



**Purchasing and Risk Management Services
74 Woolwich Street, Guelph ON N1H 3T9**

Project Number CW2018-045

Expression of Interest - Development of Affordable Rental Housing

Closing Date: Thursday November 1, 2018

Closing Time: 2:00:59 p.m.

ELECTRONIC BID SUBMISSIONS shall be received by the Bidding System, no later than 2:00:59 p.m. on **Thursday November 1, 2018.**

Expression of Interest for the Development of Affordable Rental Housing as specified.

Questions related to this tender may be submitted via the Bidding System using the **Submit a Question** feature.

Proponents are cautioned that the timing of their Proposal Submission is based on when the Bid is **RECEIVED** by the Bidding System, **not** when a Bid is submitted by a Proponent, as Bid transmission can be delayed in an ***"Internet Traffic Jam"*** due to file transfer size, transmission speed, etc.

For the above reasons, the Owner recommends that Proponents allow sufficient time to upload their Proposal Submission and attachment(s) (if applicable) and to resolve any issues that may arise. The closing time and date shall be determined by the Owner's Bidding System web clock.

The Bidding System will send a confirmation email to the Proponent advising that their bid was submitted successfully.

Late Proposals shall not be accepted by the Owner's Bidding System.

To ensure receipt of the latest information and updates via email regarding this bid or If a Proponent has obtained this Proposal Document from a third party, the onus is on the Proponent to create a Bidding System Vendor account and register as a Plan Taker for the bid opportunity at the at www.bidsandtenders.ca. Note- Those agencies who require a one-time subscription to Bids and Tenders (\$45.00) in order to submit a proposal, will be reimbursed by the County of Wellington.

BACKGROUND/OVERVIEW

PURPOSE

To support non-profit and private sector parties in developing successful affordable rental housing proposals for future funding opportunities made available through a Request for Proposal process (“RFP”) within the County of Wellington and the City of Guelph (“ the Service Manager area”) by allowing the Service Manager to provide feedback towards strengthening proposals to be submitted in any future RFP process.

INTRODUCTION

In anticipation of future federal and provincial funding opportunities, the County is requesting for an Expression of Interest (“EOI”) for affordable rental housing development in the Service Manager area from non-profit and private sector parties wishing to create affordable rental housing within the Service Manager area. The County would like to hear respondent’s ideas, concepts or specific responses to create new affordable housing for low and moderate income households and provide feedback on how to strengthen future submissions in an RFP.

The County will review all submissions to gauge the amount of interest and community capacity in the development of affordable rental housing. The County will provide feedback and prepare groups for future funding opportunities. An RFP will be called for when the County is ready to consider funding and will require more details including a capital and operating budget for each project.

The County reserves the right to take no further action on this call for Expression of Interest and this EOI does not indicate that an RFP will follow.

ELIGIBILITY

(Please note: The actual eligibility criteria for future funding opportunities is subject to change and may differ from the criteria described below.)

Eligible Projects

- 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

Projects which are not eligible:

- owner-occupied housing and secondary suites in owner-occupied housing
- nursing and retirement homes
- social housing projects/units that receive ongoing federal and/or provincial subsidies (e.g. demolition and replacement of existing social housing units)
- shelters and crisis care facilities
- student residences

PROPOSAL READY START REQUIREMENTS

Only proposals that meet the ready start requirements as outlined below will be reviewed by the evaluation team during future funding opportunities. For the purposes of this EOI, feedback will be provided to groups that do not currently meet the ready start requirements in an attempt to strengthen any proposals to be submitted in an RFP and improve the quality of future submissions.

Ready Start Requirements:

- short time frames to start construction are strongly preferred;
- Evidence of land ownership;
- Evidence of site plan, zoning and servicing approvals, and building permit (including completion of all LPAT hearings and planning and zoning processes);
- The project meets the affordability requirements;
- Financial viability has been proven as confirmed by the Service Manager (for capital and operating);
- Meet Planning and Design requirements, and must be reasonable in size for self-contained units;
- Proponents must demonstrate the capacity and financial capability to undertake the proposed development, and must be able to sustain this project over the term of the agreement.

SERVICE MANAGER PREFERENCES

As there are typically limited funds available for new rental development, the County may give preference to experienced respondents that can deliver units within required timeframes.

Other Service Manager preferences include submissions that:

- address needs identified in “A Place to Call Home, A 10-year Housing and Homelessness Plan for Guelph Wellington”. The plan is included as Attachment B.
- have a site with required zoning in place and have short time frames to start construction;
- propose small to mid-sized projects;
- ensure the employment of apprentices in the residential housing sector;
- have rents below the stated maximum monthly rate and/or that include some or all utilities in the monthly rent;
- require less than \$150,000 per unit in capital funding;
- incorporate energy efficiency measures, positive design, and barrier free or visit able features that exceed minimum building requirements;
- commit to affordability for longer than 20 years; and
- incorporate best practices, as noted in the “Affordable Rental Housing Development Resource Guide”. The guide is included as Attachment D.

PROJECT EVALUATION

EOI Proposals will be reviewed by an evaluation team. During future rounds of funding pursuant to an RFP, the evaluation team will be responsible for reviewing RFP submissions and recommending successful proponents to the Service Manager, with County Council making the final decision. The evaluation criteria for an RFP will be based on the following:

EVALUATION CRITERIA	MAXIMUM POINTS
Business Plan & Financial Viability	30
Proponent Qualifications & Partnerships	20
Development Plan/Design & Target Groups	20
Milestones & Ready Start Status of proposal	30
Maximum Points	100

The Service Manager will review all projects submitted to them on an RFP and select projects that are financially viable and meet all the programme requirements for funding.

The Service Manager recommended proposal(s) may require the following approvals, including:

- County of Wellington proposal approval if located in County of Wellington area, including any local incentives to the proposal;
- City of Guelph proposal approval if located in the City of Guelph area, including any local incentives to the proposal, and approval for an indemnity agreement between the City of Guelph and the County of Wellington;
- Social Services Committee & County Council Approvals;
- Provincial Conditional Letter of Commitment;
- Assigned Service Manager Contribution Agreement

FEEDBACK

The County will review all EOI submissions received with the intent of providing feedback and preparing groups for future funding opportunities through an RFP. Through this EOI process, the County will take steps to engage with respondents to review the proposal submitted, highlight project strengths, identify areas of improvement with regards to the programme evaluation criteria and provide suggestions to assist in building a successful proposal for future funding opportunities through an RFP.

DEVELOPMENT CRITERIA

(Please note: The actual development criteria for future funding opportunities is subject to change and may differ from the criteria described below.)

NEW RENTAL HOUSING REQUIREMENTS

1. Equity Contributions

The following requirements apply to projects approved under the Rental Housing Component:

- minimum 10% equity must be provided for projects sponsored by private proponents
- minimum 4% 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 programme

Please note that private lenders may have additional equity requirements.

2. Building and Units

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

Units are expected to be self-contained, although special consideration may be given to congregate living for supportive housing.

The following provincial average size requirements will be used for new construction apartments:

Type of Unit	Minimum Size
Bachelor	41.8 square metres (450 square feet)
One bedroom	60.4 square metres (650 square feet)
Two bedroom	79.0 square metres (850 square feet)
Three bedroom	92.9 square metres (1000 square feet)

While the rental housing can be for a range of unit sizes, it should be noted that the greatest need on the County's centralized waiting list is for one bedroom units.

Apartment buildings being proposed in excess of one floor must include accessibility to additional floors i.e. include an elevator.

Construction should incorporate energy efficiency measures and barrier free features for persons with disabilities.

As of January 1, 2011 it is mandatory that suite meters be installed in all new social and affordable housing in Ontario. However, the decision to bill tenants directly as a result of suite metering will be at the discretion of the landlord.

3. Rents and Occupancy

New affordable rental housing units must remain affordable for a minimum 20 years. Affordability is defined as having rents at or below 80% of the CMHC Average Market Rent at the time of occupancy.

To ensure that any Affordable Rental Housing units are made available to low to moderate income households, gross tenant household incomes will be established by the County of Wellington under the Municipal Facility By-Law and/or the Service Manager Contribution Agreement.

The average monthly rents for apartments should be no greater than the following amounts (January 2017 rates):

Type of Unit	2018 Average Market Rent	Maximum Monthly Rent (80%)
Bachelor	\$966	\$773
One bedroom	\$966	\$773
Two bedroom	\$1111	\$889
Three bedroom	\$1193	\$954

Rent subsidies may be available through the County of Wellington to provide deeper affordability for low-income tenants. The additional allocation of rental subsidies would need to be negotiated and agreed upon with County of Wellington staff separately from this proposal. However, identifying a desired number of subsidized units in this proposal would be extremely useful information during project consideration.

FUNDING DELIVERY

CAPITAL FUNDING COMPONENT

The Rental Housing component of past funding programmes have funded up to 75% of the total capital cost per unit of affordable housing or \$150,000 per unit of affordable housing, whichever is less. Total capital costs include land, financing, hard costs (construction) and soft costs less any HST rebates. An example is provided below:

Example: 10 unit project

Total Capital Cost = \$1,800,000

Total Capital Cost per unit = $\$1,800,000 \div 10 = \$180,000$

Funding per unit is the lesser of:

(a) 75% of \$180,000 = \$135,000 or

(b) \$150,000

County's maximum capital funding per unit will be \$135,000

County's total maximum funding for the project will be \$1,350,000

Proponent's Capital Cost per unit = \$45,000

Proponent's Total Capital Costs = \$450,000

Projects may include both affordable and market units, but only units with rents that meet affordability requirements may be eligible for funding.

Funding is normally in the form of a long term forgivable capital loan with security being registered against the property. The housing created must remain affordable for at least 20 years before the loan is forgiven. Preference may be given to proposals that indicate rents will remain affordable for more than 20 years.

Funding has traditionally been advanced during the development and construction phase of the project in three installments, assuming all required documentation has been received by the County of Wellington in a timeframe and manner as prescribed in the Contribution Agreement:

- **50% after signing of the Contribution Agreement*** between the proponent and the County of Wellington, registration of security, 1st available building permit and confirmation of construction start provided by the proponent in a manner identified by the County of Wellington.
- **40% at completion of structural framing*** for new construction or fifty percent completion for acquisition and rehabilitation projects
- **10% at confirmation of occupancy*** submission of an initial occupancy report and confirmation of Employment of Apprentices Report and submission of an updated capital cost statement in a form acceptable to the ministry

SUBMISSION REQUIREMENTS

EXPRESSION OF INTEREST – REQUIRED CONTENTS

Expressions of interest must be no longer than 12 pages (excluding support documents which can be included in appendices of **Attachment A: Project Information Form**, which is a required attachment to the proposal) and may include the following information:

A scanned copy of the Expression of Interest document must be uploaded in the e-bidding system document upload area labelled ***“Expression of Interest submission”***

- Name of the respondent and the key contact information - phone number, fax number, mailing and e-mail addresses;
- The respondent's experience in developing and managing affordable rental housing including examples;
- Three professional references for past projects. They must include name, position, organization, and telephone number;
- Description of the professional team: financial, legal, architect, etc.
- Location/address of the proposed site, if known;
- Information related to zoning of the site, including any information needed for rezoning/minor variances, if available;
- The environmental status of the land. Include a copy of a Phase 1 Environmental Assessment, if completed;
- Initiatives/activities to promote and/or support the use of apprentices during construction, if applicable;
- Number, type and size of units offered by the proponent;
- Proposed rents and whether utilities are likely to be included;
- A preliminary capital budget and, if applicable, an operating budget;
- Mortgage financing details (if known); and
- Completed Attachment A: Project Information Form as a proposal summary. (Any inconsistencies between information provided in the full proposal and the Project Information Form will be considered incomplete and the information will not be used in any future considerations)

ADMINISTRATIVE ISSUES REGARDING THE EOI

The County is not liable for any costs incurred by respondents in the preparation of a response to this call for an EOI.

The County shall not be responsible for any liabilities, costs, expenses, loss or damage occurred, sustained or suffered by any respondent, prior to, or subsequent to, the submission of an EOI to the County.

The County reserves the right to request respondents to clarify any information related to the EOI.

The County reserves the right to take no further action on an EOI.

The County reserves the right to issue a subsequent call for a Request for Proposal.

The County reserves the right to share with City of Guelph staff, any affordable rental housing proposal submitted in response to this EOI, which shows intent to develop a project within the City of Guelph.

The information submitted in response to this EOI will be treated in accordance with the relevant provisions of the Municipal Freedom of Information and Protection of Privacy Act.

SUBMISSION AND REVIEW PROCESS

Submitted Expressions of Interest will be evaluated by a review team consisting of County of Wellington staff. The County will take steps to engage with respondents to review the proposal submitted, highlight project strengths, identify areas of improvement with regards to the programme evaluation criteria and provide suggestions to assist in building a successful proposal for future funding opportunities.

The County of Wellington in its capacity as Service Manager reserves the right to take no further action in response to this request for Expressions of Interest including not calling for an RFP.

ATTACHED DOCUMENTS

The following documents are intended as a resource for respondents interested in developing an EOI for consideration. They outline core requirements, community goals, programme guidelines and provide practical information regarding the affordable housing development process.

- **Attachment A: Project Information Form ***Required Attachment to Proposal*****
The project information form is an excel spreadsheet that breaks down some of the key points to a respondent's EOI. This document will need to be completed and attached to the respondent's affordable rental housing EOI .

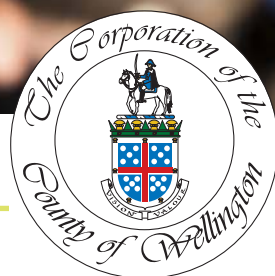
A scanned copy of this attachment must be uploaded in the e-bidding system document upload area labelled ***"Attachment A – Project Information Form"***

- **Attachment B: A Place to Call Home: A 10-year Housing and Homelessness Plan for Guelph Wellington (HHP)**
This document was released in 2014 and established our community's goals and targets for developing appropriate, safe and affordable housing in Guelph Wellington. The goals and targets identified in the HHP will help to inform the decision making process when awarding any future allocations of capital funding to a project.
- **Attachment C: Social Infrastructure Fund (2016 SIF) Programme Guidelines**
The 2016 SIF Programme Guidelines have been attached to this Expression of Interest for the respondent's review and consideration while developing their EOI . These are the last funding guidelines developed for the delivery of this type of funding. Any future funding may have similar rules for respondents to follow. Pages 14 to 21 specifically reference the rules pertaining to the Rental Housing component of the programme.
- **Attachment D: Affordable Rental Housing Development Resource Guide**
This document was released in 2017 and is made available by the County of Wellington as a resource to individuals and groups wanting to develop, build and operate affordable rental housing. Included in this guide are practical considerations that highlight specific topic areas and the development process more fully.

A Place to Call Home



A 10-year Housing and Homelessness Plan for Guelph Wellington





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This paper presents a **10-year Housing and Homelessness Plan (HHP) for Guelph Wellington**. This strategy has been developed in accordance with the Housing Services Act, 2011 and the Ontario Housing Policy Statement, 2011.

The HHP builds on the work of the County of Wellington's first Affordable Housing Strategy, which was released in 2005. The process for updating the strategy occurred in three phases:

- a) Need and Demand Study completed by the County (October 2012)
- b) Research and Consultations facilitated by JPMC Services Inc. See Discussion Paper (February 2013) for results.
- c) Strategy Development, also prepared by JPMC Services Inc.

Throughout each phase, hundreds of individuals and organizations were engaged through a variety of public meetings, interviews, targeted focus groups, and surveys.

This report presents the results of Phase 3. It outlines eight goals and 38 actions, which provide a roadmap for achieving the desired vision:

“Everyone in Guelph Wellington can find and maintain an appropriate, safe and affordable place to call home.”

Goals:

1. To help low-income households close the gap between their incomes and housing expenses
2. To provide a range of supports to assist people at risk of homelessness to remain housed
3. To offer a comprehensive range of supportive housing options for residents with complex needs due to aging, disabilities, mental health issues and addictions
4. To increase the supply and mix of affordable housing options for low- to moderate-income households
5. To reduce the length of time and number of people that experience homelessness
6. To promote practices that make the housing and homelessness support system more accessible and welcoming
7. To preserve the existing social and affordable rental housing stock
8. To seize opportunities to turn research knowledge into action

The number of goals and actions demonstrates the breadth and complexity of issues relating to affordable housing and homelessness, and the need for a multi-pronged solution. Increasing the supply of affordable housing alone will not fully address the issues and needs facing the housing and homelessness support system in Guelph Wellington. And while the number of issues to be addressed may seem daunting, the intention behind the HHP is to tackle the issues piece-by-piece and from multiple directions over an extended period of time.

The plan includes examples for each of the actions, and performance measures by which progress towards the goals can be assessed. The list of examples is not intended to be exhaustive, but rather to highlight best practices and models that could be adapted to the local context. It should be noted that, in many cases, the ability to set specific targets or achieve certain goals is highly dependent upon the availability of funding from other levels of government or community partners. As funding becomes available, more specific targets and implementation plans will be developed. These detailed implementation strategies will take into account different approaches required to address the various urban and rural communities of Guelph Wellington.

As the CMSM for Guelph Wellington, the County has an important leadership role related to system planning, coordination of services and the development of partnerships in the area of housing and homelessness. The HHP is a starting point for the community; it identifies needs and gaps across Guelph Wellington and proposes a range of strategies to achieve the community vision of ensuring that everyone has a place to call home. As a community, continued success will depend upon strong and trusting partnerships. The County will work to develop the goals and actions of the HHP into more detailed implementation plans in close cooperation with all community partners. This collaborative approach to meeting housing challenges will cultivate innovative solutions and will allow the County to maximize the available resources and assets of everyone.

LIST OF ABBREVIATIONS



AMO	Association of Municipalities of Ontario
CCAC	Community Care Access Centre
CMHA	Canadian Mental Health Association Waterloo Wellington Dufferin
CMHC	Canada Mortgage and Housing Corporation
CMSM	Consolidated Municipal Service Manager
CRC	Community Resource Centre of North and Centre Wellington
FCM	Federation of Canadian Municipalities
FRPO	Federation of Rental-Housing Providers of Ontario
HHP	Housing and Homelessness Plan
HPS	Homelessness Partnering Strategy
IAH	Investment in Affordable Housing for Ontario Program
LTAHS	Long Term Affordable Housing Strategy
MHCC	Mental Health Commission of Canada
MMAH	Ministry of Municipal Affairs and Housing
MOHLTC	Ministry of Health and Long Term Care
OCISO	Ottawa Community Immigrant Services Organization
ODSP	Ontario Disability Support Program
OMSSA	Ontario Municipal Social Services Association
OPA	Ontario Power Authority
OW	Ontario Works
PTF	Guelph & Wellington Task Force for Poverty Elimination
ROMA	Rural Ontario Municipal Association
UofG	University of Guelph
WWLHIN	Waterloo Wellington Local Health Integration Network



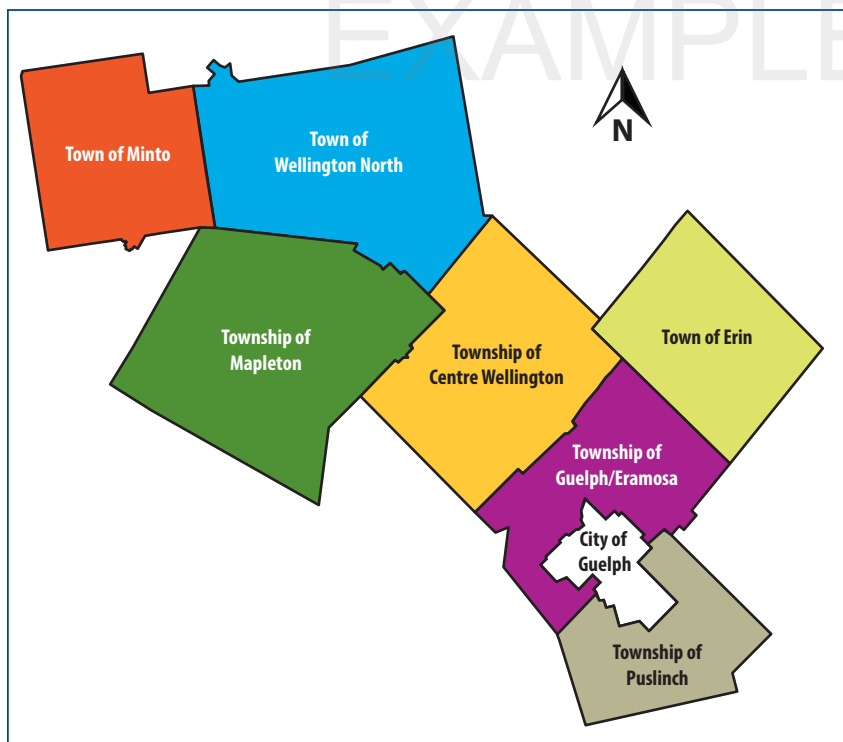
This paper presents a **10-year Housing and Homelessness Plan (HHP) for Guelph Wellington**.

This strategy has been developed in accordance with the Housing Services Act, 2011 and the Ontario Housing Policy Statement, 2011.

Under the Act, and as part of its role as the Consolidated Municipal Service Manager (CMSM) for housing and homelessness, the County of Wellington (the "County") is responsible for developing, approving and overseeing the implementation of a 10-year strategy that:

- "Demonstrates a system of coordinated housing and homelessness services to assist families and individuals to move toward a level of self-sufficiency;
- Includes services, supported by housing and homelessness research and forecasts, that are designed to improve outcomes for individuals and families;
- Is coordinated and integrated with all municipalities in the service area;
- Contains strategies to increase awareness of, and improve access to, affordable and safe housing that is linked to supports, homelessness prevention and social programmes and services;
- Contains strategies to identify and reduce gaps in programmes, services and supports and focus on achieving positive outcomes for individuals and families;
- Contains local housing policies and short and long-term housing targets;
- Provides for public consultation, progress measurement, and reporting."¹

Figure 1



The Province has identified the County of Wellington as the CMSM for the geographic area that includes the County of Wellington and the City of Guelph. The City of Guelph is a separated municipality, and the County of Wellington is comprised of seven lower tier municipalities: Minto, Wellington North, Mapleton, Centre Wellington, Erin, Guelph/Eramosa and Puslinch. In this report, this geographic service area is referred to as "Guelph Wellington".

¹ MMAH (2012). Ontario Housing Policy Statement, page 3.



Housing and homelessness are complex issues, involving shared accountabilities among all levels of government, the private sector, the non-profit sector, as well as community residents. Strong partnerships and collaborations with the Province, the County and its seven member municipalities, the City of Guelph, and other community stakeholders will be essential to ensuring the successful implementation of this plan.

Figure 2²



² Figure 1 is adapted from Bruce County's Long Term Housing Strategy, 2010 - 2020



This HHP builds on the work of the County's first **Affordable Housing Strategy**, which was released in 2005. This new plan takes into account the progress, consultations, and research that have transpired since the first strategy was released.

The process for developing this HHP has been participatory, and has greatly benefited from the input of hundreds of community members who have shared their experiences of housing and homelessness, and their hopes for the future. Key among these voices was the input of 12 members of a Community Reference Group, which met regularly to provide community input, guidance and advice to the HHP project (see Acknowledgements). The strategic planning process itself occurred in three phases:

- 1. Need and Demand Study** - The purpose of the first step was to gain a better understanding of the current and anticipated future demand for housing in Guelph Wellington. A summary of the findings from this analysis can be found in the Need and Demand Study completed by the County (October 2012). This report highlights key trends in the demographic make-up of the community, the availability of and demand for social and affordable housing, as well as usage of local homeless shelters and eviction prevention services.
- 2. Research and Consultations** - The focus of phase two was on obtaining community input from individuals with lived experiences (i.e. homeless, social housing tenants, living in poverty, etc.), as well as community service providers, volunteers, landlords and developers, government representatives (both staff and elected officials), and other interested citizens. All told, about 210 individuals participated in a range of interviews, focus groups and town hall meetings, which took place between October 2012 and January 2013. The results of these discussions, as well as the findings of a review of promising practices related to housing and homelessness, were released in a Discussion Paper (February 2013). In addition, a detailed Inventory of existing affordable housing options in Guelph Wellington that are funded by the federal, provincial and/or municipal governments has been compiled.
- 3. Strategy Development** - The final phase of the process involved articulating the vision and goals/actions that will guide housing and homelessness planning over the next 10 years. To begin with, 272 community members responded to a validation survey, providing feedback on the draft vision statement and strategic priorities outlined in the Discussion Paper. Another 23 individuals participated in three facilitated sessions where specific goals and actions were explored.

This report presents the results of Phase 3. It contains an overarching vision statement, eight goals and 38 actions to address the issues, needs and gaps in the housing and homelessness system in Guelph Wellington, as well as a series of targets and performance measures by which progress towards the goals will be assessed.



Artwork: Wayne Forest

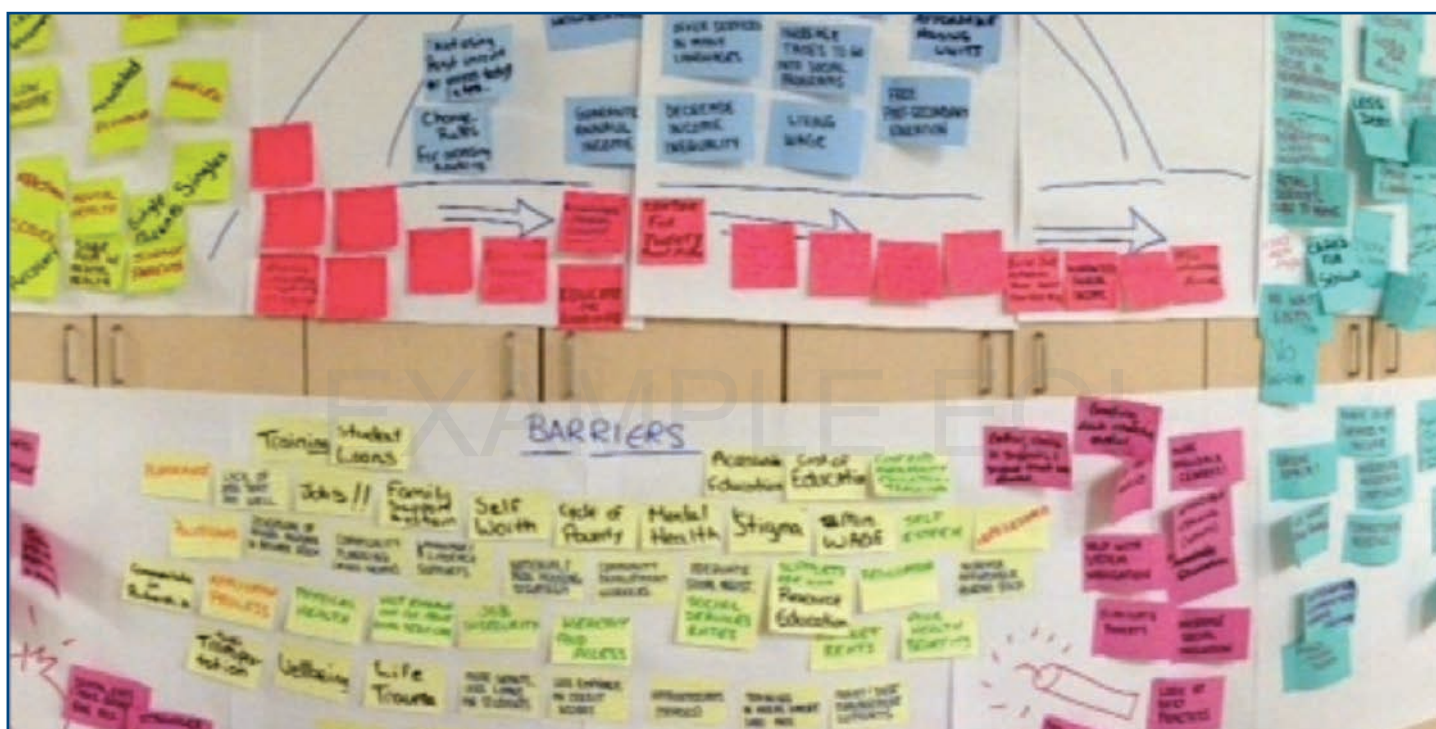


Wall of art, Welcome In Drop-in Centre, downtown Guelph



“Everyone in Guelph Wellington can find and maintain an appropriate, safe and affordable place to call home.”

The above vision statement was developed based on feedback from 272 community stakeholders to a validation survey, and then tested with members of the Community Reference Group. It reflects the community’s desire for a vision that is simple, bold and direct. It is intended to be inclusive of all population groups and housing options along the continuum, and to provide a sense of welcoming and warmth. It recognizes that not only is it important for people to be able to find suitable housing, but that they must also be able to keep their housing long-term, with or without supports.



HHP Consultation with the Community Voices of the Poverty Task Force (October 18, 2012).



The **Discussion Paper** details numerous housing and homelessness challenges facing Guelph Wellington. These issues were grouped into six themes for discussion purposes: preventing and eliminating homelessness; supportive housing and housing with supports; income and affordability; housing supply; system navigation; and research, monitoring, and evaluation. Based on community feedback, these themes have been further refined into eight strategic goals and 38 actions, which provide a roadmap for achieving the desired vision: “Everyone in Guelph Wellington can find and maintain an appropriate, safe and affordable place to call home.”

The number of proposed goals/actions demonstrates the breadth and complexity of issues relating to affordable housing and homelessness, and the need for a multi-pronged solution. Increasing the supply of social housing alone is insufficient to improve access to affordable and sustainable housing. And while the number of issues to be addressed may seem daunting, the intention behind the HHP is to tackle the issues piece-by-piece and from multiple directions over an extended period of time.

The following are definitions of the strategic planning terms used in the HHP:

- **Vision** - the desired future state
- **Goals** - the result we are trying to achieve
- **Actions** - what we will do to achieve the goal
- **Targets** - how we will know if we have been successful
- **Measures of Success** - the indicators we will use to measure

Setting and Quantifying Targets

The Housing Services Act, 2011 requires that HHPs contain short and long-term housing targets. These measurements will ultimately allow Service Managers and communities to demonstrate the extent to which each initiative is meeting its desired impact.

In developing this HHP, there was significant discussion about setting and quantifying more specific targets. One option explored was setting targets in accordance with community needs, for example:

Community Need	Ultimate Target
• On average, 108 individuals access the emergency shelters in Guelph per night (2012)	• Zero “absolute” homelessness
• 1,300 households are on the centralized waiting list for social housing in Guelph Wellington (Dec 2012)	• Creation of new permanent social housing and/or rent supplement units to fully meet the demand of the waiting list
• 12.2% of all households in Guelph and 7.2% in Wellington are living in core housing need (2006)	• 100% reduction in the proportion of households living in “core housing need”

It is recognized that ideal targets should be: specific, measurable, assignable, realistic and time-related. The challenge with basing targets on community need is that they do not follow the “SMART” principle; in so much as achievability is highly dependent upon a range of socio-economic factors that extend well beyond the scope and control of the Service Manager and in many cases local communities (i.e. population growth, economic conditions, housing starts, vacancy rates, etc.). In addition, the ability to meet specific housing targets is highly dependent upon the availability of funding from other levels of government, which, at the time of writing this plan, is not fully known.

Furthermore, it is recognized that the development of housing indicators and measures is a new and evolving area. The Province is currently working with Service Managers to develop a set of common indicators to be used province-wide in the future. Once developed, the County will work with community partners to apply these indicators and measures locally.

As an important first step, a number of short and long-term target areas have been identified for this HHP. As more information becomes available related to programme targets and funding from federal and provincial governments, more measurable targets and implementation plans will be developed in consultation with community partners. These detailed implementation plans will take into account the different approaches required to address the various urban and rural communities of Guelph Wellington.

Summary of Goals and Targets

Listed on the following page is a summary of the goals and targets for Guelph Wellington's HHP. The criteria used in selecting and prioritizing these goals and targets were as follows:

- Mentioned often throughout consultations
- Supported by Guelph Wellington data
- Supported by best practice research
- Strategic value (ability to leverage something else)
- Achievability
- Affordability

More details, including rationales, examples, and potential indicators that can be used to measure progress are provided in the following pages. The list of examples is not intended to be exhaustive, but rather to highlight best practices and models that could be adapted to the local context.



Artwork: Wayne Forest



1. To **help low-income households close the gap** between their incomes and housing expenses
2. To provide **a range of supports** to assist people at risk of homelessness to remain housed
3. To **offer a comprehensive range of supportive housing options** for residents with complex needs due to aging, disabilities, mental health issues and addictions
4. To **increase the supply and mix of affordable housing options** for low- to moderate-income households
5. To **reduce** the length of time and number of people that experience **homelessness**
6. To promote practices that make the housing and homelessness support system **more accessible and welcoming**
7. To **preserve** the existing social and affordable rental **housing stock**
8. To **seize opportunities** to turn research knowledge into action



Short-term Targets (2014-2017)



- Additional allocations for rent supplements or housing allowances
- Increase in the availability of housing outreach/support services
- Shift in funding from emergency shelter beds to eviction prevention and outreach/support programmes and services
- New funding leveraged and partnerships established to increase the supply and mix of affordable housing options for low-income residents

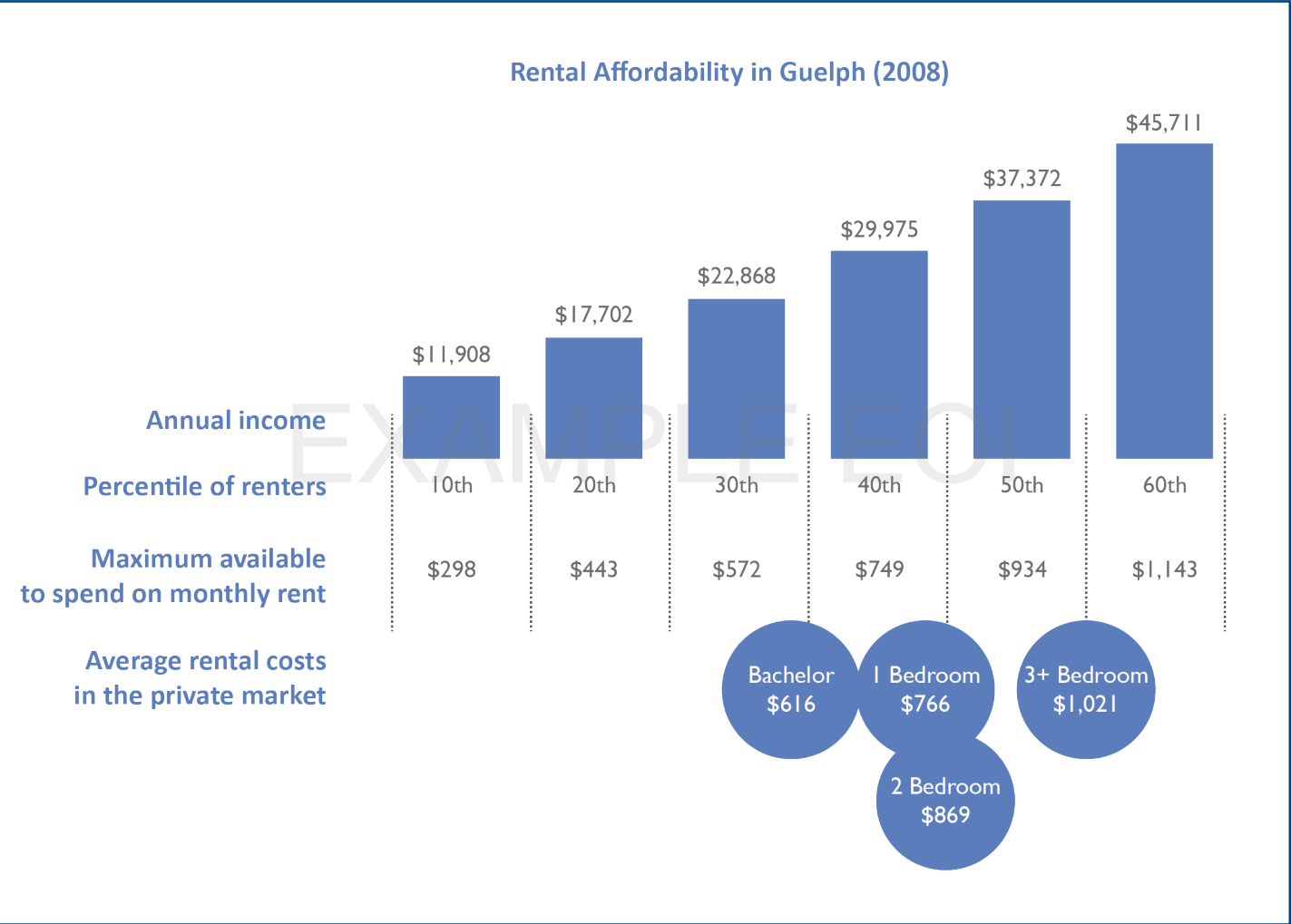
Long-term Targets (by 2024)

- Reduction in the proportion of Guelph Wellington's population who are homeless
- Increase in the number, proportion and availability of affordable housing units across Guelph Wellington
- Reduction in the proportion of the population on the centralized waiting list
- Reduction in the proportion of households in Guelph Wellington living in "core housing need"

GOAL #1: To help low-income households close the gap between their incomes and housing expenses

One of the root causes of homelessness and housing affordability problems is low income. It's simple math – people need a living wage in order to maintain their housing and pay for other necessities of daily life. The most common causes of housing affordability mentioned during this study were low paying jobs, inadequate social assistance rates, and the expense of raising children as a lone parent. Good employment opportunities, particularly for people with limited education and/or disabilities, are scarce, and temporary jobs, although more plentiful, typically lack sufficient wages and/or benefits. Furthermore, many of the existing social policies and financial programmes intended to assist people living in poverty are inadequate, and some of these financial aids are currently only available to OW/ODSP recipients.

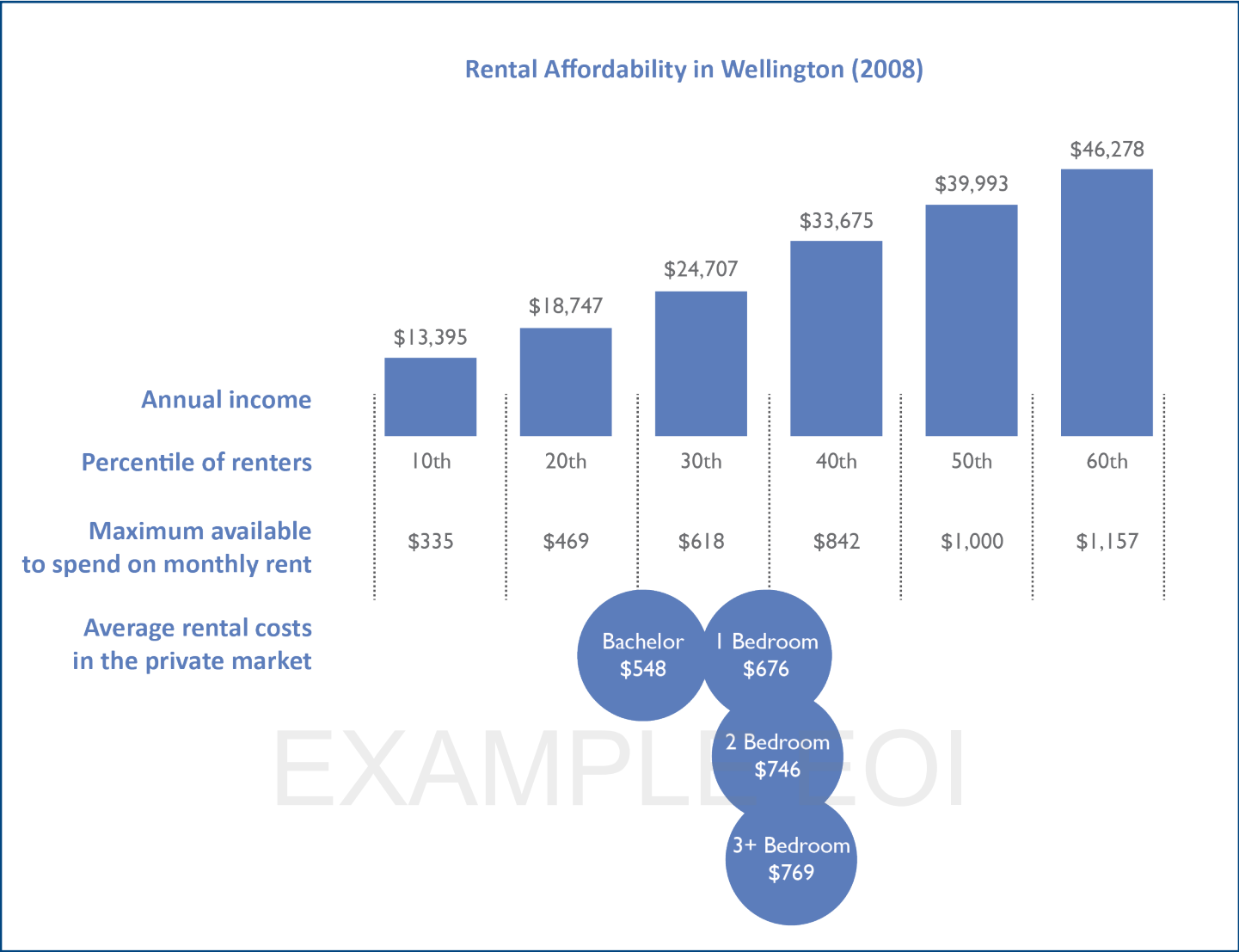
Figure 3³



³ Data notes for Figures 3 and 4

- Income source: Statistics Canada, 2006 Custom Order, 2005 income percentiles have been inflated by Ontario Consumer Price Index of 6% to the 2008 level
- Maximum available to spend on monthly rent = 30% of gross income
- Average market rent source: County of Wellington, Housing Services, Average Market Rent Survey, 2009

Figure 4⁴



Social (RGI) housing is intended for households at or below the 30th income percentile, while affordable housing (rental or ownership) is generally for households earning between the 30th to 60th income percentiles. Given the long waiting list for social housing in Guelph Wellington⁴, many households at or below the 30th income percentile - \$22,268 in Guelph and \$24,707 in Wellington - are forced to turn to the private market for accommodation. As illustrated in Figures 3 and 4 above, there are limited affordable rental housing options for low-income households in Guelph Wellington.

This goal and the four actions outlined in the table below are intended to help alleviate the gap between income and housing affordability, beginning with the need for more “housing benefits” – monthly allowances that help low-income tenants close the gap between their incomes and the cost of rent. Where feasible, these benefits should be portable and tied to individuals (not units).

⁴ As of December 2012, there were 1,294 households on the centralized waiting list. Average wait times vary from two to nine years, depending on household size and location.

Actions	Examples ⁵	Measures of Success
1.1 Expand the existing rent subsidy programmes that help reduce the rents of low-income tenants to an affordable level	<ul style="list-style-type: none"> County's Rent Supplement and Housing Allowance programmes 	<ul style="list-style-type: none"> Increase in the number of rent subsidies allocated
1.2 Continue to support advocacy efforts to upper levels of government for improvements to the income security system	<ul style="list-style-type: none"> Municipal advocacy work in collaboration with the PTF, AMO, FCM, OMSSA, ROMA, and other associations that allow local political leaders to advocate to upper levels of government 	<ul style="list-style-type: none"> Improvements to the income security system
1.3 Explore options to assist people with arrears/credit issues to access housing	<ul style="list-style-type: none"> Landlords willing to accept monthly payments toward last month's rent 	<ul style="list-style-type: none"> Extent to which options meet an identified need
1.4 Continue to work with local utility corporations to reduce the burden of rising utility costs on low-income tenants and homeowners	<ul style="list-style-type: none"> OPA's saveONenergy Home Assistance Programme Collaborations between Centre Wellington Hydro and CRC 	<ul style="list-style-type: none"> Increased uptake in community energy programs Decreased usage of local utility banks



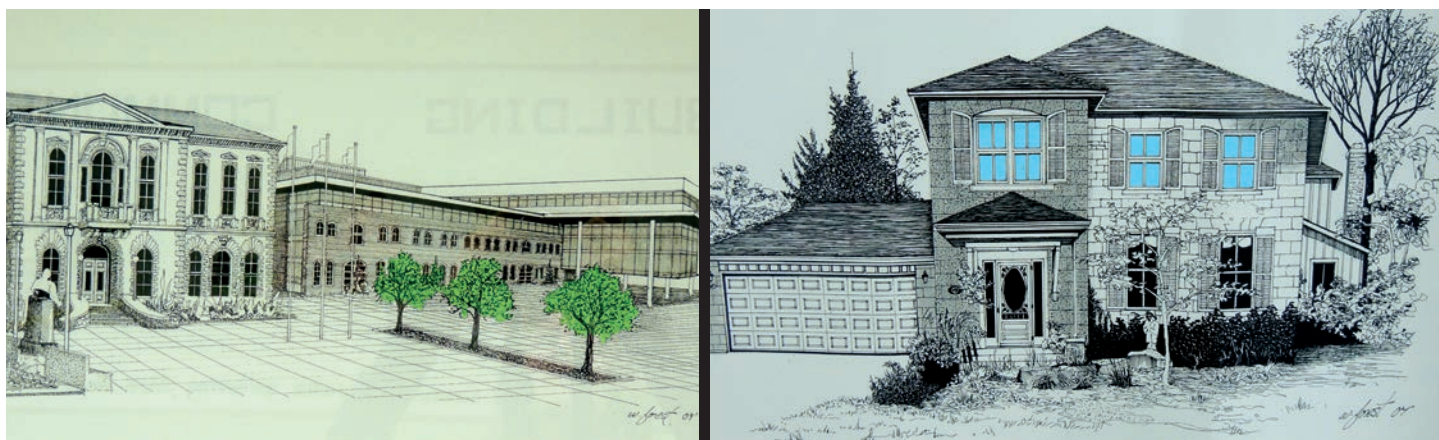
Artist Wayne Forest in front of a wall of his works in his studio at the downtown Guelph Welcome In Drop-in Centre.

⁵ The list of examples is not intended to be exhaustive, but rather to highlight best practices and models that could be adapted to the local context.

GOAL #2 - To provide a range of supports to assist people at risk of homelessness to remain housed

From a cost/benefit perspective, the most effective way to end homelessness is to stop it before it begins. Some residents lack the necessary “life skills” in financial management, household maintenance, and conflict resolution to successfully maintain their housing. Complaints of tenants being in rent and utility arrears and/or behaving disruptively are frequent, and therefore it is important that the HHP includes an emphasis on eviction prevention. This goal and the actions outlined below speak to the need for early detection activities that proactively identify individuals/families living in precarious situations that could benefit from outreach and support services, including emergency financial aid. It also involves reaching out to at-risk youth who are dealing with family crises that could potentially lead to household breakdowns (e.g. youth leaving homes).

Actions	Examples	Measures of Success
2.1 Continue to offer temporary emergency financial assistance to low-income households in need	<ul style="list-style-type: none"> Rent/utility banks offered by the County, CRC, Drop In Centre, and Salvation Army 	<ul style="list-style-type: none"> Extent to which the number of clients assisted meets demand
2.2 Expand housing outreach and support services (i.e. counselling, mediation, budgeting, and life skills training) that help people keep their housing, including early identification of family crisis issues	<ul style="list-style-type: none"> CRC's Outreach and Support services GWSA's Seniors Offering Support Neighbourhood support workers Aftercare support programmes (Michael House, Wyndham House) 	<ul style="list-style-type: none"> Increase in the number of clients being appropriately referred to and accessing housing outreach and support services
2.3 Work proactively and collaboratively with both landlords and tenants to resolve housing issues and prevent evictions	<ul style="list-style-type: none"> Tenant/landlord mediation Workshops regarding tenant rights and responsibilities Publication of an on-line landlord-tenant resource toolkit 	<ul style="list-style-type: none"> Improvements in social housing tenant satisfaction rates Decreased eviction rates (social and private sector housing) Improved landlord/tenant relationships
2.4 Work with school boards and youth service agencies to identify children and youth at risk of homelessness, advocate/broker services on their behalf, and assist them to connect with community services	<ul style="list-style-type: none"> The RAFT – a youth shelter alternative in Niagara Give Yourself Credit Wyndham House's Outreach and Support Services Mobilizing Local Capacity to End Youth Homelessness 	<ul style="list-style-type: none"> Decreased usage of the Youth Emergency Shelter (YES) Increase in the number of youth being referred to homelessness prevention services



Artwork (both): Wayne Forest

GOAL #3 - To offer a comprehensive range of supportive housing options for residents with complex needs due to aging, disabilities, mental health issues and addictions

Individuals struggling with complex needs due to aging, developmental disabilities, mental health issues, addictions, etc. require housing coupled with supportive services to help them live as successfully as possible in the community. At present, the supply of supportive housing options located in Guelph Wellington is simply too limited. Although highly desirable, given the current economic environment, it is unlikely that new purpose-built permanent supportive housing units will be constructed in the immediate future. It is therefore recommended that local outreach and support services provided by multi-disciplinary teams be enhanced, and that these services be offered in subsidized and private market rental units. Central to this goal is the need for housing providers to establish partnerships with WWLHIN-funded programmes and services, given the intersection between the health and housing sectors on this issue. Examples of successful models are already in place in the community (see table below). As well, it will be important to ensure that new housing developments take into account the future needs of an aging and increasingly medically complex population.

Actions	Examples	Measures of Success
<p>3.1 Establish a formal working relationship with the WWLHIN to support the MOHLTC's "Home First" philosophy that would include:</p> <ul style="list-style-type: none"> • Supporting community agencies to increase the supply of outreach and housing support services provided to individuals with complex needs due to aging, disabilities, mental health issues and addictions • Increasing the supply of supportive housing units in Guelph Wellington • Hospital discharge planning and community care offered through the CCAC 	<ul style="list-style-type: none"> • County's partnership with CMHA and Traverse Independence to deliver support services at Fergusson Place • County's funding agreements with Retirement Homes under the Domiciliary Hostel Program • Assisted Living for At Risk Elderly, Guelph Independent Living 	<ul style="list-style-type: none"> • Increase in the number of supportive housing units created • Increase in the number of clients being appropriately referred to and accessing community support services
<p>3.2 Establish a Housing First Network composed of multi-disciplinary staff providing housing outreach and support services in a variety of settings, in order to improve service coordination and information sharing (also see 5.2)</p>	<ul style="list-style-type: none"> • Model upon Seniors' Services Network and Hoarding Network 	<ul style="list-style-type: none"> • Better coordination and integration of housing support services
<p>3.3 Encourage the development of Secondary Suites; allowing client groups such as low-income seniors or adults with a disability to live independently in their community, close to family and friends (also see 4.8)</p>	<ul style="list-style-type: none"> • In the City of Guelph, 209 accessory apartment units were created in 2012 – above the City's affordable housing target of 90 units 	<ul style="list-style-type: none"> • Increase in the number of secondary suites created

3.4 Promote financial programmes from other levels of government that can help homeowners improve the safety and accessibility of their homes	<ul style="list-style-type: none"> • CMHC's former Homeowner Residential Rehabilitation Assistance Programme (RRAP) • IAH Ontario Renovates Program • Ontario's Healthy Homes Renovation Tax Credit 	<ul style="list-style-type: none"> • Increased uptake of residential renovation programmes
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GOAL #4 - To increase the supply and mix of affordable housing options for low- to moderate-income households

Not surprisingly, a fundamental need expressed through the community consultations and the validation survey is for more affordable housing options. The centralized waiting list for social housing is too long; the rental vacancy rate is very low; and the limited affordable options that do exist often fall below tenants' expectations in terms of quality, size and maintenance. Recent grants that have been allocated for developers to build new affordable rental units are appreciated, but viewed as "just a drop in the bucket" as they have not addressed the needs of households on the centralized waiting list. Additional investments from the federal and provincial governments are required in order to increase the supply and mix of affordable housing options across the continuum and within the geographic area.

"Affordable Housing" is a broad term that refers to any type of housing option along the housing continuum. It applies to rental units and home ownership, as well as transitional, supportive and social housing. With respect to private market housing, both the City and County's Official Plans define affordable as the following:

- Affordable rental housing - a unit for which the rent is at or below the average market rent in the regional market area (In 2008, the average market rent for all unit sizes was \$833 per month in Guelph and \$714 in Wellington)
- Affordable ownership housing - the purchase price is at least 10% below the average house price of a resale unit in the regional market area (In 2008, the average house price was \$237,000 in Guelph and \$269,000 in Wellington)

The focus of the nine actions listed below is on removing any impediments at the local level that could potentially delay developments, should new funding emerge. They also speak to the need for the County and concerned community partners to advocate for policy reforms that could encourage the development of additional affordable housing units.

Actions	Examples	Measures of Success
4.1 Continue to support advocacy efforts to upper levels of government for the funding of new permanent affordable housing units, including options for additional subsidies to reduce rents to RGI levels	<ul style="list-style-type: none"> • Municipal advocacy work in collaboration with the PTF, AMO, FCM, OMSSA, ROMA, and other associations that allow local political leaders to advocate to upper levels of government 	<ul style="list-style-type: none"> • New investments in social housing from upper levels of government • Additional allocations for rent supplements or housing allowances
4.2 Consider options and incentives for municipal affordable housing reserves in order to leverage funding from upper levels of government	<ul style="list-style-type: none"> • Leveraging new federal and provincial funding (e.g. IAH, HPS, etc.) • Including a component for social housing support in the next development charges review as in Kingston among other cities 	<ul style="list-style-type: none"> • Increase in the number of social and affordable housing units created • Decrease in the centralized waiting list • Additional allocations to local affordable housing reserves

4.3 Maintain a list of priorities and suitable properties for new affordable housing developments, in order to quickly respond to emerging funding opportunities from upper levels of government	<ul style="list-style-type: none"> • Phase 2 of Fergusson Place 	<ul style="list-style-type: none"> • Development opportunities identified • Financial and in-kind commitments by partners identified
4.4 Explore social financing ⁶ opportunities that could be used to increase the supply of affordable rental stock	<ul style="list-style-type: none"> • Community Forward Fund - provides working capital and bridge loans for Canadian non-profits • Infrastructure Ontario mortgages • YWCA Toronto Elm Centre - issued a \$1 million community housing bond 	<ul style="list-style-type: none"> • Amount of capital generated through social financing
4.5 Leverage funding from other levels of government to increase home ownership opportunities for low- to moderate-income households	<ul style="list-style-type: none"> • 2nd mortgage (down payment assistance) programmes offered by the County, Options for Homes, and Habitat for Humanity • Rent-to-own initiatives 	<ul style="list-style-type: none"> • Increased funding allocated to and usage of the County's Home Ownership Fund
4.6 Create a comprehensive incentive toolkit which could be used by all local planning departments for education purposes, and to encourage the development of new affordable units	<ul style="list-style-type: none"> • MMAH's Municipal Tools for Affordable Housing 	<ul style="list-style-type: none"> • Toolkit developed and disseminated all local planning departments
4.7 Provide incentives to support affordable housing in new developments	<ul style="list-style-type: none"> • Waiving/rebating of planning and building fees • Development charge exemptions or grants 	<ul style="list-style-type: none"> • Incentives made available to developers of new construction
4.8 Review planning regulations and by-laws in all of the local municipalities to identify any unnecessary restrictions to the development of new affordable housing units	<ul style="list-style-type: none"> • Parking requirements • Secondary suites (see 3.3) • Gap analysis of condominium conversion and demolition control policies 	<ul style="list-style-type: none"> • Regulations and by-laws are reviewed and (if warranted) amended
4.9 Advocate to the Province to permit inclusionary zoning (i.e. require a given share of new construction to be affordable by people with low- to moderate-incomes)		<ul style="list-style-type: none"> • Changes to provincial planning regulations

⁶ **Social finance** is an approach to managing money that delivers a social dividend and an economic return. It includes community investing, micro-lending, social impact bonds, and sustainable business and social enterprise lending (Wikipedia, 2013).

GOAL #5 - To reduce the length of time and number of people that experience homelessness

During the community consultations, there was considerable debate about setting a goal of “zero homelessness.” Participants recognized that this is an ideal state, but noted that in reality, due to the complexity of factors that contribute to homelessness, there will always be a segment of the population that finds itself without a roof. The consensus locally is to ensure that any homeless experience is short-lived and that there is suitable shelter accommodation and support services to help people get “back on their feet” quickly.

At present, there are no emergency shelter beds situated in the County; most individuals or families (particularly youth) prefer to stay local and make do, but those who choose to access the shelter system need to travel to neighbouring cities. Furthermore, the current shelters cannot accommodate families (e.g. couples or single fathers with children), and so families often spend their shelter stays in one of the local motels, which have agreements with the Welcome In Drop-In Centre. The use of motels for shelter accommodations presents many challenges, and is of growing concern given the recent trend showing a rise in the number of families and complexity of clients accessing the shelter system.

The following actions are intended to address the existing pressures on the emergency shelter system, and to change the focus of service delivery from emergency housing to Housing First. They are predicated on the assumption that there will be a shift in funding from per diems to eviction prevention, outreach and support services.

Actions	Examples	Measures of Success
5.1 Promote a Housing First philosophy, whereby homeless individuals/ families would be placed directly into affordable rental units with on-site supports	<ul style="list-style-type: none"> MHCC's At Home/Chez Soi project Pathways to Housing (US) 	<ul style="list-style-type: none"> Increased awareness and understanding of Housing First among local service providers Decreased usage of emergency shelters Improved placement and tenure rate of homeless
5.2 Create a Housing First team that is trained in providing assessments and referrals for complex clients (i.e. youth, adults and families dealing with mental health, addiction and trauma issues)	<ul style="list-style-type: none"> MHCC's At Home/Chez Soi project 	<ul style="list-style-type: none"> Improvements in the way homeless individuals are triaged and linked with community support services
5.3 Support community agencies to create emergency shelter options that better meet the community needs of the local homeless population	<ul style="list-style-type: none"> Family-friendly emergency housing units Bridging the Gap – rural shelter options for youth in Halton The RAFT – a youth shelter alternative in Niagara 	<ul style="list-style-type: none"> Decreased usage of motels for shelter accommodation Increase in the number of family shelter spaces established
5.4 Leverage funding from other levels of government/ministries to increase the supply of transitional housing units, in particular for families, victims of domestic violence, youth exiting the child welfare system, and individuals leaving incarceration	<ul style="list-style-type: none"> Wyndham House's Suffolk and Bellevue Houses Lutherwood's Family in Transition programme Woodgreen's Homeward Bound (Toronto) 	<ul style="list-style-type: none"> Increase in the number of transitional housing units created

GOAL #6 - To promote practices that make the housing and homelessness support system more accessible and welcoming

Housing First is based on the belief that housing is a basic human right, and that people should not have to prove that they are “housing ready” by first participating in treatment or by being clean and sober before obtaining somewhere to live. Evidence from other communities that have implemented Housing First indicates that it is a new service philosophy as much as a service delivery model. It often requires a change in existing agency cultures, with emphasis being placed on relationship building and practices that make intake services more user-friendly and welcoming⁷. This includes helping to support people entering and navigating the housing system; for example, accompanying individuals when they inspect units, helping them to negotiate agreements with landlords, and connecting them with local neighbourhood groups and faith communities. This is especially important for newcomers who face considerable challenges finding adequate and affordable housing in neighbourhoods where they feel safe.

In addition, this goal and the actions outlined below speak to the need to ensure social services are better integrated, and where possible, to reduce transportation barriers in rural areas where the lack of public transportation and travel distances make it extremely difficult for individuals to attend appointments.

Actions	Examples	Measures of Success
6.1 Support community groups to establish “housing specialist” functions that help people navigate the housing system and connect them with community groups and services	<ul style="list-style-type: none"> County’s Tenant Placement Service Wyndham House’s Youth Resource Centre CRC 211 Service 	<ul style="list-style-type: none"> Improved placement rate and tenures of clients Positive client feedback
6.2 Continue efforts to provide multi-service access points at locations in rural communities	<ul style="list-style-type: none"> County satellite OW office in Fergus 	<ul style="list-style-type: none"> Number of access points where services are offered in the County Positive client feedback
6.3 Foster inclusion and housing options for new immigrants and refugees	<ul style="list-style-type: none"> OCISO – in Ottawa municipal housing case managers provide on-site services at settlement agencies Designated temporary housing accommodations for new immigrants in partnership with employers 	<ul style="list-style-type: none"> Better coordination between housing and settlement programmes Positive client feedback
6.4 Continue to explore options for improving transit solutions available to Wellington residents	<ul style="list-style-type: none"> CRC’s Volunteer Transportation Program funded by the County Rural public transit routes and services for people with disabilities 	<ul style="list-style-type: none"> Increased transportation options for rural residents
6.5 Foster integration of housing, income support and other relevant community programmes and services	<ul style="list-style-type: none"> Common intake processes Human services integration 	<ul style="list-style-type: none"> Housing and income support services are streamlined Positive feedback from clients and staff
6.6 Continue to address the needs of applicants on the centralized waiting list, as well as to support tenants experiencing transfers due to over/under-housing situations		<ul style="list-style-type: none"> Number of social housing applicants being appropriately referred to and accessing community support services Improved social housing tenant satisfaction rates

⁷ Tsemberis, S. (2013, May 2). Presentation at the 2nd National Meeting of Community Advisory Boards and Community Entities. , Ottawa, Ontario.

GOAL #7 - To preserve the existing social and affordable rental housing stock

No new permanent social housing has been built in Guelph Wellington since 1995, and much of the existing stock is aging and requires major life-cycle replacements. Consequently, this goal speaks to the need to preserve and upgrade the existing social and affordable rental housing stock.

For example, the County is currently in the process of completing a County-wide Asset Management Plan, which will identify and quantify these needs for all County owned housing. In order to finance necessary capital improvements, it will be necessary to continue to allocate funds to capital reserves, to leverage any upper level government funding available, and to investigate energy efficiency and other renovations that could result in operating cost savings.

In the coming years federal operating agreements and the mortgages of several non-profit buildings are coming to an end. In addition to safeguarding the ongoing operation of these units as affordable options for low-income households, consideration will be given to refinancing these buildings to fund renovations and new units.

Actions	Examples	Measures of Success
7.1 Continue to work with housing providers to safeguard the ongoing operation of units (with federal agreements set to expire) as affordable options for low-income households		<ul style="list-style-type: none"> Proportion of 246 federally funded units maintained as affordable housing options for low-income households
7.2 Explore opportunities for non-profit housing providers to leverage their existing capital assets in order to finance renovations and new units	<ul style="list-style-type: none"> Ottawa's refinancing of existing social housing to build new units and do renovations 	<ul style="list-style-type: none"> Amount of assets re-financed
7.3 Implement the County-wide Asset Management Plan (expected to be completed by December 2013)		<ul style="list-style-type: none"> Improvements made to social housing stock
7.4 Encourage landlords to adopt the FRPO's Certified Rental Building Programme, which aims to protect tenants from renting in a poorly maintained building or from a property manager that offers an inadequate quality of service to its tenants	<ul style="list-style-type: none"> Williams McDaniel buildings in Guelph 	<ul style="list-style-type: none"> Increase in the number and proportion of multi-residential properties designated as Certified Rental Buildings

GOAL #8 – To seize opportunities to turn research knowledge into action

The current housing and homelessness service environment is changing. New approaches such as Housing First have been piloted across Canada, and are currently being evaluated. A recent Provincial Commission has recommended major changes to the social assistance system. And new technologies for energy conservation are emerging. This goal is about building local research capacity, in order to ensure that the outcomes of local housing and homelessness services are monitored, and that “best practices” appropriate for adaptation to the local context are explored and shared with local stakeholders.

It is recommended that the HHP be approached with a learning and evolving orientation, as an opportunity to engage community stakeholders in celebrating what’s been achieved, and for making ongoing improvements to the strategy.

Actions	Examples	Measures of Success
8.1 Continue to promote efforts that improve community awareness and understanding of affordable housing and homelessness	<ul style="list-style-type: none">• UofG/CMHC Housing Forums• Poverty Task Force	<ul style="list-style-type: none">• Number of housing events/forums held
8.2 Continue to monitor research trends and identify best practices that are appropriate for adaptation to the local context	<ul style="list-style-type: none">• Pocket housing (small residences)• Housing First• Human services integration• Social housing redevelopment and regeneration• Environmental sustainability and energy conservation	<ul style="list-style-type: none">• Commitment (including financial resources) to conduct research• Extent to which research meets an identified need
8.3 Monitor and communicate the outcomes of the HHP on a regular basis		<ul style="list-style-type: none">• Annual progress report released• HHP updated every 5 years or when major programme changes occur

PROVINCIAL PRIORITY POPULATIONS

The HHP has been intentionally designed to ensure that the needs of vulnerable populations have been taken into account, in particular Aboriginal Peoples living off-reserve, victims of domestic violence, and persons with disabilities.

The Aboriginal population of Guelph Wellington is low (0.9% according to the 2006 Census); however efforts were made throughout the development of the HHP to reach out to local Aboriginal organizations and invite them to participate in community meetings and direct discussions. As we work to implement the HHP and develop more specific implementation strategies, it will be important to continue our efforts to reach out to the local Aboriginal population and consider their housing needs in decisions that are made.

Membership of the Community Reference Group, which provided guidance and leadership to the development of the HHP, was designed to be inclusive of key priority groups. It specifically included a representative from the local women’s shelter, in order to ensure that the needs of victims of domestic violence were considered in the development of the HHP.

As part of the development of the HHP, a full Inventory of Housing Resources that received capital and/or operating funds from one or more levels of government was prepared. This Inventory includes a listing of all “accessible” shelter beds and social housing units available in Guelph Wellington.

During the consultation process, the needs of both provincial and local priority populations were explored. Breakout discussions were held at town hall meetings, in order to probe the specific needs of vulnerable populations, including youth, individuals with physical disabilities, mental health problems and addictions, as well as victims of domestic violence. In addition, staff of Women in Crisis conducted several client interviews on behalf of the consulting team, and targeted focus groups were held for newcomers to Canada and for those working with clients experiencing concurrent mental health disorders and addictions. The theme of targeted transitional and supportive housing for provincial priority populations was repeatedly mentioned in the consultations, and informs the final HHP. For more detail, please refer to the Discussion Paper.

Listed below is a summary of the goals and actions that have specific relevance to individuals with disabilities and victims of domestic violence.

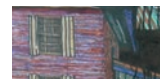
Persons with Disabilities

Goal/Action	Further Explanation
Action 1.2	This action speaks to advocating for better income support programs, although no programmes are referenced by name, this work will include advocacy for better support for clients in receipt of ODSP.
Action 2.2	This action speaks to expanding outreach and support services in order to prevent homelessness. The language used in this action is designed to be open and inclusive of clients dealing with many issues, including those who may be struggling to maintain housing due to a disability.
Action 3.1	This action specifically calls for a stronger relationship with the LHIN to increase the supports and supply of housing available to persons with disabilities. Examples are provided of work that has been successful such as the County's relationship with Traverse Independence.
Action 3.2	The Housing First Network proposed in this action would be inclusive of agencies and services supporting persons with disabilities.
Action 3.3	This action calls for an increased number of secondary suites, and one of the main groups that is noted as benefiting from this approach are persons with a disability.
Action 3.4	This action speaks to the promotion of financial programmes that allow homeowners and landlords to improve the accessibility of their homes.
Action 5.2	The Housing First Team proposed in this action would be inclusive of agencies and services supporting persons with a disability.
Action 6.4	Improvements to transit services are mentioned for clients in the County of Wellington. The action specifically comments on the need to include services for people with a disability.
Action 6.6	This action calls on the County to continue to meet the needs of applicants on the centralized waiting list. As such, the County will need to continue to work closely with persons with disabilities to access appropriate social housing units.

Victims of Domestic Violence

Goal/Action	Further Explanation
Action 2.2	This action speaks to expanding outreach and support services, including the identification of family crisis issues in order to prevent homelessness. The language used in this action is designed to be open and inclusive of potential victims of domestic violence.
Action 3.2	The Housing First Network proposed in this action would be inclusive of agencies and services supporting victims of domestic violence.
Action 5.2	The Housing First Team proposed in this action would be inclusive of agencies and services supporting victims of domestic violence.
Action 5.3	The County will continue to collaborate with Women in Crisis as the operator of the shelter programmes for victims of domestic violence to ensure that they are supported in meeting community needs.
Action 5.4	This action specifically speaks to leveraging funding to increase transitional housing supply for victims of domestic violence.
Action 6.6	This action calls on the County to continue to meet the needs of applicants on the centralized waiting list. Victims of domestic violence are currently given special priority on the centralized waiting list, and represent about one-third of all social housing placements. Special priority status will continue to be part of the ongoing support that the County provides to these clients.





As the CMSM for Guelph Wellington, the County has an important leadership role related to system planning, coordination of services and the development of partnerships in the area of housing and homelessness. The HHP is a starting point for the community; it identifies needs and gaps across Guelph Wellington and proposes a range of strategies to achieve the community vision of ensuring that everyone has a place to call home.

As a community, continued success will depend upon strong and trusting partnerships. The County will work to develop specific targets and more detailed implementation plans, in close cooperation with all community partners. This collaborative approach to meeting housing challenges will cultivate innovative solutions and will allow the County to maximize the available resources and assets of everyone.



ACKNOWLEDGEMENTS



We would like to thank all the individuals and organizations that have contributed to the development of the HHP. We are extremely grateful for the contributions of over 200 individuals who participated in various in-person consultations, and to the 272 community members who responded to the validation survey. In particular, we would like to recognize Eddie Alton, Heather Burke, Stuart Beumer and Ryan Pettipiere, and the members of the Community Reference Group for their ongoing support, guidance and leadership.

Community Reference Group

Heather Burke, County of Wellington (Co-chair)
Stuart Beumer, County of Wellington (Co-chair)
Barbara Powell, City of Guelph
Debbie Bentley-Lauzon, Wyndham House
Don Roth, CMHA Waterloo Wellington Dufferin
Gail Hoekstra, Welcome In Drop In Centre
Gary Roche, Wellington and Guelph Housing Committee
Randalin Ellery, Guelph Wellington Task Force for Poverty Elimination
Ryan Pettipiere, County of Wellington
Sly Castaldi, Women In Crisis
Tim Donegani, City of Guelph
Tom Lammer, J. Lammer Developments Ltd

Consulting Team

Eden Grodzinski
Jane Londerville
Dr. Rebecca Sutherns

EXAMPLE EOI

Illustrations

Heather Finlayson, Mere Name Design

Our thanks to Sister Christine Leyser of the Welcome In Drop In Centre for allowing us to photograph the work of some of the talented artists of the Drop In community that is on display in the Centre. Special thanks to artist Wayne Forest whose work is featured throughout this document.



Affordable Rental Housing - a unit for which the rent is at or below the average market rent of a unit in the regional market area.

Affordable Ownership Housing - the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area.

Core Housing Need - an indicator of housing security (calculated for both rental and home ownership) that takes into account three factors:

- Adequacy - Is the dwelling in need of major repair?
- Suitability - Are there enough bedrooms for the size and make-up of the household?
- Affordability - Do the households spend 30% or more of their before-tax income on accommodation?

Domiciliary Hostels - provide permanent housing with supports for vulnerable adults who require limited supervision and support with daily activities (e.g. retirement homes).

Emergency Shelter - provide short-term lodging and a temporary personal needs allowance until an emergency situation is resolved. Services may also include meals, access to showers and laundry, as well as assistance with linking to other services required.

Housing First - an approach that involves providing homeless people with immediate access to subsidized housing, along with support services. No pre-conditions, such as bringing a substance abuse under control or being stabilized on medications, are imposed.

Housing Outreach and Support Services - help people to live as independently as possible in the community. Services are either provided by workers visiting a resident living in market rental housing, or within specific government funded accommodations like emergency shelters, transitional housing, or supportive housing units. Housing support services provide a range of different tasks to help someone maintain their housing, such as assistance to claim welfare benefits, fill-in forms, manage a household budget, obtain furniture and furnishings, help with shopping and housework, as well as connecting with other specialist services.

Homelessness - a broad term that encompasses the following:

- Absolute - living on the street (roofless) or in emergency shelters
- Hidden or concealed - staying with relatives or friends (couch surfing), or living in a car, barn, etc.
- Relative - living in sub-standard conditions or at-risk of losing their homes (i.e. living in "core housing need")

Market Housing - refers to private (rental or home ownership) where prices are set in the open market.

Social Housing - permanent housing financed at least partly through government funding and mortgage guarantees. A portion of units is rent-geared-to income (RGI), and the remainder may be rented at market rents. For these RGI units tenants pay no more than 30% of their household income in rent and the remainder is subsidized through government contributions. Social housing includes: public housing (which is 100% RGI), municipal and private non-profit rentals, and co-operatives where residents contribute to the management of the property to increase the sense of community and reduce operating costs. In Guelph Wellington, social housing is accessed through the Centralized Waiting List and from specific Housing Providers.

Subsidized Rental - subsidies provided to offset private market rents in private rental units for low-income households. Subsidies are generally provided by the CMSM or Service Provider (e.g. CMHA) for qualifying households in two ways:

- Rent Supplement - market rent less RGI calculation (may average \$500 per unit per month); this involves an agreement with a landlord for a particular unit(s) to be allocated to a household(s) on the centralized waiting list
- Housing Allowance - fixed housing subsidy (may average \$250 per unit per month) which is attached to the household rather than a specific housing unit

Supportive Housing - permanent accommodation that offers an alternative to institutional care. There is no length of stay duration. A range of support services is provided in order to help residents maintain independence. Supportive housing is geared for individuals with special needs, including long-term mental health problems, physical disabilities, developmental delays and the frail elderly. Supportive housing is accessed through specific Housing Providers.

Transitional Housing - facilities that are targeted to those in need of structure, support and/or skill building, in order to move from homelessness to housing stability and ultimately prevent a return to homelessness. They provide support services such as counselling, job training and placement, community activities, and help with life skills. Accommodation is temporary (time limited). Residents can typically stay up to a maximum of three years; the maximum stay is specified in the service agreement with the CMSM or Service Provider (e.g. CMHA).

EXAMPLE EOI



ALTERNATE FORMATS AVAILABLE UPON REQUEST.



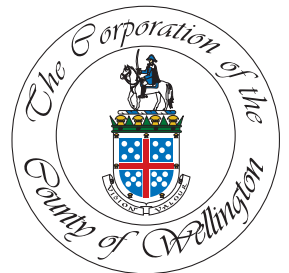
EXAMPLE EOI

EXAMPLE EOI

**Prepared for: County of Wellington,
Consolidated Municipal Service Manager**

Prepared by: JPMC Services Inc. (www.jpmmc.ca)

**Authors: Eden Grodzinski, Jane Londerville and
Rebecca Sutherns (November 2013)**



Attachment A: Project Information Form							
(Please complete all known fields below)							
Proponent's Organization Name							
Proponent's Main Contact Person				Main Contact's Phone #			
Main Contact's Email							
Proposed Development's Address:				City/ Town or Township		Postal Code:	
Total # of Units=		# of IAH funded Affordable Units=		# of Market Units=		# of commercial and/or supportive service spaces	

Project's Financial Information		
Total Project Cost (\$)		Financial Informaion Notes: (Please use corresponding notes sections below)
Soft Cost (Legal, Architect, Engineer, Insurance, taxes, fees, etc) (\$)		
Land Costs (\$)		
Construction/Hard Costs (labour, construction materials, equiptment, etc.)(%)		
Total IAH Ask (\$)		EXAMPLE EOI
Proposed IAH units (#)		
IAH cost per/unit (\$)		
IAH % of total cost (%)		
Proponent Investment(\$)		
Proponent to Mortgage (\$)		
1 - Other funding leveraged (type)		
1 - Other funding leveraged (\$)		
2 - Other funding leveraged (type)		
2 - Other funding leveraged (\$)		
3 - Other funding leveraged (type)		
3 - Other funding leveraged (\$)		
Term of Affordability (years)		

Proposed Project Unit Breakdown								
Unit size	# units	Rent (\$)	# accessible	Heat Included (Y/N/NA)	Water Included (Y/N/NA)	Electricity Included (Y/N/NA)	Natural Gas Included (Y/N/NA)	Unit Size (sq/ft)
Bachelor								
1 Bedroom								
2 Bedroom								
3 Bedroom								
Other								
Unit Breakdown Notes:								

Client and Supportive Features	
Accessibility Features	
Tenant target groups	
Linked support agencies/services	
Client and Supportive Features Notes:	

Construction Information			
Anticipated Start Date (dd/mm/yy):		Earliest Possible Start Date:	
	Length of Construction (# of months):		
Intended use of Apprentices			
Property's Current Zoning			
Required Zoning			
Permits Currently Attained			
Permits Still Required			
Environmental Status of Land			
Energy Efficiency			
Construction Information Notes:			

2016 Social Infrastructure Fund Program Guidelines

Introduction

The 2016 federal budget announced the federal government's Social Infrastructure Fund (2016 SIF) that included the following investments in housing:

- An increase to the funding commitment under the current Investment in Affordable Housing (IAH) program (totalling \$168.3 million over two years);
- Funding for the construction and renovation of affordable housing for seniors (\$67.2 million over two years);
- Funding for the renovation and retrofit of social housing (\$209.3 million in 2016/17); and
- Funding for the construction and renovation of shelters and transitional housing for survivors of domestic violence (\$27.9 million over two years).

The province is cost-matching the increase to the IAH Program over a three year period, resulting in over \$640 million in new housing funding through the 2016 SIF for Ontario.

The 2016 SIF will be delivered through the existing Federal-Provincial Agreement for Investment in Affordable Housing, a proven flexible model that will ensure a quick roll-out of funding. Funding allocations will be provided to Service Managers (SMs) for 2016/17 and 2017/18. SMs will be able to use funding to deliver tailored programs that incorporate local considerations to respond to provincial priorities.

Scope of the Guidelines

The Program Guidelines describe the various program components for the additional IAH funding and seniors funding (to be delivered as one program – 2016 SIF IAH), and the program requirements for the renovation and retrofit of social housing program – to be known as the Social Housing Improvement Program (SHIP).

The funding for the construction and renovation of shelters and transitional housing for survivors of domestic violence will be delivered through the Ministry of Community and Social Services and are not included in these Program Guidelines.

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

Role of the Service Manager

Service Managers are responsible for:

- Entering into an Administration Agreement with the province for the 2016 SIF IAH and SHIP
- Completing and updating a Program Delivery and Fiscal Plan (PDFP) outlining how their notional funding allocation will be used under the 2016 SIF
- Developing application processes for the selected 2016 SIF IAH program components, if applicable
- Selecting and recommending Rental projects for Ministry approval
- Approving Homeownership, Ontario Renovates and SHIP projects
- Entering into funding agreements with housing proponents/landlords/clients
- Advancing payments to proponents, housing providers, or clients based on agreed upon milestones
- Monitoring projects to ensure timely completion and occupancy
- Fulfilling reporting requirements as per the Administration Agreement
- Adhering to indemnification provisions as per the Administration Agreement
- Preventing and resolving issues for projects that encounter difficulties
- Participating in communication events pertaining to the 2016 SIF as per the Communications Protocol Requirements outlined in Schedule F of the Administration Agreement.

SMs may engage third party agencies to deliver the 2016 SIF but retain all responsibilities for program delivery.

The Ministry is available to assist SMs with the implementation of the 2016 SIF in their communities. SMs are encouraged to liaise with their Ministry contacts for more information (see Appendix A for Ministry contact information).

2016 SIF Program Objectives

The 2016 SIF program supports the two overarching outcomes of the Long-Term Affordable Housing Strategy:

- Decreased number of people who are homeless
- Increased number of households achieving housing stability

The 2016 SIF program has the following key objectives:

- Address the affordable housing needs of specific identified priorities.
- Reduced number of households in need by improving access to affordable housing that is sound, suitable, and sustainable for priority households across Ontario.
- Reduced demand for services and institutional living by increasing and extending independent living for seniors and persons with disabilities.
- Offer funding for an array of housing options that address affordable housing needs for identified priority groups across the housing system.
- Increased resources available to address housing needs of households by encouraging contributions by others including the private and not-for-profit sectors.
- Incorporate energy efficiency and accessibility into affordable housing units and building design.

- Reduced greenhouse gas emissions as a result of increased energy efficiency in social housing stock.
- Extended useful life and long term physical sustainability of social housing projects.
- Promote and support the use of apprentices and the training of skilled labour.

Program Delivery and Fiscal Plan

Each SM is required to develop and submit a Program Delivery and Fiscal Plan (PDFP) through the Grants Ontario System (GOS) that outlines how the 2016 SIF annual funding allocations will be used over the two-year funding period (2016/17 and 2017/18). The Ministry requires the PDFP to support the goals and address the needs outlined in SMs' Housing and Homelessness Plans, and be consistent with the identified provincial priorities.

PDFPs must be Council/Board (or delegated authority) and Ministry approved prior to receiving any 2016 SIF funding approval.

The PDFP is intended to be a concise document that identifies:

- The 2016 SIF IAH components the SM will deliver in each of the two years of the program and how the selected components address the identified priorities and meet the needs identified in the SM's Housing and Homelessness Plan.
- The number of units expected to be developed and households to be assisted under the selected components in each year of the program.
- The number of senior units expected to be developed and/or repaired and approximate funding projected to be committed to senior projects/households from each year's funding allocation.
- The amount of funding from each year's funding allocation to be used for the selected 2016 SIF IAH components.
- The amount of funding projected to be committed to projects/households quarterly under the 2016 SIF IAH capital components and SHIP.
- Proposed quarterly expenditures and agreement information under the Rent Supplement and Housing Allowance streams.
- Quarterly cash flow requirements and actual quarterly payments over the life of SHIP. (The cash flow statement will be submitted as an attachment to the PDFP)
- The client groups to be targeted under the selected components.
- The amount of funding from each year's funding allocation to be used for administration fees.

The PDFP confirms the SM's commitment to use their total notional funding allocation for the program. The Ministry will be using the PDFPs to track each SM's progress against their allocation and will use this information to provide reports to Canada Mortgage and Housing Corporation (CMHC).

The initial PDFP must be submitted to the Ministry for approval no later than September 1, 2016. SMs are required to update their PDFPs – including the cash flow statement under SHIP – on a quarterly basis. Updates will include the SM's progress (i.e. actual

commitments, and Operating and SHIP component payments) against their planned commitments.

PDFP Due Date	Description
September 1, 2016	Initial PDFP to Ministry for approval
December 15, 2016	Year 1 Third quarter PDFP update
March 15, 2017	Year 1 Fourth quarter PDFP update and revisions to Year 2 program year allocations
July 15, 2017	Year 2 First quarter PDFP update
October 15, 2017	Year 2 Second quarter PDFP update
December 15, 2017	Year 2 Third quarter PDFP update
March 15, 2018	Year 2 Final PDFP update

Please note that ongoing reporting through the PDFP will be required on Operating component payments and SHIP program expenditures for the duration of these programs.

2016 SIF Funding Allocations

SMs will be provided with their notional funding allocations under the 2016 SIF IAH for both 2016/17 and 2017/18, and a funding allocation under SHIP for 2016/17. Funding cannot be reallocated across the two programs. Given the focus on economic stimulus, capital projects must begin construction/repair within three months of project commitment. As well, all projects must be completed within two years of commitment.

Administration Agreement

SMs must enter into an Administration Agreement with the province to participate in the 2016 SIF. The Administration Agreement contains an accountability framework between the province and SMs and outlines the roles and responsibilities of the SM.

The Administration Agreement outlines:

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

Administration Agreements should be signed no later than September 1, 2016.

Duty to Consult

The province has a duty to consult and accommodate Indigenous peoples where it has knowledge of the potential existence of an Indigenous right or title and contemplates conduct that might adversely impact that right or title.

If such a duty arises in the context of making a decision to provide 2016 SIF funding, the province has an obligation to consult Indigenous peoples before the decision is made.

The Housing Division of the Ministry of Housing has established a protocol for assessing when a duty to consult may arise and with whom consultation may be required. Please contact your local Ministry contact (see Appendix A) if you have any questions or are uncertain if a proposed 2016 SIF project requires consultation.

French Language Services

SMs providing a service to the public in connection with 2016 SIF 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 2016 SIF are available in French.

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

SMs serving a designated area are required to complete and submit a French Language Services Report to the Ministry confirming that the SM is providing the requisite French language services. The report must be signed and submitted to the Ministry at the time of signing the Administration Agreement.

SMs are also required to submit annual French Language Services Reports confirming their continued compliance with the French language services requirements, by July 15th of each year.

Environmental Assessment

Projects approved under the capital components of the 2016 SIF IAH and SHIP are subject to the *Canadian Environmental Assessment Act 2012* ("CEAA 2012"). SMs 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 Operating and Homeownership components.

Communications Protocol

SMs participating in the 2016 SIF must agree to adhere to the CMHC-Ontario Agreement for Investment in Affordable Housing (2011-14) 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. This approach is consistent with the guiding principles established in the Memorandum of Understanding (MOU) signed by the federal and provincial governments, the Association of Municipalities of Ontario (AMO), and the City of Toronto on August 31, 2005.

Important Dates

Date	Description
September 1, 2016	Last day to enter into Administration Agreement with the province and submit the Program Delivery and Fiscal Plan.
December 31, 2016	Last day for 2016/17 funding allocations to be committed under the Rental Housing component. For the Homeownership and Ontario Renovates components, SMs must have committed a minimum of 90% of their 2016/17 allocation to projects. Last day to enter and submit SHIP projects, along with confirmation of project funding agreement between the SM and housing provider, in GOS.
January 2017	Ministry begins reallocation process for uncommitted funding.
March 31, 2017	Last day for funding commitments to be made under SHIP.
December 31, 2017	Last day for 2017/18 funding allocations to be committed under the Rental Housing component. For the Homeownership and Ontario Renovates components, SMs must have committed a minimum of 90% of their 2017/18 allocation to projects.
March 31, 2018	2016 SIF IAH ends. No further funding commitments can be made.
March 31, 2019	Final deadline for disbursement of SHIP funding.
March 31, 2020	Final deadline for disbursement of 2016 SIF IAH funding to projects/clients under the Rental, Ontario Renovates and Homeownership components.
June 30, 2020	Final disbursement of Housing Allowance – Shared Delivery component funding.
March 31, 2024	Final deadline for disbursement of 2016 SIF IAH funding to landlords/clients under the Operating Direct Delivery components.

2016 SIF IAH

EXAMPLE EOI

2016 SIF IAH Program Components

SMs will be provided with a funding allocation for both 2016/17 and 2017/18, which will include combined funding from the additional IAH investment and the new funding for seniors.

The 2016 SIF IAH program offers the following program components to SMs:

- Rental Housing component
- Homeownership component
- Ontario Renovates component
- Operating component
 - Rent Supplement stream
 - Housing Allowance Direct Delivery stream
 - Housing Allowance Shared Delivery stream

Details on each component are included in these Guidelines.

SMs have the flexibility to select the components they will deliver each year using their notional annual funding allocations. Planned commitments and projected take-up for selected program components must be identified in each SM's Program Delivery and Fiscal Plan (PDFP) – see page 3.

The 2016 SIF IAH will also offer an Off-Reserve Aboriginal Housing component to be delivered in partnership with Aboriginal Program Administrators. 2016 SIF IAH funding cannot be used On-Reserve.

Targets for Priority Groups

The 2016 SIF provides a significant additional federal/provincial allocation to support affordable housing in Ontario over the next two years. During this time the federal government proposes to work with the provinces, territories and housing stakeholders to develop a National Housing Strategy, which is expected to inform federal investments in future years.

In the meantime, SMs are asked to give priority, in allocating 2016 SIF IAH funding, to tenants facing housing instability in social housing projects where operating agreements and/or federal subsidies have expired. This includes tenants of federal co-operative housing projects whose operating agreement expired prior to April 1, 2016. (N.B., The federal government is providing direct funding to federal co-operative projects with expiring operating agreements after April 1, 2016). Please note that 2016 SIF IAH funding cannot be used to meet the SM's service level standards.

The 2016 SIF IAH funding also provides an opportunity to make strategic investments to address some key themes identified through the Long-Term Affordable Housing Strategy Update. As a result, SMs are required to direct their remaining 2016 SIF IAH funding to meet the needs of one or more of the following priorities:

- Seniors
- Persons with disabilities including adults with developmental disabilities
- Four provincial priorities for ending homelessness (Indigenous peoples, youth, chronically homeless, homelessness following transitions from provincially-funded institutions and service systems)
- Projects that support provincial priorities of transit corridor intensification and/or community hubs.

The chart below outlines some ways 2016 SIF IAH funding may be used to address the provincial priority areas. Please note this is not an exhaustive list.

Priority Area	Examples
Projects with Expiring Operating Agreements	<ul style="list-style-type: none"> • Provide a housing allowance to tenants of social housing units to maintain housing affordability where the operating agreement and/or associated federal subsidies have expired • Provide a housing allowance to tenants of federal co-operative housing projects whose operating agreement expired prior to April 1, 2016 • Provide a housing allowance to tenants of Urban Native projects whose operating agreement has expired
Seniors	<ul style="list-style-type: none"> • New seniors affordable rental housing construction • Accessibility upgrades to affordable units to help seniors “age in place”
Indigenous Peoples	<ul style="list-style-type: none"> • Partner with local Indigenous groups to develop/support culturally-appropriate affordable housing • Provide a rent supplement to non-profit Indigenous housing providers to ensure deeper affordability of existing units • Provide housing allowances to Indigenous households
Youth	<ul style="list-style-type: none"> • Targeted housing allowances to youth transitioning from the child welfare system or other youth facing housing affordability challenges
Chronically Homeless	<ul style="list-style-type: none"> • Use a “housing first” approach by providing deep housing allowances to homeless individuals to help secure independent permanent housing and partner with a local services provider for the supports (N.B., 2016 SIF IAH funding cannot be used for support services) • Construction of affordable units targeted to house people who are chronically homeless
Homelessness Following Transitions	<ul style="list-style-type: none"> • Provide rental assistance through a housing allowance to individuals as they reach a transition point (e.g. discharge from psychiatric facility; correctional centre) to help them pay their rent

	<ul style="list-style-type: none"> • Construction of affordable housing units targeted to house people transitioning from provincially-funded institutions and service systems
Persons with Disabilities	<ul style="list-style-type: none"> • Create barrier-free new affordable rental housing • Provide accessibility upgrades to existing affordable housing • New construction of affordable housing for people with a developmental disability
Transit Corridor Intensification / Community Hubs	<ul style="list-style-type: none"> • Construction of new affordable rental housing along existing or planned transit corridors • Creation of new affordable rental housing as a component of community hub, offering educational, social services or health care services (N.B. 2016 SIF IAH funding can only be used for the housing portion of the community hub)

If support services are required, SMs are responsible for ensuring that adequate ongoing support funding is in place. The Ministry encourages SMs to work with their Local Health Integration Network and local support services agencies to help coordinate and secure support services with the affordable housing created under the 2016 SIF IAH.

Seniors

Dedicated funding of \$33.6 million in both 2016/17 and 2017/18 is available for projects with rental units for low-income seniors and/or for repairs to affordable housing for seniors. The Ministry will monitor proposals from SMs, and take-up of funding to ensure the capital seniors funding requirements are being met. The Ministry retains the right to reallocate funding if the dedicated seniors funding requirements are not being met.

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

Funding Allocations

SMs will be provided with their notional funding allocation for both 2016/17 and 2017/18. This is based on the SM's share of households and the number of households in core need equally weighted.

Funding allocations are provided on a **'use it or lose it'** basis. Funds that are not committed* by the required timelines may be reallocated to other SM areas as there are limited options to move funds between program years.

*The following documentation is required to commit funds under the 2016 SIF IAH:

- Rental Housing – Contribution Agreement
- Homeownership – Approved project information in the Grants Ontario System (GOS), Agreement of Purchase and Sale
- Ontario Renovates – Approved project information in GOS, confirmation of security (mortgage or promissory note), executed Letter of Agreement or Funding Agreement (as required)
- Operating – Commitment letter from Ministry

Funding Commitments

Capital Components

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

Operating Component

Allocations for the Operating component will be committed at the beginning of each program year through a letter from the Ministry based on the planned commitments identified in the Service Manager's approved PDFP. Expenditures must begin in that program year and in accordance with the cash flow projections. SMs are required to report on program take-up through their quarterly PDFP updates. The Ministry will provide quarterly payments, based on cash flow projections and actual expenditures.

Re-allocation

Under the capital components, all annual funding allocations must be committed to projects within specified timelines in each program year; otherwise, the outstanding funding allocation may be reallocated to other SMs. The Ministry will review SMs' third quarter PDFP updates for each program year to determine whether funding targets will be met and whether re-allocation is needed.

Any funding that is re-allocated from a SM will be deducted from that SM's total overall allocation.

Administration Fees

SMs may use up to 5% of their total funding allocation to assist with the administration costs of the 2016 SIF IAH. SMs are responsible for determining the amount required by program year and identifying these amounts in their PDFPs.

SMs **must not** exceed 5% when determining their total administration fee amount. SMs may elect to set their administration fee amount below 5% in order to provide more funding to the program components.

Administration fees will be paid to SMs quarterly as per the amounts identified in the PDFP.

Reporting

2016 SIF IAH reporting consists of updating and submitting the PDFP with SM progress on a quarterly basis and completing reports specific to each program component as described in their respective sections of the Administration Agreement.

It is expected that all component-specific reports will be completed and submitted through the Ministry's Grants Ontario System (GOS).

This reporting ensures compliance with the provisions of the CMHC-Ontario Agreement for Investment in Affordable Housing, the 2016 Social Infrastructure Fund Agreement and other established program requirements.

Stacking Provisions

The following stacking provisions are **not allowed** for the 2016 SIF IAH:

- Rental Housing component funding must not be combined with Ontario Renovates component funding for the same units.
- Ontario Renovates component funding must not be applied to units that have previously received AHP (2005), AHP Extension (2009) or IAH funding under the Rental and Supportive or Rental Housing components.
- Ontario Renovates component funding must not be approved for a homeowner who received previous Homeownership component funding under the AHP or IAH for the same unit.
- Funding under different streams of the Operating component cannot be combined.

Example: A unit receiving funding under the Rent Supplement stream cannot also house a rental household receiving funding under the Housing Allowance stream.

- Capital funding must NOT be applied to social housing projects/units as defined under the *Housing Services Act, 2011* (e.g. *demolition and replacement or repair of existing social housing units*)
Social housing redevelopment which involves building new affordable rental units/additions on social housing sites may be eligible (see “Rental Housing Component” for more details).

The following stacking provisions **are allowed** for the 2016 SIF IAH:

- Rental Housing or Ontario Renovates (Multi-Unit Rehabilitation) component funding may be combined with Operating component funding for the same units.
Example: A project may receive Rental Housing funding to create 5 units; the SM may use Rent Supplement funding for those 5 units to provide deeper affordability.
- Ontario Renovates component funding may be approved for a unit that previously received funding under another federal and/or provincial repair-type program (e.g. Northern Repair, Residential Rehabilitation Assistance Program (RRAP), emergency repairs funded under the Community Homelessness Prevention Initiative, Ontario Renovates), provided the repair addresses a need or condition of work which has not been previously funded.
Example: A homeowner who previously received RRAP funding to repair their roof may be eligible to receive funding under IAH Ontario Renovates to install a ramp for greater accessibility.
- Operating component funding may be used to preserve affordability for tenants of social housing projects upon expiry of their operating agreements and/or federal subsidies.
Please note that 2016 SIF IAH Operating component funding cannot be used to meet an SM’s Service Level Standards
- Operating component funding may be used to preserve affordability for tenants of federal co-operative housing projects whose operating agreement expired prior to April 1, 2016.

Rental Housing Component

The Rental Housing component will:

- Increase the supply of 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 who meet one or more of the priorities identified for the 2016 SIF IAH.

Eligibility Criteria - Projects

Eligible projects must 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

The 2016 SIF IAH includes \$33.6 million in dedicated capital funding in each of 2016-17 and 2017-18 for seniors housing. The Ministry will monitor proposals from SMs and funding take-up to ensure the seniors funding requirements are met for each year. SMs should consider the funding requirement for senior's housing when evaluating proposals. The Ministry retains the right to reallocate funding to ensure this funding target is met.

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

Projects that are **not eligible** include:

- Secondary suites in owner-occupied housing
- Nursing and retirement homes
- Social housing projects/units that receive ongoing federal and/or provincial subsidies (e.g. demolition and replacement of existing social housing units)
- Shelters and crisis care facilities
- Owner-occupied housing
- Student residences

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 unless a rationale is provided. 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.

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

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

Project Submission Process

SMs will solicit proposals and select rental housing projects to recommend to the Ministry for funding approval. All procurement processes must be in accordance with the *Municipal Act, 2001*.

SMs will submit recommended projects for the Ministry's consideration as per their allocation set out in their PDFP.

Recommended projects shall:

- Be approved by council and/or board based on municipal/board procurement practices and in accordance with the *Municipal Act, 2001*.
- Have all required municipal approvals such as zoning, minor variances, land severances, or site plan approvals in place to permit the proposed development, or be well advanced in the planning approvals process.
- Be able to sign a Contribution Agreement (CA) no later than December 31st of each program year.
- Start construction within three months after signing a Contribution Agreement.
- Be completed within two years of the date of the Contribution Agreement.
- Be financially viable from a construction and operating cost perspective – based on SM confirmation.
- Meet the current Ontario Building Code and Canadian Environment Assessment Act, 2012 (CEAA 2012) requirements.
- Have rents that on average for the project are at or below 80% of the CMHC Average Market Rent (AMR) 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 – 10% for private proponents; 4% for partnerships between private sector and non-profit organizations; 0% for non-profit organizations.
- Have confirmation of support services, if applicable.
- Address housing needs consistent with provincial priority areas.
- Have an occupancy plan in place to ensure that units will be occupied in a timely manner.

SMs are required to give priority consideration to the employment of apprentices in the residential housing sector during the project evaluation and selection process. SMs are required to report on the initiatives/activities used to promote or support apprentices, the number of apprentices employed in each project, and the type of trade the apprentices are training in.

Given a major focus of the 2016 SIF is on economic stimulus in the short-term, and the reduced timelines for construction start and completion, SMs should consider proposals that are “shovel-ready”.

Further, SMs are encouraged to give priority consideration to projects that:

- Have Contributions by Others, including the SM, host municipality, and proponent – to be used in partnership with 2016 SIF IAH funding.
- Are sponsored by providers that agree to project affordability periods beyond the minimum 20-year term to ensure the longer-term supply of the affordable housing stock.
- Have energy efficiency features that reduce and/or eliminate greenhouse gas emissions.
- Are fully accessible and/or have units that are accessible to persons with disabilities.
- Have support service funding in place, if applicable.

Recommended projects for commitment should be submitted to the Ministry up to November 30th of each program year. All projects must be submitted through the Grants Ontario System (GOS) along with additional project background information such as that contained in Council/board reports.

Project Approval Process

Project approval will be based on construction readiness, ability to meet the program’s eligibility and mandatory timeline criteria, and alignment with the PDFP.

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 (CA).

The CA shall describe legal obligations and reporting requirements for the project. All SMs are required to enter into CAs directly with proponents.

As funding allocations must be committed for each year of the program, the deadline to execute CAs is December 31st of each program year to allow time for re-allocation of funds if necessary. SMs that have not signed a CA or have not begun construction by the required dates may have their funding re-allocated.

Funding

Funding for the Rental Housing component is provided as a forgivable capital loan that is available during the construction phase of the project.

The 2016 SIF IAH Rental Housing component will fund up to 75% of the total capital cost per unit or \$150,000 per unit, whichever is less. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates. An example is provided below.

Example: 10 unit project

Total Capital Cost = \$1,800,000

Total Capital Cost per unit = \$1,800,000 ÷ 10 = \$180,000

2016 SIF IAH Rental Housing funding per unit is the lesser of:

(a) 75% of \$180,000 = \$135,000 or

(b) \$150,000

The maximum funding per unit will be \$135,000.

The total maximum 2016 SIF IAH Rental Housing funding for the project will be \$1,350,000.

SMs may set variable amounts of funding per unit based on 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 SM's service area. SMs are also encouraged to support projects that incorporate enhanced energy efficiency and/or accessibility measures.

SMs are required to perform their due diligence to ensure that a project is financially viable from a construction cost and on-going operating context and that costs per unit are accurate.

Canada Mortgage and Housing Corporation has developed an Affordable Housing Project Viability Assessment Tool which can help determine a project's financial viability based on preliminary calculations. The tool is available at www.cmhc.ca/en/inpr/afhoce/afhoce/tore/into_001.cfm.

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

Payment Process

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

Funding will be advanced to SMs in three instalments:

- 50% at signing of CA, registration of security, 1st available building permit, and construction start
- 40% at completion of structural framing for new construction or fifty percent completion for acquisition and rehabilitation projects
- 10% at confirmation of occupancy, submission of Initial Occupancy Report and Confirmation of Employment of Apprentices Report, and submission of an updated capital cost statement in a form acceptable to the Ministry

SMs must also obtain and submit to the Ministry an audited capital cost statement within six months following the initial occupancy date of projects, or such additional time acceptable to the Ministry.

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

SMs will be required to submit signed payment checklists and documentation in GOS when requesting each payment.

All final payments (10% at confirmation of occupancy) are required to be made within two years of signing the Contribution Agreement, but in any event not later than March 31, 2020. SMs are required to ensure that all projects are completed and request the final payment prior to this deadline.

Targets for Special Priority Groups

SMs are required to direct Rental component funding consistent with one or more of the identified priorities including:

- Seniors - dedicated funding is available for projects with rental units for low-income seniors
- Four provincial priorities (Indigenous peoples, youth, chronically homeless, homelessness following transitions from provincially-funded institutions and service systems)
- Persons with disabilities including adults with developmental disabilities
- Projects that support provincial priorities of transit corridor intensification and/or community hubs.

The tenant groups must also be on, or eligible to be on, social housing waiting lists.

Supportive Housing

The Ministry encourages SMs to work with their Local Health Integration Network and local support services agencies including those that provide services to people with mental health or addiction issues to help coordinate support services with the affordable housing created under the 2016 SIF IAH.

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

While individual unit rents may be set above or below the 80% threshold, in no instance shall a 2016 SIF IAH-funded unit have a rent that is greater than the CMHC AMR for the area.

If CMHC AMRs are not available for certain communities, or in instances where in the opinion of SMs the CMHC AMRs do not reflect the actual AMRs in the local market area, SMs may request an alternate AMR by submitting a business case including a local market rent survey for the Ministry's consideration.

Projects may include both 2016 SIF IAH and market units, but only units with rents that meet affordability requirements will receive 2016 SIF IAH funding.

If rent supplements are used for 2016 SIF IAH-funded units to provide deeper affordability for tenants, the Service Manager shall ensure that 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% of CMHC 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* (RTA). New rental buildings (built after 1991) are technically exempt from RTA rent increase guidelines, but are subject to terms and conditions in the Administration Agreement. The Administration Agreement states that rent increases follow the RTA rent increase guidelines, but must still remain at 80% of CMHC AMR.

The Ministry updates AMR rent level information on its website annually at www.mah.gov.on.ca.

General Program Requirements

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

Construction

- Projects must start construction within three months of signing a CA.
- Projects that do not start construction within three months of signing a CA will have 2016 SIF IAH program funding withdrawn and re-allocated.
- 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 two years of signing a CA.

Municipal Property Tax

- SMs are required 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.

Municipal Housing Facility Bylaw

- SMs are required to have a Municipal Housing Facility Bylaw to enable municipal contributions according to *Municipal Act, 2001*.

Equity

- Minimum 10% equity must be provided for projects sponsored by private proponents.
- Minimum 4% 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.

Contributions by Others

In addition to the mandatory requirements of reducing property taxes/grants in lieu and providing required equity, SMs and proponents are encouraged to provide additional contributions in order to increase the financial viability of the project and/or to provide deeper affordability.

Contributions by SMs may include: waiving or reducing development charges, planning approvals application fees, building permit fees, and full property tax exemptions as well as contributions of municipal grants, and municipally-owned land.

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

Energy Efficiency

The Ministry encourages the use of energy efficient features in building design and ENERGYSTAR-rated products should be used when available.

Suite Meters

As of January 1, 2011, it is mandatory that suite meters be installed in all new social and affordable housing units.

The *Energy Consumer Protection Act, 2010* and Ontario Regulation 389/10 set out the rules for suite meter installation. For further information, please contact **the Ontario Energy Board's (OEB) Consumer Relations Centre at 1-877-632-2727 or 416-314-2455**, or go to www.ontarioenergyboard.ca.

Please note that although suite meters are required to be installed, the decision to bill tenants directly as a result of suite metering will be at the discretion of each housing provider.

Indemnification and Repayment

There are obligations for all 2016 SIF IAH parties with regard to the indemnification and recovery of government funding. Specific obligations and provisions are included in the Administration 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 a 2016 SIF IAH project encounters difficulties, the risk mitigation strategies outlined in the Guide may assist proponents and SMs.

Reporting

SMs are required to update their PDFPs with their funding commitment projections under the Rental Housing component on a quarterly basis. Proponents will be required to report accordingly to the SM.

PDFP quarterly reports will be supplemented by regular GOS milestone updates along with progress reports to the Ministry contacts describing project progress and potential issues of concern that might delay or jeopardize the project.

SMs are also required to complete an Initial Occupancy Report and Annual Occupancy Report once projects are completed and occupied.

In addition, SMs are required to obtain from the proponents and forward to the Ministry an audited capital cost statement within six months following the initial occupancy date, or such additional time acceptable to the Ministry.

This reporting ensures compliance with the provisions of the CMHC-Ontario Agreement for Investment in Affordable Housing Program Agreement, the Supplementary Agreement No. 1, the 2016 Social Infrastructure Fund Agreement and other established program requirements. All reports and updates are to be submitted through GOS, where possible.

Homeownership Component

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

Specific objectives are:

- To provide renter households with an opportunity to move into homeownership.
- To ease the demand for rental housing by assisting renter households to purchase affordable homes.
- To encourage developers to build affordable housing by fostering demand.

Eligibility Criteria

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

- Be a renter household buying a sole and principal residence in a participating SM area.
- Have household income at or below the 60th percentile income level for the SM area or the province, whichever is lower (see Appendix D).
- Meet any additional criteria as established and communicated by the SM.

Household income verification is the responsibility of the SM.

Purchasers must be selected and approved through a fair and open process developed by the SM based on local criteria and defined needs specified in the SM's PDFP.

Purchase Price

The purchase price of a home must not exceed the average resale price in the SM's area. SMs may establish their own maximum house prices, provided they are lower than the average resale price in the SM area. Maximum house prices will be updated on a quarterly 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. SMs may also choose to include duplexes as eligible units.

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

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

Eligible Client Groups

SMs are required to direct Homeownership component funding consistent with one or more of the identified priorities (e.g., persons with disabilities, Indigenous peoples).

Education and Training

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

Canada Mortgage and Housing Corporation website has a number of tools, worksheets, calculators and guides to assist and inform interested home buyers. This information can be found at <http://www.cmhc.ca/en/co/buho/index.cfm>.

Service Manager Revolving Loan Fund (RLF)

Creation and maintenance of a dedicated account / revolving fund is a prerequisite of program participation. SMs with an already-established RLF of 20 years are eligible to receive 2016 SIF IAH Homeownership component funding.

SMs that do not have a RLF 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.

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. SMs 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 SM, to a maximum of \$50,000 per eligible unit.

Total funding advanced by each SM must not exceed 10% of the sum of purchase prices for all units acquired by eligible purchasers – other than units acquired from Habitat for Humanity affiliates as they are exempt from this calculation.

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

Partnerships

SMs partnering with non-profits like Habitat for Humanity or private developers should encourage the employment of apprentices to build new home units.

SM Tip

SMs may choose to provide a top-up to down payment assistance from their RLF for households with dependents. This is to provide additional support to potential purchasers who face more challenges to save for a down payment and who would need to spend more to buy a home with adequate space. Top-up funding amounts from an RLF would be determined by the SM, and would not count as part of the 10% average funding limit.

Funding Commitment

A minimum of 90% of the annual Homeownership component funding allocation must be committed to eligible purchasers of eligible units by December 31st of each program year. If a SM has not met this threshold, the Ministry may reallocate funds to another SM to ensure full commitment of program funding.

Payment Process

SMs 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 2016 SIF IAH funding may not be used for deposits toward eligible units.

Once an eligible purchaser has been approved by the SM, the required project information – along with a copy of the Agreement of Purchase and Sale (APS) – must be submitted to the Ministry through the Grants Ontario System (GOS).

Payments to SMs will be made within 15 business days of project approval, or within seven days of the closing date of the sale of the unit, whichever is later. All payments must be made to approved home purchasers by March 31, 2020.

Conditions for Repayment by Homeowner

Repayment of the original down payment contribution must be made if the following situations occur while the 2016 SIF IAH 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 5% of the purchase price, the loan amount plus 5% 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 SM 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 RLF and redistributed under the Homeownership component in the SM'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.*

Canada Mortgage and Housing Corporation (CMHC)

In support of the Homeownership component, CMHC will recognize down payment assistance as owner's equity in its underwriting evaluation.

Reporting

SMs are required to update and submit their PDFPs with their approved progress under the Homeownership component on a quarterly basis.

Participating SMs are also required to report annually to the Ministry on the progress of the Homeownership component through the Homeownership Annual Report.

The report will include information on:

- Number of households assisted/units financed through the program
- Number of occupants
- Price of unit
- Actual occupancy and closing dates
- Amount of 2016 SIF IAH subsidy
- Funding commitments to date
- Financial position of the RLF
- Other financial contributions

This reporting ensures compliance with the provisions of the CMHC-Ontario Agreement for Investment in Affordable Housing, the Supplementary Agreement No. 1, the 2016 Social Infrastructure Fund Agreement and other established program requirements. All reports and updates are to be submitted through GOS, where possible.

Documentation Required for Records

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

Eligibility information:

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

Loan information:

- Agreements of Purchase and Sale
- 2016 SIF IAH loan agreement
- Mortgage registration documentation
- Title search

Payment documents and default actions:

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

Ontario Renovates Component

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

The objectives of Ontario Renovates are:

- To improve the living conditions of households in need through financial assistance to repair deficiencies in affordable ownership and rental properties.
- 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 providing assistance to create secondary suites in existing single family homes.
- To respect the environment and to realize savings that will improve housing affordability over the long term through the use of energy-savings products or systems.
- To encourage and support the employment of apprentices.

The Ontario Renovates component consists of two sub-components:

- a) *Home Repair* to assist low to moderate income homeowner households:
 - 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.
- b) *Multi-Unit Rehabilitation* to assist:
 - Landlords of eligible affordable rental buildings to rehabilitate units that require essential repairs and/or modify units to increase accessibility.
 - Low to moderate income homeowners to create a new affordable rental unit in an existing single family home.

The 2016 SIF IAH includes \$33.6 million in dedicated capital funding in each of 2016-17 and 2017-18 for seniors housing. The Ministry will monitor proposals from SMs and funding take-up to ensure the seniors funding requirements are met for each year. SMs should consider the funding requirement for senior's housing when delivering the Ontario Renovates component. The Ministry retains the right to reallocate funding if this seniors funding target is not being met.

SMs are required to give priority consideration to the employment of apprentices in the renovation of Multi-Unit Rehabilitation projects (with the exception of projects that create secondary suites) during the selection process. SMs are required to report to the Ministry on the initiatives used to promote or support apprentices, the number of projects employing apprentices, the number of apprentices employed in each project, and the type of trade the apprentices are training in.

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 SM
- 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 SM
- Creation of self-contained secondary suites for affordable rental purposes and garden suites for seniors and/or persons with disabilities.

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 SM deems reasonable and that are agreed to by the Ministry.

Applicants who have previously received federal and/or provincial repair funding (e.g. Residential Rehabilitation Assistance Program (RRAP); IAH – Ontario Renovates; Northern Repair; Northern Remote Communities, CHPI funding) may be eligible for Ontario Renovates provided the repair/remediation/modification addresses a need or condition of work which has not been the subject of previous repair assistance.

Repairs must commence within 3 months of project commitment and be completed within two years. Copies of all financial invoices must be kept for reporting and audit purposes.

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. Examples include, but are not limited to:

- Window replacement using double pane, low E Argon windows.
- Roof replacement using attic insulation to a minimum of R40.
- Furnace replacement with an ENERGY STAR qualified furnace with a brushless DC motor.
- Toilet replacement with a low-flush or dual-flush toilet rated at 6 litres per flush or less.
- Replacement of water heater with an ENERGY STAR qualified instantaneous water heater.

Ineligible Projects

The following projects are not eligible for Ontario Renovates funding:

- Retirement Homes, Long-Term Care Homes (including nursing homes).
- Units not subject to the *Residential Tenancies Act, 2006*.
- Projects that received funding under AHP (2005), AHP Extension (2009) – Rental and Supportive and IAH – Rental Housing.
- Units for which the homeowner received Homeownership component funding under the AHP or IAH.
- Social Housing units as defined under the *Housing Services Act, 2011*.
- Creation of new rental units (except secondary suites in a single family home and garden suites on the property lot of a primary residence).

Project Submission Process

The SM is responsible for selecting and approving all eligible Ontario Renovates 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 SM, completed project information along with proof of loan security (promissory note or mortgage registration) must be entered and approved in the Grants Ontario System (GOS) to confirm program take-up. The Ministry reserves the right to return an Ontario Renovates project for revision and resubmission if it is not consistent with the Program Guidelines.

Loans may be secured by promissory notes. If funding exceeds \$25,000, a mortgage registered on title is required upon project completion.

SMs 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, SMs must provide a sign-back letter of agreement to each homeowner outlining the scope of work, funding commitment and roles and responsibilities of both the homeowners and the SM.

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

- Certificate of insurance is provided, as appropriate.
- The SM 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 CMHC average market rents (AMR), and
 - Forgiveness of funding is earned at an equal rate per year for the minimum 15-year period.
- The proponent or homeowner is in compliance with the Funding Agreement.

SMs must ensure project status is updated and documents are posted in GOS on an on-going basis.

Funding Commitment

A minimum of 90% of the annual Ontario Renovates component funding allocation must be committed to eligible homeowners or landlords by December 31st of each program year. If a SM has not met this threshold, the Ministry reserves the right to reallocate funds to another SM to ensure full commitment of program funding.

Eligible Client Groups

SMs are required to direct Ontario Renovates component funding to one or more of the identified priorities including:

- Seniors - dedicated funding is available for the repair, or modifications of affordable rental and ownership units that house low-income seniors
- Persons with disabilities including adults with developmental disabilities
- Four provincial priorities (Indigenous peoples, youth, chronically homeless, homelessness following transitions from provincially-funded institutions and service systems)

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 SM area or province, whichever is lower. SMs are responsible for household income verification. (See Appendix D)
- Own a home that is their sole and principal residence with a market value at or below the average resale price for the SM area provided by the Ministry.

The province will supply annual updates to the 60th percentile income figures and quarterly updates to the average resale price data. In communities where data is non-

existent, market values may be determined by the SM. SMs 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 CMHC average market rent (AMR) for the SM area for the entire loan forgiveness period.

Projects (with the exception of projects that create secondary suites) that support the employment of apprentices must be given consideration during the selection process. Service Managers will be required to report on the initiatives used to promote or support apprentices, the number of apprentices employed in each project and the type of trade the apprentices are training in.

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 AMR levels for 1 bedroom units in the SM area.

The creation of affordable secondary suites in existing single family homes or garden suites on the property lot of a single family home 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 SM area or province, whichever is lower; however, SMs may establish more restrictive income limits. SMs must establish an approach for income verification in order 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 SM.

Funding

Funding is provided in the form of a forgivable loan to the proponent / homeowner based on the cost of approved work items. SMs may vary the amount of funding per unit in order to address local priorities, to a maximum of \$50,000. The average funding across a SM's area must not exceed \$25,000 per unit. 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. Both are forgiven at an equal rate per year over the affordability period. The earning of loan forgiveness begins on the date of repair completion.

Funding for accessibility repairs made to a home and/or unit, up to a maximum of \$5,000 is in the form of a contribution without an affordability period and does not require repayment provided the funds are used for their intended purpose.

The applicant is considered to be 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.
- Homeowners cease to occupy the unit as sole and principal residence.

If any of the following situations occur, the applicant is considered to be 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 SM are to be reinvested into Ontario Renovates projects unless otherwise directed by the Ministry.

Payment Process

The Ministry will transfer funds electronically on a quarterly basis to SMs based on their approved PDFP and actual funding take-up. Payments will be made to the Service Managers within 15 days following the receipt of the Service Manager's quarterly updated PDFP.

Once an eligible project has been approved by the SM, 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 GOS to confirm program take-up. Repair activities must start within three months of the date of the funding agreement/letter of agreement.

SMs are responsible for project selection and approval, monitoring progress and completion of projects, quality of work and for the advancement of funds. Repair activities must be completed within two years of the date of the funding agreement/letter of agreement. SMs must ensure project status is updated in GOS. Should project details – for example, completion dates – not be updated as required, payments to SMs may be reduced.

The Ministry will monitor SMs' progress under the Ontario Renovates component on GOS throughout the year. In particular, the Ministry will review progress at the end of the third quarter of each program year. SMs that have not demonstrated take-up of 90% or more of their yearly Ontario Renovates allocation by the end of the third quarter may risk losing their funds.

Reporting

SMs are required to update and submit their PDFPs with their approved progress under the Ontario Renovates component on a quarterly basis.

SMs will also be required to submit the following reports:

- Post-Repair Occupancy Report upon the completion of Multi-unit Rehabilitation projects

- Annual Report (includes Annual Occupancy Reports for Multi-unit Rehabilitation projects throughout the affordability period of all Ontario Renovates projects)

SMs are required to create and submit reports through GOS and ensure that Project Information Form and rents are updated on an ongoing basis.

This reporting ensures compliance with the provisions of the CMHC-Ontario Investment in Affordable Housing Program Agreement, the Supplementary Agreement No. 1, the 2016 Social Infrastructure Fund Agreement and other established program requirements. All reports and updates are to be submitted through GOS, where possible.

EXAMPLE EOI

Operating Component

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

The Operating 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. SMs have discretion to allow Housing Allowance payments to be made directly to landlords on their clients' behalf where they deem it appropriate and where the clients have chosen this approach and provided written direction and consent.

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

SMs are allocated funding for the Operating component at the beginning of each year of the program, based on the commitments for each stream identified in their approved PDFPs.

- Note: Some SMs will continue to have separate concurrent Operating funding commitments under the 2011 IAH agreement and the IAH (2014 Extension).

SMs have the flexibility to move funds between their direct delivery streams, i.e. Housing Allowance Direct Delivery and Rent Supplement, at any time to meet their needs. This flexibility does *not* apply to Housing Allowance Shared Delivery. SMs may *not* move funds between the direct delivery streams and the Housing Allowance Shared Delivery stream, as the latter is governed by both the Administration Agreement and a separate agreement between the SM, the Ministry of Housing, and the Ministry of Finance. Once a SM's PDFP is approved, funding for Housing Allowance Shared Delivery is committed and cannot be moved to another stream.

SMs must give priority to tenants of social housing tenants in projects where operating agreements and/or federal subsidies have expired. Providing housing allowances or rent supplements is intended to promote housing stability for tenants who would otherwise face affordability challenges. Consideration should also be given to tenants of federal co-operative housing projects whose operating agreement expired prior to April 1, 2016.

Under the Operating component, SMs must make all funding commitments by March 31, 2018, but may extend funding for their clients up to June 30, 2020 (Shared Delivery) or March 31, 2024 (Direct Delivery).

Stacking Provisions

To provide deeper affordability, SMs may use Operating component funding for units/households currently receiving, or having received, funding under the following programs:

- IAH or IAH (2014 Extension) Rental Housing and Ontario Renovates
- Off-Reserve Aboriginal Housing (Trust) Program

SMs may use Operating component funding for units/households having received funding **previously** under the following programs:

- Canada-Ontario Affordable Housing Program (AHP) (2005) or AHP Extension (2009) Capital components
- AHP (2005) Housing Allowance/Rent Supplement Program (HARS)
- IAH Operating components (Rent Supplement, Housing Allowance Direct or Housing Allowance Shared)

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 PDFP. SMs are required to demonstrate program take-up through their PDFP updates. SMs may contribute their own funding to the Operating component.

Reporting – Direct Delivery Streams

Initial PDFP

In their initial PDFP, SMs are required to break down their Operating component funding by streams and indicate the length of each stream, as well as subsidy levels and estimated number of units/households. SMs are required to make all funding commitments by March 31, 2018. However, they may extend funding for their clients up to March 31, 2024.

PDFP updates

2016 SIF IAH reporting consists of updating and submitting the PDFP with SM progress on a quarterly basis and completing reports specific to the Operating component.

Reports will be completed and submitted through the Ministry's Grants Ontario System (GOS).

For their quarterly updates, SMs are required to track spending and client numbers separately for each stream. Quarterly PDFP updates must include, in the case of the

Rent Supplement stream, the number of occupied units, and in the case of the Housing Allowance streams, the number of eligible households.

SMs are also required to track the following information:

- Landlord agreements and agreements with third-party delivery agencies
- Approved client applications
- Target client groups. SMs must report on these in their annual PDFP update.

This reporting ensures compliance with the provisions of the CMHC-Ontario Agreement for Investment in Affordable Housing, the Supplementary Agreement No. 1, the 2016 Social Infrastructure Fund Agreement, the SM Administration Agreement, and other established program parameters.

Reporting – Shared Delivery Stream

No quarterly updates are required from SMs through their PDFP updates for the Shared Delivery stream. The Ministry of Finance provides bi-weekly reports to both the SM and the Ministry on program expenditures, and clients assisted.

Payment Process

Direct Delivery Streams (Housing Allowance and Rent Supplement)

The Ministry will provide quarterly payments based on annual cash flow statements and actual expenditures.

Generally, payments to SMs are made on the first day of every quarter of the program year in advance for the upcoming quarter. However, fourth quarter payments are made on January 20th instead of the first day of the quarter to allow time for payment reconciliation.

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

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

Shared Delivery Stream (Housing Allowance)

MOF administers the Shared Delivery stream on behalf of Service Managers, and pays eligible households directly. No funds are transferred to SMs. Rather, the Ministry holds back funds from each SM's 2016 SIF IAH allocation as per the PDFP, Housing Allowance Shared Delivery stream, for use by MOF to pay clients.

Client Eligibility

To be eligible for Operating component funding, 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 (HILs) in the annually amended Ontario Regulation 370/11 under the *Housing Services Act, 2011*.

Households in receipt of social housing rent-geared-to-income (RGI) subsidy or payments under any other rent support programs are not eligible.

For the purposes of the Operating component, “household” is defined as any family unit or single individual renting either a self-contained unit or a room in shared accommodation.

A rental unit or its occupants can receive only one type of subsidy, either under the Rent Supplement or Housing Allowance stream. In addition, a rental unit can receive only one Rent Supplement subsidy. A household can receive only one Housing Allowance subsidy; that is, two or more members of a household cannot each receive a subsidy under the Housing Allowance stream.

See “Stacking Provisions” above.

Household Income Limits

If SMs are of the opinion that Household Income Limits (HILs) in the annually amended Ontario Regulation 370/11 under the *Housing Services Act, 2011* are too low and do not correlate with CMHC’s Average Market Rents (AMRs) for their areas, they can request in writing modifications to their HILs through their Ministry contacts (see Appendix A).

SMs should refer to the Average Market Rents section, below, for related information.

Client Selection

Given the significant additional investment of federal-provincial funds over the next two years, SMs are asked to give priority to supporting affordability for tenants in social housing buildings with operating agreements and/or federal subsidies that have expired, or in federal co-operative housing projects whose operating agreement expired prior to April 1, 2016.

In addition to the priority referenced above, SMs are required to direct Operating component funding to meet one or more of the identified priorities including:

- Seniors
- Persons with disabilities, including adults with developmental disabilities
- Four provincial homelessness prevention priorities – Indigenous persons, the chronically homeless, youth, and homelessness following transitions from provincially-funded institutions and service systems (e.g. correctional facilities, hospitals, child welfare system)

SMs must report on any targeted client groups in their PDPF updates.

Unit Eligibility

Self-contained units and congregate living arrangements are both eligible for funding.

Units may be in private buildings or in non-profit and co-operative projects and must be modest (at or below average market rent, see below) and in satisfactory state of repair. However, only market rent units in social housing developments are eligible, as program funding cannot be combined with rent-geared-to-income (RGI) assistance.

Units must meet local occupancy standards. SMs must establish local occupancy standards and include them in program information available to the general public.

Average Market Rents

The Ministry updates AMR information on its website annually.

If CMHC AMRs are not available in certain communities, or if SMs are of the opinion that CMHC AMRs do not reflect the actual AMRs in the local market area, they may request an alternate AMR by submitting a business case, including a local market rent survey for the Ministry's consideration.

Each SM is responsible for defining what expenses are to be included in monthly rent for the purposes of the program and for ensuring that the monthly rent does not exceed local AMR.

If Operating component funding is used for units funded under the 2016 SIF IAH Rental Housing component to provide deeper affordability for tenants, the SM must ensure that the total rent received by a Rental Housing proponent, including rent from the household and Operating component funding from the SM or other party, shall not exceed CMHC's AMR.

Monthly Subsidy Amounts

SMs must determine amounts to be paid to households (Housing Allowance streams) or landlords on behalf of each household (Rent Supplement stream).

Initial Income Testing (Direct Delivery stream)

SMs must establish a clear set of rules to determine whether the applicant's household income is at, or below, HILs. These rules must be in writing and available to the general public. See also the Household Income Limits section, above.

Income Testing / Continued Affordability (Direct Delivery stream)

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

For further information on the Housing Allowance Shared Delivery option, SMs should liaise with their Ministry contacts (see Appendix A).

EXAMPLE EOI

Social Housing Improvement Program (SHIP)

EXAMPLE EOI

Introduction

The Social Housing Improvement Program (SHIP) is a capital program that aims to improve and preserve the quality of social housing in the province and ensure its long term physical sustainability.

The objective of the program is to assist in the repair, and energy and water retrofit of existing social housing to address capital needs, improve energy efficiency and reduce greenhouse gas emissions.

This funding is not subject to any cost matching requirements by the Service Managers or the housing providers.

SHIP funding is not intended to replace activities supported by Federal funding received under the Housing Services Act (HSA) 2011.

Funding Allocations

SMs have been provided with funding allocations for the program to allow for planning and program implementation. This allocation is based on the percentage of physical social housing units currently under the SMs' oversight. Funding allocations are provided on a "use it or lose it" basis. Funds that are not committed by the required timelines will be lost.

General Eligible Activities and Costs

Social housing projects eligible for SHIP funding must fulfill the following criteria:

- As of April 1, 2016, the project was administered within a "Transferred Housing Program" in Schedule 1, Regulation 367/11 of the Housing Services Act (HSA), 2011.
- At the time of the commitment and use of the SHIP funding for the project, the project is still within a "Transferred Housing Program" in Schedule 1, Regulation 367/11 of the *Housing Services Act (HSA), 2011*.

However, projects within Transferred Housing Program No 2(A) and 2(B): Rent Supplement Program under the "Transferred Housing Program" in Schedule 1 are not eligible.

SMs must ensure that all funds go towards critical repair and renovation work by prioritizing capital needs that extend the long term physical sustainability of the social housing projects.

Renovation/retrofit activities eligible to receive SHIP funding include the following:

- Replacement or reconstruction of worn out or obsolete major buildings or site components, major building system or services, basic facilities and equipment, kitchen and bathroom facilities, safety features, parking facilities and walkways.

- Upgrading any of the foregoing to modest modern standards.
- Substantial modifications to provide or improve accessibility for persons with disabilities.

Additional activities eligible to receive SHIP funding include:

- Upgrades carried out for improving energy efficiency as determined by a qualified professional.
- Water conservation upgrades.
- Regeneration within the portfolio of existing eligible social housing including conversion of units, and demolition and reconstruction of all or part of a project.

The SM must ensure that in any redevelopment/regeneration project at least the previous number of RGI units is maintained at a minimum. Regeneration options should be considered if it assists in promoting long term financial viability, does not create operating deficits, and is consistent with SHIP program guidelines.

Soft costs are permitted under the program. They include project-related expenses such as professional services (e.g. architects, engineers), preparation of tender documents, charges and fees required for municipal approvals (e.g. building permit fees), building condition assessments, and energy efficiency audits. All soft costs as a proportion of total construction budgets must be in accordance with industry norms.

Repairs must commence within 3 months of the date of funding commitment of the project and completed within 2 years of the date of funding commitment. Copies of all financial invoices must be kept for reporting and audit purposes.

Ineligible Expenditures

The following costs are not eligible capital expenditures:

- Costs for ongoing or routine maintenance and repairs, as these are already covered under an annual operating budget
- Costs related to repair projects already included in annual capital plans
- Construction of new social housing units outside the social housing portfolio

Energy Efficiency

Energy efficiency work carried out in a building is expected to achieve minimum energy efficiency standard appropriate to the type of structure:

- Low rise building: 5 point increase on the EnerGuide for Homes scale.
- High-rise building: 15% improvement over the current baseline energy efficiency of the building/unit

The Ministry strongly encourages the use of energy-saving products or systems for the required repairs to housing under SHIP.

Affordability Criteria

In all cases, funded social housing projects must remain affordable for a ten-year period after the completion of the funded repair/retrofit or regeneration activities, including a minimum of five (5) years during which it will operate as social housing under the *Housing Services Act, 2011*. This requirement applies regardless of any mortgage obligations or agreements between a Service Manager and housing provider.

“Affordable” means units rented at the low end of market rent as determined by the Service Manager.

Funding

Funding is provided in the form of a capital contribution to the housing provider based on the estimated cost of approved work items. In order to provide significant flexibility for SMs to address capital repair needs of social housing projects, the Ministry has not set any limit on the maximum amount of funding per unit.

SMs must not reduce existing subsidy payments to social housing providers as a result of the new SHIP funding.

Project Submission Process

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

Once the ministry has approved the PDFPs and the individual projects are approved by the SM, the SM will enter project details as per the Project Information Form (PIF) into Grants Ontario System (GOS) to commit funding. The Ministry reserves the right to return a SHIP project for revision and resubmission if it is not consistent with the Program Guidelines. SMs must provide documentation outlining the scope of work and funding commitment for each project. All projects must be in GOS by December 31, 2016. The ministry will begin the funding reallocation process in January 2017 for uncommitted funding.

SMs must only approve projects that reflect value for money and make prudent use of public funds.

The SM must not approve a funding request unless the housing provider has agreed to operate the project as per the affordability requirements outlined above.

SMs must ensure project status is updated and documents are posted in GOS on an on-going basis.

Contribution Agreements (CAs)

A contribution agreement to be established by the Service Manager must be signed between the SM and the housing provider for every project and submitted to the Ministry through GOS. The CA shall describe legal obligations and reporting requirements for the project. A fully executed CA must be in place prior to the SM making any payments to the housing provider under the program.

Payment Process

SMs will receive initial program funding and Administration Fees in the first quarter as per the cash flow statement (CFS).

The primary purpose of the CFS is to indicate quarterly cash flow requirements over the life of the program, but no later than 2 years from the date of funding commitment. The quarterly cash flow request must be at or close to the time the funds are needed by the housing provider to pay for their relevant expenditures. No more than 10% of the SM allocation must be projected for disbursement in the last quarter.

The SM must also indicate in the CFS what portion of the allocation will be used as Administration Fees. SMs are allowed to use up to 5% of their funding allocation for administration costs.

The Ministry will make subsequent quarterly payments to SMs based on the projected cash flow statement. However, upon review of progress made by SM in a particular quarter, the Ministry may reduce the quarterly transfer payments to SMs in the case of insufficient progress.

While payments to SMs will not be based on development milestones of individual projects, SMs must flow funds to the housing providers based on pre-established project milestones for their respective projects.

Reporting

A key condition of the federal funding is that program reporting take place quarterly on each project. SMs are required to report to the ministry on the status of each project during its repair, retrofit and regeneration activities. SMs must update progress on project activities and payments to housing providers regularly through GOS.

SMs must submit confirmation of construction start and completion for each project in GOS.

SMs must submit an Annual Program Compliance Attestation Report through the Grants Ontario System (GOS) by April 15 in each year until the expiry of the Ten Year Affordability Period for each social housing project that received SHIP funding.

Appendix A: Ministry Contacts

Municipal Services Office – Central

777 Bay Street 13th Floor
Toronto, ON, M5G 2E5
General Inquiry: 416-585-6226
Toll Free: 1-800-668-0230
Fax: 416-585-6882

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

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

Municipal Services Office – Eastern

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

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

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

Municipal Services Office – Western

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

Contact: Tony Brutto, Team Lead, Regional Housing Services
Tel: 519-873-4032
Email: tony.brutto@ontario.ca

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

Municipal Services Office – Northeastern

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

Contact: Cindy Couillard, Team Lead, Regional Housing Services
Tel: 705-564-6808
Email: cindy.couillard@ontario.ca

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

Municipal Services Office – Northwestern

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

Contact: Peter Boban, Team Lead, Regional Housing Services
Tel: 807-473-3017
Email: peter.boban@ontario.ca

Serving: Kenora, Rainy River, Thunder Bay

Housing Programs Branch - Toronto

777 Bay Street, 14th Floor
Toronto, ON, M5G 2E5
Fax: 416-585-7003

Contact: Walter Battello, Account Manager, Regional Services Delivery Unit
Tel: 416-585-6398
Email: walter.battello@ontario.ca

Serving: Toronto

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

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

Appendix C: Canadian Environmental Assessment Act (CEAA)

Pre-screening Guidelines

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

SMs are required to consider this checklist when recommending project proposals to the Ministry for funding approval. SMs must confirm to the Ministry that the proposed project complies with the CEAA 2012, as per CMHC 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: Maximum Household Income Level, 2016

CMSMs	Income at 60th Percentile
Greater Toronto Area**	\$88,900
City of Toronto	
Regional Municipality of Durham	
Regional Municipality of Halton	
Regional Municipality of Peel	
Regional Municipality of York	
City of Brantford	\$78,900
City of Cornwall	\$72,200
City of Greater Sudbury	\$83,700
City of Hamilton	\$81,700
City of Kawartha Lakes	\$74,700
City of Kingston	\$83,300
City of London	\$78,500
City of Ottawa**	\$88,900
City of Peterborough	\$77,000
City of St. Thomas	\$78,500
City of Stratford	\$84,600
City of Windsor	\$78,800
County of Bruce	\$88,600
County of Dufferin**	\$88,900
County of Grey	\$75,000
County of Hastings	\$71,500
County of Huron	\$76,200
County of Lambton	\$82,600
County of Lanark	\$86,200
County of Lennox & Addington	\$78,400
County of Norfolk	\$81,300
County of Northumberland	\$81,300
County of Oxford	\$84,400
County of Renfrew	\$78,900
County of Simcoe	\$88,900
County of Wellington**	\$88,900
District Municipality of Muskoka	\$79,700
Municipality of Chatham Kent	\$68,900
Regional Municipality of Waterloo**	\$88,900
Regional Municipality of Niagara	\$77,600
United Counties of Leeds & Grenville	\$82,500
United Counties of Prescott & Russell **	\$88,900
Algoma DSSAB	\$62,500
Cochrane DSSAB	\$80,700
Kenora DSSAB	\$79,600
Manitoulin-Sudbury DSSAB	\$71,800
Nipissing DSSAB	\$75,700
Parry Sound DSSAB	\$72,000
Rainy River DSSAB	\$72,200
Sault Ste. Marie DSSAB	\$76,700
Thunder Bay DSSAB	\$79,100
Timiskaming DSSAB	\$65,600
ONTARIO**	\$88,900

* Based on Statistics Canada 2011 National Household Survey, indexed to 2015, rounded to the nearest hundred.

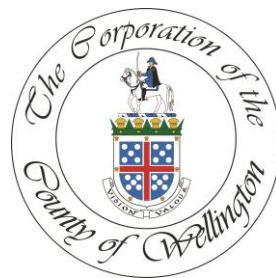
** In areas where 60th income percentile is greater than the provincial level, the provincial level 60th income percentile is used.

Affordable Rental Housing Development

Resource Guide

The Corporation of the
County of Wellington
Housing Services Division

February 2017



Alternative Formats Available Upon Request

Preface

The County of Wellington is designated as a Service Manager under the Ontario provincial legislation to provide affordable and social housing services. These services are provided to a population of approximately 208,000 persons (Census data 2011) within a geographic area that includes: the separated City of Guelph area, and the County of Wellington area consisting of its seven local municipalities which include the Township of Centre Wellington, Township of Guelph-Eramosa, Town of Minto, Township of North Wellington, Township of Mapleton, Town of Erin and the Township of Puslinch.

This guide is made available by the County of Wellington as a resource on affordable rental housing development. The guide has been prepared in conjunction with Tim Welch and Associates, following the workshop series “Affordable Rental Housing Development” that was commissioned by the County of Wellington’s Housing Services and offered between October 2015 and February 2016. These sessions, presented by Tim Welch Consulting Inc., covered a variety of topics including:

- Setting goals,
- Assembling a development team,
- Funding and financing,
- Design and construction approaches,
- Planning approvals,
- Rent up, property management and long-term operations,
- Supportive housing,
- End of Operating Agreements (EOA).

A number of individuals and organizations interested in building affordable housing participated in this workshop series. The County of Wellington offered this series to assist organizations to prepare for future affordable housing projects and proposals locally and in Ontario, as Service Managers release capital funding to build affordable rental housing from their own or federal/provincial sources.

<p>The Corporation of the County of Wellington Housing Services 138 Wyndham Street, North Guelph, ON N1H 4E8 T: 519.824.7822 1.800.663.0750 F: 519.824.3752 www.wellington.ca</p>	<p>Tim Welch Consulting Inc. TWC 26 Colborne Street Cambridge, Ontario N1R 1R2 T: 519.624.9271 toll free: 1.866.624.9271 F: 519.624.5556</p>
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1.0 Introduction

Across Ontario, a common goal exists to increase the supply of affordable housing for improved housing options available to low and moderate income households and specific targeted households in need. This goal and many others in regard to affordable housing and ending homelessness are addressed by Service Managers (SM) and District Social Services Administration Boards (DSSABS) which are responsible for housing service system planning in their communities under the 10-year Housing and Homelessness Plans.

Local strategies to create affordable housing may be implemented, and are often dependent on important federal and provincial investments to offset the economic realities to build more housing. A combination of roles and partners are necessary to work together, ranging from the residents in need of improved access to affordable housing and Housing Providers to develop the housing, to all three levels of government including Service Managers and housing development experts in the private sector such as lenders, builders and architects.

The development of affordable rental housing requires navigation through various stages, in both the public and private sectors. This guide can assist with the understanding of common considerations in achieving a successful outcome.

References in this guide may refer to the local Service Manager administration and funding for affordable housing developments accessed through federal/provincial programmes such as the Investment in Affordable Housing Initiative (IAH), as well as through municipal incentives and investments such as municipal housing reserves, Municipal Housing Project Facility Agreements and related By-laws. Housing Providers and others are encouraged to contact their local Service Manager for up-to-date information on available affordable housing development initiatives and funding opportunities.

2.0 Purpose of the Guide

The purpose of this guide is to provide a resource to individuals and groups wanting to develop, build and operate affordable rental housing.

A growing body of research shows that access to good quality affordable housing can support not only low and moderate income households, but also has positive community-wide benefits related to economic competitiveness, health, education and community well-being.¹ But what do we mean by “affordable housing”? Affordable housing is an umbrella term which refers to a range of different housing types in the private market and non-profit sectors. How you define affordable housing will be different depending on your role as funder, policy maker, housing advocate and/or tenant. The definition of affordable rental housing and affordable ownership housing used in this guide can be

¹ Ministry of Municipal Affairs and Housing, 2011. Municipal Tools for Affordable Housing.

found in the Glossary of Terms and are adapted from the federal/ provincial Investment in Affordable Housing initiative (IAH). A broader definition of affordable housing is also provided in the Ontario Provincial (Planning) Policy Statement, 2014; which sets out the government's policies on land use planning in Ontario. Before undertaking a development project, it is recommended you gain a basic understanding of the policy and legislative framework regulating affordable housing development in Ontario.

This resource guide pertains only to the development of affordable rental housing. Included in this guide are practical considerations that highlight specific topic areas and the development process more fully. Affordable housing development is, first and foremost, residential development (most often multi-residential development), and is regulated by the Ontario Planning Act and other Provincial legislations. For many community groups committed to increasing the supply of affordable housing, the development process is new and challenging. The time needed to go from a housing development idea to a completed building typically takes years. This guide will help orient those new to the field, and for experienced developers highlight good practices and matters unique to building affordable housing.

Note, this document is *not* intended to be a comprehensive “how to” guide or complete checklist as each development project is unique with regard to site development, financing and design to name a few. Importantly, if you proceed with development you will be completing a number of tasks, shown in the different sections of this guide, simultaneously. For example, while completing due diligence on a property you own or have a conditional offer on, you may be developing a business plan, talking to a financial institution and setting up a formal consultation with municipal staff. The timing of the various tasks will be specific to your project and, in part, guided by your professional team.

Further, residential development involves a number of professionals each accountable to their own regulatory body and with specific legislation guiding their work. It is beyond the scope of this guide to cover the professional standards and/or legislation governing the work of your professional team. Before undertaking a development project, it is also recommended you gain a basic understanding of the policy and legislative framework that regulates development in Ontario.

3.0 The Role of the Service Manager and Municipalities

The Province of Ontario has set out various roles for Service Managers and municipalities for purposes of provision of affordable housing in terms of housing programmes and services, as well as land use planning and services.

3.1 The Service Manager Role

The Province has identified 47 Municipal Service Managers and District Social Services Administration Boards (the “Service Manager”) across Ontario. The Service Manager is responsible for the delivery of multiple social services and programmes, including but not limited to social and affordable housing, and homelessness initiatives, within designated geographic areas. Under the Housing Services Act,

2011, the Ontario Housing Policy Statement, and Poverty Reduction Initiative and related initiatives, the Service Manager is responsible for:

- Housing and homelessness service system planning (i.e. 10-year Housing and Homelessness Plan targets and measures, and annual reports),
- Coordination of services under related initiatives and existing local or federal/provincial programmes,
- Building partnerships in the areas of housing and homelessness, and
- Administering programmes and funding from any of federal/provincial/ municipal investment sources for affordable housing and homelessness programmes.

Whether you plan to build affordable housing in large urban, small urban or rural communities, the Service Manager is a good place to start given their administrative and funding role. Research and plans to address homelessness and the shortage of affordable housing are generally available on the Service Manager website and also can be located on the OMSSA website (see Section 16.0).

Related affordable housing resources can be found in sector partner's websites, such as the Ontario Municipal Social Services Association, Ontario Non-Profit Housing Association, Co-operative Housing Federation and the Housing Services Corporation. The federal Canada Mortgage Housing Corporation (CMHC), and the provincial Ministry of Housing (MAH) have information about housing and homelessness, specific programmes with funding assistance, long-term strategies as well as resources related to affordable housing (see Section 16.0). Service Manager staff can provide information on the status of and access to funding through various programmes and investments as well as connections to other groups interested in, or developing affordable housing.

3.2 The Municipal Role in Land Use Planning

Municipalities, as set out in Ontario provincial planning policies and related legislation, must address the land use and planning development activities, including the provision of an appropriate range and mix of housing types required to meet the current and future needs of their residents. Municipal governments, including Regional governments, separated Cities, Counties and their local municipalities, have a responsibility to address the housing needs of their residents. To achieve its affordable housing targets (vary per local land use planning requirements), policies related to housing and affordable housing are included in municipal Official Plan's, zoning by-laws, companion research, secondary plans and related land use planning documents.

The municipal role with regard to residential development will be covered in Section 10.0, Planning approvals.

4.0 Types of Housing Providers

4.1 Municipal or Private Non-profit Housing Corporations

These are non-profit housing corporations established by a municipality (Municipal Non-Profit Housing Corporation - MNP) or a community organization (Private Non-Profit Housing Corporation – PNP), such as a church, ethno-cultural group, service club, labour union or other community group. The relationship to the municipality or community organization varies widely, ranging from total independence with no municipal /organization appointees on the board of directors, to municipal councillors / community organization appointees being the only board members.

In accessing funding through Service Managers, it is important that the board of directors have a variety of skills applicable to affordable rental housing development, such as but not limited to multi-residential construction, corporate loan financing, property management and housing operations, legal, and human services (for client population). Once the project is built and occupied, it is important to have a board of directors with the applicable operating skills to oversee the operations. More resources can be located at www.ONPHA.on.ca and at www.chfcanada.coop.

MNP and PNP's are a non-share corporation incorporated under the Corporations Act. The Act to govern non-profit corporations was proclaimed in 2012. The Not-for-Profit Corporations Act sets out some new requirements for all provincially incorporated non-profit corporations. A few PNPs are incorporated under federal legislation and some have charitable status with the Canada Revenue Agency. A provincial government's resource called "Non-Profit Incorporator's Handbook" is available at www.attorneygeneral.jus.gov.on.ca. It is helpful to check with your legal services for specific incorporation requirements related to affordable housing.

4.2 Non-Profit Housing Corporations with Charitable Status

Non-profit Housing Corporations may have a charitable component. The Canada Revenue Agency has specific requirements regarding permissibility on whether a charity is carrying on a related business. A helpful resource called "End of Operating Agreements: Legal Issues, May 2, 2016" provides information on Registered Charity, and is available at www.hscorp.ca. A provincial government's resource called "Non-Profit Incorporator's Handbook" is available at www.attorneygeneral.jus.gov.on.ca. Also, check with your legal services for specific charitable requirements related to affordable housing and potential financial incentives.

4.3 Private Developers

A private developer, or real estate developer, is an entrepreneur who purchases land for residential and/or commercial purposes, prepares it for development and manages the construction process with the intention of a financial gain. The Private Developer may own and manage the housing project, or may sell to another corporation or arrange private management services.

4.4 Co-operative Housing Providers

Co-operative housing is a different form of social and affordable housing. It is not rental housing in the context of tenant-owner relations. The households who live in the project are all members of the cooperative corporation that owns the building. They elect from amongst themselves a board of directors who are responsible for overseeing the management of the building. They are subject to rules in the Co-operative Corporations Act. More resources can be found at www.chfcanada.coop.

4.5 Supportive Housing Providers

Supportive Non-profit housing is available for people who need support to live independently, e.g. the frail elderly, people with serious mental illness, addictions or developmental disabilities.

Administration and funding of social housing projects and shelters with 100% support services by some supportive housing providers were not transferred by the Province to the Municipal Service Managers in 2001; rather, the responsibilities were retained at the provincial level with authority changed to the provincial ministry that funds the support services, either the Ministry of Health/Long-Term Care or the Ministry of Community and Social Services (MCSS). Typically, support services are funded directly by the Province to approved service providers, and the service providers administer the funding to provide support services to the residents. “Supportive Housing”, “Housing with Supports” and “Housing First” housing differs by the level of intensity of the support services, staff expertise, on or off-site support service staff, as well as type of housing unit to meet the needs of the client households.

5.0 What are the Housing Needs in Your Community?

5.1 Housing Need and Demand Study

In helping to set goals for the housing you want to develop, it is important to analyze and document housing needs in your community. Understanding housing needs is a task to be completed early in the development process to show that the affordable development you are proposing to create will be fully occupied and generate the projected rental revenue.

Funders and financial institutions will be evaluating the viability of your proposed development based on a business plan that includes capital and operating budgets. Your business plan will also include a section referred to as a Housing Need and Demand study and will document three things:

1. Current housing needs in your community (needs analysis),
2. Emerging and future needs (demand analysis), and
3. The current supply of housing in your area.

If the housing you are proposing to build is for a specific target group and size of unit e.g. one-bedroom apartments for Aboriginal one-person households, then focus your analysis of the need, demand and supply for these households.

There are key sources of information you will want to reference in completing this research:

- Service Manager information, including Housing and Homelessness Plans and reports, housing related Statistics Canada and census data, and waiting lists for affordable and social housing,
- Local municipal land use planning information (see each municipality's website for any Statistics Canada census data and profiles),
- Local service providers who provide support services in housing, including but not limited to Canadian Mental Health Associations, Community Living, Women's shelters and groups for victims of domestic violence, etc.
- Canadian Mortgage and Housing (CMHC) Rental Housing Reports,
- Waiting lists for existing similar housing, and
- Research reports that talk about population projections and housing needs specific to your target group.

5.2 The Housing Needs of Future Residents

The need for affordable housing continues to steadily increase and is at crisis levels in many communities across Ontario. As noted, documenting the housing needs of your target group is a key part of your business plan. This research also assists your organization to keep in mind the needs of your future residents throughout the planning, design and construction of your project. Overall, you will want to research and document the economic disadvantage some households in your community experience and/or if you plan to offer supportive housing to the target population who requires support services. These two themes are explored more fully below:

5.2.1 Income

Housing costs are the largest monthly expense for most households and if these costs are 30% or more of household income an individual or family may have an affordability issue. Due to the high cost of housing in many communities, finding a place to live that is affordable, in good repair, suitable to household size and in a location of choice is a significant challenge for low and modest income households.

For households receiving social assistance (Ontario Works and the Ontario Disability Support Plan), shelter rates are not based on the actual cost of housing thereby creating a disadvantage for these households in the housing market. Further, paying market rent can mean that other household needs are not adequately met such as food, clothing, school expenses, and taking part in recreation and leisure activities. The alternative, non-market housing or rental subsidies, often have long wait lists.

Access to affordable housing can lift households out of poverty thereby improving health outcomes for individuals and families in housing need.

5.2.2 Support Service Needs

Income is not the only factor to consider in the provision of affordable housing. There are a number of groups disadvantaged in the housing market from an income perspective that may also require supports to find and maintain housing. These supports may be temporary or long-term and of varying intensity. Some of these groups are:

- Persons with a physical disability, and acquired brain injuries
- Persons with mental health disability and/or addictions,
- Persons with developmental or intellectual disability,
- Youth,
- Immigrants and refugees,
- Women and children and others leaving domestic violence,
- Frail Seniors,
- Indigenous people, and
- Households experiencing homelessness

These are broad categories and it's not to be assumed that all individuals or families within these or other groups require or want support services.

The type and intensity of support services integrated into your model of affordable housing is a key consideration that is more fully explored in Section 14.0.

5.3 Design, types and size of unit

It is well established that housing design impacts the safety, health and sense of community of your future residents. Housing design can also reduce costs and improve energy efficiency. There are a number of resources that will assist your organization in making key design decisions with your architect. See Section 9.0 for a more detailed discussion of design considerations. As a starting point it's essential to think about whom you are providing housing for and anticipating the needs of your future residents. For example, you may want to consider a *universal design* which means built environments to be usable by all people, to the greatest extent possible, without the need for future

adaptation or specialized design. A good resource on universal design is available at https://www.cmhc-schl.gc.ca/en/inpr/bude/adho/adho_001.cfm.

Self-contained units are the most desirable type of affordable housing units. The self-contained unit consists of kitchen, living space, bedroom(s) and bathroom(s), and offers a permanent and independent means of living. Common building design types are apartment or townhouse. The federal/provincial affordable housing programme guidelines generally require self-contained units in the proposal, unless a rationale is provided. Housing Providers who wish to build congregate buildings (rooms with shared living spaces) for supportive housing may be eligible for programme funding and should provide a rationale in order to receive funding. Check with your Service Manager and local municipal planning staff for more information on occupancy standards, size requirements for units, related governing rental legislation and rent requirements. These factors will be outlined in writing when the Service Manager issues a proposal call.

Other broad types and models of affordable housing include group homes with supports (shared kitchen and common spaces with separate bedrooms and options for separate bathrooms), rooms and rooming houses, pocket housing, housing first, shelters, transition housing, secondary suites, granny flats, co-housing and energy-efficient designs such as passive houses. It is important to check first with local land use and zoning requirements, as well as eligibility for Service Manager funding and other programme initiatives and funding before pursuing these housing options and benefits for persons and households in the community. There may be other sources of external funding assistance available.

5.4 Human Rights and Rental Housing

Housing is a human right and more information about how these rights are protected under the Human Rights Code (the “Code”) can be located on the Ontario Human Rights Commission website. The Ontario Human Rights Code specifies that everyone has the right to equal treatment in housing that is free of harassment or discrimination.

Housing providers need to be aware of their responsibility to ensure a housing environment free of discrimination. According to the Code, people cannot be refused an apartment, harassed or treated unfairly by their landlord or other tenants on any of the following grounds:

- Race, colour or ethnic background,
- Religious beliefs or practices,
- Ancestry, including individuals of Aboriginal descent,
- Place of origin,
- Citizenship, including refugee status,

- Sex (including pregnancy and gender identity),
- Family status,
- Marital status, including those with a same-sex partner,
- Disability,
- Sexual orientation,
- Age (including individuals who are 16 or 17 years old and no longer living with their parents),
- Receipt of public assistance

The Commission's policy on [Human Rights and Rental Housing, 2009](#) is a useful document that provides basic information on Code protected groups, what is meant by discrimination, a landlord's duty to accommodate their tenants and acceptable business practices for landlords.

6.0 Organization Readiness

Your organization has identified an interest in addressing affordable housing needs in the community. Perhaps, this interest is inspired by your work with a particular target group such as youth, seniors, or women leaving domestic violence. Whatever the motivation, the first place to start is to do research into affordable housing needs as was outlined in Section 5.0.

This research can be done together with an assessment of your organization's readiness. At this point you might want to answer the following questions:

- Who are we going to provide housing for?
- What is our goal?
- Is there more than one way to achieve this goal (you may decide to offer support services for some households and let another organization be the developer/landlord of the new housing)?
- Are there other organizations addressing this housing need?
- Are there opportunities for partnerships?
- Does this goal fit with our organization's current mandate or involve a change in mandate?
- Do we have the management/staff and volunteer resources to take on a significant capital project?

- What is our organization's financial position?
- What is the scale or size of housing development that is practical to undertake?
- What resources are there to assist us with our preconstruction activities?
- As an organization, what roles will we take on before, during and post construction—developer, owner, landlord, property manager, support service provider?
- Have you recruited Board Directors with a variety of skills geared to new housing development?
- Who from our staff and Board will be assigned to this project? Will the Board be fully involved or will we set up a Project Committee with Terms of Reference that reports to the Board?

Options for delivering housing with supports: In some situations, the Canadian Mental Health Association (CMHA) owns and operates rental housing for people they provide support services, while in other situations the organization partners with private market landlords and offers their clients a rent subsidy and support services in scattered apartments throughout the community.

Your organization's housing research and goal setting should result in the following outcomes:

1. Your organization has a specific goal for addressing an identified housing need that is supported by the research.
2. You have the capacity as an organization and a clear understanding of your organization's role(s) with regard to a development project and will establish partnerships early on, as appropriate.
3. You have management/staff/volunteer resources assigned and with the time to undertake this project and a Committee/Board to oversee and make decisions.
4. You recognize the need for professional help to undertake a new residential development.
5. If your organization is not currently in a position to take on a development project, you plan to partner with and/or support the efforts of other groups addressing this housing need; or work toward your own organization's readiness to develop affordable housing.

Caution: A project involving a small number of units does not usually mean less time or fewer resources. There are economies of scale achieved when developing affordable housing of 20 units or more.

7.0 Assembling a Professional Team

It can be a complex process to identify appropriate land and then to design and build new housing on a site. It is very important to recognize that a significant number of professionals need to be involved to create a successful new affordable housing development.

7.1 Early Players

There are a number of professionals, early to the process, that you will call upon as part of assessing the land you are proposing to build on:

- Professional Planner (to find out whether the municipal zoning allows the type of residential development you are wanting to create),
- Environmental Engineer (to determine if the site meets the appropriate environmental standards for residential development),
- Geotechnical Engineer (to determine if the soil can support the size of residential building being proposed),
- Surveyor (to set out the exact dimensions and topography of the site), and
- Civil Engineer (to determine water and sewage capacity and connections)

Some of these professionals help you complete due diligence for the property you are considering, flagging any reasons why you can't develop the land as you're proposing. Preliminary reports may indicate a need for further study. For example, an Environmental Site Assessment (ESA) Phase 1 report prepared by an environmental engineer may conclude, based on past uses of the site (e.g. auto repair business), that further study is required to assess the type and level of contamination and provide an estimate of the cost of clean-up.

Another purpose for hiring these early professionals is to complete studies identified in your Pre-consultation meeting/report with the municipality. For example, a civil engineer will assess the site conditions and determine the requirements for water, sewage and storm water management for the proposed development.

Finally, these professionals complete work needed by the architect to complete conceptual and full architectural drawings. For example, you will hire a surveyor to complete boundary and topographic surveys early in the process.

Note: Expect to pay some upfront costs that may or may not result in your moving forward with a particular property. Undertaking new development does involve some degree of risk.

7.2 Project Team Members

Your project team needs to clearly identify your plans for the site, any site constraints, who you plan to provide housing for, amenity and accessibility needs, energy efficiency requirements and most importantly your budget. In addition, your organization will need the following areas of expertise on your project team:

7.2.1 Development Consultant/Project Manager

If you are new to development, or experienced, but without the time to dedicate to your project, hiring a Development Consultant or Project Manager with experience in affordable housing development is an important option to consider. Development Consultants can work with you to complete or co-ordinate some or all aspects of the preconstruction, construction and post construction stages of your affordable housing project.

Development Consultants also help you secure early resources, locate a site, develop a business plan with capital and operating budgets, prepare funding applications, develop proposal calls for hiring an architect and contractor, meet funding requirements, complete planning approvals (if they have planning expertise), secure financing and guide you through all phases of development. As Project Managers, Development Consultants assist you with the timing of various tasks, management of cash flow, and the coordination of your professional team.

You can contact the Service Manager or other recent developers of affordable housing about potential development consultants. Getting references for and having interviews with potential development consultants is important in selecting this key member of your development team.

Suggestion: In preparing your preliminary budget, estimate about 2% of construction costs (a smaller percent for larger projects and a higher percent for small projects) for the estimated cost of Development Consultant Services.

7.2.2 Architectural Services

The architect for your project has a key role on your project team, not only for the design of the building, but as the consultant who reviews the building while it is under construction to ensure the work meets the requirements as set out in the drawings.

Note: At an early stage, you may retain the services of an architect at modest cost to complete a conceptual design. This will be useful for your formal consultation with the municipality as they want to understand what you are proposing for the site. The conceptual design also provides you with the square footage for the building that you need for your capital budget calculations.

The architect often (but not always) contracts with engineering sub consultants: mechanical, structural and electrical engineers. As part of the hiring process it's important to determine whether civil engineering services or other engineering costs are included in the architect's fee. You could hire an

architect and then hire the various engineers directly but that will entail a more complex administrative role for your organization.

The Royal Architectural Institute of Canada provides a guide “Determining Appropriate Fees for the Services of an Architect” and outlines the three possible methods of payment:

- lump sum or fixed fee,
- time basis,
- or a percentage-based fee.

Your organization may directly hire an architect you have previously worked with or have a strong reference for, but in many cases it is good practice to undertake a proposal call to select your architect. Once you complete the proposal call, it is a good idea to interview a short list from the architects who responded. In interviews, it is important to discuss who you are wanting to house, key design features you would like to see in a building, and also convey the limitations of your budget.

Once you select the successful architectural firm you will enter into a standard Ontario Association of Architects contract. Review contracts carefully to familiarize yourself with the scope of work and what costs are in/excluded. Ensure you know how any revisions to the size of the building will affect their fee.

During construction, the architect typically (not an exhaustive list):

- attends construction site meetings,
- reviews/inspects work for compliance with drawings,
- reviews change orders to the design,
- reviews and authorizes construction manager draw requests,
- acts as your “technical eyes” during construction.

Suggestion: In preparing your preliminary budget, use 4-7% of construction as an estimate for the cost of architectural services (if engineering costs are included). The fee can also be impacted by the complexity of the design – a townhouse development is typically less complicated to design than a larger apartment building with an elevator.

7.2.3 Contractor/Construction Manager

It is important to hire a contractor who has experience with multi-residential construction and the non-profit sector. You will want to work with a contractor who has good references and ideally, may have worked either with your architect or development consultant/project manager. In all situations you should interview a limited number of contractors and ensure the chosen firm has a full understanding of the project goals and are a good fit with your organization. The main options for a contractor relationship are:

i) Full Tender

In this situation, full architectural drawings and specifications are completed (the architect is hired by the housing provider) and then a proposal call with detailed drawings are sent out to a number of contractors. It could be fully open public tender or circulated to a more limited number of firms which you know have experience in the multi-residential construction. After reviewing the results of the tender bids a firm is selected at the bid price and a fixed price contract is entered into.

ii) Construction Management

The contractor is involved early on in the development process with a proposal call based on initial conceptual drawings. The contractor/construction manager sets out their fee for managing the construction. Then the owner, architect (who is once again is hired by the housing provider) and construction manager work together to get the most cost effective design which can still achieve the housing/design goals of your organization.

Full drawings will be created and then the construction manager will tender to sub-trades in order to get the complete price of construction. While construction management can stay open ended, for most non-profit organizations, and especially for those needing mortgage financing, the results of the construction management tendering will need to be rolled into a fixed price contract such as a CCDC 2 or CCDC 5B contract. Ensure constructions bonds are in place to mitigate any risks.

Suggestion: In preparing your preliminary budget, use 3 - 7% of construction costs as an estimate for the cost of Construction Management Services. A smaller project will have a relatively higher percentage fee,

iii) Design-Build

The design and the building are contracted to a single company that completes the project for a fixed price. Again, it is important you are clear on what's included in the price. With this option there is less work for the housing provider; however, you typically have less contact with the architects and engineers involved in the design and less control over the building design and details. During construction, any cost savings to be had will benefit the contractor. There may also be less control by the housing provider in the specific type of building materials used. In a design-build approach, the contractor hires the architect so your contract is with the contractor.

Note: Once drawings are finalized and contractor or sub-trade bids are in, it is important to keep at least a 3 to 10% contingency even with a fixed price contract.

Note: Most financial institutions want a fixed price construction contract and will require a minimum 3% contingency in the budget.

7.2.4 Mortgage Financier

While there may be some affordable housing providers which have the financial resources (typically in collaboration with financial support sourced from various levels of government) required in developing new affordable housing without a mortgage, most will need some form of mortgage financing.

Financing typically comes in two stages – construction financing provides money during the development/construction phase. Takeout or permanent financing happens just after the completion of the building and typically has financing spread over a 25 – 35-year period. Often, but not always, construction financing and takeout financing can be provided by the same financial institution.

The financial institution options for land purchase, new construction or renovation include:

- banks/credit unions,
- Infrastructure Ontario, and
- Social enterprise financing such as Community Forward Fund, Canadian Investment Co-operative and new market equity funds.

Financial institutions will want to review your capital and operating budgets to analyze all funding sources and how they will come together to ensure the project is financially viable. Once approved, your financial institution will issue a discussion paper or term sheet outlining their terms and rates. It is advised to “shop around” for the best package for your project.

7.2.5 Canada Mortgage and Housing Corporation

The Canada Mortgage and Housing Corporation (CMHC) was established by parliament in 1944 and has a number of roles such as housing research, promoting the development of affordable housing and mortgage insurance. CMHC is an excellent resource for groups wanting to develop affordable housing.

The mortgage insurance provided by CMHC is to the lender. Your financial institution may require your mortgage be CMHC insured. The benefits of CMHC insurance for affordable housing funded under federal/provincial programmes are:

1. A longer amortization period – up to 40 years (without CMHC mortgage insurance the maximum amortization is typically 25 years,
2. Reduced equity requirements and larger loans, and
3. More financial institutions will be willing to loan your organization development funds.

This requires a longer timeframe to get approval for mortgage financing as not only the financial institution but CMHC assesses your organization's financial capacity to take on a mortgage. There is a \$200 per unit fee for CMHC to determine your organization's eligibility but for affordable housing CMHC generally waives the mortgage insurance premium which would otherwise be many thousands of dollars.

7.2.6 Lawyer

Legal services will be required at various points during your project such as at the time of purchase of the property, reviewing your contract for government funding and contracts with professional team members. Your lawyer will also be involved in draws of mortgage financing which are typically registered against the property you are developing.

7.2.7 Quantity Surveyor/Cost Consultant

A quantity surveyor, sometimes referred to as a cost consultant, is a professional with a comprehensive knowledge of construction, construction methods, construction costs and accounting and their role is to monitor the value expended on your development. A Quantity Surveyor report will be a requirement for most major financial institutions as well as when the mortgage is insured by CMHC.

Note: Professional team members come with their own expertise, role, technical language and regulatory framework. It is important to ask questions and understand the information presented by your team members before making decisions.

8.0 Finding a Suitable Site

In many communities, finding a suitable site to develop is a challenging endeavor. Unless your organization has the financial resources to buy a property, or you already own a site suitable for residential use, the high cost of buying land and the competition for sites in the private market puts those developing affordable housing at a disadvantage. Properties that are lower in price may not be suitable, or will be costly to develop because of issues such as contamination.

The timing of property acquisition with Service Manager funding proposal calls is unpredictable. Ideally, you will have acquired a property or have a conditional offer on a site before your Service Manager releases a call for proposals for new rental construction.

If you have land, or are considering purchasing a specific parcel of land, there are a number of considerations:

- Is the property an appropriate size for the proposed development including parking requirements?
- Is this a renovation, conversion, or intensification of the current development or a new build?
- Does the property require an Official Plan and/or Zoning By-law amendment?
- Are there any development constraints specific to the site? (e.g. brownfield)?
- Is the land in proximity to amenities i.e. transit, grocery store, health services, etc.?
- Are there any active Development applications in close proximity to your location? What kind of development is being proposed?
- Does selling your property and buying another property make more sense?
- And most importantly, is the purchase price financially viable?

Once you have found a site within your organization's price range, take note of the type of land uses around your site, the type of street it's on, the proximity to transit (if available) and amenities such as shopping and green space. Ask the realtor about the history of the property and whether any studies have been completed. This will be useful information in considering the suitability of the site for your proposed use.

Note: There is considerable work that goes into selecting a site for your proposed development. From the outset, you are assessing the property from a number of perspectives: land use/planning approvals, financial, environmental, servicing, location and with future residents in mind. You may give serious consideration and investigate/spend some due diligence money on a number of sites before settling on the appropriate property.

Organizations successful for affordable housing capital funding from the Service Manager, must have a demolition or building permit and start construction between 90-120 days of signing a Service Manager Contribution agreement based on specific programme rules (e.g. Investment in Affordable Housing). From the time you learn your proposal is successful, your organization may have up to several months before you receive your contribution agreement to sign and then approximately three to four months (90-120 days) to start construction. In development, this is not a lot of time to complete the planning approvals and other tasks on your list. In fact, your proposal may be turned down or receive a lower ranking by the Service Manager if they don't believe your project will be construction ready within the funding timelines.

Important Timeframe: If successful for federal/provincial affordable housing funding, your organization will typically need to have a demolition or building permit and start construction between 90-120 days of signing a partnership agreement with the Service Manager.

In this section, the types of sites and issues to consider are more fully explored.

8.1 Vacant Sites

Sites without buildings are not necessarily construction ready. Your project team will need to determine any development and target population constraints such as zoning and contamination, environmental, water and sewage servicing, NIMBYism (Not-in-my-backyard), cost(s) per unit, legal and other requirements, walkability, noise, access to shopping and services, etc.

8.2 Site with Existing Buildings to Convert or Demolish

If you are considering a property with existing building(s), is your plan to demolish, convert, intensify or adaptively reuse the building. There are many considerations if there are existing building(s). For example:

- What are the buildings being used for now and in the past? Is there any soil contamination as a result of this use (e.g. automotive repair shop)? Are their substances such as asbestos or lead paint that need to be removed from an older building before it is demolished or renovated for a new use?
- How much will it cost to demolish the building? (e.g. Demolishing permit)
- Is there adequate parking for the proposed development, or can you make a case for a reduced number of spaces?
- Do you anticipate any concerns from the neighbours about your proposed development? What is your strategy for addressing these concerns? Are these concerns planning related or Nimbyism?
- If you are incorporating an existing building into a new development, what will be the cost to achieve the new design based on the Ontario Building Code and Accessibility requirements?
- Does the site have adequate water and sewer capacity to accommodate intensification?

8.3 Site with Potential to Intensify

Some organizations have an existing residential site that is under-utilized and has potential to develop more units. This is a unique, positive opportunity that saves on land costs and could meet the municipalities' objective to intensify residential housing in already built-up areas. This opportunity makes good use of existing infrastructure such as water and sewer and can be transit supportive.

8.4 Leveraging

Leveraging involves using the existing resources of a housing provider, such as land or the potential to refinance existing properties (see section 15.0 on end of operating agreements). Unless the operating agreement has expired there will need to be a discussion with either the Service Manager or The Agency for Co-operative Housing to work through the administrative approvals needed in order to permit an addition of new housing onto existing non-profit or co-operative housing or to refinance in order to purchase a new site.

8.5 Building New or Renovation

If you are looking for land you will confront the decision of whether to build new or renovate an existing building.

	Pros	Cons
Building New	Easier to establish cost estimates New, energy efficient building	Can be more difficult to get planning approvals for new buildings
Renovation	Revitalizing older buildings in central districts that may be vacant or underused; could be less complicated zoning approvals in central districts.	Adapting older buildings to new Code requirements can be costly with unexpected surprises.

You are looking for a property within your price range that will accommodate the size of building you would like to develop in a location that accessible to amenities such as grocery stores, schools, etc.

Caution: It may seem more straightforward to buy an occupied or partially occupied multi-residential rental building in the private market to adapt to your purposes. Remember, this will likely mean displacing existing tenants and does not increase the overall supply of rental housing.

8.6 Potential “Red Flags”

As our urban areas become more intensified, there are fewer properties available without constraints. It may be particularly challenging finding and purchasing sites with potential for affordable multi-residential housing. Importantly, the Province and municipalities must ensure new residential development is compatible with the surrounding land uses. For example, through Official Plan and zoning requirements municipalities ensure new multi-residential development is compatible with existing neighbourhoods and isn’t negatively affected by things like industrial uses.

In this section, some of the common constraints you may encounter are highlighted. It is beyond the scope of this resource guide to fully elaborate on each of these potential issues. Although it is possible to develop the type of properties listed below be aware that this will take time, further study and cost to determine.

Find out what studies have already been completed by the owner or other potential buyers. Talk to Planning staff about the site and whether they are aware of any development constraints. Review the Official Plan for your municipality and become familiar with the policies with regard to brownfields, heritage, floodplains, etc. Be prepared to look into whether the municipality has financial incentive programmes to help with things like the cost of rehabilitating a contaminated site or preserving heritage features in a new design.

8.6.1 Brownfields

Brownfields, such as former gas stations or industrial sites, will require additional environmental assessment and clean-up costs. You will need to work closely with your environmental engineer on the trade-offs between the costs of the clean-up and buying a brownfield site which may be selling at a lower price. There are some properties with significant levels of contamination that make the building of new affordable housing on that site financially prohibitive.

It is helpful to check with the local municipality and Service Manager for any brownfield incentives and requirements. In the past, the federal/ provincial affordable housing programme issued a specific amount of investment and timelines for brownfield affordable housing projects. It is not known if this will be an option for future federal/provincial investments available to Service Managers. Early in each multi-year federal/provincial affordable housing programmes or programme extensions, Service Managers may be able to issue multi-year proposal calls to support timing for brownfield development prior to expiry of funding available.

8.6.2 Heritage buildings

The Ontario Heritage Act, 1990 gives the provincial government and municipalities the power to protect heritage properties and archeological resources. Heritage buildings may be on the municipality's list of properties that are of interest, or designated cultural heritage sites. The studies needed prior to development of such a site will be provided through your pre-consultation meeting with planning staff. If the property is designated, a heritage permit will need to be obtained and design of the development will be approved through a Heritage Committee and ultimately Council. If the property is of Heritage interest, you as the developer may be required to have a Cultural Heritage Impact Assessment completed at your cost.

There is a tribunal, the Conservation Review Board, which hears objections to municipal and provincial decisions under the Ontario Heritage Act. Unlike the Ontario Municipal Board, the Conservation Review Board reviews the matter and makes recommendations to the local Council; however, the final decision on heritage issues rests with local Councils.

8.6.3 Archeology

At your pre-consultation meeting, Planning Staff may determine you must complete an archeological assessment of your site before development can occur. This need for an assessment may be triggered by the site being a heritage property or adjacent to a heritage property. This assessment must be

completed by an archeologist licensed in Ontario. There are up to four stages of archeological assessment outlined on the Ministry of Tourism, Culture and Sport website.

http://www.mtc.gov.on.ca/en/archaeology/archaeology_assessments.shtml

Important: There have been innovative affordable housing projects that have been constructed on former brownfield sites, heritage sites, etc. If your property has constraints, contact projects in other communities and learn from their experience. There are examples of innovative affordable housing developments, including former brownfields, or heritage sites profiled on CMHC's website.

8.6.4 Railway

If the property you are considering or own is in proximity to a railway corridor there will be another layer of consultation and viability assessment required by the Railway. As outlined in the guidelines, there are key issues in developing close to rail corridors which include: noise, vibration and safety issues. If these issues cannot be mitigated or are too costly to address, then development will not be possible on the site.

http://www.proximityissues.ca/asset/image/reference/guidelines/2013_05_29_Guidelines_NewDevelopment_E.pdf

8.6.5 Flood Risk

Your local Conservation Authority works in co-operation with the municipality and the Province to regulate development in flood prone areas. Policy and zoning for land uses and flood ways and fringe flood areas will be in the Official Plan and Zoning By-law for your municipality. Generally, residential development is not permitted in flood ways and for fringe areas certain design features may be required e.g. only non-residential units on the ground floor.

8.7 Small Urban and Rural properties

If you are in a small urban or rural community determine if there is water and sewage servicing to your site or plans on the part of the municipality to service the site or increase capacity necessary to accommodate your development. In the alternative, septic systems for waste water or wells for groundwater can be installed but they bring significant costs (both construction costs as well as operating costs) to new multi-residential developments.

8.8 Mixed Use – Commercial and Residential

If you have found property on a main road and/or on the periphery of a neighbourhood there may be an opportunity to develop a commercial use (e.g. office space) on the ground floor with apartments above. Or, perhaps that is the current set up of an existing building your organization is considering to purchase. Your organization may be looking for office space in order to provide support services to tenants residing in the apartments above a storefront. This can provide a unique opportunity but also raises other issues to consider:

- What are the Official Plan policies and zoning requirements for your development concept (e.g. height? Density? Permitted uses?)
- Can the site accommodate enough parking, as specified by the municipality, for the residential and commercial units?
- If you will be renting the commercial space, what is the financial plan for managing potential vacancies?
- What are your obligations as a commercial landlord?

Consider: Federal/provincial affordable housing capital funds don't include the construction or renovation of commercial space. If including a commercial use in your development, how will your organization cover the cost of construction or renovation of this space?

8.9 Offers

It is common for housing providers to make a conditional offer of purchase on a property in order to give time to carry out the due diligence on major issues (financing, planning, environmental, etc.) needed before the offer to purchase can be firmed up. The seller will likely be keen to close a deal and sell the property in a timely fashion. Your organization will need to organize a reasonable amount of time to complete due diligence.

8.10 Buying a Property and Due Diligence

Before firming up an offer to purchase a property, identify and analyze potential risks and determine the financial viability of your proposed project. Common risks (not an exhaustive list) are:

- Is your proposed development financially viable?
- Is construction financing in place?
- Is there contamination and what is the cost of clean-up?
- Can the soils support the proposed building to be constructed?
- Site constraints such as parking ratio.
- Is an Official Plan and/or Zoning by-law amendment required?
- Heritage or archeological constraints.

Before finalizing the purchase, the goal of due diligence is to make known and eliminate risks and/or to determine the timeframe and cost of mitigating those risks. The results of the due diligence work can

also mean that you walk away from a property you have been examining for a significant number of weeks or even months. At this stage, it's necessary to ensure your project can work financially and that the Planning Department is supportive of your concept for development.

Also, as part of due diligence, your lawyer completes a number of legal searches on your behalf as part of purchasing a property.

9.0 Building Design

Design is an exciting part of development process as your organization shares their vision for the building and its future residents with your architect and project team. This is also when the constraints of your site and/or your budget will need to be carefully reviewed. For example, ideally you will want to include amenity space for the residents as well as energy efficiency features to help reduce operating costs and residents' utility bills. The municipal zoning by-law identifies the amount of amenity space required. The Ontario Building Code specifies the standards for energy efficiency. Not surprisingly, most groups want to exceed these standards. Features like roof top gardens, a community room, storage for scooters and bicycles as well as solar panels, a grey water system, etc. are commonly discussed by groups developing affordable housing.

Importantly, only the residential component is eligible for funding through federal/provincial affordable housing funding programme. Finding alternative sources of funding and the timing of this funding is critical to the inclusion of these enhanced amenity and energy efficiency features. Again, talk with other groups who have incorporated such features into their development for ideas and lessons learned.

The design of your building starts with a concept drawing and moves to full drawings as part of the scope of your architect's role and the planning approvals process outlined in Section 10.0.

In this section, other objectives that good design can achieve will be highlighted. For example, good design can promote:

- Positive Visual Impact,
- Safety,
- Physical activity,
- Energy efficiency (e.g. Passive House),
- Accessibility, and
- Social inclusion

Some aspects of good design are relatively low or no cost. For example, windows facing public spaces such as parking or play areas and can provide natural surveillance to enhance a sense of safety.

- Specific affordable housing design criteria may be identified in affordable housing proposal calls and information by the Service Manager for funding purposes. A number of municipalities have Affordable Rental Housing Design Guidelines for apartments and townhouses (e.g. City of Toronto at www1.toronto.ca and Region of Peel at www.peelregion.ca) and Design Guidelines for Residential lots (e.g. City of Kingston at www.cityofkingston.ca). These guidelines integrate a number of goals from different municipal departments and provide helpful suggestions, especially for first time developers of housing. Other community goals and directions are achieved through information such as, but not limited to:
- Municipal Official Plan objectives towards a range and mix of types of housing as well as affordable housing targets for new residential construction,
- Urban design guidelines for elements such as: human scale development compatible with existing neighbourhoods; pedestrian friendly and transit oriented development,
- Public health objectives to promote physical activity, and
- Other municipal departments such as Recreation, Human/Community Services and Transportation/Transit undertake regular planning and community engagement with reports available online,

Think about your proposed development within the larger policy context. You will see that there are many provincial and municipal guidelines that influence your proposed affordable housing development now and in the future. For example, how close is your proposed site to current and future public transit (if urban)? What does the Recreation and Parks Master Plan say about the future development of facilities and services in your community? Where will these be located?

This is very important information to be aware of as you prepare your business plan and apply for funding. Your organization wants to demonstrate, as much as possible, that your proposed affordable housing development is aligned with the Region, City, County, Town, or Township's policy objectives.

9.1 Preliminary Concept Drawing

Once your organization has selected a site it is useful to prepare a concept drawing showing the building massing, dimensions, location on the site and proposed parking. This preliminary concept drawing should be submitted with a request for a pre-consultation meeting with the municipal planning department. Check with your Planning Technician, municipal planning staff or architect for information to include on the preliminary concept drawing. If your architect is on board and early financial resources are available a more detailed concept drawing can be prepared to submit at the pre-consultation stage.

More detailed concept renderings are needed for Official Plan and rezoning amendments as it provides the level of detail needed for planning staff and the public to more fully understand your proposal. It also becomes the basis for full architectural drawings as required for site plan approval. Full architectural drawings may include site plan, unit and building layout, mechanical, electrical, etc., components and building specifications.

9.2 Crime Prevention Through Environmental Design (CPTED)

Crime prevention through environmental design is a design philosophy that attempts to deter criminal behavior by making intentional choices in the physical design of buildings and communities. The three main principles of this approach are:

- Natural surveillance – is the idea that a person will be less likely to engage in criminal behavior if s/he can be seen. Design with sightlines, public space, lighting, landscaping, and strategic use of windows in mind.
- Natural access control – is the idea that a person's movement will be influenced by clearly defined and/or strategically developed boundaries to control access. For example, dense landscaping can reinforce low fencing to create a boundary to control access to a property.
- Natural territorial reinforcement – is a design concept that uses physical design to reinforce the resident's sense of ownership of a property, whether or not they own it. This concept builds on natural surveillance and access control and includes other strategies such as: ensuring all space is assigned a clear and active purpose, conducting timely maintenance and using visual cues to differentiate between public and private space.

CPTED Ontario, formed in 2001, is a resource to promote an understanding and implementation of these principles in creating safer communities.

9.3 Universal Design and Accessible Unit/Building Design

In the residential development context, universal design means a design that is inclusive of everyone's needs in age-friendly ways. In this approach, the building is designed from the start for persons living at various stages in life, including young parents, the elderly and people with or without disabilities. The assumption being that everyone benefits from maximum barrier free design and accessibility features. The Center for Universal Design in North America and the Canada Mortgage and Housing Corporation (CMHC) has information resources applicable to affordable housing.

In many communities, the availability of fully accessible units is very limited. The Ontario Building Code, which was amended January 1, 2015 with enhanced accessibility in new constructed buildings and existing buildings with extensive renovations, requires a certain number (15%) of accessible units in new residential construction, as well as accessibility standards to enhance building components, such as power doors, door width, elevators, visual fire safety devices, accessible washrooms, entrances and sprinkler systems in some types of housing properties.

9.4 Energy Efficiency Features

New, energy efficient units decrease energy costs for residents and housing providers. In order to address climate change, all levels of government are developing policies and incentive programmes to enhance energy efficiency in the residential sector. Energy efficiency and the government's goal of carbon neutral housing by 2030 is an exciting prospect. Discussing the options for energy efficient systems to incorporate into your development is a key discussion to have with your architect and project team once you are moving forward with a site and before detailed drawings are prepared. Housing Providers should, however, only consider energy efficiency innovations with a proven track record. Some examples of proven energy efficient building design components include residential rain water harvesting and recycling grey water systems, solar hot water heating, geothermal heating systems, and improved R-values beyond code standards.

The Ontario Building Code requires a high standard of energy efficiency for residential development. If your goal is to go above and beyond the OBC standards, it is important to undertake a calculation of the financial payback in energy savings as compared to the additional upfront capital costs of those additional energy efficiency features. You may need to retain an energy consultant specialist for this type of analysis.

10.0 Planning Approvals

As previously mentioned, housing development is a complex process whereby your organization will carry out a number of tasks, as outlined in different sections in this guide, often simultaneously. In this section, whether you are planning to redevelop your existing site or find a suitable site to purchase (Section 8.0), you will need to consider land use planning approvals. Land use planning in the province of Ontario is guided by the Planning Act.

10.1 Where to Find Information on Planning Approvals

In order to determine who makes decisions with regard to planning matters in your community, refer to the Planning Act Approval Authority in Ontario chart at: <http://www.mah.gov.on.ca/AssetFactory.aspx?did=11003>. In most municipalities you can speak with Planning and or/Building department staff on a walk-in basis. Also, the Official Plan and Zoning By-Laws for your municipality are online for your reference. This is the first step to understanding the potential of your site for (re)development.

In speaking with Planning staff on an informal basis, be prepared to provide the basic details of your proposed development concept such as: type of building, number of units, number of storeys, and number of parking spaces. Some questions to ask staff are:

- What are the Official Plan (OP) and zoning designations for the site?
- Does the proposed development concept align with the OP policies and zoning for the site or will it need amending?

- Will minor variance(s) be needed?

At this preliminary stage, the answer to the above questions provides you with some important information. If planning approvals are required, then check online or ask staff the cost of an Official Plan amendment and/or rezoning. If both an Official Plan amendment and rezoning are required, then these can be carried out as parallel processes. In some cases, the Official Plan designation permits your proposed use but a rezoning is necessary. In either case, these approvals will require a number of months to complete and you will need a professional planner as part of your development team. An OP amendment and rezoning also cost you, the developer.

Speak to your Planner, or check on line for the fee schedule for the following to add the following to your projected capital budget for the project:

- Pre-consultation fee (not typical in rural communities)
- Official Plan and/or zoning amendment or minor variance fee,
- Development Charges – municipal and education,
- Parkland Dedication fee,
- Site Plan Control fee,
- Building permit fees,
- Right of Way (road work linking services to the site)

As Official Plan and Zoning amendments sometimes require a number of studies to support the proposed changes to planning policy, it may be necessary to retain engineering and architectural professionals to provide accurate building and landscape drawings, analyze the impacts on local traffic your development may have and/or determine whether or not there is sufficient capacity in the existing water, sanitary and storm sewer infrastructure servicing the site.

If the site you are considering is zoned employment/industrial, it will be difficult to rezone as provincial policies require municipalities to preserve employment lands. If the site is commercial (and hasn't been residential in recent years) a rezoning will result in the need for a Ministry of Environment Record of Site Condition, even if the property is not contaminated (time and cost). If a site is R1 (single family homes) your proposed multi-residential development may confront Nimbyism from the neighbours.

The Province of Ontario offers an online Planning and Application Resources Centre which provides user friendly information on the planning application process, the Planning Act and other policy information <http://www.mah.gov.on.ca/Page7153.aspx>. Even with the assistance of a professional

planner, it is recommended that your Development Committee and/or Board of Directors gain a basic understanding of the planning approvals process.

Not surprisingly, planning approvals don't only take time but also have cost implications. In order to prepare a capital budget as part of your business plan, you will need to know what planning approvals are needed.

Example: Your organization wants to build a 20-unit apartment building for seniors in a municipality. Your Development Consultant and a Board member, experienced in construction, have advised you of the price range and size of property to consider. There is an undeveloped lot on the edge of the municipality and another property closer to the municipal centre with a vacant building on it that meets these criteria. Here are some of the questions, in addition to discussions about price, to ask the realtor and Municipal Planner in order to help you further assess the suitability of these two sites.

Realtor - What is the history of the site? Former uses? Is there a survey available or any studies completed for the site (e.g. ESA Phase 1)? Has there been interest from other prospective purchasers in developing the site? If so, did they come up against any roadblocks?

Planner – Does our proposed 20-unit apartment building fit with the Official Plan and zoning designations for either site? Is planning staff supportive of your concept? Is there servicing to the site (water and sewage)? Is their adequate capacity to accommodate your proposed development? What planning approvals will be required?

Note: If changes to land use are proposed, affordable housing, like other residential development, goes through the same review and approval process based on the policies set out in the Planning Act.

10.2 Planning Process in General

In general, the process of obtaining an Official Plan and Zoning Amendment for a property is fairly similar regardless of which municipality you are to develop in. This is because the planning approvals process is regulated by the Ontario Planning Act. The following section will provide a brief outline of the zoning approval process that can be expected.

10.2.1 Zoning Confirmation

For a small fee the building department will confirm the zoning of your property in writing. This is part of due diligence. Written confirmation of zoning may also be required when submitting funding applications. Check with your local municipality for application forms and documents.

10.2.2 Formal Pre-consultation

Before you can move forward with construction, check with your local municipality for processes that are necessary. In general, you are required to arrange a pre-consultation with your local Planning Department. To set up a pre-consultation meeting, you will need to complete an application form, pay

a fee and submit a concept drawing and description of your proposed development. Planning staff will review and distribute your application to the various municipal departments and agencies for comment. Planning staff will arrange a meeting with representatives from your organization and your planner/architect or development consultant to discuss your concept and provide you with important information. This information will confirm the planning approvals and background studies required as well as flag any concerns.

Below are some examples of typical reports the Planning Department can ask you to complete before construction start is permitted. Other studies may be required that are not listed if, for example, your site is a heritage property, near a railway or is a brownfield.

- Phase 1 Environmental Site Assessment (ESA 1),
- Geotechnical Study,
- Planning Justification Study,
- Parking Justification Study,
- Urban Design Brief,
- Shadow Assessment (if constructing a taller building),
- Servicing/Stormwater reports, and
- Traffic Impact report.

If your site is zoned appropriately and does not require minor variances, you can proceed to the Site Plan Control stage as outlined in Section 7.3. If not, you may need to prepare and file an Official Plan and/or Zoning Amendment or a Minor Variance application. Further information on these processes is outlined below.

Note: Of the studies to complete, some will be included in the architect's fee. Make sure your budget reflects the cost of studies either as stand-alone budget lines and/or as part of the architect's fee.

10.2.3 Official Plan and Zoning By-law amendments

By this point, your organization has determined the planning approvals required for your site by talking to Planning staff and completing a pre-consultation meeting. An Official Plan amendment and/or a Zoning By-law amendment or minor variance is necessary. You have adjusted your work plan and budget accordingly. You have a professional planner as part of your development team who will complete the applications on your behalf.

In some municipalities you can undertake site plan approval in parallel with a rezoning; however, this presents a higher risk to the developer, if the rezoning isn't approved for any reason.

The planning approvals process involves the following steps:

- Staff review the application(s) and supporting materials,
- Notice is provided to neighbours/public,
- A public meeting is held,
- Staff prepare a report to Council for approval based on public input and their analysis of the proposed developments fit with the Official Plan and zoning,
- If approved or turned down, there is a 20-day appeal period to Ontario Municipal Board (OMB), and
- If no appeals are filed, amendments are in full effect.

Depending on the municipality and the complexity of the Official Plan and/or Zoning Amendment, it can take 4 – 12 months to obtain these approvals.

10.2.4 Minor Variances

Minor variances are needed if the zoning permits your proposed development, but doesn't meet all the details of the zoning by-law. Some typical examples are if your development doesn't meet the setbacks from the property lines, amenity space requirements or parking space requirements to name a few.

There is a four-point test outlined in the Planning Act that determines if an application is a minor variance. All four of the following tests must be met:

- Does the application conform to the general intent of the Official Plan?
- Does the application conform to the general intent of the Zoning By-law?
- Is the application desirable for the appropriate development of the lands in question?
- Is the application minor?

While it varies depending on the municipality, the process of obtaining a minor variance can take 3 – 5 months.

Minor variance applications are considered by a Committee of Adjustment and are public. The decision of the Committee can be appealed to the Ontario Municipal Board within 20 days of the Committee's decision.

10.3 Ontario Municipal Board

As noted in the previous two sections, all Official Plan and Zoning Amendments and Minor Variances can be appealed to the Ontario Municipal Board. If an appeal is filed with the Ontario Municipal Board within the 20-day appeal period, your planning application cannot be passed until it is resolved by the Board. According to the Planning Act, an appeal can be filed by any individual or group within the 20-day appeal period if they fill out the appropriate form and pay a fee, which is \$125 as of 2016.

An OMB hearing can take 6-12 months to schedule. The Board encourages negotiated settlements even at hearings. Hearings can last a half day or up to a week or more. An OMB hearing costs tens of thousands of dollars and requires the assistance of a lawyer and expert planning witness.

Note: If the municipal planning report supports the development, OMB decisions have generally favoured new affordable housing developments.

10.4 Site Plan Control

As noted previously, you may be redeveloping a property that doesn't require an Official Plan Amendment, Rezoning or Minor Variance, in which case your pre-consultation meeting will provide you with information on what is needed for site plan. Site Plan Control ensures that your development meets municipal requirements for landscaping, loading zone, garbage pick-up, accessibility features, the look of the building, fencing, etc. It is through the site plan process that the municipality refines the appearance of development.

The Architect prepares the site plan with your project team's involvement. A Site Plan Agreement is prepared through the process and finalized once the site plan is approved by municipal staff. The timeframe varies from municipality to municipality and can range from 4 to 8 months. The agreement outlines the amount of site securities (funding which is held by the municipalities during construction – this can tie up tens of thousands of dollars although refunded after completion) and your organization's legal obligations in constructing the development to the specifications of the site plan drawing.

10.5 Building Permit Application

In some cases, you can apply for a building permit while your Site Plan Application is being processed by the municipality. To see if these processes can run concurrently, speak with your municipality's planning and building department staff.

To submit a Building Permit Application, you will have to prepare a full set of building drawings (including architectural mechanical, structural, electrical and civil drawings) and pay the applicable Building Permit fee. In general, these fees are listed on a municipality's Building Department website.

You can speak with Municipal Building Department staff that will provide information about these fees.

Once a Building Permit Application has been filed, a comprehensive review of the full building drawings is undertaken by the Building Department and other departments and agencies (including Fire Department). Any items that do not meet the Ontario Building Code or any other applicable federal or provincial policies are identified. Once the review of these drawings is complete, all of the drawing's deficiencies are listed and sent back to the project team to address. The process is completed once all of the deficiencies are corrected to the satisfaction of municipal staff. In general, two to three circulations of the drawings are required to complete the process. Depending on the municipality, it may take four to eight months to complete the Building Permit Application process.

Obtaining a Building Permit is a significant milestone for several reasons:

- Development Charges and Parkland fees are due at this time,
- If you have been approved for Service Manager funding through federal/ provincial programmes including the "Investment in Affordable Housing(IAH)" programme you will need to adhere to specific rules to:
 - have either a demolition permit, foundation permit or building permit between 90-120 days of signing your IAH Service Manager Contribution agreement, and
 - obtain the first instalment of Service Manager IAH funding of 50% as it is typically released at the time of a building permit being issued, financing in place and construction started.

It should be noted that other permits may be obtained before the full building permit is issued. If there is a delay in obtaining the full building permit, municipalities will often approve demolition, site servicing and/or foundation permits. Obtaining these permits can not only help start construction sooner but also help your organization meet affordable housing development requirements and funding through the Service Manager.

10.6 Ways Affordable Housing can be Facilitated through Land Use Planning and NIMBYism

A growing body of research shows that access to good quality affordable housing supports not only low and moderate income households, but also has positive community-wide benefits related to economic competitiveness, health, education and community well-being.² Many municipalities recognize the importance of affordable housing in their official plans and will sometimes make it a priority to move affordable developments forward through the planning approvals process.

² Ministry of Municipal Affairs and Housing. (2011). Municipal Tools for Affordable Housing

When affordable housing is being considered, there is almost always some opposition. “Not in My Backyard” syndrome or “NIMBYism” happens when people hold negative attitudes or stereotypes about the people who live in affordable housing. This is often directly related to one or more Human Rights Code grounds. This kind of opposition can be hidden in land use planning terms, and can be expressed in many ways, sometimes based on exaggerated concerns about changes to the neighbourhood, impact on traffic, residential property values or about building form.

Gaining acceptance for well-planned affordable housing developments is important within communities. Equally important is how to respond to common concerns expressed through NIMBYism. To facilitate an approach to dispel the common NIMBY myths and promote non-confrontational approaches to community opposition, Housing Providers and Municipalities can develop community strategies, engagement and educational tools. Resources such as “Housing In My Backyard: a Municipal Guide For Responding to NIMBY” at www.fcm.ca and “In the Zone: Housing, human rights and municipal planning” at www.ohrc.on.ca offer information to navigate common concerns through rights and requirements in affordable housing.

10.7 Municipal Incentives and Offsetting Grants

There are some municipal financial incentives that might benefit your development which are not related to the affordability of the housing. An example of this could be financial incentives to offset part of the cost of cleaning up environmental contamination, often referred to as cleaning up brownfield sites. There may be other financial assistance provided by the municipality because your organization is specifically creating affordable housing. If, for example, a municipality plans to provide financial assistance in the way of development charges incentives or residential property tax exemptions for municipal and education purposes, waiver of planning fees, etc., to a Housing Provider wanting to develop affordable housing, the municipality may create a relationship with the Housing Provider by way of a Municipal Housing Project Facility Agreement. To do so a Municipal Housing Project Facility By-law, according to requirements of the Ontario Municipal Act and regulations, must first be passed by the Service Manager’s municipal Council. The By-law defines affordable housing, policies that define public eligibility for the affordable housing, and the provisions of the housing facilities to be included in the agreement for purposes of specific municipal incentives and investments. To create a project specific Municipal Housing Project Facility for the affordable housing project, two By-Laws must be passed by the Service Manager to enter into an agreement, and to provide residential property tax exemptions for municipal and school purposes.

Many municipalities waive fees or provide offsetting grants, with some providing forgivable loans or loan guarantees, to assist affordable housing groups (and municipal housing projects) in building new affordable housing. Some Service Managers have housing reserve funds for this purpose. Policies guiding the use of these reserve funds may also be in place. You will want to read the policy and/or consult with the Service Manager staff, planning staff and your local Councillor to determine the type and amount of assistance possible and available. Note, not all fees are eligible and it’s important to know this when preparing your project’s capital budget.

There will likely need to be some direct advocacy to municipal councils when requesting funds to offset municipal fees. It is important to speak to municipal councillors and municipal planning and finance staff early in the process. You want to convey, how not being charged municipal fees will improve the affordability and financial viability of the proposed development. As well early discussions can help clarify the municipal process to request waiver of fees or offsetting grants.

10.8 Outcomes of Research into Planning Approvals:

- Your organization knows the Official Plan and Zoning By-law designations for your proposed site.
- You have received preliminary feedback and completed your pre-consultation meeting with municipal Planning staff and know the planning approvals required (i.e. Official Plan Amendment, zoning By-law amendment, minor variance, and site plan control).
- Your organization has gained a basic understanding of the Planning Approvals process.
- You have included the fees for planning approvals in your capital budget as well as associated costs for a professional planner (if not within the scope of your Development Consultant).
- You have included in your budget the cost of Development Charges, building permit and site plan fees and any offsetting grants/incentives.

11.0 Funding and Financing (parallel process with Planning Approvals)

As described in Section 6.0, assessing your organization's financial position is part of determining organizational readiness. In this section, these concepts are explored more fully.

11.1 Costs of Building Rental Housing

As financing and cash-flow are the biggest challenge with developing new affordable housing, it is important to assess and determine the costs of building rental housing, and long term operations.

Variable considerations of the capital costs for financing considerations include:

- Land and related costs, including property costs, costs for ESA and geotechnical reports, legal fees, HST, land transfer tax, surveys, other such as design drawings,
- Soft costs, such as municipal approvals and permits, development charges, consultants' fees such as architect and development consultant, mortgage insurance fees, taxes and insurance during construction, interest during construction, other
- Hard costs, including construction, site servicing, appliances, HST and construction contingency (5 to 15% depending on construction type),

- Equity total, based on equity sources such as land, cash and fundraising capacity (and ability to cash flow during development/ construction,
- HST rebates (consider HST Municipal Status application, “qualifying” not-for-profit status with government revenue, and charitable status),
- Projected income statements, including rental revenue, laundry less vacancy loss for gross and net revenue.

In addition, a viable operational housing project based on income and expenses must be determined and annual changes will be impacted by a variety of factors as well such as rent increase guidelines, federal/provincial affordable housing programme criteria, and economic costs to operate the project. Since affordable rental housing projects that access Service Manager affordable housing programme and funding may have an affordability period of 20 or more, an operating projection of costs and anticipated revenue based on specific factors for this period can assist with long term financing expectations. As the mortgage principal and interest and property taxes may be among the largest operating costs, it is helpful to understand options to balance the budget through longer amortization periods, length of term given lower interest rates as of 2016 and Service Manager residential property tax exemptions for municipal and school purposes.

One place to start in reviewing rental project costs for rental housing costs, financing and income and operating expenses is the on-line Viability Assessment Calculator for Multi-Unit Affordable Rental Housing Projects, which can be located at www.cmhc-schl.gc.ca. According to CMHC, the Viability Assessment Calculator can be used for preliminary calculations to determine a Housing Provider’s proposed multi-unit rental housing project’s financial viability.

Early communication with your development team (development consultant, lender and cost consultant) is recommended to ensure that costs considered are appropriate for the proposed housing project. For assistance in completing this viability assessment calculator application, Housing Providers are encouraged to contact your local CMHC Affordable Housing Representative.

It is important to demonstrate viability of the affordable housing proposal with the Service Manager, including the project costs and the ability to obtain mortgage financing prior to Service Manager’s approvals and funding. Your Service Manager may have capital cost budget and operating cost budget templates as well as cost line details and descriptions, and these may be found in Service Manager’s affordable rental housing development proposal calls or Expressions of Interest or by contacting Service Manager staff.

11.2 Equity Sources

In considering your organization’s equity sources, do you have cash, land, or fundraising capacity to bring to your proposed housing development? Do you have existing property with low or no mortgage that could be leveraged into a new build? Having equity to contribute is very important in both

convincing governments and potential funders that your development is viable and therefore appropriate to access government funding or other funding organizations. Having equity to contribute is also very important if trying to access mortgage financing from a bank or credit union.

Business Plan – Your business plan needs to demonstrate to government funders, potential donors, support service funders (if applicable) that all of the capital and operating funds will come together to ensure ongoing financial viability. A business plan is a “living document” and it will evolve as more details of the project become known. Sample business plan templates and requirements may be obtained through Canada Mortgage Housing Corporation’s Affordable Housing Consultants and your local Service Manager, and sometimes are specific to local affordable rental housing development proposal calls or Expressions of Interest for affordable housing development proposals.

11.3 Preconstruction Costs

One of the early tasks is to determine what resources can assist you in the preconstruction stage. In the past, many groups used CMHC Seed funding which included a grant and loan to assist groups with developing a business plan, property search and preliminary studies. As of April 1, 2016 the rules for Seed funding have changed. It is important to speak with a CMHC representative or check their website for the most up-to-date programme guidelines for development grants/loans. There is now up to \$50,000 in seed grant funding available and up to \$200,000 in CMHC repayable loan funding available. There is also now an expectation that there is a more detailed plan in place, including site selected, with key development team members in place before qualifying for seed funding. It is also important to note that CMHC seed funding is *not* available if the new development is going to require capital funding through the Service Manager who sources capital funding through federal/provincial investments such as the IAH programme.

Some Service Managers use a few municipal tools to assist Housing Providers with preconstruction costs, such as deferral payment agreements for development charges, planning fees, application fees and building permits until permanent financing is in place. Check with your local Service Manager to discuss any options available for pre-construction cost assistance.

11.4 Timing and Tolerating Risk

For most new housing providers, there can be many months of volunteer, staff and professional development consulting time expended before knowing with certainty that the new affordable housing development will move forward. Be prepared to spend some modest to medium amount of funds that are being spent at risk. Your organization will need to take time to discuss the amount of reasonable risk (financial and human resources) to invest in the early stages of the project.

11.5 HST Rebate

The HST rebate can be important part of your cash flow for a development project. If you are an income tax registered charity you may recover 82% rebate of the 8% provincial part of the HST and 50% of the 5% federal GST from the 13% HST paid on project expenses.

If your organization has received its municipal designation from the Canada Revenue Agency, then you may recover 78% of 8% provincial part of the HST and 100% rebate of 5% federal GST from the 13% HST paid on project expenses.

If your organization has both designations, then use the municipal designation to ensure a greater rebate on all expenses related to affordable housing expenses.

If your organization has neither designation, you will need to determine if you are eligible to apply for the municipal designation. The Canada Revenue Agency (CRA) provides the following publications:

- [RC4081 GST/HST Information for Non-Profit Organizations](#)
- [RC4082 GST/HST Information for Charities](#)
- [GI-124 Municipal Designation of Organizations Providing Rent-Geared-to-Income Housing](#)

Many non-profit organizations already receive the HST rebate for their operational costs twice per year if they qualify and are not registered for the GST. If you want to change the frequency of your rebate to monthly or quarterly, you must request this at the time of your regular filing.

Also note, there are special rules that must be adhered to when building or renovating residential housing or apartments. It is important to speak with your accountant and consult with the Canada Revenue Agency early on in your project to ensure you are filing correctly at all stages of your housing development.

11.6 Service Manager Funding and Cash Flow

A key source of funding for many affordable rental housing projects is paid through the Service Manager. The Service Manager has access to programmes and tools that provide federal/provincial and municipal incentives and investments, including but not limited to federal/provincial affordable housing programmes and Municipal Housing Project Facility agreements. It is important to check with the local Service Manager staff to obtain the most up-to-date and specific details on current federal/provincial affordable housing or other housing programmes, municipal financial assistance and timeline requirements.

As of 2016, Investment in Affordable Housing (IAH) funding is approved by the Service Manager for each approved Housing Provider's project and provides up to 75% of the total capital cost or \$150,000 per rental unit, whichever is less. Once approved, the Ministry of Housing provides a conditional letter of commitment to the Housing Provider and the Service Manager. This funding is generally structured as a forgivable loan which is registered on the title of the property for a minimum period of 20 years. The loan is forgiven at the end of the 20-year affordability period if affordable rent levels have been maintained during that period. Other Service Manager funding may provide residential property tax exemptions for municipal and education taxes upon occupancy, or full or part development charges reductions prior to construction.

If approved for Service Manager's federal/provincial affordable housing programme funding, be aware that no funding flows until the building permit is issued and construction starts. Based on the most recent guidelines:

- 50% of the funding will be released at construction start,
- 40% at the completion of structural framing,
- 10% after the 45-day lien period, once a development is complete.

You will need to carefully plan your cash flow to take into account this flowing of funds including discussing and planning with both your contractor as well as the financial institution you work with for construction financing.

11.7 Construction Financing

Arranging construction financing can be very challenging. New affordable housing providers typically must provide significant financial and organizational information as well as a solid business plan with details about the development and sources and timing of funding availability.

It is a good idea to contact a number of financial institutions to request a term sheet for construction financing. There are number of key pieces of information you will need to discuss with the financial institutions including:

- What interest rate will be charged?
- Will CMHC mortgage insurance be required in order to access the construction financing and what will the CMHC insurance fees be?
- What are the legal and administration fees charged by the financial institution?
- Will a quantity surveyor report be required and if so are there specific firms that are used by the financial institution?
- How much equity must be invested in the project before any of the construction financing can be accessed?
- What reports and other requirements must be undertaken before the first draw of construction funds can be released?
- Are there corporate or other guarantees required before construction financing will be provided?

Consider: How your organization will provide cash flow until the first payment of Service Manager's federal/provincial affordable housing funding? This can be one of the most challenging aspects of developing new housing and your financial cash flow must be carefully planned out.

For both construction and long term mortgage financing (sometimes referred to as take-out financing) financial institutions prefer (but many don't require) that your housing development have an operating agreement/contribution agreement/municipal housing project facility agreement with a level of government.

Also keep in mind that when dealing with financial institutions that they will value the housing development at an amount which is significantly less than the cost to build and develop as you will be charging affordable, below market rents.

Note: Your business plan and pro forma (capital and operating budgets) must demonstrate to government, mortgage holders, potential donors and support service funders (if applicable) that all funding will come together to ensure ongoing financial viability.

12.0 Construction Phase

Site plan approval and the issuance of a building permit signals the start of construction and is a significant milestone achieved. Many months of planning on the part of your project team has resulted in a financially viable plan that is now ready to be built. If your project is funded through Service Manager's federal/provincial affordable housing funding, and you have a building permit and the requirements that are listed with it, you may receive your first instalment (i.e. 50%) of your approved capital funding at this milestone.

Depending on the size of your project and the time of year construction starts, you can expect an average construction period of 8 to 12 months. During the course of construction, your project team will meet with the Contractor, typically every two weeks, to review progress of the construction and resolve any emerging issues. During construction there will be monthly draw requests to pay the contractor and you will need to start the review process of those draw requests (which would include the quantity surveyor review as well as the financial institution review).

As the building is finished – substantial performance or substantial completion are the terms used. At this point, the contractor will post a notice in the Daily Commercial News (a private sector news journal) informing sub-trades that they have 45 days left to file any notice of lien for non-payment of work. Assuming there are no issues after the 45 days, the final 10% (referred to as "holdback") of the contractor's invoices are due to be paid.

With the completion of the 45-day lien period, you will also work to have your construction financing rolled into a permanent mortgage. Most non-profit providers will want to lock in their mortgage for a longer term (minimum 5 years, but often 10 years or longer) in order to give certainty that mortgage

payments will be fixed for many years, especially given the current low mortgage rates available in 2016.

13.0 Rent Up, Property Management and Long-term Operations

Once construction is underway you will begin to prepare for management and operations of the new units.

13.1 Property Management

As noted in Section 6.0, as part of your organization's discussion about readiness and capacity you discussed which roles you would take on such as: developer, support service provider, landlord, and property manager. Based on those discussions, your organization may have decided to assume the role of managing the property by hiring staff directly or instead, to contract with a property management firm.

If you plan to hire a property management firm, it is suggested you conduct a proposal call for firms experienced in social/affordable housing property management. Through this process, make clear what services you are requiring such as but not limited to: leasing, Residential Tenancies Act and Landlord Tenant Board requirements, Co-operative Corporations Act and co-op by-laws, emergency services and coordinating maintenance contracts. Anticipate fees which are 5-6% of rents. Fees will likely be higher in smaller building or if rents are significantly below market rents. Check with your Service Manager for more information about property management services or skills important for Housing Provider staff to operate an affordable housing project.

13.2 Rent up

In many communities, there will be significant awareness that new affordable housing is being created and the owner/operator may create a waiting list for initial and ongoing occupancy. Or if you are an existing housing owner/operator, you may already have a waiting list for people needing new affordable housing.

It is important, however, for you to be aware of the requirements for renting out new housing units if your new development has received government funding. For example, under the Service Manager's federal/provincial affordable housing funding, there are requirements as to maximum household incomes for new tenants moving into the development. It is important to take the time to fully understand the tenant rent up requirements attached to various governmental financial assistance programmes.

It is very important that you have your new development fully rented up by the time of occupancy as your financial plan is dependent on receiving full rent at the time of occupancy (although the larger buildings may take 1 - 3 months after completion in order to be fully occupied). It is appropriate to start advertising/creating a waiting list for new tenants about six months before the anticipated completion date.

Completing construction and being ready for occupancy is a milestone that requires some precision. Your new tenants will need to give notice where they are currently living (typically 60 days) and expect to move in on the agreed upon date. Once tenants give notice, if the new apartments are not ready your organization is responsible for the cost of a short-term stay elsewhere. You will need to work closely with your contractor, allowing enough time after construction is complete for the necessary municipal inspections and approvals to take place before the new tenants move in.

Some helpful best practices at least six months prior to and during rent-up include but are not limited to:

- preparation of the final operating budget at least six months prior to occupancy;
- arranging staffing and pre-management services;
- advertising signage, public notices, marketing information and brochure material related to the project, location and community features such as schools, shopping, related services and transit;
- sample unit plans and/or an on-site vacant unit with access for persons with and without accessibility requirements for viewing by initial prospective tenants;
- final market rents or monthly occupancy charges (with or without utilities included) per unit size at waiting list and leasing stages, and based on eligibility if receiving federal/provincial affordable housing programme funding;
- maximum income ranges for eligibility per unit size if receiving federal/provincial affordable housing programme funding;
- a residential property management and other database that administers data components such as waiting list information, tenant/member information per unit, rent collection and arrears, financial management for operating and capital reserve budgeting and expenses, property management functions such as leases and notices, unit maintenance, list of maintenance contracts and contractors, payables, tenant/ member complaints and social issues, etc.;
- preparation of leases/occupancy agreements and related forms and letters;
- tenant/ member orientation information or move-in package via policies, handbooks and information on rights, rules and responsibilities including but not limited to:

- tenant/ member rent or occupancy charges, arrears and annual rent reviews, parking, smoking, tenant content insurance, air conditioners, use of common spaces such as lounges, laundry and kitchens, dispute resolution processes, visitors, keys,
 - fire and safety procedures, emergency and regular maintenance contact numbers, contact information for fire and police services, security, recycling and waste disposal and pick-up, owner/staff contacts, access to community agencies and related client support services, gardening and snow removal, BBQs, etc.;
- unit and mailbox keys from contractor;
- unit number listing from the contractor, identified by unit sizes, floor, etc.;
- if support services are being provided to eligible tenants / members:
 - finalize agreement or memorandum of understanding between the Housing Provider and the Service Provider that is providing the support or other services,
 - coordinate the rent up responsibilities with the Service Provider for any designated units pending the arrangement;
- identification of any reporting and forms to the Service Manager if receiving federal/provincial affordable housing assistance;
- communication protocols for special events and media information if receiving federal/provincial affordable housing assistance.

Check with your Service Manager for information on local standards, guidelines, sample documents and options.

13.3 Long-Term Operations

Once you have reached this stage, most Housing Providers prepare to shift gears towards the next phase of the affordable housing project. Celebrate as you have reached a major milestone in your countless efforts to build the housing project for tenants/ members in need, as well as contributed to broad goals such as economic stimulation, improved energy efficiency, and essential new rental housing in your community.

If you are participating in an affordable rental housing programme such as IAH, there are requirements for the next minimum 20 years of operations with the affordable rental housing project. It is important to review the Service Manager Contribution agreement and any other agreements with your Service Manager for specific Housing Provider responsibilities with regard to the capital funding loan, annual reporting, audits, risk management, communication, protocols, and other requirements.

Key considerations for long-term operations include but are not limited to:

- Operating housing:
 - Resident Management, including application and selection process, management policies and procedures,
 - Community relations with the residents, meaning activities or events to build a sense of community for the residents as a whole, such as BBQ, community garden, bringing in external supports, etc.,
 - Administration, including legislative compliance and legal responsibilities, records management, insurance requirements, and rental unit marketing and leases, contracts for services or staffing, decisions, policies and procedures, database and data systems,
 - Rent calculations and annual reviews,
 - Rent collection and arrears
 - Best practices, including purchasing, risk management, one year and five year plans, performance, industry standards for multi-residential units and buildings, quality of service to residents,
 - Financial Management, such as: financial administration, resident rent revenues, operating budgets, capital budgets and five year plans, regular review of budget to actual variances, managing surpluses and deficits, replacement reserve funds and investments, financial statements, tax guides, mortgage renewals every term, refinancing, etc.,
 - Forms and templates, leases and notices
 - Audited financial statements,
 - Taxation requirements,
 - Security, safety and emergency preparedness, including fire plans with local fire departments, security systems and monitoring, emergency planning,
- Maintenance of units and building, such as: maintenance schedules and standing contracts, list of general, plumbing and electrical contractors, unit inspections, move-in/move-out inspections and procedures, maintenance requests by residents, timely repairs to maintain building in good condition, systems management and monitoring such as heating, plumbing, mechanical, fire and security, preventative maintenance guidelines, cleaning, etc.

- Capital repairs and lifecycle replacements, such as: inspections of units - common spaces - building and property on a regular basis, building condition audits every five years, contracting with consultants and architects and other firms for design and completion of capital projects, planning for health and safety as well as building and property lifecycle components for repairs and replacements, tendering and best practices for purchasing, regular monitoring and review and update of 5 year capital plan,
- Owner responsibilities to direct and govern the housing project, such as: non-profit board orientation, recruitment and Human Resources responsibilities, decision and policy making, enhancing your reputation and goodwill in the community by engaging community partners, improve staff retention and morale, undertake legal responsibilities, reduce risk, generate revenue, manage housing portfolio effectively and efficiently, compare performance to recognized standards, establish a business plan with priorities and improvements, financial management oversight.

14.0 Supportive Housing

14.1 What is Supportive Housing?

Supportive housing is an umbrella term that includes many different models of housing with support services that enables a person to live in the community with dignity and quality of life. Supportive housing brings together three components: a housing unit, a rent subsidy, and support services of an intensity geared to an individual's needs. In terms of types of models, it can mean:

- An apartment building owned and operated by a non-profit support service provider where all the residents are eligible for on-site and/or visiting support services,
- A cluster of units in a building with on-site support services which may involve a partnership between a non-profit housing provider and a support service organization, or
- scattered units in private apartments with visiting support services.

A general philosophy of the community-based supportive housing sector is to provide a non-medical approach to service delivery that is tenant directed and offers the person choice, as much as possible, for an apartment, neighbourhood, and the level of support services offered. Many support service providers also include social activities and representation on the Board of Directors to promote social inclusion and participation in decision making. Importantly, the sector has demonstrated that providing community-based housing with supports has better health outcomes and is significantly less costly than institutional responses to housing and homelessness.

14.2 The Continuum of Housing with Supports

14.2.1 Emergency Shelters

Some emergency shelters and systems are temporary accommodation for individuals and families who are homeless. There are also separate emergency shelters to accommodate youth and victims of domestic violence and their children. Shelter operators have an agreement with the municipality or the province and receive a per diem or other funding to provide emergency shelter including meals on a 24 hour, 7 days per week basis. Shelters often have local partners, protocols or standards for specific client groups, and the length of stay and supports may vary depending on the type and location.

14.2.2 Domiciliary Hostels

Domiciliary Hostels are generally funded by Service Managers for the provision of permanent residences for people who require supported living. Private operators generally have an agreement with the Service Manager and receive a per diem to provide residents with permanent accommodation and 24-hour support staff. Basic services such as meals, laundry and assistance with medication may be provided. It is important to speak with the Service Manager staff about the type of domiciliary housing and assistance available within the community as these may vary across Ontario.

14.2.3 Transitional Housing with Supports or Supportive Services

Transitional Housing with supports or supportive services are generally a form of housing to bridge the needs of specific client groups prior to other housing accommodations with or without support services. Various best practices and transitional housing models exist in Ontario. In general, length of stay may vary from one to 3 years. On-site supports may be provided to support resident's health, build skills and prepare residents for a move to other housing options. Client groups range from homeless, youth, women and children leaving emergency shelters, persons with disabilities such as mental and physical health, persons with addictions, etc. It is important to check with the Service Manager staff for options to create new transitional housing within the community.

14.2.4 Housing First Models

According to the ONPHA housing sector information, Housing First is best known as an evidence-based model of support and housing developed for people living with serious mental illness and/or problematic substance abuse who have long histories of homelessness. There is no single definition of Housing First. In simplest terms, it refers to a programme that houses people regardless of their level of housing readiness and offers them support once they are housed.

Service Managers are encouraged by the provincial government to set out Housing First initiatives in their communities through service system planning under its Housing and Homelessness Plans. Often considered a homelessness prevention housing system, the Housing First models generally have lower intensity supports through Housing Workers or case management delivered through related agencies and service providers. Service Managers have also established Housing First Model for residents within the populations residing in Social Housing and Affordable Housing projects.

The Housing First model depends on rapid access to good quality (i.e. where housing has an impact on the individual or family's success), affordable housing in neighbourhoods with a strong focus given to client choice, where participants can access the programmes and supports they need. For more information, check with Service Manager staff for options and assistance concerning Housing First model housing developments in your community.

14.2.5 Dedicated Supportive Housing

Dedicated supportive housing projects are entirely occupied by tenants who require support services to live independently in the community. In this model, support staff are located on-site usually on a 24 hour per day, 7 days per week basis or a combination of on-site and on-call staff. Types of housing units may vary from hostel units to self-contained units.

Many of the dedicated supportive housing projects and supportive Housing Providers receive administrative oversight and funding through Provincial Ministries, such as Ministry of Health and Long-Term Care and the Ministry of Community and Social Services (MCSS).

14.2.6 Housing with Supports or with Supportive Housing Component

In this model, there are a number of units within a private or non-profit building that have designated supportive housing units or a separate service provider agency provides support services to a portion of the residents. The support or supportive services may be provided through the owner if it is also a supportive service provider with clinical staff experts, or from community support service providers and agencies who offer de-linked services. The level of intensity of supports will vary depending on the service providers' funding levels and staff clinical expertise, and tenant in-take assessment criteria.

Generally, funding for supportive housing or housing with supports occurs through Provincial Ministries to service providers. Types of arrangements for the supportive services or supports by the Housing Provider may include an agreement or memorandum of understanding with community service provider partner(s) in the provision of support services to varying client populations. Successful quality of life for client populations with mental, physical, and developmental health needs is often achieved with a dedicated smaller percentage of these client tenants residing in the affordable housing project.

14.2.7 Agreement with Partners

Some successful arrangements for supportive housing or housing with supports between the Housing Provider and the Service Provider can exist in the following common documents:

- Agreements
- Memorandum of Understanding

- Head Lease

It is important whether you are the housing provider or the support service agency that it is made clear in these arrangements what the roles and responsibilities of each partner are. For example, the housing provider will want to know what level of support will be provided on a regular and emergency basis, including during evenings and weekends, if they make available some affordable rental apartments for tenants needing supports.

Other considerations may include access to common space facilities for programming considerations, parking spaces and on-site office space for use by the support service agency staff. Physical building components, such as accessible and automatic door openers, security and communication systems, etc., may need to be reviewed during the design stages, and the housing provider could check with the support service agency for access to additional capital funding for building enhancements.

Arrangements with Support Service Partners may need to be reviewed periodically, such as every five years, to monitor sustainability of supports to the residents and any adjustments.

14.3 New Development of Supportive Affordable Housing project

If you are a support service organization wanting to develop affordable housing, there are some considerations that are outlined in Section 4.0. Specifically, these relate to the target group you want to provide housing for and the role(s) your organization wants to assume once the housing is built. It is important to consider the pros and cons of being both the landlord and support service provider and whether you will delink these roles. For example, some support service organizations such as Community Living establish separately incorporated but an affiliated organization to develop and manage their property and operational functions.

Again, talking with Service Manager staff is an important first step in helping your organization refine your goals for developing supportive housing. The Service Manager is in the role of system planner, administrator of programmes and funder, and is therefore uniquely positioned to provide your organization with feedback on how your affordable housing goals fit within the larger affordable housing and homelessness context. In this role, *the* Service Manager may offer: links to partners, innovative options to achieve your goal, information about funding.

Note: The capital cost of community room/kitchen and office space, which are essential features of most supportive housing developments, may need to be fundraised for as they typically aren't covered by Service Manager federal/provincial affordable housing programme funding that is based on per unit costs.

Note: Capital funding for new affordable rental construction and support service funding typically come from different provincial ministries; therefore, if you're proposing new support service funding with a new capital build it's essential that discussions with your Service Manager and Local Housing Integration Network or Ministry of Community and Social Services provincial representatives happen

early on to determine the viability of your project, and that a letter of intent be obtained from the support service funder prior to the final approval by the Service Manager for funding.

15.0 End of Operating Agreements

Many of the social housing developments built around the 1980s are soon to have both their operating agreements as well as mortgages expire in the next few years. Many of the original operating agreements and mortgage financing terms were for 35 years, although some agreements lasted for 50 years. This is often referred to as a discussion about end of operating agreements (EOA – non-profits and co-ops with federal agreements), end of debentures (EOD – public housing stock) or end of mortgages (EOM – provincial reformed social housing).

While there will be housing providers who will face financial risks at the time of EOA, there will be other housing providers which will strive towards a more favourable financial situation with increased operating surpluses. The housing asset, however, will remain with the non-profit corporation and can't be used for individual equity gain.

Non-profit housing providers and co-ops confronting EOA, will need to do some long-term planning including an examination of their operations such as assessing the need for capital repairs. Providers should undertake a building condition audit and develop a capital plan to ensure the proper long-term maintenance of their existing housing. Housing Providers can check with their Service Manager or Canada Mortgage and Housing Corporation for any financial assistance to undertake the building condition audits.

If those capital repair needs are taken care of, some housing providers may be able to consider refinancing their existing site to operate their existing project only, or using those funds towards the creation of new affordable housing either on their existing site or on a new site. A number of family townhouse providers, for example may want to consider supporting the creation of new one-bedroom units to house empty nester residents who want to stay in their community.

For example, if the end of the mortgage results in a new operating surplus of \$100,000 per year (and the capital reserves are adequate to deal with anticipated future capital repairs) then this operating surplus could be refinanced into \$2 million of equity based on 2016 interest rates. This size of equity could be used to make a substantial contribution towards the cost of a new housing development.

Undertaking this kind of leveraging does require careful financial planning but it could present some significant opportunities for a few existing not-for-profit housing providers across Ontario.

It would be a good idea for non-profit housing providers approaching EOA in the next four or five years to speak with Service Manager housing staff, (or for federal co-ops to speak with representatives of The Agency for Co-operative Housing) to go over the impact of EOA and to take an initial review of the potential for leveraging your existing housing in order to create new needed affordable housing.

There could be the potential to either add new housing or refinance the existing site which adds a further level of complexity in needing to deal with existing mortgage financing. This type of initiative would need to have a detailed discussion with Service Manager staff at the start of the process of considering new housing.

16.0 Useful Resources and Links

Resources:

Canada Mortgage and Housing Corporation. (2012). Housing for Older Canadians: The Definitive Guide to the Over-55 Market. <https://www.cmhc-schl.gc.ca/odpub/pdf/67514.pdf>

Canada Mortgage and Housing Corporation. (2014). CMHC Tools for Affordable Housing Development presentation, County of Renfrew, November 19, 2014.
http://www.countyofrenfrew.on.ca/_documents/RCHC/CMHC-Toolspdf.pdf

City of Kingston. (2015). Design Guidelines for Residential lots.
<https://www.cityofkingston.ca/documents/10180/4360790/Design+Guidelines+-+Residential+Lots/f9bb2404-5262-4378-9974-d390e3b3faae>

City of Toronto Affordable Housing Office. (2014). Affordable Rental Housing Design Guidelines.
<https://www1.toronto.ca/City%20Of%20Toronto/Affordable%20Housing%20Office/Shared%20Content/pdf/Rental%20Design%20Guidelines.pdf>

County of Wellington. (2015). Handbook for your Home.
http://www.wellington.ca/en/socialservices/resources/Housing/212_Tenant_Handbook.pdf

District of Sault Ste. Marie. (2015). Request for Proposals for 2014 IAH extension - Guide to completing the project application, September 15, 2015
<http://www.ssm-dssab.ca/documents/assets/uploads/files/en/rfp.pdf>

Note to reader - this RFP resource has been added as a SAMPLE ONLY. Each Service Manager is responsible for issuing its own calls for proposals in their defined geographic area based on specific SM and municipal requirements, and may change over time. Check with your individual Service Manager for specific direction and interpretation in your local SM area.

Federation of Canadian Municipalities. (FCM). (2009) Housing In My Backyard: A Municipal Guide for Responding to NIMBY.
https://www.fcm.ca/Documents/tools/ACT/Housing_In_My_Backyard_A_Municipal_Guide_For_Responding_To_NIMBY_EN.pdf

Housing Services Corporation. (2012). Financing Affordable Rental Properties with Mortgage Loan Insurance. Presentation May 2012. <http://www.hscorp.ca/wp-content/uploads/2012/05/Day-1-B-Financing-Numbers-the-Nuts-and-Bolts-Bourgogne-Catherine-Nethersole.pdf>

Housing Services Corporation. (2015). Partnerships & Leveraging Social Housing Assets. Marguerita Residence Corporation, Presentation by Bruce Hynes. September 22, 2015.

<http://share.hscorp.ca/wp-content/uploads/2015/10/SHARE-Bruce-Hynes-Pres-Tackling-the-EOA-Monster-Sept-22-2015.pdf>

Ministry of Attorney General. (2015). Non-Profit Incorporator's Handbook.

https://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/Not_for_Profit_Incorporators_Handbook_EN.html

Ministry of Municipal Affairs and Housing. (2014). Investment in Affordable Housing for Ontario, Programme Guidelines, 2014 Extension. <http://www.mah.gov.on.ca/AssetFactory.aspx?did=12338>

Ministry of Municipal Affairs and Housing. (2011). Municipal Tools for Affordable Housing. <http://www.mah.gov.on.ca/AssetFactory.aspx?did=9270>

Ministry of Municipal Affairs and Housing. (2013). Redeveloping Social Housing in Ontario: A Provincial Guide and Perspective, 2nd Edition. <http://www.mah.gov.on.ca/Page9936.aspx>

Ministry of Municipal Affairs and Housing. (2015). Planning Act Approval Authority in Ontario chart. <http://www.mah.gov.on.ca/AssetFactory.aspx?did=11003>

Ministry of Municipal Affairs and Housing. (2015). Ontario Building Code: Overview of updated Accessibility Requirements, January 1, 2015 amendments to the 2012 Ontario Building Code. <http://www.mah.gov.on.ca/Page10547.aspx>

Ontario Human Rights Commission. (2009). *Policy on Human Rights and Rental Housing*. Queen's Printer for Ontario. <http://www.ohrc.on.ca/en/policy-human-rights-and-rental-housing>

Ontario Human Rights Commission. (2012). *In the Zone: Housing, Human Rights and Municipal Planning*. Queen's Printer for Ontario. <http://www.ohrc.on.ca/en/zone-housing-human-rights-and-municipal-planning>

Ontario Human Rights Commission. (2014). *Neighbourhood Housing Tip Sheet*. Queen's Printer for Ontario. <http://www.ohrc.on.ca/en/neighbourhood-housing-tip-sheet-fact-sheet>

Ontario Human Rights Commission. (2014). *Neighbourhood Opposition to Housing and Services (fact sheet)*. Queen's Printer for Ontario. <http://www.ohrc.on.ca/en/neighbourhood-opposition-housing-and-services-fact-sheet>

Ontario Human Rights Commission. (2000). *Policy and Guidelines on disability and the duty to accommodate*. <http://www.ohrc.on.ca/en/policy-and-guidelines-disability-and-duty-accommodate>

Region of Peel. (2015). *Affordable Housing Design: Guidelines and Standards for Townhomes*. <http://www.peelregion.ca/housing/housinghomelessness/pdfs/Affordable-Housing-Design-Guidelines-and-Standards-for-Townhomes.pdf>

Region of Peel. (2007). Design Guidelines Affordable Housing.

<http://www.peelregion.ca/housing/social/pdf/design-guidelines-apr-2007.pdf>

Suttor, Greg. (2015). Coming Together on Supported Housing for Mental Health and Addiction in Ontario. Wellesley Institute. <http://www.wellesleyinstitute.com/wp-content/uploads/2015/11/Coming-Together-on-Supported-Housing-in-ON.pdf>

Websites:

Canada Mortgage and Housing Corporation—Aging in Place

<https://www.cmhc-schl.gc.ca/en/inpr/bude/agpl/index.cfm>

Canada Mortgage and Housing Corporation--Housing Development Checklist

<https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/tore/hodefashch/index.cfm>

Canada Mortgage and Housing Corporation—Housing Affordability by Design

<https://www.cmhc-schl.gc.ca/en/inpr/su/index.cfm>

Canada Mortgage and Housing Corporation—Affordable Housing in Canada—Tools and Resources

<https://www.cmhc-schl.gc.ca/en/inpr/afhoce/index.cfm>

Canada Mortgage and Housing Corporation--Online Library

<https://www.cmhc-schl.gc.ca/en/corp/li/index.cfm?renderforprint=1>

Canada Mortgage and Housing Corporation—Universal Design

https://www.cmhc-schl.gc.ca/en/inpr/bude/adho/adho_001.cfm

Canadian Alternative Investment Co-operative.

<http://www.caic.ca/home2014-1.html>

Centre for Equality Rights in Accommodation

<http://www.equalityrights.org/cera>

City of Guelph – Affordable Housing

<http://guelph.ca/city-hall/planning-building-zoning/community-plans-studies/housing/affordable-housing/>

The Co-operative Housing Federation of Canada

<http://www.chfcanda.coop/eng/pages2007/home.asp>

Crime Prevention Through Environmental Design Ontario

<http://cptedontario.ca/mission/what-is-cpted/>

Housing Services Corporation

<http://www.hscorp.ca/>

Ministry of Municipal Affairs and Housing

<http://www.mah.gov.on.ca/site4.aspx>

Ontario Non-Profit Housing Association

<https://www.onpha.on.ca/onpha/web>

Ontario Human Rights Commission

<http://www.ohrc.on.ca/en>

Ontario Municipal Social Services Association - see Housing and Homelessness Plans

<http://www.omssa.com/>

County of Wellington Housing Services Division

<http://www.wellington.ca/en/socialservices/housing.asp>

17.0 Glossary of Terms*

Affordable Rental Housing

According to the Investment in Affordable Housing for Ontario (2014 Extension) programme guidelines:

Affordable rental housing means housing which is modest in terms of floor area and amenities, based on household needs and community norms, in projects that achieve rent levels in accordance with the Programme Guidelines (Investment in Affordable Housing for Ontario (2014 Extension)), but does not include residential premises used as a nursing home, retirement home, shelter, crisis care centre facility or any other type of similar facility. Affordability is defined as having rents for the project that are at or below 80% of CMHC Average Market Rent (AMR) at the time of occupancy.

Affordable Ownership Housing

According to the Investment in Affordable Housing for Ontario (2014 Extension) programme guidelines:

Affordable Homeownership aims to assist low and moderate income renter households to purchase affordable homes by providing down payment assistance by providing a forgivable loan. The programme specifies certain criteria that the purchaser must meet in order to be eligible and the purchase price of the home must not exceed the average resale price of a home in the Service Manager area.

Consolidated Municipal Service Manager (Service Manager)

A provincially designated municipality responsible for carrying out the funding and administrative responsibilities of the Housing Services Act, 2011, as well as service delivery of a number of Social, Affordable Housing, Homelessness and related programmes. A CMSM could be a regional government, a county or a separated city, depending on the local circumstances. The CMSM is also responsible for administering other social service programmes such as Ontario Works and Child Services.

There are 47 Service Manager's designated by the Province. A Service Manager's role with regard to housing is:

- Engage the local community in determining housing needs, establish a housing vision and determine priorities for helping people in need,
- Develop and implement local housing and homelessness plans that address provincial interests and are consistent with Ontario's Housing Policy Statement,
- Contribute to, coordinate and administer housing funding,
- Monitor and report on progress.

Due Diligence

Due diligence is the process of investigating a site to assess its suitability for a particular project and identifying and mitigating the risks involved before proceeding with development.

Ministry of Community and Social Services (MCSS)

The Provincial Ministry of Community and Social Services. As one of its roles, this ministry has the responsibility to fund and administer non-profit housing for people with developmental disabilities.

The Ministry of Health and Long-term Care (MOHLTC)

The Provincial Ministry of Health and Long-term Care is responsible for the stewardship of a patient-focused, results-driven, integrated and sustainable publicly funded health system.

Ministry of Municipal Affairs and Housing (MMAH)

The Provincial Ministry of Municipal Affairs and Housing. This ministry had the lead role in designing and implementing the Housing Services Act, the Residential Tenancies Act, the Planning Act and the Municipal Act. They continue to be responsible for ensuring the Acts are administered appropriately.

Municipal Housing Project Facility

By-law defines affordable housing, policies that define public eligibility for the affordable housing, and the provisions of the housing facility to be included in the agreement for purposes of these incentives.

Nimbyism or Not-in-My-Backyard

Nimby refers to neighbourhood opposition to affordable housing.

Substantial Performance

This is the date the contractor believes the work has been substantially performed according to the construction contract. At this point, the contractor will post a notice in the Daily Commercial News (a

private sector news journal) informing sub-trades that they have 45 days left to file any notice of lien for non-payment of work. Assuming there are no issues after the 45 days, the final 10% (holdback) of the contractor's invoices are due to be paid.

Supportive Housing

Non-profit housing for people who need support to live independently, e.g. the frail elderly, people with mental health problems, addictions or developmental disabilities. Administration and funding of supportive housing providers were not downloaded to the Municipal Service Managers in 2001; rather, the responsibilities were transferred to the provincial ministry that funded the support services, either the Ministry of Health and Long-Term Care or the Ministry of Community and Social Services.

*These definitions are found in the Ontario Non-Profit Housing Association Glossary of Terms and Acronyms and from the Ministry of Municipal Affairs and Housing, and the County of Wellington

Waterloo Wellington Local Health Integration Network (WWLHIN)

The WWLIN plans, integrates (connects and improves) and funds health services to improve the health and well-being of approximately 775,000 residents in Waterloo Region, Wellington County, the City of Guelph and the southern part of Grey County.

EXAMPLE EOI