



Ontario Priorities Housing Initiative (OPHI) 2024-25 Frequently Asked

Questions

Please consult the RFP, Program Guidelines, and Appendices for complete details.

1) What is the purpose of the Ontario Priorities Housing Initiative (OPHI)?

The Ontario Priorities Housing Initiative (OPHI) is part of Ontario's Community Housing Renewal Strategy. The purpose of the initiative is to increase supply and to provide an appropriate mix of affordable and adequate housing; to improve access to affordable housing and supports that meet their needs to achieve housing stability; and to improve efficiency of the community housing system to ensure value for money and long-term sustainability. This portion of the OPHI funding is specifically designed to be administered by Indigenous (First Nations (Status or Non-Status), Métis or Inuit) organizations for Indigenous peoples in need of housing. The OPHI 2024-2025 request for proposals (RFP) is comprised of one funding stream: OPHI Capital Rental Housing Funding.

2) How can OPHI Capital Rental Housing Funding be used?

OPHI Capital Rental Housing Funding can be used to increase the supply of community rental housing for off-reserve, Indigenous (First Nations (Status or Non-Status), Métis or Inuit) households on, or eligible to be on, social housing waiting lists and to ensure that safe, adequate and affordable rental housing is available to Ontario Households.

Eligible capital developments must be one of the following:

- New construction, including additions and extensions;
- Acquisition and/or 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.

See OPHI Program Guidelines for more information about eligible and ineligible developments.

3) Who can apply for OPHI Capital Rental Housing Funding?

Applicants must:

- be an Indigenous non-profit organization in Ontario
- be incorporated (or in the process of incorporating) under the laws of the Province of Ontario or under the *Canada Not-for-profit Corporations Act*
- have its registered and chief executive/head offices within the Province of Ontario outside of the Greater Toronto Area (GTA)
- have the mandate to serve Indigenous peoples expressly stated in the objectives or statements of purpose of the organization's constating documents
- provide, or seek to provide through OPHI funding, safe, affordable and culturally appropriate housing to self-identifying Indigenous persons who do/will not reside on reserve
- permit OAHS to register required security in no less than second place on title of properties subject to funding
- demonstrate history of organizational sustainability

4) For Capital Rental Housing Funding, is there a maximum number of units that will be considered for funding? Is so, what is it?

No. There is no limit to the number of units you can develop, however Services Providers will only receive up to 75% of the pro-rated shared of the capital costs of the affordable units, less any HST rebates. **The Capital Rental Housing Funding for 2024-2025 is up to \$2,237,537.50.**

5) Is there a maximum amount of allowable funds per unit?

No. The Capital Rental Housing Funding does not determine a maximum allowable capital cost per unit. Service Providers are encouraged to consider factors such as unit bedroom size, unit type (e.g. Low- rise apartments, high rise apartment, townhouse), or geographic location of the project when determining project funding amounts. The Ministry of Municipal Affairs and Housing (MMAH) will only approve projects that are determined to provide value for money and are modes relative to other housing in the community. Refer to Program Guidelines for more information.

6) For Capital Rental Housing Funding, is there a minimum number of units per project that will be considered for funding? If so, what is it?

No.

7) Can I apply for the 25% contribution required for OPHI Capital Rental Housing Funding through a financial institution or another lender?

Yes, you can provide your 25% contribution into the development by either a cash contribution or in the form of a loan. Should you have a cash equity contribution, a motion from your Board of Directors must accompany your application which will include the total cash contribution your organization will make to cover the 25% contribution. Should you access a loan to cover the 25% contribution required, a letter from the financial institution must accompany your application that includes the total amount approved by the financial institution and must be a minimum of 25% of total development cost.

8) If our Capital Rental Housing Funding proposal is comprised of scattered acquisitions/developments, how do we account for differences in purchase prices and renovation costs?

Acquisition of rental buildings and where required, rehabilitation of developments that are in danger of being lost to the rental housing stock are eligible under this program. You may also submit a proposal to convert non-residential buildings or units to purpose-built rental buildings/units. If you are preparing an acquisition/rehabilitation proposal, then it is expected that your submission will be based on an average. Yes, some units will require more work than others – if approved, it will depend on what is available in the market, but the project would still be constrained by the approved amount.

9) Are pre-development funds available for capital projects?

No. Pre-development funds are not available for OPHI. The Canadian Mortgage and Housing Corporation (CMHC) Affordable Housing Centre offers two initiatives to help with proposal development: Seed Funding Program and Proposal Development Funding (PDF). For more information on program guidelines and application forms, please see the attached links:

http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/afhoce_001.cfm
http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/afhoce_002.cfm

10) Is HST an eligible expense for Capital Development?

No. The OPHI Capital Rental Housing component will fund up to 75% of the pro-rated shared of the capital costs of the affordable units. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates.

11) Our capital project plans are very preliminary – how do we complete some of the detailed sections of the proposal?

Approval will be based on construction readiness and ability to meet the program’s eligibility criteria. It is essential that all sections are completed in full, and you can demonstrate that your development will be ready to start construction or renovation within 120 days of signing a Partnership Agreement.

12) Do we need to own property to apply?

No, you don’t have to own property to apply. You must provide an executed Agreement of Purchase and Sale as part of your proposal to show you do have an option to purchase land or a building in need of renovation. If you do own land, you must provide a copy of the registered Charge proving ownership of the property you wish to build on.

13) How will Capital Rental Housing Funding be released?

Capital Rental Housing Funding will be provided using a payment process based on milestone payments.

- A 50% Milestone payment will be made upon confirmation of registration of security, a signed partnership agreement between OAHS and the Service Provider, and a construction agreement that contains a development schedule and payment schedule.
- A 40% Milestone payment will be made after confirmation of 100% completion of structural framing for new construction or 50% completion for acquisition and rehabilitation projects. Receipts of spending may be requested
- A final 10% Milestone will be paid after confirmation of occupancy, submission of an Initial Occupancy Report including an updated capital cost statement in a form acceptable by the MMAH. Receipts of spending may be required

14) Section 8 of Schedule 3 asked about the use of energy efficient features in building design and technology. Is it required that we incorporate this technology to make our project eligible?

One of the objectives of OPHI is to deliver a housing program that is designed with the goal of long- term sustainability, including the provision of units that are high quality, energy efficient and low maintenance, using materials that are highly durable and resilient in the construction of the housing. It is not mandatory that you incorporate these suggestions to make your project eligible, however, green and energy efficient technology will be prioritized.

15) Are Administration fees an eligible submission for Capital Development budgets?

No. Administration fees are not eligible expenses.

16) Are there any fees associated with the funding that we should be aware of?

Yes, your funding is subject to OAHS Titles fees. These would be debited from your milestone payments prior to depositing your funds to your lawyers trust account. There would be a minimum \$1150 fee for new developments and a minimum of \$875 for acquisitions/rehabilitations. A statement of expenses would be signed by your organization and OAHS, prior to any payments being made.

17) How do I determine the maximum rent for our units?

A copy of the current Average Market Rents (AMR) allowed for Ontario are provided with your proposal package. Rents cannot exceed 80% of AMR and rent must be considered “affordable” for a period of 20 years. OAHS will request annual occupancy reporting to ensure developments funded with OPHI are being maintained as affordable for the duration of the funding period. If AMR seems to be low, please contact OAHS directly for more information.

18) What are the review and approval timelines?

RFP Release	Tuesday October 22 2024
RFP Closing	Friday December 6 2024
Independent Proposal Review Committee Meeting	TBD
OAHS Board Meeting	TBD
MMAH Review	TBD

19) Will I be notified of the RFP outcome?

A. Yes. All Service Providers will be notified subsequent to approval by the OAHS Board of Directors and MMAH.

20) How should we submit our proposal?

Please submit an electronic copy via email to ophi@oahssc.ca

21) Who should we contact if we have questions?

You can email us at ophi@oahssc.ca