichever is lower, at or below:
  - The 60th percentile income level for a household that includes one person, or
  - The 70th percentile for a household that includes more than one person.
  - The Ministry will provide Service Managers with a table of income percentiles by Service Manager area each year
- Meet any additional criteria as established and communicated by the Service Manager.

Household income verification is the responsibility of the Service Manager.

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

Purchase Price

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

Eligible Unit Types

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

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

Homes must have a closing date no later than 90 days from the end of the fiscal year in which the funding is allocated (i.e., June 30, 2026, for funding allocations under fiscal year 2025-26). Homeownership projects approved under the non-profit affordable homeownership sub- component are exempt from this deadline.

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

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

Eligible Target Groups

Service Managers are encouraged to address groups identified through their local Housing and Homelessness Plan and consider households residing in social housing but who are paying market rent.

Education and Training

Service Managers must ensure education and training on the home buying experience are offered to purchasers approved under the Homeownership component. This should include financial guidance around the up-front and on-going costs of homeownership and the obligations and benefits of being a homeowner. The Canada Mortgage and Housing Corporation website has several tools, worksheets, calculators, and guides to assist and inform interested home buyers. This information can be found at https://www.cmhc- schl.gc.ca/en/buying.

Service Manager Revolving Loan Fund (RLF)

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

Service Managers that do not have a Revolving Loan Fund established will need to ensure that one is created and maintained for at least a 20-year period with the option of phasing out after 15 years. For additional information on RLF Phase-out or the close-out, refer to the RLF Bulletin or contact your MSO Team Lead and/or HPRO Account Manager.

Partnerships

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

Funding

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

The amount of down payment assistance for each eligible purchaser will be determined by the Service Manager, as follows:

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

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

Funding Commitment

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

Payment Process

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

FUNDING SCHEDULE FOR NON-PROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPERS

Funding will be advanced to Service Managers in three instalments:

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

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

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

Conditions for Repayment by Homeowner

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

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

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

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

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

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

- Amount payable = $10,000 - ($100,000 - $92,000) = $2,000
- If the same home is sold for $85,000, the principal shall be forgiven The Service Manager must be satisfied that the sale was at fair market value.

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

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

Repayments are to be made into the Revolving Loan Fund and redistributed under the Homeownership component in the Service Manager's area.

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

Canada Mortgage and Housing Corporation

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

Reporting

Service Managers are required to update their Investment Plan with their approved progress under the Homeownership component on a quarterly basis. Please see pages 15 and 16 for reporting requirements and due dates.

Service Managers are also required to report annually on loan repayments to, and loans funded from, the Revolving Loan Fund.

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

Documentation Required for Records

Service Managers are responsible for retaining the following documents over the life of the program:

Eligibility information:

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

Loan information:

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

Payment documents and default actions:

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

Ontario Renovates Component

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

The objective of the Ontario Renovates component are:

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

The Ontario Renovates component consists of two sub-components:

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

General Eligible Activities and Costs

Eligible repairs for Ontario Renovates may include the following activities:

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

- Septic systems, well water, and well drilling
- Fire safety
- Other repairs may be considered, with supporting documentation, at the discretion of the Service Manager
- Remediation for an overcrowded dwelling through the addition of habitable living space.

- Modifications to reduce physical barriers related to housing and reasonably related to the occupant's disability. Examples include, but are not limited to:
  - Ramps
  - Handrails
  - Chair and bath lifts
  - Height adjustments to countertops
  - Cues for doorbells/fire alarms
  - Other modifications may be considered, with supporting documentation, at the discretion of the Service Manager

- Creation of self-contained additional units (also known as secondary suites or garden suites) for affordable rental purposes.

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

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

Affordability Criteria

Home Repair

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

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

The Ministry will supply annual updates to the 60th percentile income figures. Service Managers may use these or more restrictive ceilings or figures, such as Household Income Limits (HILs).

Multi-Unit Rehabilitation

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

Repairs and upgrades to social housing are eligible. Depending on local needs, Service Managers may wish to complement COCHI Repair funding with OPHI Ontario Renovates funding. Please refer to the COCHI section of the Program Guidelines (page 42).

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

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

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

Energy Efficiency

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

Ineligible Projects

The following projects are not eligible for Ontario Renovates funding:

- Retirement Homes, Long-Term Care Homes (including nursing homes), and crisis care facilities.
- Units not subject to the Residential Tenancies Act, 2006 (except shelters and transitional housing).
- Creation of new rental units (except for additional residential units, such as secondary suites or garden suites on the property lot of a primary residence).
- Any project that has been previously approved for Ministry funding for the same scope of work.
- Projects that commenced repair prior to the program fiscal year. For example, a project under construction before April 1, 2025, is ineligible for funding approval in 2025-26.

Project Submission Process

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

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

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

Please note, Service Managers must submit one Project Information Form for each unique address. For example, if an address requires various repairs, the Service Manager should include all relevant scope of works within a single Project Information Form for that address.

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

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

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

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

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

For projects under the *Housing Services Act, 2011*, please refer to COCHI section of the Program Guidelines (page 42) for program requirements.

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

Funding

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

However, Service Managers may provide the amount of funding up to 75 percent of the total project costs per unit to create an additional unit (e.g., secondary or garden suite) under the *Multi-Unit Rehabilitation* subcomponent. Funding for projects must not be greater than the cost of repairs net any HST rebates.

The period of forgiveness for *Home Repair* projects is a minimum of 10 years and for *Multi-Unit Rehabilitation* projects it is a minimum of 15 years, except for social housing projects.

Forgiveness is earned at an equal rate per year over the affordability period beginning on the date of repair completion. Funding for accessibility upgrades to a home and/or units is eligible under the Ontario Renovates component. Up to $5,000 of the total project funding may be treated as a contribution without an affordability period and does not require repayment, provided the funds are used for their intended purpose. For example, if a project receives $30,000 for accessibility repairs, $5000 of that amount can be provided as a contribution.

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

- The unit or project is sold
- Rent levels are increased beyond allowable limits (*Multi-Unit Rehabilitation* projects)
- Homeowners cease to occupy the unit as sole and principal residence (*Home Repair* projects)

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

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

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

Funding Commitment

A minimum of 90 percent of the annual Ontario Renovates component funding allocation must be committed to eligible homeowners or landlords by December 15 of each program year. If a Service Manager has not met this threshold, the Ministry reserves the right to reallocate funds to another Service Manager to ensure full commitment of program funding. Any funding remaining to be committed after January 31 of each program year may be reallocated to another Service Manager.

Payment Process

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

Once an eligible project has been approved by the Service Manager, a completed Project Information Form along with a promissory note or mortgage registration and funding agreement/letter of agreement must be entered and approved in TPON to confirm program take-up.

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

- Repair activities must start within 120 days of the date of the funding agreement/letter of agreement.
- Repair activities must be completed by the end of the subsequent fiscal year (i.e., March 31, 2027, for the 2025-26 funding year).

Projects that do not meet these timelines may have their funding reallocated. Service Managers must inform the Ministry as early as possible if a project will be delayed in commencing repair work or completion and can request an extension, subject to Ministry approval. Service Managers should connect with their respective Regional Housing Team Lead or Housing Programs Account Manager for more information.

Should project details – for example, completion dates – not be updated as required, payments to Service Managers may be reduced.

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

Reporting

Service Managers are required to update and submit their Investment Plans with their progress under the Ontario Renovates component on a quarterly basis. Please see pages 15 and 16 for reporting requirements and due dates.

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

- Project Repair Completion Report upon the completion of project
- Post-Repair Occupancy Report upon the completion of *Multi-Unit Rehabilitation* Projects
- Copies of all financial invoices upon completion
- Annual Report (includes Annual Occupancy Reports for *Multi-Unit Rehabilitation* projects throughout the affordability period of all Ontario Renovates projects) for the first three years after project completion. After the first three years, filing of the Annual Report is not required although the

Service Manager is still required to complete the Annual Report and may be requested to submit the report periodically.

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

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

Rental Assistance Component

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

The Rental Assistance component consists of three streams:

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

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

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

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

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

Eligible Target Groups

Service Managers should give priority to the following household types:

- Households affected by expiring programs (e.g., those living in social housing transitioning out of rent-geared-to-income subsidy, recipients of operating funding under the various iterations of the Investment in Affordable Housing program)
- Households who are homeless or at risk of homelessness

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

Household Eligibility

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

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

Service Managers must establish a clear set of rules to determine whether the applicant’s household income is at, or below, Household Income Limits. These rules must be in writing and available to the general public. A Service Manager’s rules shall define “household income” for the purposes of the Rental Assistance component and shall exclude the Canada Disability Benefit from this definition.

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

Unit Eligibility

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

Rent Supplement

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

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

Funding Commitment

Allocations will be committed at the beginning of each program year through a letter from the Ministry based on the planned commitments identified in each Service Manager’s Investment Plan. Service Managers may also contribute their own funding to the Rental Assistance Component.

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

Payment Process

Direct Delivery Streams

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

Service Managers will advance regular payments to landlords after signing agreements with the landlords and receiving updated unit occupancy figures from the landlords. Under the Housing Allowance Direct Delivery stream, Service Managers pay households directly.

Shared Delivery Stream

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

Monthly Subsidy Amounts

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

Household Income Limits

If a Service Manager is of the opinion that Household Income Limits in the annually amended Ontario Regulation 370/11 under the *Housing Services Act, 2011* are too low and do not correlate with rents for their area, they can submit a business case requesting modifications to their Household Income Limits by emailing to their respective Regional Housing team Leads and/or Housing Programs Account Manager.

Reporting

In the initial Investment Plan, Service Managers are required to break down their Rental Assistance component funding by streams and indicate the subsidy levels and estimated number of units/households to be assisted. Please see pages 15 and 16 for reporting requirements and due dates.

Direct Delivery Streams

Service Managers who participate in the direct delivery streams are required to provide quarterly projected disbursements on the initial Investment Plan and demonstrate program take-up by updating their actual disbursements through their quarterly Investment Plan updates.

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

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

Service Managers are also required to track and report on the following information:

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

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

Shared Delivery Stream

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

Housing Support Services Component

Support services are beneficial to tenants who may need extra support – either temporary or permanent – to achieve housing stability. Housing stability results in improved health outcomes, less reliance on other emergency services, while promoting social inclusion.

Funding for support services is more cost-effective for Service Managers and the system as a whole.

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

Service Managers may not exceed ten percent of the funding allocation for the Housing Support Services component.

Eligibility Criteria

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

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

Funding Allocations

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

Payment Process

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

Reporting

Initial Investment Plan

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

Investment Plan Updates

On-going Housing Support Services component reporting consists of updating and submitting quarterly updates to the Investment Plan indicating actual disbursements by the Service Manager and reporting the number of households assisted in the Disbursement Applet in TPON. Reports will be completed and submitted through TPON. Please see pages 15 and 16 for reporting requirements and due dates.

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

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

Appendix A: Regional Municipal Services Offices

Municipal Services Office – Central
Serving: Durham, Halton, Muskoka, Niagara, Peel, Simcoe, York

777 Bay Street 13th Floor Toronto, ON, M7A 2J3
General Inquiry: 416-585-6226 Toll Free: 1-800-668-0230
Contact: Luigi Di Palma, Housing Team Lead, Regional Housing Services Tel: 416-316-6662
Email: Luigi.DiPalma@ontario.ca

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

8 Estate Lane, Rockwood House Kingston, ON, K7M 9A8
General Inquiry: 613-545-2100
Toll Free: 1-800-267-9438
Contact: Mila Kolokolnikova, Team Lead, Regional Housing Services Tel: 613-545-2123
Email: mila.kolokolnikova@ontario.ca

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

659 Exeter Road, 2nd Floor London, ON, N6E 1L3
General Inquiry: 519-873-4020 Toll Free: 1-800-265-4736
Contact: Cynthia Cabral, Team Lead, Regional Housing Services Tel: 519-873-4032
Email: cynthia.cabral@ontario.ca

Municipal Services Office – North (Sudbury)
Serving: Algoma, Cochrane, Greater Sudbury, Manitoulin-Sudbury, Nipissing, Parry Sound, Sault Ste. Marie, Timiskaming

159 Cedar Street, Suite 401 Sudbury, ON, P3E 6A5
General Inquiry: 705-564-0120 Toll Free: 1-800-461-1193
Contact: Steve May, A/Team Lead, Regional Housing Services Tel: 705-688-8534
Email: Steve.May@ontario.ca

Municipal Services Office – North (Thunder Bay)
Serving: Kenora, Rainy River, Thunder Bay

435 James Street, Suite 223 Thunder Bay, ON, P7E 6S7
General Inquiry: 807-633-6358 Toll Free: 1-800-465-5027
Contact: Jessica Vail, Team Lead, Regional Housing Services Tel: 807-475-1641
Email: jessica.vail@ontario.ca

Housing Programs Branch – Toronto
Serving: Toronto

777 Bay Street, 14th Floor Toronto, ON, M7A 2J3
Contact: Sandra Cheung, A/Account Manager, Southern Regional Services Delivery Unit
Tel: 647-632-3871
Email: Sandra.Cheung@ontario.ca

Appendix B: (SM) List of Designated Areas under the French Language Services Act[8]

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

8 https://www.ontario.ca/page/government-services-french

Appendix B: (DSSAB) List of Designated Areas under the French Language Services Act[9]

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

[9] https://www.ontario.ca/page/government-services-french

Appendix C: Canadian Environmental Assessment Act (CEAA) Pre-screening Guidelines

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

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

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

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

Appendix D: Examples of Eligible Support Services

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

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

NHS Eligibility Guide: Expansion Target

NHS Expansion Target: A Guide for Service Managers

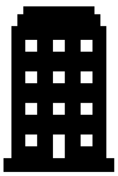
Ministry of Municipal Affairs and Housing

July 2025

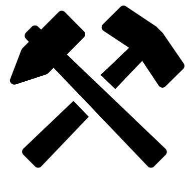
Executive Summary

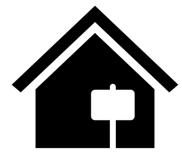
Under the terms of the Canada-Ontario National Housing Strategy (NHS) bilateral agreement and related NHS Action Plans, the province must achieve various targets and outcomes, including the creation of 19,660 rent-assisted units (i.e. ‘Expansion Target’) by March 31, 2028.

The following units are eligible to meet Ontario’s NHS Expansion Target:


New Build


Rent Supplement


Recommissioned Unit


Acquisition of Units

Service Managers (SMs) can create these units through existing NHS programs (e.g. Canada Ontario Community Housing Initiative (COCHI), Ontario Priorities Housing Initiative (OPHI)) as well as other Provincial (e.g., Homelessness Prevention Program (HPP)) and municipal programs (e.g., municipal rent supplements, new builds).

Purpose

Beginning in the 2025-26 fiscal year, the Ministry of Municipal Affairs and Housing (MMAH) is assigning each SM a target for the creation of rent-assisted units (“SM target”) which will constitute a portion of Ontario’s overall Expansion Target.

This guide provides SMs with information on the types of units that are eligible to count towards their SM target.

Context

Under the NHS, Ontario receives federal funding that is divided between COCHI, OPHI, and the Canada Ontario Housing Benefit (COHB), based on an allocation schedule. This funding is subsequently allocated from MMAH to SMs and Indigenous Program Administrators (IPAs).

Federal funding is tied to the achievement of targets and outcomes that must be achieved by the end of the current NHS in 2027-28. Ontario demonstrates its planning for these targets through NHS Action Plans and reports on its progress on a semi-annual basis to demonstrate its effective stewardship of NHS funding.

On March 13, 2025, the federal government approved Ontario’s third and final 3-year Action Plan. This plan reiterates Ontario’s commitment to achieving all its NHS targets by March 31, 2028, including the Expansion Target.

The Expansion Target can be met through **provincial NHS programs** (e.g., COCHI New Build, OPHI Rental Housing), **other provincial programs** (e.g., HPP), and **municipal programs**.

To inform Ontario's semi-annual reporting to the federal government, SMs will continue to undertake regular reporting through TPON. In addition, offline forecasting and reporting templates specifically designed for Ontario's expansion target have been put in place. These templates will help MMAH ensure that all eligible units that can be counted towards the expansion target are being accurately tracked and reflected in Ontario's NHS reporting.

Expansion Target Eligibility Criteria

Eligible units for the NHS Expansion Target include:

1. **Building a New Community Housing Unit.**
    a. Provincially funded (i.e., capital) affordable, social, supportive, transitional housing units, and, in some circumstances, congregate facilities.
        i. Congregate living arrangements may count towards the expansion target where the facility includes separate bedrooms (e.g. four walls, door) with shared amenities.
        ii. **Note**: shelters are ineligible to count towards the target in all circumstances.
    b. Municipally funded units falling in the housing categories noted above, including municipally funded units stacked with provincial or provincial *and* federal funding.[1]

2. **Providing a New Rent Supplement.**
    a. A new rent supplement in a Community Housing unit.
    b. A new rent supplement in the Private Market unit with an affordability arrangement.
    c. A new rent supplement in a Municipal or Third-Party building (non-profit).

In circumstances where a rent supplement was previously in place at the specified address, there must have been **<u>no rent supplement in place as of March 31, 2018</u>.**

Where federal capital funding was used to construct the unit, the source of the rent supplement must include (all/portion) provincial funding[2].

3. **A Decommissioned Unit Returned to Community Housing Stock, if Provided to a Low-Income Household.**
    a. A community housing unit returned to stock (e.g., with capital repair funding) if it had not been in use prior to repair.

[1] NHS Expansion Target unit is pro-rated for units that have federal and provincial funding units. Municipally funded units (without federal funding) are counted at 100%.
[2] NHS Expansion Target is fully counted at 100%, even where there is partial provincial funding.

i. Standalone municipal funding is eligible.
ii. Municipal funding stacked with provincial or provincial *and* federal funding.

Note: Repairs would have to bring a unit in a state of disrepair back into service versus routine repair (e.g., new windows).

4. Acquisition of a New Affordable Housing Unit.

a. SMs purchase or acquire units to use as affordable housing (e.g. conversion from private market unit).
b. Units must be acquired after March 31, 2018.

Unit Eligibility Details

Units that meet the eligibility criteria under the COCHI and OPHI Guidelines (e.g., COCHI New Build, OPHI Rental Housing) will automatically qualify for the Expansion Target.

To be eligible to be counted towards the Expansion Target, units funded by non-NHS provincial programs or municipal programs are required to meet the following criteria:

Affordability

- Affordable unit is being offered below market rate for an ongoing period of time.

Proponent Type

- Eligible units can be owned by non-profit, co-ops, or public housing corporations.
- Eligible units can be privately owned if they are below market rent and there is an arrangement (e.g., rent supplement) between a landlord and the SM/provider.
- Other arrangements may be considered eligible and would be reviewed on a case-by-case basis.

Funding Source

- Where federal funding is being used for a unit, at least some portion of funding for the unit must be provincial (i.e., either capital or rent supplement or both).

Ineligible Units

The following cannot be counted towards the Expansion Target:

× An emergency shelter bed.
× Student residences.
× A federally funded housing unit without municipal or provincial operating funding.
× Funding of an affordable unit that was already subsidized on March 31, 2018.
× A rent supplement that was in place on March 31, 2018, and continues to be provided.
× A unit at the same address that was previously submitted (i.e., no double counting).
× Housing allowances are not eligible.
× If a new Community Housing unit was newly built and it is being provided with a rent supplement, the unit should only be counted once.