

# DISCUSSION GUIDE

## Community Housing Partnership Renewal

## Expiry of Mortgages

1<sup>st</sup> Edition – September 10, 2024



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# Section A: Introduction

## 1. Message from the Housing Secretariat

The City of Toronto (“City”) envisions Toronto as a place where families and individuals live in safe, good quality, and affordable housing with respect and dignity and where people have equal opportunities to succeed. Housing providers such as yourself, have been instrumental in the provision of affordable housing and play an important role in working with the City to achieve its vision for housing as set out in the [HousingTO 2020-2030 Action Plan](#) (“HousingTO Plan”). As a people-centred plan developed with the objective of improving housing outcomes for current and future residents, the HousingTO Plan provides a blueprint for action across the full housing spectrum.

The City’s portfolio includes 139 community housing projects where the total subsidy level is impacted at mortgage end. As mortgages begin to mature, we enter into a new period of community housing renewal with the execution of Service Agreements. We are presented with an opportunity to form a more innovative partnership to deepen levels of affordability and promote the expansion of good quality housing. As we navigate the expiry of mortgages, sector partners including Ontario Non-Profit Housing Association (“ONPHA”), Co-operative Housing Federation of Toronto (“CHFT”), Co-operative Housing Federation of Canada (“CHF Canada”) and Housing Services Corporation (“HSC”) provide value-added services to support you through community housing renewal.

On June 26, 2024, City Council adopted the [Community Housing Sector Modernization and Growth Strategy](#) (“Strategy”). The primary outcomes of the Strategy are to protect the City’s existing community housing stock; increase the stock of net new non-profit and co-operative homes; and improve access to housing opportunities for low-and-moderate income households, particularly Indigenous peoples, and other equity-deserving groups.

The Strategy encompasses six key initiatives including one initiative solely focused on end of mortgage (“EOM”) through the development of a new regulatory and funding framework. With the adoption of the Strategy, staff have begun to develop a program that will support the renewal of our partnership and a new funding framework prescribed in a Service Agreement.

The City recognizes and thanks you for your ongoing commitment to effectively manage affordable housing. We look forward to collaborating with each of you to support your ongoing success in the delivery of affordable and good quality homes.

Sincerely,

Doug Rollins – Director, Housing Stability Services

## 2. Acknowledgement

In recent years, the City has taken an increased role in the delivery of new affordable homes to combat Toronto’s housing and homelessness crisis. Through the HousingTO Plan and [Housing Action Plan 2022-2026](#) (“HAP”), the City recognizes the need for a robust range of actions across the housing continuum to adequately address the needs of current and future tenants.

The City's community housing sector is an essential component of the housing stability system, contributing to Toronto’s purpose-built rental housing stock, and providing affordable, RGI and supportive housing. At the same time, the community housing sector is undergoing a robust transformation to sustain, repair and grow the housing stock. To achieve the vision for housing as set out in the HousingTO Plan, the City acknowledges the need to build on the existing partnerships with our community housing providers and further collaborate and preserve the existing relationship with the sector to solve today’s complex issues and implement the right solutions.

The City has actively partnered with Service Managers across Ontario to share best practises, resources, materials and approaches related to EOM. The City wishes to recognize the collaborative effort of Service Managers, with a special thanks to the Region of Waterloo, City of Hamilton, County of Wellington and York Region.

The City is committed to continuing to work with our community housing partners, together with all orders of government, other sector partners, Service Managers, and community stakeholders to protect, strengthen and grow community housing to achieve positive housing outcomes.



### 3. Purpose of the Discussion Guide

This Discussion Guide was created for Boards and staff, at both non-profits and co-ops, who are navigating the transition to a post-EOM environment. This Discussion Guide is intended to inspire and share ideas about what steps you can take to move forward in discussions on EOM. The Discussion Guide is meant to help you think about the opportunities and challenges, as well as organizational needs, that may arise when your mortgage expires.

The community housing sector in Toronto is undergoing a pivotal transition as mortgages mature for housing projects. These projects are designated as Part VII under the *HSA* and include projects that are both 100% RGI (formerly known as Section 106 projects) and those with both Market and RGI units (formerly known as Section 103 projects). Due to the legislated changes impacting the funding formula, this Discussion Guide will focus solely on Part VII Housing Projects with both Market and RGI units.

This Discussion Guide provides you with information on:

- a. Legislation related to EOM;
- b. Impact of EOM;
- c. Role of the Board of Directors (“Board”) through the EOM planning process;
- d. Phases and steps in the EOM planning process;
- e. Organizational readiness for EOM; and
- f. Resources and tools to prepare for change.

If you have further questions, please contact your designated Housing Consultant.

# Section B: Board of Directors

## 1. Role of the Board

Under the new regulations, Boards will be critical in the planning process and actively involved in transitioning to the new post-EOM framework.

Board's have defined legal duties and are responsible for the process of decision-making and setting direction for your organization as mortgages expire, including:

- a. Managing change through the EOM process;
- b. Problem-solving and exploring issues in more depth;
- c. Proactively considering what options are best for your organization moving forward; and
- d. Developing a plan that sets direction for your organization, including how the Board wishes to proceed.

The **Planning Tips for the Board** in [Appendix 1](#) will help you in the EOM planning process and support you in building a strategic lens by carefully aligning your goals and priorities post-EOM.

## 2. Preparing for Change

Boards will need to start discussions and planning for end of mortgage. It is important for you to understand:

- a. Rules and regulations related to EOM;
- b. Changes and what opportunities may arise for your housing project; and
- c. Financial impacts of EOM for the operation and capital portions of your housing project.

Boards can start to prepare for EOM by:

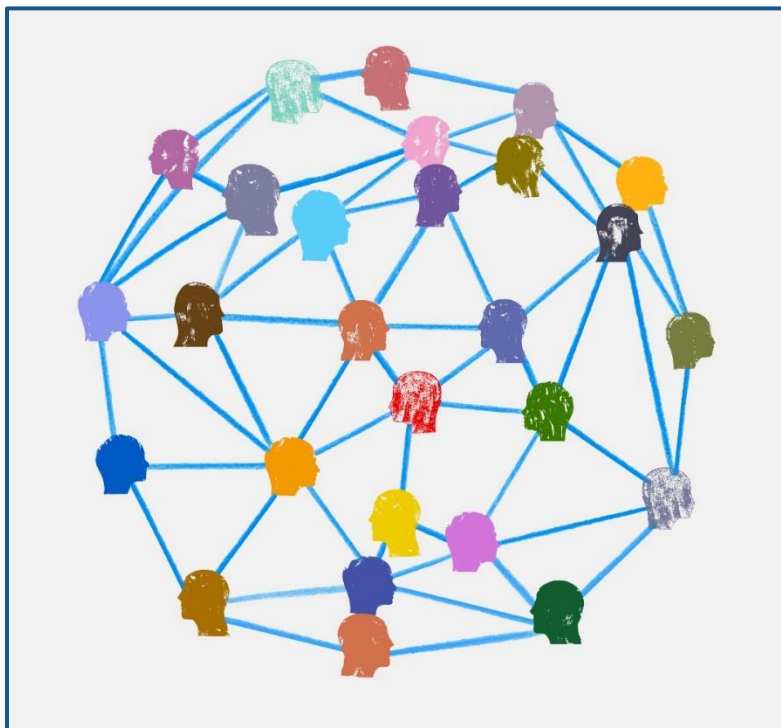
- a. Identifying your EOM date(s);
- b. Engaging your entire Board of Directors;
- c. Informing key staff (ex: Auditor, Property Manager, Bookkeeper) that the Board is initiating a planning process for EOM, and it will require their input;
- d. Identifying information you need for the planning process;
- e. Developing a list of questions you have for your organization, staff or the City; and
- f. Inviting your partners (ex: CHFT, ONPHA, City, Auditor, Property Manager) to be part of EOM discussions.



### 3. Key Partners

As you move through the EOM planning process, it is beneficial to engage with your partners, including:

- a. Your property manager;
- b. Your auditor;
- c. Other housing providers;
- d. Your external supports (ex: lawyers, accountants, consultants, etc.);
- e. Ontario Non-Profit Housing Association;
- f. Co-operative Housing Federation of Toronto & Canada; and
- g. City of Toronto.



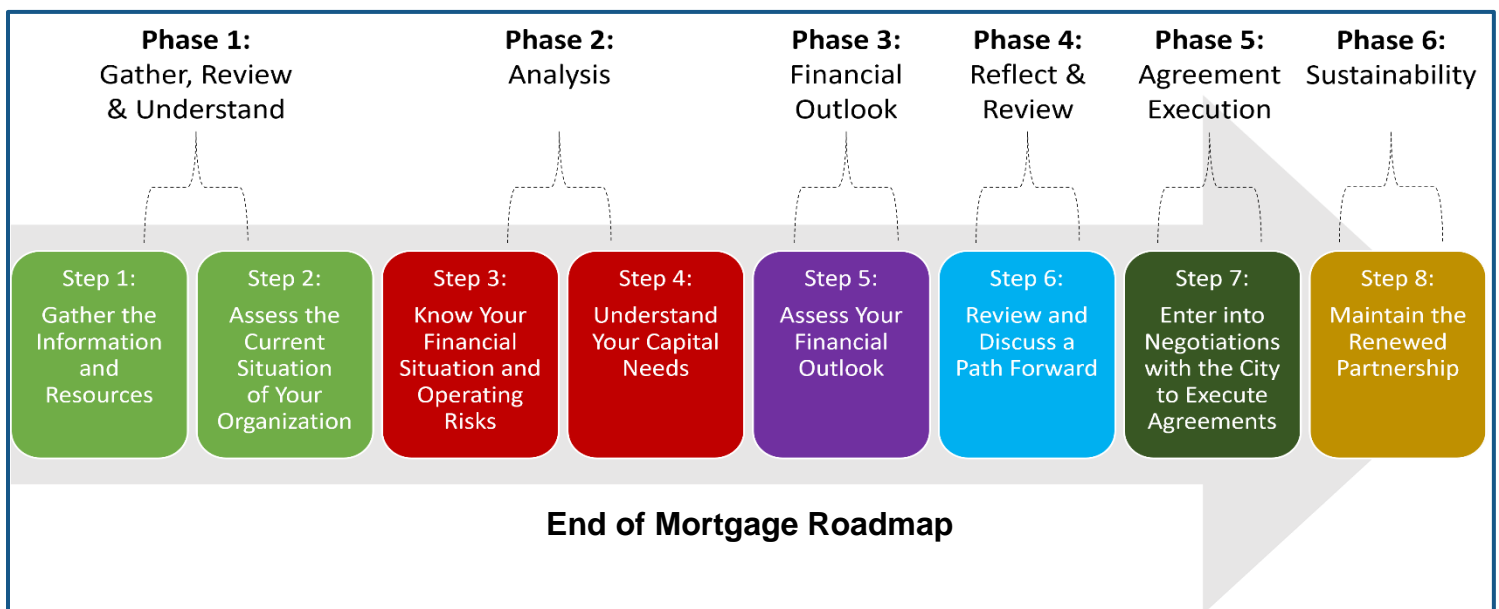
# Section C: Planning Process

## 1. EOM Roadmap – Phases & Steps in the Planning Process

As a Board, it is important to begin thinking about EOM and set aside dedicated time to have conversations to support the planning process and transition to a renewed partnership with the City. The **EOM Roadmap** graphic below suggests key phases and steps in the EOM planning process and beyond.

As a Board, you will need to decide when and how you work on each phase. For example, some Boards may allocate 6-12 months to work on Phases 1 to 4 of the EOM Roadmap. The amount of time you allocate to each phase may vary for each organization. Some Boards may have parts of this work done already, while others may be starting. Only your Board can understand your current organizational capacity and determine how long each phase will take you. The **Work Plan Template** in [Appendix 2](#) can help you develop a concrete plan to meet your unique needs. It has been suggested that starting the EOM planning process sooner is more beneficial to manage the complexity of this transformative initiative.

This section of the Discussion Guide will specifically focus on supporting you to achieve Phases 1 to 4 of the EOM Roadmap, as defined below in greater detail. This section is intended to direct you to resources and templates that will help you prepare for discussions and decisions related to EOM.



## 2. Phase 1: Gather, Review & Understand

### Phase 1: Gather, Review & Understand

#### Step 1: Gather the Information & Resources

Gathering, reviewing, and understanding information is one of the most important parts of the EOM planning process. Understanding all the necessary information you need to make a decision will support you in achieving the best outcomes post-EOM.

To support Step 1, you can refer to the following materials in this Discussion Guide:

- a. [Appendix 3](#) for a **Financial Summary Template** that will help you develop a quick reference sheet that includes your organization's financial information and corporate standing.
- b. [Appendix 6](#) for an **Information Gathering & Review Tracker** that will help you stay organized and gather your thoughts as you collect and review key documents.
- c. [Appendix 9](#) for a **Community Housing Renewal Strategy Transformation Guide** (by ONPHA) that outlines the journey for you and offers support and guidance throughout the transformation process.
- d. [Appendix 9](#) for a **Webinar** (by ONPHA) that discusses what you need to know to navigate community housing renewal.
- e. [Appendix 9](#) for a **Sector Transformation Enterprise Program** (by ONPHA) that offers professional services and allows members to access vendors and their expertise, providing an all-encompassing solution for those undergoing changes.

#### Step 2: Assess the Current Situation of Your Organization

In Step 2, you will need to assess where your organization currently stands in terms of operations. Through your assessment, you will get clarity on your current situation so you can begin to focus on the future and how you can operate after mortgage maturity.

To support Step 2, you can refer to the following materials in this Discussion Guide:

- a. [Appendix 9](#) for a **Simplified Assessment Tool for Examining the Impacts of Expiring Operating Agreements** (by Canadian Housing and Renewal Association) which provides the first step in helping you to identify any challenges you may face post-EOM.
- b. [Appendix 9](#) for a **Self-Assessment Tool** (by Community Housing Transformation Centre) to support you in identifying organizational strengths and challenges in the areas of governance, property management and financial management.
- c. [Appendix 4](#) for a **SWOT Analysis Template** that you can use to outline the strengths, weaknesses, opportunities, and threats for each area (Governance, Operations, Asset Management and Finances) of your organization.

### 3. Phase 2: Analysis

#### Phase 2: Analysis

##### Step 3: Know Your Financial Situation & Operating Risks

Regardless of your net operating position, knowing the details of your financial standing can help you better evaluate your current state and plan for your financial future. Understanding your current financial situation can be a starting point for planning the goals you wish to achieve. As you implement plans to achieve your goals, understanding your operating risks beyond mortgage expiry will be crucial. Understanding how things are accomplished through active decisions will strengthen your relationship to how your organization functions and prioritizes.

To support Step 3, you can refer to the following materials in this Discussion Guide:

- a. [Section D. 2.1](#) for a **Self-Reflection Tool** that will help you think about and evaluate your organization as it relates to Governance.
- b. [Section D. 3.1](#) for a **Self-Reflection Tool** that will help you think about and evaluate your organization as it relates to Operations.
- c. [Section D. 5.1](#) for a **Self-Reflection Tool** that will help you think about and evaluate your organization as it relates to Finances.

##### Step 4: Understand Your Capital Needs

Having a clear view of your capital needs can help your organization operate smoothly and maintain your building in a state of good repair. Monitoring your assets can help you make important capital management decisions in the short, medium, and long-term. In Step 4, you will aim to understand why the efficient management of assets are essential for your organization as you operate in a post-EOM environment.

To support Step 4, you can refer to the following materials in this Discussion Guide:

- a. [Section D. 4.1](#) for a **Self-Reflection Tool** that will help you think about and evaluate your organization as it relates to Asset Management.
- b. [Appendix 9](#) for an End of Mortgage Checklist (by CHF Canada) that will help you plan for agreement discussions with Service Managers, with a specific focus on co-ops.

## 4. Phase 3: Financial Outlook

### Phase 3: Financial Outlook

#### Step 5: Assess Your Financial Outlook

In Step 5, you will use what you've learned about the current financial state of your organization to develop an outlook for the future. Your organization will have the ability to make informed financial decisions and develop tailored implementation plans to meet financial goals.

To support Step 5, you can refer to the following materials in this Discussion Guide:

- a. [Appendix 7](#) for a **Financial Outlook Template** that will ask you several guiding questions to help you form a financial projection for your organization.
- b. [Appendix 9](#) for a **Guide to Financial Statements** (by Chartered Professional Accounts of Canada) that assists Boards in understanding financial statements and responsibilities.

## 5. Phase 4: Reflection & Review

### Phase 4: Reflection & Review

#### Step 6: Review & Discuss (with Board/Staff) A Path Forward

To develop a path forward, your role will be to review, reflect and discuss with other Board members and staff. In Step 6, you can use everything that you've learned and uncovered in Phases 1-3 to map out the future operations, asset management, finances, and governance of your organization. Step 6 will require you to have detailed, and often complex, discussions with the entire Board that may span several meetings.

To support Step 6, you can refer to the following materials in this Discussion Guide:

- a. [Appendix 8](#) for a **Discussion Points Template** that will help you summarize what you've learned so that you can have a fulsome conversation with the entire Board.

## 6. Phase 5: Agreement Execution & Phase 6: Sustainability

The final two phases of the EOM Roadmap include:

- Phase 5: Agreement Execution
- Phase 6: Sustainability

The City is currently developing a new funding and administrative framework to renew our partnership through a Service Agreement. This work involves discussing agreement considerations with Legal Services and developing a template for execution, along with a Financial Plan template. Once these outputs are finalized, staff will obtain necessary approvals to materialize the final two phases of the EOM Roadmap and a detailed program.

To support Phase 5 and Phase 6, you can begin to review the following materials in this Discussion Guide:

- a. [Appendix 9](#) for **Preparing to Negotiate at End of Mortgage Guide** (by CHF Canada) to help you to prepare for and conduct successful agreement discussions, with a specific focus for co-ops.
- b. [Appendix 9](#) for **Techniques for End of Mortgage Negotiations Guide** (by CHF Canada) which contains tips to assist you in conducting successful agreement discussions, with a specific focus for co-ops.

As we continue our work to renew our service manager-housing provider relationship, we will employ a timely and transparent communication approach to keep you informed about key decisions and approvals, milestones, resources, and materials to assist you in preparing for EOM. We encourage you to connect with your designated Housing Consultant to arrange a time to discuss next steps and your unique position as it relates to mortgage expiry.

# Section D: Organizational Readiness

## 1. Areas for Review

As a Board you should think about your organization's current situation in each of the key areas for review in the EOM planning process and consider your organization's readiness.

The areas for review in the EOM planning process include:

- a. Governance;
- b. Operations;
- c. Asset Management; and
- d. Finances.

It may be beneficial to begin by reflecting on each area and evaluating how well you think you are managing. This will support you in finding out if there are opportunities, pressure points or improvements needed in each of the key areas.

The remainder of this section will focus on reviewing and emphasizing the key areas for review in the EOM planning process. Furthermore, this section will prompt you to reflect and answer questions to gain a better understanding of the Governance, Operations, Asset Management and Finances for your organization.



## 2. Governance

The role of the Board remains crucial in steering your organization to continue to achieve positive impact in Toronto's housing system. The Board drives all governance decisions and has a binding duty to develop strategic direction that advances your organization's purpose and viability. The City's [policy and procedure development tools](#) is a good resource that you can use to reference against your existing materials.

The Board will be pivotal in the planning process and actively involved in transitioning to the new post-EOM framework. The provincial government's [guidebook for board governance](#) can be adapted to support your Board in managing effectively. Boards will need to place a greater onus on decision-making and oversight, specifically related to the operations of the housing project. Boards will need to consider your organization's capacity to continue business as usual or expand activities for their housing project. Self-reflection will be a useful tool to assess your strengths and gaps so that you can pursue opportunities to reinforce organizational capacity.



## 2.1 Self-Reflection Tool – Governance

The table below includes several Governance related questions for you to consider while preparing for mortgage expiry. Each self-reflection question corresponds to an objective, whereas your response will help you assess your overall organizational readiness.

Governance			
	Objective	Self-Reflection Questions	Your Comments
Strategic	To understand the current state and future strategic direction of our organization.	Do we have a Strategic Plan? Does it outline how we will operate over the next 5 years? Does it map our long-term vision?	
		What do we see for the future of our organization? What are our short- and long-term goals?	
		Do our long-term goals include growth, development, or expansion? Do our long-term goals consider an acquisition or merger with another organization?	
		Is there potential to leverage our asset? Do we account for this in our Strategic Plan? Do we have the financial viability and resources to support growth, expansion, or development?	
		Have we made connections with or other non-profits to explore partnership opportunities (ex: shared services)?	
		Do our Articles of Incorporation align with our current and future purpose? Is the mission, vision, and mandate that we were incorporated under still reflect what we do?	
Performance	To ensure our organization remains effective in meeting our long-term vision.	Do we evaluate our own Board performance to ensure we meet our goals and objectives? How do we measure progress? What is working well and what might need improvement?	
		What skills, knowledge, capacity, and competencies of Board members are needed to support the organization now and in the future?	

Several questions have been adapted from the EOA Discussion Guide by the City of Toronto, EOM Readiness Guide by the Region of Waterloo, Preparing for Service Agreements Guide by York Region, and EOM Preparation Guide by the City of Hamilton.

### 3. Operations

As you approach end of mortgage, Boards should assess operational viability post mortgage expiry. Boards must understand their organizational capacity to administer operational policies and practises that support day-to-day operations of the housing project. The City's [RGI Administration Manual](#) is the primary resource for housing providers to administer the RGI program. It provides stakeholders with an understanding of the roles, rules, procedures, and functions of RGI administration, which forms the basis to run your day-to-day operations.

Since housing providers are responsible for the administration of RGI, your administrative and operational processes must warrant sufficient management of assets and tenant well-being. Additionally, having a 360-view of your organization's financial state and capital needs will support you in developing an accurate representation of the long-term viability of an individual housing project. This will form the foundation in which further discussion and decisions can be made about operating in a post-EOM environment.

During the EOM planning process, the Board will also have an opportunity to reflect on property management activities and practises to support decision-making and long-term forecasting. Board members should evaluate their current model (ex: employ staff directly, external property management company) and have a deliberate discussion about their satisfaction with the level of service. Depending on the property management model, Boards may have different indicators to measure success and overall program outcomes.

### 3.1 Self-Reflection Tool – Operations

The table below includes several Operations related questions for you to consider while preparing for mortgage expiry. Each self-reflection question corresponds to an objective, whereas your response will help you assess your overall organizational readiness.

Operations			
	Objective	Self-Reflection Questions	Your Comments
<b>Performance</b>	To ensure our organization can support adequate service delivery now and in the future.	What property management staffing model do we have in place? (ex: Staff reporting to the Board of Directors, operated by property management company, operated by individuals under contract).	
		How is our property management staffing model performing against our service delivery plan? Do we think we have the right staffing structure to meet our future goals?	
		In terms of the property management staffing model, what is working well and what might need improvement? How do we evaluate its performance to ensure we're operating effectively?	
		Do we have adequate staffing levels to meet tenant needs and service level standards?	

Several questions have been adapted from the EOA Discussion Guide by the City of Toronto, EOM Readiness Guide by the Region of Waterloo, Preparing for Service Agreements Guide by York Region, and EOM Preparation Guide by the City of Hamilton.

## 4. Asset Management

As a Board, a significant component of your work involves capital planning. Capital planning establishes your restoration and maintenance priorities for your specific housing project. You must assess the current condition of your housing project and plan for future maintenance and capital repair needs. Boards should leverage capital planning to make informed decisions and recommendations for repairs or replacements to extend the lifespan of assets. Not only is capital planning imperative for existing needs, but it can help your organization plan for long-term viability.

Preserving your asset and promoting best asset management practices is a key element that the Board will need to continue to champion post-EOM. The Board will need to understand the capital needs of the housing project and continue with valuing capital expenses in the long-term to ensure buildings are in a good state of repair. With a continued understanding of the condition of your housing project, the Board will be able to make informed decisions related to capital planning.

## 4.1 Self-Reflection Tool – Asset Management

The table below includes several Asset Management related questions for you to consider while preparing for mortgage expiry. Each self-reflection question corresponds to an objective, whereas your response will help you assess your overall organizational readiness.

Asset Management			
	Objective	Self-Reflection Questions	Your Comments
<b>Capital Planning</b>	To understand the current and future capital needs of our organization.	Do we have a Building Condition Assessment that is current?	
		Do we have a Capital Plan in place for all buildings prioritizing the short-term and long-term projects identified in our Building Condition Assessment?	
		How does our actual capital work projects initiated and completed connect with the Building Condition Assessment and the Capital Plan?	
		Is our Capital Plan updated annually? How do we ensure our Capital Plan is being followed? How do we make decisions to prioritize capital repairs? Do we have a process in place to revise the Capital Plan as changes arise?	
		Do we have a comprehensive maintenance plan that provides greater reliability of our building systems and supports their longer life cycle?	
		Do we have staff or the right level of staff to support the work to maintain our capital plan and help manage annual capital repair needs? How is it performing?	

Several questions have been adapted from the EOA Discussion Guide by the City of Toronto, EOM Readiness Guide by the Region of Waterloo, Preparing for Service Agreements Guide by York Region, and EOM Preparation Guide by the City of Hamilton.

## 5. Finances

The financial health of your organization is a complex, but crucial, position to understand. As a Board, you will need to assess your financial position now, and in the future, to maintain the same or better levels of operations for your housing project. Examining your financial situation while planning for mortgage expiry will involve understanding your operating and capital standing, and how these pieces impact the overall viability of your organization.

Maintaining financial viability for your housing project in a post-EOM environment will be a key task of the Board. Although the Board will have decision-making authority over your organization's financial management, greater attention should be given to revenue deficits, capital reserves, and major project renovations or repairs for your housing project.

Connecting with stakeholders, like your auditor, will be necessary to support your understanding of the organization's current financial situation and processes. Your auditor will be able to highlight how changes to funding or revenue can affect your organization's financial viability. As you work with your auditor, they will be able to provide you with assurance of your organization's financial statements from an objective and independent opinion. It will also be important to review your non-profit and tax-exemption status, and work with your stakeholders to understand how your organization may be impacted by changes brought on by EOM.

## 5.1 Self-Reflection Tool – Finances

The table below includes several Finance related questions for you to consider while preparing for mortgage expiry. Each self-reflection question corresponds to an objective, whereas your response will help you assess your overall organizational readiness.

Finances			
	Objective	Self-Reflection Questions	Your Comments
Strategic	To understand the current and future financial state of our organization.	Do we understand our organization’s financial position? Are we currently operating in a surplus or deficit?	
		Do we know our current levels and streams of revenue? Have we explored opportunities to generate more revenue such as reviewing our market rent levels? Have we assessed what our financial position to meet our future operating needs that aligns with our future vision and goals?	
		In terms of revenue and expenses, what do we think our financial health will look like over the next 5 years? 10 years? Are we expecting operating challenges?	
		What is our current capital reserve fund balance? Do we have adequate funds in our capital reserve fund to complete the work outlined in our Capital Plan? If we don’t, do we have a plan on how to address the unfunded capital needs? Have we discussed and assessed options for refinancing?	
Financial Planning	To ensure our organization can financially plan to achieve our vision.	Do we have any obligations or limitations that impacts our financial health? (ex: loans, land leases)	
		Do we have capacity for debt-servicing for new borrowing? Do we have any restrictions on title or debt obligations that may affect our operations going forward, including our ability to refinance to address our capital repairs?	

Several questions have been adapted from the EOA Discussion Guide by the City of Toronto, EOM Readiness Guide by the Region of Waterloo, Preparing for Service Agreements Guide by York Region, and EOM Preparation Guide by the City of Hamilton.

# Appendix 1: Planning Tips for the Board

**Purpose:** The planning tips below will help you in the EOM planning process and support you in building a strategic lens on EOM by carefully aligning your goals and priorities.

## Planning Tip #1: Discussion

- a. There needs to be a deliberate conversation about EOM planning; and there needs to be time allowed for the conversation.
- b. Sometimes getting an outsider to facilitate this conversation helps; just to keep the conversation on track.
- c. Staff have ideas and should be partners in this Board conversation.

## Planning Tip #2: Create a Committee or Working Group

- a. Create a sub-committee or working group focused on EOM planning.
- b. Report back to the full Board on actions, ideas, and decision-making points.
- c. Understand capacity gaps or additional supports you may need.
- d. Consider inviting non-Board members to participate to fill gaps (ex: sector support organizations like ONPHA and CHFT).

See [Appendix 5](#) for a **Meeting Action Tracker Template** to help you record actions.

## Planning Tip #3: Create a Work Plan

- a. Create a work plan with key elements, including:
  - Actions/steps;
  - Roles/responsibilities;
  - Timelines; and
  - Status/progress tracking.

See [Appendix 2](#) for a **Work Plan Template** to help you develop a framework for the project and the work that needs to be completed.

## Planning Tip #4: Connect with the City

- a. Don't wait until you are done planning. Engage the City throughout planning.
- b. Seek clarity about the regulatory changes and what that might mean for you.
- c. Share your thinking with the City and designated Housing Consultant early on; invite the City to attend some board meetings.
- d. Ask questions when you are unclear or uncertain.



## Appendix 2: Work Plan Template

**Purpose:** This template will help you develop a plan for the EOM planning process and the work that needs to be completed.

Work Plan				
Action	Key Tasks	Responsible	Timeline	Status

This work plan has been adapted from the information available on the [Government of Canada's webpage](#) related to project management.

## Appendix 3: Financial Summary Template

**Purpose:** This template will help you develop a quick reference sheet that includes your organization's financial information and corporate standing.

### **Corporate Overview** (to be completed at the portfolio level)

Legal Name of Organization: \_\_\_\_\_  
Total Units in Portfolio: \_\_\_\_\_  
RGI Unit Target: \_\_\_\_\_  
RGI Units Currently Provided: \_\_\_\_\_  
Mandate (if any): \_\_\_\_\_

### **Financial Overview** (to be completed at the portfolio level for the last fiscal year)

Non-Profit or Charitable Status: \_\_\_\_\_  
GST/HST Exemption Level: \_\_\_\_\_  
Annual Information Return Date: \_\_\_\_\_  
Capital Reserve Fund Balance: \_\_\_\_\_  
Capital Reserve Fund Contribution: \_\_\_\_\_  
Investments: \_\_\_\_\_  
Surplus or Deficit: \_\_\_\_\_  
Accumulated Surplus: \_\_\_\_\_

### **Project Overview** (to be completed at the project level for each project)

Address of Project: \_\_\_\_\_  
Year Built: \_\_\_\_\_  
Mortgage Expiry Date: \_\_\_\_\_  
Total Units: \_\_\_\_\_  
RGI Units Currently Provided: \_\_\_\_\_  
Referral Agreements (if any): \_\_\_\_\_

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**Funding Overview** (to be completed at the portfolio level for the last fiscal year)

Number of Funding Agreements: \_\_\_\_\_  
Total Value of Funding Agreements: \_\_\_\_\_  
COCHI Funding Amount: \_\_\_\_\_  
OPHI Funding Amount: \_\_\_\_\_  
Other Funding Amounts: \_\_\_\_\_

**Loan Overview** (to be completed at the portfolio level)

Number of Provincial Loans: \_\_\_\_\_  
Total Amount of Provincial Loans: \_\_\_\_\_  
Balance of Provincial Loans: \_\_\_\_\_  
Provincial Loan Obligations: \_\_\_\_\_  
Number of City Loans: \_\_\_\_\_  
Total Amount of City Loans: \_\_\_\_\_  
Balance of City Loans: \_\_\_\_\_  
City Loan Obligations: \_\_\_\_\_

**Asset Management Overview** (to be completed at the portfolio level)

Most Recently Completed Building      Year \_\_\_\_\_  
Condition Assessment:  
  
Most Recently Completed Capital      Year \_\_\_\_\_  
Plan:

This template has been adapted from the EOM Readiness Guide developed by the Region of Waterloo and EOM Preparation Guide developed by the City of Hamilton.

## Appendix 4: SWOT Analysis Template

**Purpose:** This template will help you outline the strengths, weaknesses, opportunities, and threats for each area (Governance, Operations, Asset Management and Finances) of your organization.

Governance	
<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>
Operations	
<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>

Asset Management	
Strengths	Weaknesses
Opportunities	Threats
Finances	
Strengths	Weaknesses
Opportunities	Threats

**Strengths** = Capabilities, resources or attributes that provide a competitive advantage.

**Weakness** = Capabilities, resources or attributes that need improvement.

**Opportunities** = Circumstances that could have a positive impact on your organization.

**Threats** = Circumstances that do or could have a negative impact on your organization.

This SWOT analysis has been adapted from the information available on the [Government of British Columbia's](#) guide to conducting a SWOT analysis.

# Appendix 5: Meeting Action Tracker Template

**Purpose:** This template will help you record actions that may arise from meetings.

Meeting Name			
Meeting Topic:			
Date & Time:			
Attendees:			
Chair:			
Minute Taker:			
Agenda Item	Follow-Up Actions	Responsible	Timeline

## Appendix 6: Info. Gathering & Review Tracker

**Purpose:** This tracker will help you stay organized and gather your thoughts as you collect and review key documents.

Document	Collected?	Reviewed?	Your Comments
Annual Information Return	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Articles of Incorporation	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Asset Management Plan	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Building Condition Assessment	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Capital Plan	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Capital Reserve Funds	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Financial Plan	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Funding Agreements	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Loan Agreements	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Mandate	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Non-Profit Status	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Service Agreements	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Strategic Plan	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	

# Appendix 7: Financial Outlook Template

**Purpose:** This template will ask you several guiding questions to help you form a financial projection for your organization.

Question	Your Comments
What is the financial status of our housing project in its current state? What is the surplus or deficit?	
What are our short-term and long-term financial goals?	
Has our financial situation changed in the last 5 years? How? Why?	
Are there any barriers to achieving our financial goals? How can we overcome these barriers?	
What does our financial statements and historical data (revenue, expenditures, losses, investments, fixed costs, etc.) say about our current financial situation? Are there any trends that can inform our future state?	
What are some significant expenditures that we are anticipating in the next 5 years? 10 years?	
Does our housing project have sufficient capital reserves to maintain the housing and complete capital repairs over the next 5 years? 10 years?	
What is needed financially to continue to deliver affordable housing at the current levels over the next 5 years? 10 years?	



# Appendix 8: Discussion Points Template

**Purpose:** This template will help you summarize what you've learned and uncovered in each of the key areas for review so that you can have a fulsome conversation with the entire Board about actions, ideas, and decision-making points.

## Governance

**Gaps:**

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**Priorities:**

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**Vision:**

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**Notes:**

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## **Operations**

**Gaps:**

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**Priorities:**

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**Vision:**

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**Notes:**

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## **Asset Management**

**Gaps:**

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**Priorities:**

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**Vision:**

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**Notes:**

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## **Finances**

**Gaps:**

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**Priorities:**

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**Vision:**

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**Notes:**

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# Appendix 9: Resources from Sector Partners

## 1. Ontario Non-Profit Housing Association <http://www.onpha.on.ca/>

**Ontario Non-Profit Housing Association** is a member funded and directed association that represents nearly 700 non-profit housing providers and local housing corporations throughout Ontario. ONPHA provides advocacy and government relations, education and research, knowledge transfer and events, and bulk procurement and professionals services.

As it relates to end of mortgage planning, ONPHA provides toolkits and resources including:

- a. **Community Housing Renewal Strategy Transformation Guide**: This guide outlines the journey ahead for housing providers and helps navigate the end of mortgage period. It offers support and guidance throughout the transformation process.
- b. **ONPHA's Sector Transformation Enterprise Program**: This program offers professional services for housing providers. It allows members to access vendors and their expertise, providing an all-encompassing solution for those undergoing changes.
- c. **ONPHA's Webinar**: This webinar discusses what you need to know to navigate community housing renewal.
- d. **New Regulatory Framework FAQ Document**: This resource helps housing providers understand Ontario's New Community Housing Regulatory Framework and its implications, offering clarity and guidance.
- e. **ONPHA's Analysis of Regulatory Amendments**: This resource provides an analysis of regulatory amendments under the *Housing Services Act, 2011* in relation to Service and Exit agreements.

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## 2. Co-operative Housing Federation of Toronto & Canada

[Co-operative Housing Federation of Toronto](#) is a member-supported organization representing more than 50,000 people living in more than 180 non-profit housing co-operatives located in Durham, Toronto, and York Region. CHFT offers a wide range of services including strategic advice, government negotiations, bulk purchasing, resources and education, legal services, representation, and advocacy. [Co-operative Housing Federation of Canada](#) is the national voice of co-operative housing, representing 2,200 housing cooperatives, home to a quarter of a million people in every province and territory. CHFT and CHF Canada are working in partnership to assist housing cooperatives as their mortgages come to an end. CHFT leads in Toronto and collaborates with all co-ops.

As it relates to end of mortgage planning, CHFT and CHF Canada provide toolkits and resources including:

- a. [End of Mortgage Checklist](#): This document helps prepare co-ops for agreement talks with Service Managers.
- b. [Preparing to Negotiate at End of Mortgage](#): This resource helps co-ops prepare for and conduct successful negotiations.
- c. [Techniques for End of Mortgage Negotiations](#): This resource contains tips to assist co-ops in conducting successful negotiations.
- d. [End of Mortgage Guide for Co-Ops Entering Into Agreements](#): This guide helps co-ops and their boards make informed decisions and negotiate the best possible outcomes for their communities.

### 3. Housing Services Corporation

[Housing Services Corporation](#) is a non-profit organization committed to ensuring that Ontario residents have access to safe and affordable housing that improves their quality of life. The organization works with Ontario's 1,400+ community housing providers and 47 Service Managers to help them make the best use of their resources and manage their buildings more effectively.

HSC offers a wide range of [business solutions and technical services](#) for the housing sector. Related to end of mortgage, HSC has been supporting the sector for over 10 years in planning for this milestone by providing services including asset management planning, strategic planning, data analysis and financial modeling, facilitation, and community engagement. HSC has worked with over 27 Service Managers and over 200 housing providers across Ontario to guide their planning for end of mortgage.

[HSC offers two online, self-paced courses](#) for non-profit housing providers (board and staff) to help build knowledge and plan for end of mortgage. The two courses include:

- a. [Essentials Course](#): 5 learning modules on the *Housing Services Act*, regulatory changes, post-EOM operating environment for non-profits, new service and exit agreements and key considerations. Modules include videos, activities, reading material and sector resources.
  
- b. [Prepare and Plan Course](#): 8 learning modules focused on information gathering, planning, decision-making, assessing your situation and negotiating new agreements. Modules include videos, practical exercises, workbooks and reading materials.

These courses are available annually three times per year, in the fall, winter, and spring. Learners have access to the course content for three months after registering.

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## 4. Miscellaneous Resources

### Canadian Housing and Renewal Association:

- a. [Simplified Assessment Tool for Examining the Impacts of Expiring Operating Agreements](#): This tool provides the first step in helping social housing providers to identify the challenges they may face post expiry of agreements and is accompanied by the companion document Addressing the Expiring Subsidy Challenge, providing more information on various options your organization can explore based on the outcomes.

### Chartered Professional Accountants of Canada:

- a. [Guide to Financial Statements for Not-for-Profit Organizations: Questions for Directors](#): This guide assists not-for-profit Board members in understanding financial statements and responsibilities.
- b. [The Directors Series](#): This guide assists Board members of not-for-profit organizations in understanding and fulfilling their duties.

### Community Housing Transformation Centre:

- a. [Self-Assessment Tool](#): This tool supports housing providers in identifying their organizational strengths and challenges in the areas of governance, property management, financial management and community relations.



# Appendix 10: Overview of Legislation

## 1. History

The Canada Mortgage and Housing Corporation (“CMHC”) and the provincial government supported community housing development during the 1970s and 1990s. During this time, each housing project had its own Operating Agreement either with CMHC or the provincial government, which outlined project terms, funding arrangements and provider requirements and were linked to a housing project’s mortgage.

In 1999, the federal government transferred the administration of social housing to the provincial government. Subsequently, the provincial government transferred the administration and funding responsibilities of social housing programs to 47 local Service Managers across Ontario with the passing of the *Social Housing Reform Act, 2000* (“SHRA”). The SHRA, outlined the social housing system framework including the obligations of local Service Managers across the province. In 2011, the provincial government enacted the HSA which replaced the SHRA with updated requirements for the funding and administration of transferred social housing projects. The former provincially funded Operating Agreements were replaced by an operating framework and funding model set out in the HSA.

Housing projects with a former provincially funded Operating Agreement are also known as Provincial Reform Projects. These projects are designated as Part VII under the HSA and include projects that are both 100% RGI (formerly known as Section 106 projects) and those with both Market and RGI units (formerly known as Section 103 projects). Until recently, the HSA did not identify what happens to housing projects when mortgages expire, meaning that Service Managers would be required to continue funding housing providers under a funding formula that would create a reduction in subsidy at mortgage end.

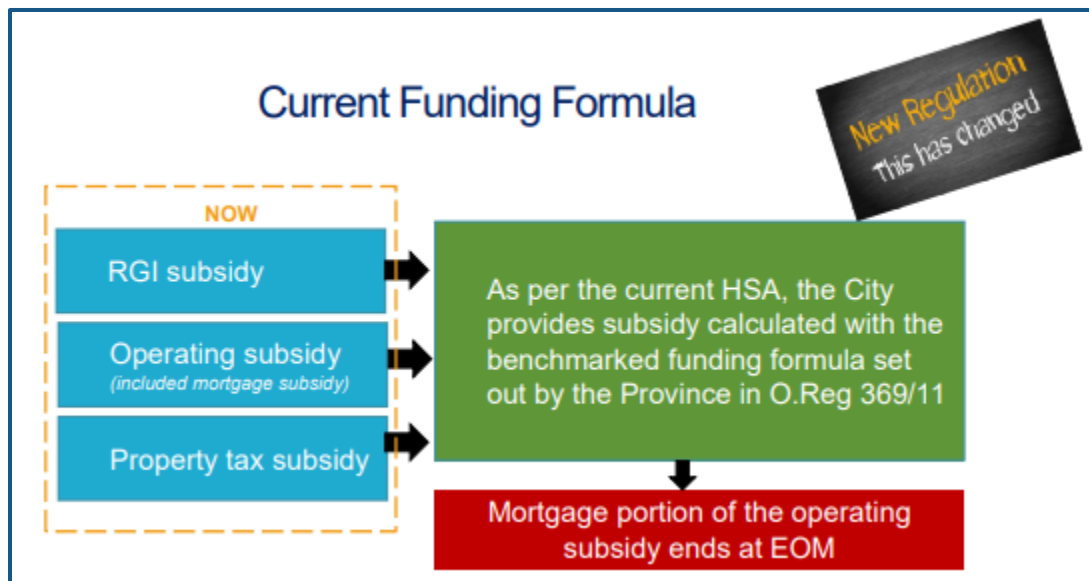
On March 31, 2022, the provincial government announced a new regulatory framework under the HSA to address the long-term sustainability of social housing. The new regulatory framework allows the City to renew existing partnerships by entering into Service Agreements with community housing providers whose mortgages are expiring. Service Agreements will support the protection of the critical community housing supply and will allow housing providers to continue to offer RGI to households. Entering into a renewed agreement will support housing providers to remain in the social housing system and meet the housing needs of communities through a more flexible funding approach. The objective of the framework is for the City and housing providers to build on their existing partnership and create a more modern arrangement.

## 2. Funding Formula

The City as Service Manager is responsible for administering and funding a community housing system. Under an operating framework and funding model set out in the *Housing Services Act, 2011*, the City provides an annual total subsidy for Part VII housing projects through a complex funding formula consisting of a:

- a. Tax subsidy;
- b. RGI subsidy; and
- c. Operating subsidy.

As per the *HSA*, the City calculates the annual total subsidy with the benchmarked funding formula set out by *Ontario Regulation 369/11*. One of the main funding components of the operating subsidy are actual mortgage costs. The expiry of mortgages under the *HSA* funding formula impacts the overall subsidy disbursed to housing providers.



### 3. Impact of Mortgage Expiry

Over the next 10 years in Toronto, 139 housing projects governed under Part VII, Market and RGI, of the *HSA* have mortgages that will be ending. The following content will highlight various implications of mortgage expiry and provide you with an overview of the considerations and opportunities for your housing project.

When a housing project's mortgage has been paid off, the mortgage component of the operating subsidy will be set to zero. In certain cases when the mortgage is set to zero, the total subsidy may be a negative number. A negative number for the total subsidy calculation will mean that \$0 subsidy is payable to you.

Across Ontario, the mortgages of many former provincially funded housing projects are set to end over the next 10 years. Until recently, the Service Manager would be required to continue funding you in accordance with the existing *HSA* formula which reduces the annual subsidy provided when mortgages expire. The *HSA* funding framework assumed that once the mortgage ended, you should have sufficient revenue to provide deeper affordable housing units, as well as manage operations and maintain the housing assets in a satisfactory state of repair.

Regulatory amendments provide you and Service Managers an option for a designated housing project to enter into a Service Agreement at mortgage expiry. If a Service Agreement is not executed, the obligations under the *HSA* remain in effect and you remain under Part VII. As long as your housing project remains subject to *Ontario Regulation 368/11*, you have an obligation to continue to provide affordable housing, including RGI housing, and follow the rules in the *HSA*.

At mortgage expiry, you will continue to be subject to many of the same legal requirements, including the *Human Rights Code*, employment law, the *Residential Tenancies Act*, the *Fire Code*, municipal and provincial building codes and by-laws, and other applicable legislation and regulations. Day-to-day operations will remain the same despite your mortgage ending. You will continue to provide housing to existing tenants and engage in the ongoing requirements of asset management.

If you have housing projects under other programs (ex: Affordable Housing Program, Rent Supplement), you will still be bound by the requirements set out in those programs.

## 4. Service & Exit Agreements

A Service Agreement would be your operating framework, which would allow you to remain in the community housing system, as funded and administered by the City. Under a new Service Agreement, your housing project will be designated under Part VII.1 of the *HSA*. Once signed, a Service Agreement replaces the terms and conditions of Part VII of the *HSA* with a new contractual agreement.

Service Agreements fundamentally change the relationship between you and the City, moving away from the mandated prescriptive formula to a renewed financial model. As mortgages end, funding arrangements can now be determined through a financial assessment with individual housing providers.

The regulation describes the requirements for an Exit Agreement, whereas you would cease to receive funding and operate in the City's housing system but must ensure existing tenants are not displaced and investment in community housing is preserved.

An Exit Agreement cannot be signed unilaterally. The City does not intend to enter into Exit Agreements with housing providers. The City is confident that Service Agreements present a flexible approach to fostering growth and sustainability in the community housing sector.

## Appendix 11: Glossary

**Board of Directors (“Board”):** A formal body made up of executive members that jointly supervise and authorize the activities of an organization.

**Building Condition Assessment (“BCA”):** A systematic inspection, review, and report of capital costs as it relates to the state of your building(s) infrastructure.

**Capital Plan:** A plan that itemizes, prioritizes, and projects your organization's capital repair work timeline and estimated costs for building components.

**Capital Reserve Fund (“CRF”):** A fund established for the purpose of accumulating funds to cover capital repairs.

**Community Housing:** Subsidized housing, social housing, supportive housing, and affordable housing that is owned and/or operated by non-profit housing organizations, non-profit housing co-operatives, and Indigenous housing providers.

**Co-operative Housing Federation of Canada (“CHF Canada”):** The national voice of co-operative housing, representing 2,200 housing cooperatives, home to a quarter of a million people in every province and territory.

**Co-operative Housing Federation of Toronto (“CHFT”):** A member-supported organization representing more than 50,000 people living in more than 180 non-profit housing co-operatives located in Durham, Toronto, and York Region.

**Community Housing Sector Modernization and Growth Strategy (“Strategy”):** The City of Toronto’s strategy that supports non-profit, co-op and Indigenous housing providers to grow and preserve their RGI and affordable housing stock.

**Community Housing Renewal Strategy:** The Ontario Government’s strategy to sustain, repair and grow the community housing system.

**End of Mortgage (“EOM”):** The date in which a housing provider’s mortgage is fully paid.

**Financial Plan:** A plan that identifies, organizes, and prioritizes short-term and long-term financial goals, as well as actions to achieve them.

**HousingTO 2020-2030 Action Plan (“HousingTO Plan”):** The City of Toronto’s blueprint for action across the full housing spectrum – from homelessness to rental and ownership housing to long-term care for seniors.

**Housing Action Plan 2022-2026 (“HAP”):** A work plan of items under the HousingTO 2020-2030 Action Plan that will be advanced within the 2022-2026 term of Council.

**Housing Project:** One or more buildings operated by a housing provider.

**Housing Provider:** An organization that provides housing, under the portfolio of the City of Toronto.

**Housing Secretariat:** The division at the City of Toronto that is responsible for strategically planning and monitoring the delivery of housing programs and related services. This includes facilitating the effective delivery of new housing supply, preserving and maintaining Toronto's current housing stock, and leading the development of city-wide housing policy and programs to improve service delivery and deliver on City Council directives.

**Housing Services Act, 2011 ("HSA"):** Provincial legislation under which the City of Toronto administers its social housing portfolio and sets Local Rules as permitted under the *Housing Services Act, 2011*.

**Housing Services Corporation ("HSC"):** A non-profit organization committed to ensuring residents have access to safe and affordable housing that improves their quality of life, by working with Ontario's 1,400+ housing providers and 47 Service Managers.

**Housing Stability Services ("HSS"):** The unit within the Housing Secretariat that administers the Service Manager's responsibilities on behalf of the City of Toronto.

**Ontario Non-Profit Housing Association ("ONPHA"):** A member funded and directed association that represents nearly 700 non-profit housing providers and local housing corporations throughout Ontario.

**Provincial Reform Project:** Housing projects with a former provincially funded Operating Agreement, linked to a mortgage, that are governed under Part VII of the *Housing Services Act, 2011*.

**Regulation:** Government-issued regulations that set out the operational details of programs created by legislation. The *Housing Services Act, 2011*, has several regulations which detail the requirements of the RGI program.

**Rent-Geared-To-Income ("RGI"):** A type of financial assistance given to a housing provider so that a qualified household can pay rent based on their income.

**City of Toronto RGI Administration Manual:** The primary resource for housing providers to administer the RGI program on behalf of the City of Toronto.

**Service Manager:** Municipalities and District Social Services Administration Boards designated under the *HSA* to manage social housing programs across Ontario. For the City of Toronto, it is the Executive Director of the Housing Secretariat.

**Strategic Plan:** A plan that defines an organization's strategy and actions to maintain that strategy. It communicates who the organization is, who it serves, what it does, and why it does it, with a focus on the future.

