CITY OF TORONTO

COMMUNITY HOUSING PARTNERSHIP RENEWAL PROGRAM GUIDE

February 2021



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Contact us:

Shelter Support and Housing Administration, City of Toronto

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This guide is available in alternative formats by request.

1. Introduction

Over the past few decades, non-profit housing providers have made invaluable contributions to affordable rental housing in Toronto, delivering over 8,500 affordable rental units under federal housing programs launched by the Canada Mortgage and Housing Corporation under sections 26/27 and section 96 of the *National Housing Act, 1985*. When municipalities assumed responsibility of federal social housing programs in 2002, these housing providers became important partners to the City of Toronto (the City) and its mission to improve access to affordable and good quality housing.

As former federal operating agreements come to the end of their 25-50 year terms, the City has been working alongside housing providers to develop a new program that supports the mutual goal of securing affordable housing and maintaining or improving levels of affordability. As a result of this collaboration, the City is launching the Community Housing Partnership Renewal Program (CHPR), which was approved by City Council in December 2019.

These guidelines will help to orient eligible non-profit housing providers interested in joining CHPR and taking advantage of program benefits such as property tax relief, funding opportunities, and access to City resources. This document includes information about the new flexible program model, program terms, eligibility criteria, the application and approval process, and available resources.



2. Program Overview

2.1 Eligibility Criteria

To be eligible to participate in CHPR, the housing project must meet all of the following criteria:

- Owned by a non-profit housing provider
- Former federal housing projects developed under sections 26, 27 or 95 of the *National Housing Act* R.S.C., 1985
- Original operating agreement with the Canada Mortgage and Housing Corporation has expired
- Housing Provider is, or was, formerly designated in the regulations for the purposes of subsection 68 (1) under the *Housing Services Act, 2011*, as a project in relation to which the City as Service Manager was responsible for administering a transferred housing program

2.2 Program Model

The goal of CHPR is to establish sustainable and mutually-beneficial partnerships between the City and federal non-profit housing providers that will preserve affordable housing, as well as support the sustainability and growth of the affordable rental housing stock.

Guiding Principles:

Affordability	Develop agreements that maintain or improve housing affordability for tenants.
Sustainability and Growth	Sustain and grow the affordable rental stock by supporting the capital endeavours of housing providers.
Shared Leadership	Build capacity based on a mutually-beneficial relationship that recognizes the housing provider's value and autonomy.
Fair Access	Ensure units are filled by applicants that meet eligibility requirements using a City-approved access plan, consistent with other affordable housing programs

The program model was designed in consultation with former federal non-profit housing providers, many of which shared their commitment to continue providing affordable housing to low and moderate income households, as well as their interest to continue a relationship with the City through a new flexible model with simple administration.

The resulting program model consists of three key components:



2.3 Program Benefits

Housing providers that choose to participate in CHPR will benefit in the following ways:

- Property tax relief, where savings can support housing provider interest in redevelopment or expansion.
- Access to capital planning resources and funding, such as supports available through the National Housing Strategy.
- Access to available funding for housing benefits to deepen support for tenants; option to replace internal subsidies with City-funded housing benefits resulting in lowered operating costs for housing providers.
- Access to benefits related to having continued designation under the *Housing Services Act, 2011*, including access to City staff support and funding opportunities that require this designation.

3. Transition to New Agreements

Under Section 252 of the City of Toronto Act, 2006, the City has the authority to grant property tax exemptions for the provision of municipal capital facilities, a category of which is municipal housing facilities. The <u>City's Municipal Housing Facility By-law</u> (by-law 1756-2019) sets the definitions and obligations of the City's municipal housing facilities. Former federal housing projects are one of the groups designated as a municipal housing facility under this by-law.

The Municipal Housing Facility By-law sets affordability terms and access criteria that municipal housing facilities must adhere to in order to receive a property exemption. Former federal housing providers will confirm their understanding and agreement of these terms through the execution of a Contribution Agreement, which will also outline other CHPR program requirements detailed in Section 5: Program Parameters.

During the transition to new agreements, housing providers can expect the following:

- The housing provider will review all program requirements. City staff will be available to meet with housing providers to answer questions about CHPR.
- The housing provider will determine the number of units in the building that will remain affordable and the number of units that will have additional housing benefits.
- The City will work with the housing provider to finalize the terms of their Contribution Agreement for the housing project.
- City Council will consider a report with the contents of the Contribution Agreement and authorize staff to execute the Contribution Agreement.
- The Contribution Agreement will be finalized and executed.
- The City will submit the approved housing projects to the Municipal Property Assessment Corporation (MPAC), who is responsible for determining the final value of the property tax exemption.

4. How to Join

City staff will continue to engage with eligible former federal housing providers about the opportunity to participate in CHPR. Housing providers that are interested in joining should contact their assigned housing consultant, who will provide detailed information about agreement terms and registration timelines.

As a requirement of program enrollment, housing providers must provide a signed Letter of Intent (Attachment 1) to their assigned housing consultant. Before signing the Letter of Intent, housing providers can review the Contribution Agreement Template (Attachment 2) and discuss specific terms for their housing project(s) with the housing consultant. The Letter of Intent confirms the housing provider's intent to join CHPR, including the number of affordable and rent supplement units that will be secured, so that City staff can proceed with the City's internal approval processes outlined below.

5. The City's Approval Process

The City's Municipal Housing Facility By-law requires City Council authority to enter into individual Municipal Housing Facility Agreements (comprised in the Contribution Agreement), which is necessary to grant a property tax exemption for the provision of municipal housing. To meet this requirement, individual project details are presented to City Council for their consideration and approval.

Following City Council consideration, City staff will submit approved housing projects to the Municipal Property Assessment Corporation (MPAC) for assessment. MPAC will determine the exact property tax exemption amount, which will be proportional to the number of units in the program and consider property details such as unit sizes and common spaces. The property tax exemption is effective from the date that the Contribution Agreement is signed.

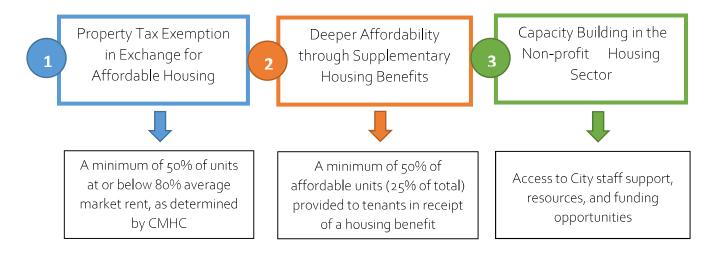
Standard approval process:



6. Program Parameters

The CHPR program requirements outlined below, support the program's objectives and guiding principles.

Key program terms at a glance:



6.1 Affordable Units at or Below 80% of Average Market Rent

A key component of CHPR involves granting property tax relief proportional to the number of units secured at or below 80% AMR, as per the following terms:

Provide a minimum of 50% of units at or below 80% AMR, as determined by CMHC.

When housing providers enter the program, some may need to increase the number of affordable units they provide to achieve the program minimum of 50%. Upon entering the program, these housing providers will need to reduce the rents of current and eligible tenants to at or below 80% AMR, in order to meet their target.

To ensure a fair and consistent process, housing providers must submit an Access plan to the City that details their approach, rationale and selection criteria, demonstrating compliance with the Municipal Housing Facility By-Law. The final method used to select current tenants must be documented as an internal policy and approved by the housing provider's Board of Directors, to be shared with the City.

Fill affordable units according to a City-Approved Access Plan.

<u>Access plans</u> are meant to ensure a fair and transparent selection process on Toronto's limited affordable rental stock, as it will establish how affordable units are being filled and must be approved by the City.

The Access Plan will demonstrate how housing providers are ensuring that existing or incoming households selected to fill affordable units are below the income limits established in the Municipal Housing Facility by-law, where household income must be at or below four times the annualized monthly occupancy cost for the housing unit. It also requires information such as the number of units set aside for target populations, internal transfer policy, and additional landlord eligibility practices (e.g. landlord reference checks, rental history, credit checks etc.).

Note, as indicated in the Contribution Agreement, housing provider access plans will be coordinated with the City's access system.

Provide a mix of affordable unit sizes, proportional to the housing project.

A mix of unit sizes will provide tenants with affordable options that meet a range of housing needs and create a more balanced overall rental housing system. The exact breakdown of units are to be negotiated and confirmed through the Contribution Agreement.

An affordability term of 20 years, with the option to extend the term by mutual agreement.

Housing providers can submit a business case outlining rationale for a term below 20 years, to be considered by the City on a case-by-case basis. Approvals will be limited to circumstances that include land lease arrangement or other contractual obligations that create a barrier for housing providers to enter into longer term commitments.

6.2 Deeper Affordability through Housing Benefits

In recognition that reducing rents to 80% AMR will not achieve affordability for low income tenants on its own, the program aims to deepen affordability by requiring that a minimum allotment of affordable units be provided to tenants in receipt of a housing benefit.

Offer 50% of all affordable units (25% of total units) to tenants in receipt of a rent supplement.

New rent supplement units are to be filled on turnover, subject to funding availability from the City. Housing providers that are below the required rent supplement levels must develop a transition plan as part of their Access Plan, demonstrating how they will achieve the program minimum. Housing providers can allocate rent supplement benefits to current tenants in their affordable units as a way to expedite achieving their target. The City will provide guidance to housing providers to support the development of fair in-situ tenant selection processes that are consistent with approved Access Plans.

Internal subsidies will be replaced by City-funded rent supplements.

Subject to funding availability, housing providers can move their internal subsidies to their Rent Supplement Agreement, effective upon enrolment in the program. Housing providers must submit a business case to the City that details how they will transition internal subsidies to rent supplement units and ensure that tenants meet all required eligibility criteria.

6.3 Capital Planning Requirements

Federal housing projects are aging and require, or will require, significant capital investment to maintain good quality and sustainable housing. The following terms are aimed at supporting the viability and long term sustainability of former federal housing projects and Toronto's affordable rental stock.

⇒ Submit a five-year capital plan

The Housing Provider shall complete a Building Condition Assessment and capital plan satisfactory to the Housing Provider, in its sole discretion, every five (5) years and be required to provide to the City a copy of such capital plan for the information of the City.

The City will be launching a new program to support asset planning in the social and affordable housing sector. Former federal housing providers are eligible to participate in this program, where the City will help facilitate a Building Condition Assessment every five years. More information on this opportunity will be shared with CHPR housing providers when available.

Housing projects must be maintained in a good state of repair

To determine "good" state of repair, the City will refer to housing sector standards, such as Facility Condition Index scores, Rent Safe TO ratings, etc. By leveraging established benchmarks to assess building conditions, the City will have consistent oversight of the non-profit housing stock.

7. Administration and Reporting

CHPR housing providers are required to fulfill the reporting requirements outlined below to demonstrate compliance with agreement terms. Continued access to CHPR program benefits are contingent on compliance with the terms and conditions of the Contribution Agreement.

The reporting tools aim to be simple and clear, allowing for legacy reporting requirements to be streamlined into a consistent system of reporting and oversight that will ensure:

- Affordability requirements are met
- Affordable units are properly allocated to eligible and appropriate households
- The stock is viable and sustainable for the long-term
- Affordable housing projects are well-governed and maintained

Reporting type	Description	Frequency
Annual Occupancy Reporting	 Total occupancy costs by unit type compared to AMR Annual rent rolls, including new move-ins and target populations Declaration confirming that all new occupants met the eligibility requirements, including income limits (subject to spot audits) 	Annually
Annual Information Return	Submission of Annual Information Return in adherence with the Rent Supplement Agreement	Annually
Financial Statement Review	Audited financial statement for the year	Annually
Provider/File Review and RGI Review	 A review of housing providers verifying that operational requirements outlined in the Contribution Agreement and Access Plan are adhered to, and that the project is in a good state of operation and repair During the review, City staff will discuss related topics such as governance, upcoming capital repairs, succession planning, strategic planning and any financial shortfalls 	Every 3 to 5 years
Building Condition Assessment	The Housing Provider shall complete a Building Condition Assessment and capital plan satisfactory to the Housing Provider, in its sole discretion, every five (5) years and be required to provide to the City a copy of such capital plan for the information of the City.	Every 5 years

Housing providers that join CHPR will receive further resources to support ongoing program administration and reporting, including more detailed information on determining household income, verifying eligibility, and tenant selection.

Attachment 1: Letter of Intent Template

Dear <>,

As a former Federal housing provider, <> has provided safe, affordable housing for Toronto's residents throughout the length of its agreement. The success of this program has been a testament to the value of community-based non-profit housing and the benefits of a partnership between the City of Toronto and your organization. With the expiry of the operating agreement, that formal partnership ended opening new possibilities and opportunities.

The City's Housing Stability Services Unit's work continues throughout and beyond the expiry of former Federal Operating Agreements; as does our role as steward of the City's social and affordable housing system. Our efforts to build capacity and to strengthen the social and affordable housing sector in Toronto have included the development of the Community Housing Partnership Renewal (CHPR) program as the basis of a new relationship with former Federal housing providers whose operating agreements have ended.

The program will provide meaningful financial incentives in exchange for commitments to levels of rental affordability. The City would like to confirm your intent in joining the CHPR program. Under Section 252 of the *City of Toronto Act, 2006* and the City's Municipal Housing Facility By-law, City Council has the authority to enter into agreements for the provision of municipal housing facilities, and to provide property tax exemptions to housing designated as a municipal housing facility. In accordance with the Municipal Housing Facility By-law, staff will return to City Council for approval of individual municipal housing facility agreements.

Through your signature below and return of this Letter of Intent with the attached Program Terms, we ask that you confirm your intent to enter into the new Community Housing Partnership Renewal program on the terms substantially set forth in Schedule "A", following approval from Toronto City Council as a designated municipal housing facility. This letter is an expression of intent only and is not intended to represent contractual obligations between the parties. The parties' contractual obligations will be set forth in a mutually acceptable formal municipal housing facility agreement following such Toronto City Council approval.

We look forward to working together on this exciting new initiative which will allow us to continue to provide housing stability to vulnerable Torontonians.

Legal Name of Housing Provider/ Project Address: <>

I/We agree to abide by these terms and conditions.

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Attachment 2: Access Plan Template

Introduction:

The following guide and template are provided to assist Community Housing Partnership Renewal (CHPR) housing providers with the development of an Access Plan.

This plan will be submitted for the approval of the Director of Housing Stability Services, Shelter, Housing and Administration (SSHA) to meet a requirement of your Contribution Agreement with the City.

Please contact your Housing Consultant through HSS@toronto.ca for assistance or if you have any questions.

	Required Information
Project Description	 Name and contact information for developer (for new projects) and site property manager Address of the project (including nearest major intersection) Any special features of the project including accessibility and common area amenities If an affordable housing building is part of a larger development, please provide a brief description of other housing and community amenities to be included
Contribution Agreement and Authority	 Date that Council approved project(s) with link to approval document CHPR program term commitment (years)
Target Population and Unit Type	 Identify if the project or a specific number of units in a project has an approved mandate (targeting a specific population such as Indigenous households, seniors, persons with disabilities needing supports or people experiencing homelessness) Complete the chart below and identify the following details, if applicable: Units that are barrier-free; Units that are supportive or alternative housing units with special referral arrangements, if applicable

	 Units that are set aside for a specific target population (seniors, persons with disabilities, or the homeless) 						
	(sei	niors, perso Bachelor	ons with o	disabilitie 2 B	s, or the 3 B	homeless 4 B) 5 B
	Affordable Housing Units	Bacheloi		2.0			
	Affordable Housing Units with Rent Supplement Benefit						
	Market Rent Units						
	Total Project Units						
Initial Monthly Occupancy Costs and Rent Increases	0	able Housin A minimun below 80 p published Corporatio updated an here. The utility occupancy utilities. The annua prevailing calendar ye 2006 or an exceed 809	n of 50% percent A by the Ca on (CMHC nnually a allowance costs if the Rent Increase Rent Increase y success	of the hoverage Mada Moonda availales amourenants are must no ease Guidant to the cor legisla	using uniterket Rerortgage and IR and uterore subsections to a required to e greated to e Residention, to a	nts (AMR) d Housing ility allow cracted fred to pay to ter than to ablished outial Tenan	g rance are rom cheir he each ncies Act,

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	 You may adjust the Monthly Occupancy Costs, for a housing unit, if at least twelve (12) months have elapsed, Since the day the housing unit was rented for the first rental period following the completion of the Development Activities in connection with the project; or Since the day of the last rent increase for the housing unit, if there has been an increase.
Basic Eligibility for an Affordable Housing unit	 All Applicants must meet the following basic eligibility requirements: At least one member of the household is 16 years of age or older Meet the initial income limit (annual occupancy costs for unit x 12 x 4) Status in Canada Meet occupancy standards Not have arrears with a social housing provider or hase arrears with an active payment plan in good standing Not own a home suitable for year-round occupation Full details of the requirements are outlined in the Affordable Rental Housing - Eligibility and Income Verification Guide 2020 Describe plans to ensure staff receive the necessary training and orientation on the Affordable Rental Housing - Eligibility and Income Verification Guide 2020, and any future versions or revisions. Outline additional landlord eligibility practices such as landlord reference, rental history, income criteria, and credit checks must be clearly stated. Additional landlord eligibility practices must be fair, reasonable, in compliance with the Ontario Human Rights Code and ensures that tenants are not arbitrarily refused units. Minimum income criteria may not be used as sole criteria for refusal. Factors that improve affordability such as a household's receipt of a housing allowance or child tax credits, and availability of a guarantor must be considered.
Conflict of Interest	 Include a Conflict of Interest statement that outlines restriction on eligibility for the organization's staff, Board of Directors (if applicable) and their family

	Attach organizational policy if applicable		
Eligibility of Applicants – Refusal to Offer Housing	 Other than basic eligibility, applicants may be deemed ineligible for the following reasons: Selection would be contrary to approved mandate Poor rental history. Landlord reference requirements should be outlined under the Basic Eligibility and Initial		
Affordable Housing Unit Allocation	 Provide details on how Affordable Housing units will be allocated to current tenants. Include the following details: The approach and application process used to select tenants Identify how this process and approach will be transparent and fair Identify how tenants will be communicated with and notified of the application process For successful tenants who will receive an Affordable Housing unit, identify how the process will be in compliance with the Affordable Rental Housing - Eligibility and Income Verification Guide 2020 		
Housing Benefit Allocation	 Provide 50% of affordable units (25% of total) to tenants in receipt of a housing benefit filled on turnover, and subject to availability of funding for benefits administered by the City. Housing Providers are subject to the terms and conditions set forth in the Rent Supplement agreement. For non-profit housing providers, the City may enter into a RGI administration agreement or amend a current 		

agreement and the non-profit will administer rent supplements as the City's agent All housing benefit units will be filled through the centralized access system unless an appropriate alternative or supportive housing mandate is in place for the building (or number of dedicated units within the building) Eligible internal subsidies (i.e. Housing Provider subsidized units) will be replaced by City-funded Rent Supplements benefits. Identify how tenants in receipt of an internal subsidy will transition to a City-funded Rent Supplement benefit. Housing providers who are partnering with alternative providers serving people experiencing homelessness or supportive housing for persons with disabilities must include a detailed description of the on-site supports to be provided and the **Partnerships** referral pathway (for example, Co-ordinated Access, Access with Point, Development Services Ontario, Attendant Services Access **Alternative** Centre) and Describe how the appropriate depth of affordability will be achieved given the typical income of prospective special needs Supportive households Housing Additional source of funding for supports and if applicable, **Providers** housing benefits (Dedicated • Contact details including name, title, email and phone for units) referral partners Attach any applicable legal agreements such as a Referral Agreement or Head Lease. Provide details on how Affordable Housing units will be filled upon turnover. Include the following details: The approach and application process used to select tenants **Filling** If applicable, how the internal waitlist will be leveraged **Affordable** The length of time an applicant remains on the provider's waitlist Identify how this process and approach will be transparent and **Housing Unit** fair Vacancies Identify how tenants will be communicated with including Upon timelines Turnover For successful tenants who will receive an Affordable Housing unit, identify how the process will be in compliance with the Affordable Rental Housing - Eligibility and Income Verification **Guide 2020**

	continue to the Access The Access Contribution City of Torce consistent Program. Required point is operational to the Access Contribution City of Torce Consistent Program.	alternative or supportive housing units so be filled through the referral pathway of Plan and/or applicable agreement. Plan should also acknowledge that as peon Agreement, vacancies will be filled thronto's Housing Access System once it is continued in the requirements of the Affordable articipation in the City's Housing Access ional, consistent with the requirements of Housing Program.	er the rough the perational, Housing		
Filling Benefit Unit Vacancies Upon Turnover	 Units in receipt of rent supplements through the City's Housing Benefit and Support Unit at the City of Toronto will continue to be filled through the City's centralized access system. Dedicated alternative or supportive housing units should continue to be filled through the referral pathway outlined in the Access Plan and/or applicable agreement. Rent Supplement Benefit units are eligible for the Market Rent Households Requesting RGI Subsidy in Their Current Unit (in-situ) policy as found in Chapter 8 of the RGI Administration Manual. 				
Internal Transfer Policy	 An internal transfer policy outlines the eligibility requirement and processes for a household transferring from one unit to another in a building An internal transfer policy should be documented and approved by the housing provider's Board of Directors. 				
	Reporting type	Description	Frequency		
Reporting	Annual Occupancy Reporting	 Total occupancy costs by unit type compared to AMR Annual rent rolls, including new move-ins and target populations Will include a declaration that confirms that all new occupants met the eligibility requirements, including income limits 	Annually		

	A 1				
	Annual	Submission of Annual Information Datum in add arong a with Bont	A marrally		
	Information	Return in adherence with Rent	Annually		
	Return Financial Statement Review	 Supplement Agreement Audited financial statement for the year 	Annually		
	Provider/File Review and RGI Review	 A review of housing providers verifying that operational requirements outlined in the Contribution Agreement and Access Plan are adhered to, and that the project is in a good state of operation and repair. During the review, City staff will discuss related topics such as governance, upcoming capital repairs, succession planning, strategic planning and any financial shortfalls. 	Every 3-5 years		
	Five-year Capital Plan	 Five-year capital plan must include planned capital reserve fund contributions, where the amount is to be sufficient to fund the capital plan. 	Every 5 years		
Application and Lease Requirements	 A signed affordable housing program application with all supporting documentation and a signed lease agreement must be on file for each household The lease must also contain: The tenant's consent for the housing provider to disclose their personal information, including household income and household composition, with the City of Toronto; The exemptions from Paragraphs 6, 7 and 8 of subsection 30(1), sections 51, 52, 54, 55, 56 and 95 to 				

Personal Information and Record Keeping	 Housing providers must ensure that the requirement pertaining to Collecting and Keeping Information and Protecting Personal Information as outlined in Section 4 and 5 of the Affordable Rental Housing - Eligibility and Income Verification Guide are met
Other	If applicable, provide a list of Appendixes attached.

Name of Corporation
Per (Authorized Signature)
Print Name
Title:
I / We have the authority to bind the corporation
City of Toronto
Per (Authorized Signature)
Print Name
Director, Housing Stability Services
I / We have the authority to bind the corporation

Attachment 3: Contribution Agreement Template

CITY OF TORONTO

- and -

< Housing Provider Name>

CONTRIBUTION AGREEMENT

oject address>

<Project address>

BETWEEN:

CITY OF TORONTO

(the "City")

- and -

<Housing Provider name>

(the "Housing Provider")

Background

- A. The Housing Provider has requested assistance of the City to ensure the long term viability of its housing project at the Project;
- B. Section 252 of the *City of Toronto Act*, 2006 (the "**Act**"), provides that the City may enter into agreements for the provision of a municipal capital facility by any person and that the City may exempt from taxation for municipal and school purpose land or a portion of land on which municipal capital facilities are located;
- C. Ontario Regulation No. 598/06, as amended, sets out the classes of municipal capital facilities for which the City of Toronto may enter into such agreements, one of which is municipal housing project facilities;
- D. City of Toronto Council on December 17 and 18, 2019 approved the Community Housing Partnership Renewal (CHPR) Program and adopted By-law 1756-2019 pursuant to the provisions of section 252 of the *City of Toronto Act* and Ontario Regulation 598/06 to enact a new Municipal Housing Facility By-law to set out the definitions of and policies regarding the City housing project facilities; and to repeal By-law 124-2016;
- E. City of Toronto Council on <date> adopted By-law <#> to authorize the entering into of an agreement for the provision of a municipal capital facility for affordable housing at the Project;
- F. City of Toronto Council on <date> adopted By-law <#> to authorize the exemption from taxation for municipal and school purposes for the municipal capital facility for affordable housing located at the Project;

The parties wish to enter into this agreement to set out the terms and conditions for the provision of a municipal capital facility for affordable housing at the Project;

NOW THEREFORE in consideration of the mutual covenants and other terms and conditions in this Agreement and the sum of Two Dollars (\$2.00) of lawful money of Canada now paid by each of the parties to the other (the receipt and sufficiency whereof are acknowledged), the parties agree as follows:

Article 1 Interpretation

- 1.1 In this Agreement and Schedules attached hereto, the following terms shall have the following respective meanings:
 - "Access Plan" means the policy attached hereto as Schedule B established by the Housing Provider and approved by the Director, Housing Stability Services, which specifies how Households are to be selected and how information about such process is disseminated to the public in respect of the Affordable Housing Units described in Schedule "A";
 - "Affordability Period" means the term of this Agreement, as set out in Article 3 hereof;
 - "Affordable Housing" means rental housing in Former Federal Projects providing low-rent units;
 - "Average Market Rents" or "Average Rents" or "AMR" average monthly City-wide rents by unit type as determined in the annual fall survey of City-wide rents for the prior calendar year published by CMHC; if CMHC does not publish an annual fall survey of City-wide rents for the prior calendar year, then Average Market Rents for the calendar year shall be City-wide average rents as determined by the General Manager;
 - "CMHC" means the Canada Mortgage and Housing Corporation;
 - "Director" means the Director for the City's Housing Stability Services responsible for the ongoing administration of this Agreement and includes his or her designate or successor, if any;
 - "Former Federal Project" means housing units which were developed and operated under sections 26, 27, and 95 of the *National Housing Act R.S.C.*, 1985, c. N-11, where the operating agreements originally with CMHC have expired and which are or were formerly designated in the regulations for the purposes of subsection 68 (1) under the Housing Services Act, 2011 as a project in relation to which the City as service manager was responsible for administering a transferred housing program;
 - **"Guideline"** means the rent increase guideline determined each year by the Minister of Municipal Affairs and Housing pursuant to section 120 of the *Residential Tenancies Act*:
 - "Household Income" means the gross annual income from all sources of all persons who reside in a housing unit, or who will reside in a housing unit; (determined in accordance with the City's Affordable Rental Housing Income Verification Guide;

"Housing" means residential accommodation and facilities, common areas and services used directly with the residential accommodation. with or without any public space, recreational facilities and commercial space or buildings appropriate thereto; Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation other than those services described in Article 3 hereof:

"Household" means. all the persons occupying a Unit and includes an individual living alone;

"Initial Income Limit" means Household Income at or below four (4) times the annualized Monthly Occupancy Costs, as determined annually by the Director;

"Lands" means the lands described in Article 3, together with any buildings or improvements thereon from time to time;

"Ministry" means the Ministry of Municipal Affairs and Housing;

"Monthly Occupancy Costs" means the total of the monthly rent payable to the Housing Provider for a housing unit including the cost of hydro, heat, water and hot water; Monthly Occupancy Costs do not include charges for applicable taxes, parking, cable, telephone or any other like charges. If hydro costs are separately metered and paid directly by the household, the Monthly Occupancy Costs will be reduced by a "Hydro Allowance" determined by the City and published on the City's web site;

"**Project**" means the Affordable Housing to be operated by or on behalf of the Housing Provider described in Article 3.

- 1.2 This Agreement, the Schedules incorporated into it by reference and any documents entered into pursuant to this Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof and all other prior agreements, representations, statements, negotiations and undertakings with respect to such subject matter are superseded hereby.
- **1.3** Any reference in this Agreement to a statute shall be deemed to include any regulations made under the statute, any amendments made from time to time and any successor legislation.
- **1.4** The following schedules form part of this Agreement:

Schedule "A" Initial Monthly Occupancy Costs for Affordable Housing

Units

Schedule "B" Access Plan

Schedule "C" Housing Provider's Initial Occupancy Report

Article 2 General

- **2.1** This is a municipal housing facility agreement entered into in accordance with *the City of Toronto Act, 2006.*
- **2.2** In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.
- **2.3** All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

Article 3 The Project

3.1 The Housing Provider agrees to operate the Project as Affordable Housing for a term of twenty (20) years (the "Affordability Period"), commencing on the date of this agreement, as detailed below:

PIN <>

Parcel <>;

Affordable Housing: <> one-bedroom units, <> two-bedroom

units, and <> three-bedroom units.

Monthly Occupancy Costs: <total # of affordable housing units from

above> Affordable Housing units must be at or below 80% of Average Market Rents.

Rent Supplement Funding: Provide <calculate 50% of Affordable

Housing units or the number of benefits that was negotiated on> units subject to a Rent Supplement Agreement with the City. The City agrees to provide rent supplement funding for <same # as above> Affordable Housing for the difference between the rent-geared-to-income rent paid and 80% of Average Market Rents pursuant to the terms of a separate rent supplement agreement,

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subject to availability of funding for benefits administered by the City.

Article 4 City Benefits

4.1 Property Tax Exemption. The City shall exempt the Affordable Housing units from taxation for municipal and school purposes during the Affordability Period.

Article 5 **Representations and Warranties**

- **5.1** The Housing Provider represents and warrants that,
 - (a) it is duly incorporated under the laws of Ontario or Canada;
 - (b) the Board of Directors of the Housing Provider has authorized the Housing Provider to enter into this Agreement and such authorization has not been withdrawn; and
 - (c) it shall not alter, supersede or cancel its articles of incorporation, letters patent or other constating document in any way which would affect its ability to perform its obligations under this Agreement, without the prior written consent of the City.
- **5.2** The Housing Provider agrees that the City shall be entitled to rely at all times on the representations and warranties set out in this Article.

Article 6 Obligations of the Housing Provider

- **6.1** The Housing Provider shall:
 - (a) ensure that a housing unit will not be rented to the Housing Provider or shareholder or director of the Housing Provider, or any individual not at arm's length to the Housing Provider, shareholder or director of the Housing Provider;
 - (b) operate and maintain the Affordable Housing Project described in Article 3, in accordance with the Housing Provider's Access Plan, the terms and conditions of this Agreement, and in a good state of repair and fit for occupancy in the same manner as a prudent landlord of residential rental housing would do;
 - (C) manage the Project so that Monthly Occupancy Costs set out in Article 3 are maintained and the provisions of Article 7 are observed; and
 - (d) In each year, not later than 5 months following the Housing Provider's fiscal year end, provide to the City:

- (i) The Housing Provider's Initial Occupancy Report in the form of the report attached as Schedule "C", or in a form designated by the Director, acting reasonably:
- (ii) a management representation report, in a form designated by the Director, including management declarations and a report on compliance with the provisions of this Agreement;
- (iii) audited financial statements in a form acceptable to the Director, acting reasonably; and
- (iv) information on the Household Income and household composition of the units rented to new tenants during the year, in a form acceptable to the Director, acting reasonably; and
- (v) such other information as the Director may from time to time reasonably request;
- (e) provide representatives of the City, with access to its books, records, and to the Project, provided that the City has delivered prior written notice requesting such access, at least seven (7) days prior to the date of such access specified in such notice, subject to the rights of the residential tenants, if any, of the Project; and
- (f) continue to comply with the Rent Supplement Agreement.
- 6.2 Notwithstanding anything to the contrary contained in this Agreement, to the extent that the Housing Provider is delayed in the performance of any obligation hereunder by reason of Force Majeure, the time for performance of such obligation shall be extended by the time of such delay to a maximum of 12 months, or such longer period as may be agreed to by the City and the Housing Provider, both parties acting reasonably. For the purposes of this paragraph "Force Majeure" means labour strikes and lockouts, inability to procure materials or services, power failure, riots, insurrection, sabotage, rebellion, actions of military or civil authorities, wars, revolutions, and terrorism, act of God, epidemics and quarantines, or other reason whether of a like nature or not, which is not the fault of the Housing Provider.

Article 7 **Monthly Occupancy Costs and Tenants**

7.1 Income Verification. For all Affordable Housing units, the Housing Provider shall take such steps as are reasonably necessary to verify Household Income does not exceed the Initial Income Limit for each unit prior to occupancy, determined in accordance with the City's Affordable Rental Housing Eligibility and Income

Verification Guide 2015, as it may be amended, supplemented or replaced time to time, and in a form acceptable to the Director.

7.2 Source of Tenants. The Housing Provider will be required to participate in the City's housing access system in accordance with the terms of the Access Plan to be approved by the Director, acting reasonably. Such participation by the Housing Provider in the City's Housing Access System shall be restricted to the process of selecting Households for the Affordable Housing Units described in Schedule "A".

7.3 Monthly Occupancy Costs Increases

- (a) The initial Monthly Occupancy Cost attributable to an Affordable Housing Unit shall be at or below 80% of Average Market Rent current at the time a lease is executed. The initial Monthly Occupancy Cost in this Contribution Agreement are set forth in Appendix A.
- (b) Housing Provider shall not increase the Monthly Occupancy Costs during the Affordability Period by more than an amount permitted by the Guideline established each calendar year pursuant to the Residential Tenancies Act, 2006, S.O. 2006, c.17 or any successor legislation, to an amount not to exceed an 80% of Average Market Rent. The Housing Provider acknowledges that if the Guideline does not apply to the Project, the Housing Provider will nevertheless not increase the Monthly Occupancy Costs charged to any Household in contravention of this Agreement. The Housing provider may adjust the Monthly Occupancy Costs with respect to a unit in the Project, if at least twelve (12) months have elapsed;
 - (i) since the day the unit was rented for the first rental period; or
 - (ii) since the day of the last rent increase with respect to the unit, if there has been an increase.

7.4 Tenant Provisions

The Housing Provider shall ensure that:

- (a) each lease with a residential tenant shall provide the following:
 - (i) that disclosure to the City, by the Housing Provider of the personal information of each member of the Household, including Household Income, has been consented to by the members of the Household; and
 - (ii) a statement identifying the unit as being subject to an agreement between the Housing Provider and the City as Service Manager;
- (b) it will provide the City with access to all information obtained from the Household concerning the Household Income and family composition of each unit, which information the City may verify; and

(c) It otherwise complies with the provisions of legislation protecting the privacy of individuals to the extent applicable to the Housing Provider, in its collection and sharing of any personal information, collected and shared, in accordance with the terms of this Agreement.

Article 8 Financial Records and Right to Audit

- **8.1** The Housing Provider shall, during the Affordability Period, keep proper books of account and records of the income verification and Monthly Occupancy Costs.
- **8.2** The Housing Provider shall retain all books, accounts, records, receipts and other documents that pertain to the Project for a period of not less than seven (7) years from the end of each fiscal year of the Housing Provider to which the records relate.
- 8.3 The Housing Provider will make such books, accounts and records available at all reasonable times for audit and inspection by an auditor appointed by the City or anyone designated in writing by the auditor to ensure compliance with the City's terms and conditions of this Agreement, provided that no such audit or inspection may occur until the Housing Provider has received prior written notice of the time and date such audit or inspection is to occur, which notice must be delivered not less than seven (7) days prior to such time and date specified in such notice.
- **8.4** The Housing Provider shall permit the City's representatives to make a copy of extracts from such books and records and shall furnish the City with such additional information as it may require with reference to such books and records.
- **8.5** For the purposes of this article, audit includes any type of audit.
- **8.6** This article shall survive the termination of this Agreement for a period of seven years following termination.

Article 9 Capital Planning

9.1 The Housing Provider shall complete a Building Condition Assessment and capital plan satisfactory to the Housing Provider, in its sole discretion, every five (5) years and be required to provide to the City a copy of such capital plan for the information of the City.

Article 10 Indemnity

10.1 The Housing Provider hereby agrees that it shall, from time to time, and at all times hereafter, well and truly save, keep harmless and fully indemnify the City, and its elected and appointed officials, officers, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against any and all actions, claims and demands whatsoever which may be brought against or made upon the Indemnified Parties and against any and all loss, liability, claims, judgments, costs, demands or expenses whatsoever which the Indemnified Parties may sustain, suffer or be put to resulting from or arising out of or in connection with any breach or manner of performance of this Agreement by the Housing Provider, its officers, agents, servants, consultants, contractors, employees or by anyone for whom the Housing Provider is at law responsible relating to any work or any other thing required to be performed or rendered hereunder by the Housing Provider, provided that the Housing Provider shall not be liable for any loss, liability, claims, judgements, costs, demands or expenses which result from negligent or wrongful acts of the Indemnified Parties.

Article 11 Restrictions on Changes

- 11.1 The Project shall not be sold or transferred by the Housing Provider unless the purchaser or transferee has first entered into an agreement with the City assuming the covenants set forth herein, which agreement shall be duly executed by the purchaser or the transferee and delivered to the City prior to sale or transfer.
- 11.2 Upon the Housing Provider's request, the City shall provide a status certificate to the Housing Provider, confirming that there is no outstanding event of default which shall be delivered within fifteen (15) days of a written request being made by the Housing Provider.
- **11.3** Provided the Housing Provider is in good standing under this Agreement, it is understood and agreed that the City will consent to an assignment of this Agreement to secure a mortgage.
- **11.4** Notwithstanding anything contained in this Agreement, the Housing Provider may lease Units in the Project to Households, without securing any consent from the City under this Article 11.

11.5 The provisions of this Article 11 shall not apply to any sale, lease, foreclosure or other disposition which is pursuant to the exercise of any remedy by a mortgagee.

Article 12 **Termination, Default and Remedies**

- **12.1** The following shall be considered events of default under this Agreement:
 - (a) if the Housing Provider knew or ought reasonably to have known at initial occupancy that a Unit was rented to a Household whose Household Income exceeded the Initial Income Limit, that the Household composition has been misrepresented or has not been verified on initial occupancy;
 - (b) if the Housing Provider knows or ought reasonably to have known that the Monthly Occupancy Costs for an Affordable Housing unit exceed the limits set out in Article 3;
 - (c) an order is made or resolution is passed for the winding up or dissolution of the Housing Provider, or the Housing Provider is dissolved;
 - (d) the Housing Provider becomes bankrupt or insolvent or takes the benefit of any legislation now or hereafter in force for bankrupt or insolvent debtors or fails under any proposal or makes any assignment for creditors or any arrangement or compromise; or
 - (e) a receiver or receiver-manager is appointed for the Project by a creditor other than the City.
 - (f) the Project, or any Affordable Housing unit is sold, leased or further encumbered or otherwise disposed of by the Housing Provider contrary to this Agreement;
 - (g) the Housing Provider has breached any of the other material provisions of this Agreement in whole or in part.
 - (h) the Housing Provider has breached any of the material provisions of any Rent Supplement Agreement entered into to provide rent supplement funding for any of the Affordable Housing units.
- 12.2 If any of the above events of default occurs and the default has not been remedied within thirty (30) days of receipt by the Housing Provider of written notice of an event of default or within such longer period as may reasonably be required, the City may, in its absolute discretion, without restricting any remedies otherwise available terminate this Agreement.

For the purposes of this section, the Housing Provider will be found to have remedied the default if:

- (i) for the purposes of subsection 12.1 (a), the Housing Provider submits a plan satisfactory to the Director attempting to prevent future defaults; and
- (ii) for all other subsections in this Section, the Housing Provider submits a plan satisfactory to the Director acting reasonably to remedy the default.
- **12.3** The Housing Provider and the City agree that in the event of the earlier termination of this Agreement and in any event upon the expiration of the Affordability Period of this Agreement, the City shall promptly:
 - (i) rescind the tax exemption by-law passed with respect to the Project effective upon the earlier of the date of this Agreement expires or is terminated; and
 - (ii) apply to the Ministry to remove the Housing Project as a designated Housing Project under the *Housing Services Act, 2011*.

Article 13 Confidentiality

13.1 The collection, use and disclosure of information by the City shall be governed by MFFIPA.

Article 14 **Dispute Resolution**

- 14.1 The City and Housing Provider agree that alternate dispute resolution processes such as mediation, appointment of a neutral third party evaluator or arbitration may be preferable to litigation as a way to resolve disputes that may arise under this Agreement and they agree to give good faith consideration to having resort to an alternate dispute resolution process before initiating legal or other proceedings to deal with any such disputes.
- **14.2** In the event the parties agree to arbitration, the arbitration shall be governed by the provisions of the *Arbitration Act*, 1991, S.O. 1991, c. 17.

Article 15 Notices

- **15.1** Unless otherwise provided in this Agreement, any notice, approval or other communication required or permitted to be given ("**Notice**") shall be in writing and shall be personally delivered, sent by prepaid registered mail, or sent by telecopier and, in the case of notice to the City, addressed as follows:
 - (a) if to the City, at:

City of Toronto Metro Hall, 55 John Street, 6th Floor Toronto, ON M5V 3C6 Fax No: (416) 696-3178

Attention: Director, Housing Stability Services

with a copy to the City Solicitor, at

City of Toronto 55 John Street, Stn.1260 26th Floor, Metro Hall Toronto, ON M5V 3C6 Fax No: (416) 397-5624

Attention: City Solicitor

(b) if to the Housing Provider, at:

<Housing Provider>
<Project Address>
<Housing Provider fax no>
<Attention: >

- **15.2** Any Notice shall be deemed to have been validly and effectively given and received: if personally delivered, on the date of delivery; if sent by prepaid registered mail, on the third (3rd) business day next following the date of mailing, provided, however, that during any postal disruption or threatened postal disruption, delivery shall be in person; and if sent by facsimile, on the business day next following the day on which it was sent.
- **15.3** Any Notice permitted or required to be given by the City may be given by the Chief Corporate Officer. However, the Chief Corporate Officer specifically reserves the right to submit the issue of the giving of any Notice, or of the contents of any Notice, to City Council for its determination.

15.4 Either party under this Agreement may from time to time by Notice to the other party change its address for service under this Agreement.

Article 16 **General Provisions**

- **16.1** This Agreement may be changed only by written amendment duly executed by authorized representatives of both parties.
- **16.2** In this Agreement, words in or implying the singular include the plural and vice versa, and words having gender include all genders.
- **16.3** The insertion of headings and the division of this Agreement into articles and subdivisions thereof is for convenience of reference only and shall not affect the interpretation hereof.
- **16.4** Any reference in this Agreement to an "article" or any subdivision thereof shall, unless the context otherwise requires, be taken as a reference to the correspondingly-labelled provision of this Agreement.
- **16.5** Time shall in all respects be of the essence of all matters provided for in this Agreement, provided that the time for the doing or completing of any matter may be extended or abridged by an agreement, in writing, executed by the City and the Housing Provider, or by their respective solicitors, who are expressly appointed for that purpose.
- **16.6** No waiver of any breach of any provision of this Agreement will be effective or binding unless it is in writing and signed by an authorized representative of the party purporting to give such waiver and, unless otherwise provided, will be limited to the specific breach waived.
- **16.7** This Agreement shall not be assigned by the Housing Provider without the prior written consent of the Director, which consent may be withheld or given subject to such terms and conditions as the Director deems appropriate.
- **16.8** Should any provision of this Agreement be declared or found to be illegal, unenforceable, legally ineffective or void, then each party shall be relieved of any obligation arising from such provision, but the balance of this Agreement, if capable of performance, shall remain in full force and effect.

- **16.9** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- **16.10** The covenants, representations, warranties and indemnity of the Housing Provider set forth in this Agreement shall survive the expiry of the Affordability Period for a period of one (1) year.
- **16.11** Wherever any consent, agreement or approval of the City is required under the terms of this Agreement, agreement or approval, the City shall not unreasonably or arbitrarily withhold or delay its consent, agreement or approval.
- **16.12** Nothing in this Agreement derogates from or interferes with or fetters the exercise by the City of all of its rights as a municipality, or imposes any obligations on the City, in its role as a municipality, and the City shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including planning rights and responsibilities. Nothing in this Agreement derogates from or interferes with or fetters the exercise by the City's officers, employees, agents, representatives or elected and appointed officials of all of their rights, or imposes any obligations on the City's officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this Agreement. Without limiting the generality of this section 16.12 and notwithstanding any other provision of this Agreement, in the event that if the Exemption By-law is modified, repealed or otherwise altered in any manner, so that the Project does not have the full benefit of the Property Tax Exemption, then, the City agrees that the Housing Provider may terminate this Agreement by the delivery of notice of termination effective the date such notice of termination is delivered to the City.

In that event, the City shall, in addition to the provisions of section 12.4, deliver such documents, releases and assurances as may be reasonably requested by the Proponent, no later than thirty (30) days after the request of the Proponent.

16.13 No communication or dealing between the Housing Provider and any department, committee, body, officer, employee, agent, representative or elected or appointed official of the City will be deemed to be a communication or dealing under the provisions of this Agreement between the Housing Provider and the City as parties to this Agreement, or to affect the City with notice of any such communication or dealings. It is intended and agreed that the City acts solely in a private capacity under this Agreement and any communication or dealing between the City and the Housing Provider as parties to this Agreement will only be effective if delivered in accordance with the notice provisions set out in this Agreement. No communication or dealing between the City as a party

to this Agreement and the Housing Provider as a party to this Agreement will relieve the Housing Provider from the responsibility of discharging its lawful obligations to the City imposed by statute, regulation, by-law or in any other lawful manner separate and apart from the obligations of the Housing Provider imposed by this Agreement.

16.14 This Agreement shall ensure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have affixed their respective corporate seals attested to by the hands of their proper signing officers in that behalf duly authorized.

DATED effective the first (1st) day of November, 2020.

CITY OF TORONTO

Authorized by Planning and Housing	_
Committee Item	
Committee item	

Per:
Name: Mary-Anne Bédard Title: General Manager, Shelter, Support and Housing Administration
I have authority to bind the Corporation
<housing provider=""></housing>
Per:
Name:
Title:
Per:
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"

INITIAL MONTHLY OCCUPANCY COSTS FOR AFFORDABLE HOUSING UNITS

Housing Provider: <name>
Project Address: <address>

Total Number of Affordable Housing Units: <a

Mandate: <mandate details and # of units>

Initial Monthly Occupancy Costs for Affordable Housing Units										
Unit Type (No. of Bedrooms)	Number of Units	Initial Monthly Occupancy Cost (80% AMR)								
Hostel										
Bachelor										
One Bedroom										
Two Bedroom										
Three Bedroom										

The following services and appliances shall be provided by the **Housing Provider** and shall be included in the Benchmark Market Rent: Heat; Hydro; Water; Hot Water; Refrigerator; Stove.

The **Service Manager** shall not pay for any parking charges.

SCHEDULE "B"

ACCESS PLAN (to be completed by housing provider)

SCHEDULE "C"

HOUSING PROVIDER'S INITIAL OCCUPANCY REPORT

Provider/Address

Primary Contact

А	В	D	E	F	G	Н	ı	J	К	L	N	0	0
UNIT NUMBE R	Unit Type	Modifie d Unit? Yes or Blank	Move- In Date	Househ old Income at Move-In	Avera ge Market Rent	80% AM R	Ren t	Utility Allowan ce	Monthly Occupa ncy Cost	Depth of Affordabi lity(H/F)	Househ old Rental Contribu tion	Subsidy Assistan ce (RGI or Housing Allowan ce)	Monthly Occupa ncy Cost (Should =K)
									-				-
									-				-
									-				-
									-				-
									_				_
									-				-