

Schedule F – Program Guidelines

# Ontario Priorities Housing Initiative (OPHI)

## PROGRAM GUIDELINES FOR ONTARIO ABORIGINAL HOUSING SERVICES

# Program Guidelines Summary

## Introduction

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

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

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

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

Together, Ontario's Community Housing Renewal Strategy and the Housing Supply Action Plan demonstrate the government's commitment to supporting the creation of housing that responds to all Ontarians' needs, across all incomes.

On April 30, 2018, Ontario and the Canada Mortgage and Housing Corporation signed a nine-year Bilateral Agreement regarding the National Housing Strategy. This agreement is important to achieving the goals and objectives of Ontario's Community Housing

Renewal Strategy by providing an opportunity to align federal funds with Ontario's Community Housing Renewal Strategy priorities.

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

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

These guidelines set out the parameters for Phase I of the National Housing Strategy's Ontario Priorities Housing Initiative (OPHI) for Indigenous Program Administrators. This initiative addresses local housing priorities, including affordability, repair and construction.

There will be an opportunity to review program priorities and desired outcomes prior to the second and third funding periods. The Ministry intends to undertake a review of the early experience with program take-up and release updated/revised guidelines in 2021 to align planning for implementation beginning in April 2022.

## **Scope of the Guidelines**

These Program Guidelines describe the OPHI program components available to Indigenous Program Administrators and requirements under this initiative for the first three-year period of the National Housing Strategy investments.

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

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

## **Program Components**

OPHI offers the following program components to Indigenous Program Administrators:

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

Details on each component are included in these Guidelines.

Indigenous Program Administrators have the flexibility to select the components they will deliver each year using their OPHI planning funding allocations. Planned commitments and projected take-up for selected program components must be identified in each Indigenous Program Administrator's Investment Plan – see page 6.

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

Indigenous Program Administrators are responsible for:

- Entering into a Transfer Payment Agreement with the Province
- Completing and updating an Investment Plan outlining how their confirmed and planning funding allocations will be used
- Developing application processes, if applicable
- Selecting, recommending, and where applicable, approving projects
- Entering into funding agreements with housing providers/proponents/landlords/service providers/recipients
- Advancing payments to proponents, housing providers, service providers or recipients based on agreed upon milestones
- Monitoring projects to ensure timely completion and occupancy
- Fulfilling reporting requirements as per the Transfer Payment Agreement
- Adhering to indemnification provisions as per the Transfer Payment Agreement
- Preventing and resolving issues for projects that encounter difficulties
- Participating in communication events pertaining to the National Housing Strategy as per the Communications Protocol Requirements outlined in Schedule E of the Transfer Payment Agreement.

Indigenous Program Administrators retain all responsibility for the delivery of OPHI even if third party delivery agencies or providers are engaged.

The Ministry is available to assist Indigenous Program Administrators with the implementation of OPHI. For any questions or more information, Indigenous Program Administrators are encouraged to e-mail [HousingProgramsDelivery@Ontario.ca](mailto:HousingProgramsDelivery@Ontario.ca).

## **Transfer Payment Agreement**

Indigenous Program Administrators will enter into a Transfer Payment Agreement with the Province to participate in OPHI. The Transfer Payment Agreement contains an accountability framework between the Province and Indigenous Program Administrators and outlines the roles and responsibilities of the Indigenous Program Administrator.

The Transfer Payment Agreement outlines:

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

- Other requirements (e.g. French Language Services).

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

## Funding Allocations

Indigenous Program Administrators have been provided with their approved funding allocation for Year 1 and planning allocations for Years 2 and 3 of OPHI.

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

## Funding Commitments

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

### Capital Components

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

For the Homeownership and Ontario Renovates components, no more than 10% of each component’s funding allocation may be planned for take-up in the fourth quarter of the respective program years. A minimum of 90% of the annual funding allocations for each component must be committed by December 31 of each program year. Notwithstanding the above, any funding that remains to be committed by January 30 of each program year may be reallocated to other Indigenous Program Administrators or 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 Indigenous Program Administrator’s approved Investment Plan. Housing Support Service funding will be committed based on the

submission of Services Agreements (or equivalent if delivered directly by the Indigenous Program Administrator)

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

The following documentation is required to commit funds under OPHI:

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

**NOTE:** Funding for both operating components – Rental Assistance and Housing Support Services – must be disbursed to recipients in the program year in which the funding was committed. Funding cannot be extended beyond the program year.

## Re-allocation

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

- Funding originally planned for the capital components (Rental Housing, Homeownership and the Ontario Renovates) can be re-allocated within these components
- Funding originally planned for the Rental Assistance component's Rent Supplement stream and Housing Allowance stream or the Housing Support Services component can be re-allocated within these streams/components (for more information on delivery streams please refer to Page 34)
- If an Indigenous Program Administrator wishes to reallocate funding from the capital components to either the Rental Assistance or the Housing Support Services component, or vice versa, a request for reallocation shall be submitted to the Ministry by September 15 of the applicable year for which the reallocation is requested. The Ministry will attempt to accommodate such requests but cannot guarantee approval.

Under the capital components, all annual funding allocations must be committed to projects within the specified timelines in each program year; otherwise, the outstanding funding allocation may be reallocated to other Indigenous Program Administrators or Service Managers. The Ministry will review Indigenous Program Administrators' third quarter Investment Plan updates for each program year to determine whether funding targets will be met and whether re-allocation is needed. Any funding remaining to be committed after January 30 of each program year may be re-allocated. Any funding that is re-allocated from an Indigenous Program Administrator will be deducted from that Indigenous Program Administrator's total overall allocation.

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

### **Investment Plan**

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

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

The Investment Plan will outline how the annual OPHI funding allocations will be used over the first three-year funding period (2019-20 to 2021-22). Investment Plans must be approved by the Administrator's Board of Directors. The Ministry will review the Investment Plans to ensure consistency with the Bilateral Agreement and Program Guidelines.

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

- The OPHI components the Indigenous Program Administrator will deliver in each year of the program and how the selected components address the needs of off-reserve Indigenous peoples
- How, in the capital components, Indigenous Program Administrator decisions will reflect value for money and prudent use of public funds
- The number of units expected to be created and repaired and households to be assisted under the selected components in each year of the program
- The amount of funding from each year's funding allocation to be used for the selected components, and the projected and actual commitments on a quarterly basis
- The amount of funding from each year's funding allocation to be used for administration.

## Reporting

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

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

Indigenous Program Administrators are required to provide the following information in the Investment Plan for all program components:

- Details on initial budget by component
- For applicable components, an initial projection of how funding will be disbursed by quarter
- Quarterly updates on actual disbursements to date (this will include a comparison of initial projected disbursements to actual disbursements)
- Changes to the budget by component
- Narrative information
- Project level details
- Performance measures (e.g., targets).

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

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

Please note, there are other component-specific reporting requirements that will be detailed under each component in the Program Guidelines.

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

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

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

		monitoring and to ensure full take-up of available funding
May 31, 2020	<p>Final year-end reporting to Investment Plan. Includes:</p> <ul style="list-style-type: none"> <li>• Updated actual disbursements for Fiscal Year 2019-20</li> <li>• Any other updates if necessary</li> </ul> <p>Report confirming continued compliance with the French Language Services (FLS) requirements.</p>	<ul style="list-style-type: none"> <li>• Allows the Ministry to complete final reconciliation</li> <li>• The final information will be used to form the Annual Audited Statement of Disbursements requirement by CMHC</li> <li>• FLS reporting is to comply with provincial legislation</li> </ul>

The Investment Plans for 2020-21 and 2021-22 must be submitted to the Ministry according to the following schedule:

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

December 15, 2020 and 2021  Q3 Report	Updates to the Investment Plan Year 2 and Year 3 include: <ul style="list-style-type: none"><li>• YTD actual disbursements</li><li>• Projected disbursements for remainder of the year by quarter</li></ul>	<ul style="list-style-type: none"><li>• YTD information allows for program monitoring</li><li>• Projected disbursements for remainder of the year allows for updated payment information</li></ul>
February 15, 2021 and 2022  Q4 Report	Investment Plan update Year 2 and Year 3: <ul style="list-style-type: none"><li>• YTD actual disbursements</li><li>• Projected disbursements for February and March</li></ul>	<ul style="list-style-type: none"><li>• Actual and projected disbursement information is required for program monitoring and to ensure full take-up of available funding</li></ul>
May 31, 2021 and 2022	Final year-end reporting on Investment Plan Year 2 and Year 3. Includes: <ul style="list-style-type: none"><li>• Updated actual disbursements for fiscal year 2020-21 and 2021-22</li><li>• Any other updates if necessary</li></ul> Report confirming continued compliance with the French Language Services (FLS) requirements.	<ul style="list-style-type: none"><li>• Allows the Ministry to complete final reconciliation</li><li>• The final information will be used to form the Annual Audited Statement of Disbursements</li><li>• FLS reporting is to comply with provincial legislation</li></ul>

### Monitoring

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

### **Payments**

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

Generally, payments to Indigenous Program Administrators will be made on a quarterly basis as follows:

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

These dates may be adjusted within 2019-20.

## **Administration Costs**

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

Administration costs will be paid to Indigenous Program Administrators quarterly based on the annual Investment Plan.

## **French Language Services**

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

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

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

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

## **Environmental Assessment**

Approved projects are subject to the *Canadian Environmental Assessment Act 2012* (“CEAA 2012”). Indigenous Program Administrators are required to check for compliance of the CEAA 2012 and provide confirmation to the Ministry. Please refer to Appendix C for the CEAA 2012 checklist. CEAA 2012 compliance does not apply to the Homeownership (down payment assistance), Rental Assistance, or Housing Support Services components.

## **Communications Protocol**

Indigenous Program Administrators participating in OPHI must agree to adhere to the Canada Mortgage and Housing Corporation-Ontario Bilateral Agreement –

Communications Protocol. This is to ensure open, transparent, effective and proactive communications with citizens through ongoing public information activities that recognize the contributions of each party.

## Important Dates

Date	Description
September 15, 2019 <i>For 2019-20 only</i>	<ul style="list-style-type: none"> <li>Transfer Payment and Investment Plan due to ensure timely quarterly payments</li> </ul>
September 15, 2020 and 2021	<p>Updates to the Investment Plan. Includes:</p> <ul style="list-style-type: none"> <li>Year-to-date actual disbursements</li> <li>For applicable components, projected disbursements for remainder of the year by quarter</li> </ul> <p>NOTE: Indigenous Program Administrators have until September 15 to formally request transfers of funding between capital and operating components, and vice versa. This allows time for the Ministry to seek the necessary approvals to move funding to align with Administrator needs.</p>
December 15, 2019, 2020 and 2021	<p>Updates to the Investment Plan. Includes:</p> <ul style="list-style-type: none"> <li>Year-to-date actual disbursements</li> <li>For applicable components, projected disbursements for remainder of the year by quarter</li> </ul>
December 31, 2019, 2020, 2021 <b>Rental Component only</b>	<ul style="list-style-type: none"> <li>Final day to input Contribution Agreements into Transfer Payment Hub System and to commit funding</li> <li><i>If Contribution Agreements not in system, the respective allocation may be reallocated to another Indigenous Program Administrator/Service Manager</i></li> </ul>
January 30, 2020, 2021 and 2022	<ul style="list-style-type: none"> <li>Final day to input Project Information Forms and, where applicable, Contribution Agreements into Transfer Payment Hub system and to commit funding</li> <li><i>If Project Information Forms and Contribution Agreements not in system, the respective funding allocation may be reallocated to another Indigenous Program Administrator/Service Manager</i></li> </ul>
February 15, 2020 and 2021 and 2022	<ul style="list-style-type: none"> <li>Investment Plan for 2020-21 and 2021-22 funding due</li> </ul> <p>Investment Plan update Year 2 and Year 3:</p> <ul style="list-style-type: none"> <li>Year-to-date actual disbursements and projected disbursements for February and March</li> </ul>

May 31, 2020, 2021  
and 2022

- Final year-end reporting on Investment Plan. Includes:
- Final actual disbursements for each fiscal year
  - The final information will be used to form the Annual Audited Statement of Disbursements
  - Any other updates if necessary

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

## Rental Housing Component

The Rental Housing component will:

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

## Eligibility Criteria - Projects

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

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

Projects that are **not eligible** include:

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

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

## Eligibility Criteria – Units

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

The following provincial minimum and average size requirements must be used as a guideline for new construction projects.

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

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

## Project Submission Process

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

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

Recommended projects shall:

- Be approved by the Board of Directors based on board procurement practices.
- Be able to sign a Contribution Agreement no later than December 31 of each program year.
- Be able to start construction within 120 days after signing a Contribution Agreement and be completed within four years.
- Be financially viable from a construction and operating cost perspective – based on Indigenous Program Administrator confirmation.
- Meet the current Ontario Building Code and *Canadian Environment Assessment Act, 2012* requirements.
- Have rents that on average for the project are at or below 80% of the Canada Mortgage and Housing Corporation Average Market Rent for the community or as approved by the Ministry for a minimum of 20 years (see "Affordability Criteria and Rents" on page 18 for additional details).
- Provide the required equity, if applicable – 4% for partnerships between private sector and non-profit organizations; 0% for non-profit organizations.
- Are projected to maximize achievable reductions in energy consumption and greenhouse gas emissions relative to minimum requirements (i.e. meet or exceed the current National Energy Code and Ontario Building Code requirements for new construction; for renovations/repairs, maximize the achievable energy savings where possible when planning work or retrofits).
- Have an occupancy plan in place to ensure that units will be occupied in a timely manner.

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

- Have Contributions by Others, including the local municipality, and proponent – to be used in partnership with OPHI Rental Housing funding.
- Include family-sized (multi-bedroom) units.

- Are fully accessible and/or have units that are accessible to persons with disabilities.
- Provide community employment benefits including:
  - Work contracts for small and medium-sized businesses
  - Job creation for apprentices, Indigenous Peoples, women in construction, veterans and newcomers to Canada
- Have support service funding in place, if applicable.

Recommended projects for commitment should be submitted to the Ministry up to November 30 of each program year. All projects must be submitted through the Transfer Payment Hub System along with additional project background information.

## **Project Approval Process**

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

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

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

As funding allocations must be committed for each year of the program, the deadline to execute Contribution Agreements (or project-specific Transfer Payment Agreements in the case of projects delivered directly) is December 31 of each program year to allow time for re-allocation of funds if necessary. Indigenous Program Administrators that have not signed a Contribution Agreement (or project-specific Transfer Payment Agreements) or have not begun construction by the required dates may have their funding re-allocated.

## **Funding**

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

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

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

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

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

## **Payment Process**

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

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

- 50% at signing of the Contribution Agreement and confirmation of registration of security, or project-level Transfer Payment Agreement and construction agreement (containing a development schedule and standard construction payment schedule)
- 40% at confirmation of structural framing for new construction or 50% completion for acquisition and rehabilitation projects
- 10% at confirmation of occupancy, submission of Initial Occupancy Report including an updated capital cost statement in a form acceptable to the Ministry

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

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

## **Income Verification**

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

## Affordability Criteria and Rents

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

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

If Canada Mortgage and Housing Corporation Average Market Rents are not available for certain communities, an Indigenous Program Administrator should contact the Ministry at [HousingProgramsDelivery@ontario.ca](mailto:HousingProgramsDelivery@ontario.ca) to determine whether an alternate average market rent has been approved for the area. If an alternate has not been approved, the Indigenous Program Administrator may request an alternate average market rent by submitting a business case including a local market rent survey for the Ministry's consideration.

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

If rent supplements are used for OPHI-funded units to provide deeper affordability for tenants, the Indigenous Program Administrator shall ensure total rent received by a Proponent, including rent from the tenant and any rental supplements from the Indigenous Program Administrator or other party shall not exceed 100% 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 Residential Tenancies Act 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 rent increase guidelines but must still remain at or below 100% of Canada Mortgage and

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

The Ministry updates Average Market Rent information on its website annually at [www.mah.gov.on.ca](http://www.mah.gov.on.ca).

## **General Requirements**

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

### *Construction*

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

### *Equity*

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

## **Indemnification and Repayment**

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

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

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

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

## **Reporting**

In addition to individual project submission through the Transfer Payment Hub System, Indigenous Program Administrators are required to update their Investment Plans with their funding commitment forecasts under the Rental Housing component on a quarterly basis. Please refer to Page 7 for reporting requirements and due dates. Proponents will be required to report accordingly to their Indigenous Program Administrator.

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

Indigenous Program Administrators will be required to submit signed project checklists and documentation in the Transfer Payment Hub System as follows:

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

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

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

## **Rental Assistance Component**

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

The Rental Assistance component consists of two streams:

- Rent Supplement
- Housing Allowance.

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

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

## **Funding Allocations**

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

Rental Assistance funding must be expensed to recipients in the program year in which the funding was committed. Funding cannot be extended beyond the program year.

## **Monthly Subsidy Amounts**

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

## **Reporting**

In the initial Investment Plan, Indigenous Program Administrators are required to break down their Rental Assistance component funding by streams and indicate the subsidy levels and estimated number of units/households to be assisted. Please see Page 7 for reporting requirements and due dates.

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

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

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

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

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

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

## **Payment Process**

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

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

Indigenous Program Administrators advance monthly payments to landlords upon the signing of landlord agreements and updated unit occupancy figures. Under the Housing Allowance stream, Indigenous Program Administrators pay households directly.

## **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-gearied-to-income subsidy or payments under any other rent support programs are not eligible.

To be eligible for funding under the Rental Assistance component, households must be on, or be eligible to be on, social housing waiting lists and have household incomes that

do not exceed the applicable Household Income Limits in the annually amended Ontario Regulation 370/11 under the *Housing Services Act, 2011*.

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

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

## **Unit Eligibility**

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

### **Rent Supplement**

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

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

## **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.

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

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

### **Eligibility Criteria**

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

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

### **Funding Allocations**

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

## **Reporting**

### *Initial Investment Plan*

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

### *Investment Plan Updates*

On-going Housing Support Services component reporting consists of updating and submitting quarterly updates to the Investment Plan indicating actual disbursements by the Indigenous Program Administrator along with the number of households assisted. Reports will be completed and submitted through the Transfer Payment Hub System. Please see Page 7 for reporting requirements and due dates.

Indigenous Program Administrators are also required to provide copies of services agreements with community agencies, where applicable, to support the expenditure information included in the quarterly updates. Indigenous Program Administrators may enter into multi-year services agreement with community agencies, however, the agreements must clearly identify the funding requirements for each fiscal year.

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

## **Payment Process**

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

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

<b>Service Manager</b>	<b>Designated Area(s)</b>
City of Toronto	All
<b>Central Region</b>	
Regional Municipality of Peel	City of Mississauga; City of Brampton
Regional Municipality of York	City of Markham
County of Simcoe	Town of Penetanguishene; Townships of Tiny and Essa
<b>Eastern Region</b>	
City of Cornwall	County of Glengarry; Township of Winchester; County of Stormont
City of Kingston	City of Kingston
City of Ottawa	All
United Counties of Prescott and Russell	County of Prescott; County of Russell
County of Renfrew	City of Pembroke; Townships of Stafford and Westmeath
<b>Western Region</b>	
Municipality of Chatham-Kent	Town of Tilbury; Townships of Dover and Tilbury East
City of Hamilton	All of the City of Hamilton as it exists on December 31, 2000
City of London	City of London
Regional Municipality of Niagara	City of Port Colborne; City of Welland
City of Windsor	City of Windsor; Towns of Belle River and Tecumseh; Townships of Anderdon, Colchester North, Maidstone, Sandwich South, Sandwich West, Tilbury North, Tilbury West and Rochester
<b>Northeast Region</b>	
Algoma District Services Administration Board	District of Algoma
Cochrane District Social Services Administration Board	All
City of Greater Sudbury	All
Manitoulin-Sudbury District Services Board	District of Sudbury
District of Nipissing Social Services Administration Board	District of Nipissing
District of Parry Sound Social Services Administration Board	Municipality of Callander
District of Sault Ste. Marie Social Services Administration Board	The part of the District of Algoma that is part of the district for the District of Sault Ste. Marie Social Services Administration Board
District of Timiskaming Social Services Administration Board	All
<b>Northwest Region</b>	
Kenora District Services Board	Township of Ignace
District of Thunder Bay Social Services Administration Board	Towns of Geraldton, Longlac and Marathon; Townships of Manitouwadge, Beardmore, Nakina and Terrace Bay

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

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

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

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

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

## Appendix C: Maximum Household Income Level, 2019\*

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

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

\*\* In areas where 60<sup>th</sup> income percentile is greater than the provincial level, the provincial level 60<sup>th</sup> income percentile is used.

## **Appendix D: Examples of Eligible Support Services**

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

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

- Provision of traditional healing and wellness practices to help clients remain housed.