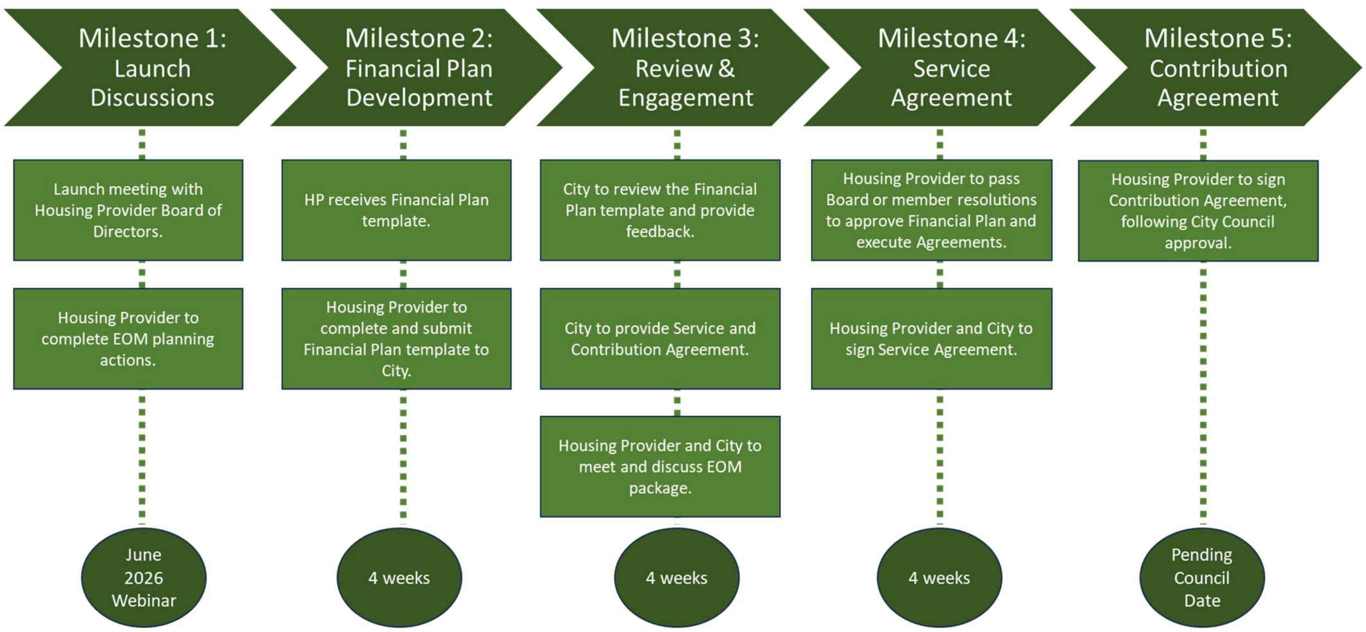
End of Mortgage Framework Housing Provider FAQ

The questions below were submitted by attendees of the End of Mortgage ("EOM") Framework webinars held on June 15, 16, 24, and 25, 2026.

Process, Timing & Engagement

Q1. What are the milestones in the partnership renewal process?

The City has created milestones to guide the partnership renewal process, which include:



Q2. When will draft Service Agreements be available?

Draft Service Agreements will be shared during Milestone 3: Review & Engagement of the partnership renewal process. Housing providers can begin discussions by contacting their Housing Consultant.

Q3. Will presentation materials be shared?

Yes. Slides, recordings, and FAQ documents will be made available on the City's housing provider webpage after the webinar series. The City will email housing providers with a reminder and the link once all four sessions of the webinar are completed.

Q4. Will there be additional webinars?

No, additional webinars are not currently planned. Engagement will continue through direct work with your Housing Consultant. The City's housing provider webpage provides an EOM preparedness guide as well as other material, information and sector links to help Board of Directors prepare for end of mortgage.

Q5. How should housing providers engage with CHFT or sector organizations?

Support from sector organizations is optional, but encouraged, and can occur in parallel with City engagement. Housing Providers may choose to seek advice, resources, training, or peer support from sector organizations at any stage of their EOM planning work. This engagement is independent of the City's engagement and does not replace direct discussions or decision-making between the housing provider and the City.

Q6. For housing providers already at EOM, how will engagement occur?

Whether you have reached EOM or it is imminent, the process remains the same. For more information, please contact your Housing Consultant.

Service Agreements & Legal Framework

Q7. What is the term of the new Service Agreement?

The Service Agreement term is 20 years.

Q8. Why is the City using a 20-year term when legislation requires a minimum of 10 years?

The City believes a 20-year term better supports your long-term sustainability. The Financial Plan will be reviewed at least every 5 years.

Q9. Will new Service Agreements be backdated to the end-of-mortgage date?

No. Agreements will be implemented on a go-forward basis.

Q10. What happens to Operating Agreements after EOM?

Operating Agreements were replaced by the *Social Housing Reform Act*, and later the *Housing Services Act, 2011* ("*HSA*"). When you sign a Service Agreement, your housing project will be administered under the *HSA* Part VII.1.

Q11. How are multi-property housing providers with different EOM dates handled?

Approaches are determined through discussions with the City and may involve staged or project-specific planning within the overall portfolio in Toronto.

Financial Model & Revenue

Q12. What is Average Market Rent?

Average Market Rent refers to average monthly Toronto-wide rents by unit type as determined in the end-of-year survey published by the Canada Mortgage and Housing Corporation ("CMHC"). If CMHC does not publish a survey of City-wide rents for a specific unit type, then Average Market Rents for the calendar year shall be determined by the City.

Q13. What is the current Average Market Rent for Toronto?

Average Market Rent varies by unit type and is available on the City's housing provider webpage.

Q14. How will capital needs be funded if they exceed rental revenues?

Housing providers are expected to:

- Use the Capital Reserve Fund
- Prioritize key repairs
- Explore financing options
- Direct Accumulated Surplus to Capital Reserve Fund through the Financial Plan

Q15. Will refinancing be recognized in the Financial Plan?

Decisions to refinance and debt servicing cost impacts must be reviewed with the City during Milestone 3: Review & Engagement of the partnership renewal process.

Q16. How is the Rent Supplement Subsidy (RGI Subsidy/City Subsidy) determined?

The Rent Supplement Subsidy (RGI Subsidy/City Subsidy) is based on average market rents within the housing project and increased annually in line with approved rent increases in the Financial Plan, up to a defined cap of 80% Average Market Rent.

Q17. Is the 80% Average Market Rent cap on subsidy negotiable?

The 80% is a fixed cap for the first 5-year Financial Plan. The 80% Average Market Rent is assessed against the Average Market Rent reported each year by the Canada Mortgage and Housing Corporation.

Q18. Will housing providers be required to increase housing charges annually?

Housing providers are expected to increase market rent housing charges annually to support long-term financial sustainability, as captured and approved through the Financial Plan. At a minimum, increases should align with the provincial Rent Increase Guideline.

Q19. What is the Rent Increase Guideline?

Rent Increase Guideline is established by the province and refers to the prevailing rent increase guideline established each calendar year pursuant to the *Residential Tenancies Act, 2006.*

Q20. Will increasing housing charges result in higher Rent Supplement Subsidy (RGI Subsidy/City Subsidy)?

Yes. Increases in market rent housing charges may reflect higher Rent Supplement Subsidy (RGI Subsidy/City Subsidy), with the City matching increases annually in line with approved rent increases in the Financial Plan, up to a defined cap of 80% Average Market Rent.

Q21. Is Rent Supplement Subsidy (RGI Subsidy/City Subsidy) funding provided by the federal or provincial government?

Ongoing Rent Supplement Subsidy (RGI Subsidy/City Subsidy) under the EOM Framework is municipally funded by the City. Future capital programs (e.g. COCHI) may include provincial and federal contributions.

Requirements & Targets

Q22. Are housing providers required to continue offering Rent Supplement Units (RGI Units), and can the percentage be adjusted?

Yes. Housing providers remain obligated to deliver Rent Supplement Units (RGI Units) under the *Housing Services Act, 2011*. A specific Rent Supplement Unit (RGI Unit) target will be set in the Service Agreement, based on current levels and discussions with the City as part of the Financial Plan development process.

Q23. Will the minimum Rent Supplement Unit (RGI Unit) percentage change?

Minimum levels are to be maintained with specific targets discussed during Milestone 3: Review & Engagement of the partnership renewal process.

Capital Planning & Reserves

Q24. Can the Accumulated Surplus be used for capital repairs?

Yes. Surplus funds can be transferred to the Capital Reserve and used for capital repairs.

Q25. Is the 75% allocation of surplus to Capital Reserve Fund negotiable?

No. A minimum of 75% of surplus must be directed to the Capital Reserve Fund, with a higher percentage to be discussed during Milestone 3: Review & Engagement of the partnership renewal process. Surplus allocations will be assessed at the 5-year review of the Financial Plan.

Q26. What funding programs are available for capital needs?

By signing the Service Agreement, housing providers continue to be eligible for current and future funding programs, like the Canada-Ontario Community Housing Initiative ("COCHI"), which are dependent on receiving funding from other levels of government.

Q27. How is the 8% Capital Reserve Fund contribution calculated?

The 8% contribution is calculated annually based on total gross shelter revenue. It is treated as a baseline allocation to build the Capital Reserve Fund and is complemented by additional contributions from surplus.

Building Condition Assessments & Asset Management

Q28. Will a Building Condition Assessment be completed for our organization?

The City is initiating a new round of Building Condition Assessments, prioritized based on mortgage expiry dates.

Q29. Are grants available to cover Building Condition Assessment costs?

The City will be conducting additional Building Condition Assessments for prioritized segments of the City's community housing portfolio beginning in Fall 2026. The work will be prioritized based on mortgage expiry dates. More information will be provided if your housing project is eligible for this year's funding allocation.

Q30. What asset management requirements must housing providers follow?

Housing Providers should follow an end-to-end asset management framework that includes:

- Evaluating your Building Condition Assessment
- Align your long-term capital plan with financial resources
- Ensure routine and Preventative Maintenance is conducted
- More information to support managing your asset can be found on sector support websites.

Governance & Next Steps

Q31. What are the next steps for housing providers post-EOM?

Housing providers should:

- Ensure the slides and video of these sessions are shared with all board members
- Identify the group of individuals that will work through the development of the Financial Plan
- Understand your financial realities and your goals
- Engage your auditor or bookkeeper as needed to understand your financial position
- Review capital and operating needs
- Complete the 5-year Financial Plan template
- Engage your Housing Consultant
- Prepare for Service Agreement negotiations

Q32. What should Boards of Directors be doing now?

Boards should:

- Review EOM materials
- Be actively involved in development of the 5-year Financial Plan
- Establish a working group if needed
- Assess organizational capacity; reach out to your Housing Consultant, auditor and your sector organization

Operational Considerations

Q33. Can accumulated surplus be used for operational needs?

Yes. A portion of surplus can be retained to support operational and strategic priorities directly related to your EOM housing project.

Q34. Is vacancy loss for vacant Rent Supplement Units (RGI Units) changing?

Under the Service Agreement, up to two-months vacancy loss for vacant Rent Supplement Units (RGI Units) will be covered.

Q35. What if I have concerns about filling units through RentCafé?

Please contact your Coordinator of Programs with concerns about filling units through RentCafé.

Q36. What does “income testing” for market rent tenants mean?

Through the Contribution Agreement, there is a new provision to ensure affordability goals are being met. Under Section 252 of the *City of Toronto Act, 2006*, the City may enter into agreements for the provision of municipal housing facilities and to provide financial assistance, in the form of property tax exemptions, to housing designated as a municipal housing facility. As part of the eligibility process for affordable housing, income testing will apply to new market rent tenants at turnover. Housing providers will conduct income verification to verify that households do not exceed the Initial Income Limit prior to occupancy. Housing providers must verify household income at the time of leasing to confirm eligibility based on affordability thresholds. This is done once at initial occupancy and is not applicable for existing market rent tenants.

Q37. How do I verify the income of applicants at initial occupancy to ensure that their household income is below the Initial Income Limit?

Housing providers should follow the eligibility and income verification processes in the Affordable Rental Housing Administration Manual.

Co-operative Housing Specific Questions

Q38. Will co-ops operate independently after EOM?

Non-Profit and Co-operative housing providers at EOM remain as independent corporations and as listed under legislation must continue to provide affordable and deeper affordable housing units in the City.

Q39. When will co-ops that have already reached EOM be contacted?

Whether your housing project has reached EOM or it is imminent, the process remains the same. If you have attended the webinar, the next steps will be for you to receive your personalized Financial Plan template from the City in the near term.

Q40. What obligations continue after EOM, particularly regarding our Operating Agreement and housing mandate?

A new relationship will be secured through a Service Agreement. Specific building mandates permitted under legislation, or confirmed by City Council, will be confirmed in the Service Agreement. The *Housing Services Act, 2011* does not contemplate new specific mandates. As such, Service Agreements will not introduce new specific mandates and may remove existing mandates through negotiation.