

Canada-Ontario Affordable Housing Initiative

# Social Housing Renovation and Retrofit Program (SHRRP)



Ministry of Municipal Affairs and Housing  
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# Social Housing Renovation and Retrofit Program – Highlights

The Social Housing Renovation and Retrofit Program (SHRRP) is a capital grant program that funds the repair and regeneration of eligible social housing projects.

The SHRRP will:

- Improve the health and safety of residents living in social housing communities
- Provide enhanced accessibility for seniors and persons with disabilities
- Contribute to the reduction of social housing project operating costs
- Assist in the reduction of waiting lists for social housing, including restoration of vacant or abandoned units.

## Program Requirements

Social housing administered by Service Managers (SMs), the Ministry of Health and Long Term Care, the Ministry of Community and Social Services and Rural and Native Housing may be eligible for SHRRP funding.

Eligible projects fall within Schedule C of the *Canada-Ontario Social Housing Agreement, 1999*, subject to certain exceptions. They must either be subject to the *Social Housing Reform Act, 2000* (SHRA) or have an ongoing Project Operating Agreement in place with social housing providers.

In all cases, SHRRP funding cannot be provided unless the provider agrees to maintain the social housing as affordable for a minimum of 10 years.

## Eligible Social Housing Programs

- Public housing projects developed by the Ontario Housing Corporation (now the Ontario Mortgage and Housing Corporation) and transferred to SMs under the *Social Housing Reform Act, 2000* (SHRA)
- Projects funded under the SHRA and formerly funded under:
  - federal/provincial non-profit housing programs (non-profit and co-operative housing)
  - unilateral provincial non-profit housing programs (non-profit and co-operative housing)
- Projects developed under the federal Section 95 housing program, including the Urban Native Housing Program
- Projects developed under the Section 26 housing program (including the Limited Dividend Program) and the Section 27 housing program directly funded by CMHC
- Off-reserve projects funded under the Rural and Native Housing Rental Program.

## Ineligible Social Housing Programs

- Federal cooperative housing projects that were not transferred to the province under the Social Housing Agreement, and were retained by the federal government (CMHC has a separate repair program for unilaterally funded federal co-ops)
- Projects funded under federal homelessness initiatives, including the Supporting Communities Partnership Initiative (SCPI), and the Homelessness Partnership Initiative (HPI)

- Private projects with households in receipt of assistance under the Rent Supplement Program
- Social housing in First Nations communities (on-reserve housing)
- Rural and Native Homeownership Program units
- Properties owned by landlords who are in the process of earning loan forgiveness under CMHC renovation programs other than the Residential Renovation Assistance Program – Disability (RRAP-D)
- Project sponsors in the process of earning forgiveness under the Shelter Enhancement Program.

## Eligible Project Expenditures

SHRRP is a capital grant program that assists eligible social housing providers renovate and upgrade social housing projects. There is a strong emphasis on improving the health and safety of tenants and increasing the energy efficiency and physical accessibility of the buildings. These are investments which will extend the life of a building system or component, improve operating costs, and contribute to an improved quality of life for the tenants.

Both “soft” and “hard” costs are permitted under the program. Soft costs include project-related expenses such as professional services (e.g., architects, engineers), preparation of tender documents, charges and fees required for municipal approvals (e.g., building permit fees), building condition assessments, and energy efficiency audits. Hard costs are actual capital repair/equipment/construction expenses.

Two types of capital projects are permitted under this program:

### **Renovation and Retrofit Projects:**

Capital renovations, retrofits and repair projects that involve the replacement or reconstruction of major building systems, site components and basic facilities and equipment that is near the end of its useful life. These major capital items could include – but are not limited to – roofs, windows and doors; building envelope assemblies and major balcony repairs; HVAC systems; kitchen and bathroom facilities; safety features such as fire alarms and emergency lighting and broadband internet connectivity infrastructure.

### **Regeneration Projects:**

Regeneration projects entail a fundamental change in an existing building. The purpose could be to meet changing client needs or to address major renovation or replacement of units in poor condition through demolition and complete replacement of existing social housing units.

The unit/building type, physical placement and density may be altered based on a best use analysis of the site. Any change in units must be approved by the ministry.

## Ineligible Expenditures

These costs are not eligible capital expenditures:

- Costs for ongoing or routine maintenance and repairs, as these are already covered under an annual operating budget
- Replacement of building components which have not reached the end of their expected life
- Costs related to repair projects already included in annual capital plans \*
- Capital work which began before January 27, 2009
- Construction of new social housing units.

\* SHRRP funding is not intended to replace activities supported by federal funding received under the *Social Housing Reform Act, 2000*. In the Service Manager Annual Information Report (SMAIR), SMs must demonstrate that the total capital expenditures for their respective SM Area is not less than the federal funding received under the SHRA plus any capital funding received under the SHRRP.

## Ministerial Consents

Ministerial consents may be required before a social housing provider can do certain things to a housing project like encumber or redevelop the project.

Since SHRRP is a capital grant program, there will be no need to register any security on title. It is therefore expected that, in most cases, ministerial consent for repairs will not be required.

Regeneration projects, however, may require ministerial consent.

Appendix A provides more information on how to prepare an application to request ministerial consent.

## Duty to Consult

The province has a duty to consult and accommodate Aboriginal peoples where it has knowledge of the potential existence of an Aboriginal right or title and contemplates conduct that might adversely impact that right or title. If such a duty arises in the context of making a decision to provide SHRRP funding, the province would have an obligation to consult Aboriginal peoples before such a decision is made.

## Accounting

The SM and delivery partners shall require each social housing provider who completes repairs to keep and maintain, at its usual place of business, all records, invoices and other documents relating to the repair funds. This should be done in a manner consistent with Generally Accepted Accounting Principles (GAAP) and clerical practices. The records must be maintained and kept available for review for a period of five years from the date of completion.

The SM shall also ensure that the delivery partners undertaking repairs can provide any additional information reasonably required by the ministry.

## Purchasing Goods and Services

The SM and delivery partners should acquire all goods and services through competitive or comparative selection processes. This should be based on current municipal best practices, so that the best value for funds expended is ensured.

## Conflict of Interest

The SM and delivery partners shall ensure that the repairs are carried out in all its aspects without a conflict of interest by any person associated with the project.

For these purposes, a conflict of interest includes a situation in which any director of the housing provider and/or anyone involved in the management of the housing project and/or any member of any such person's family is able to benefit financially from his or her involvement with the capital repair/regeneration project.

The SM and delivery partners shall disclose to the ministry, without delay, any actual or potential situation that may be reasonably interpreted as an actual, perceived or potential conflict of interest and shall identify how the conflict of interest will be resolved.

## Service Manager Allocations

In April 2009, the Assistant Deputy Minister of Housing sent a letter to SMs requesting a list of repairs/regenerations that are construction-ready. Due to the positive response, the ministry has determined that SMs can proceed with the lists submitted, as long as the proposals meet program guidelines.

In addition, the ministry will allow time to develop a consolidated two-year **Take Up Plan (TUP)**. These plans must be submitted to the ministry by the end of September 2009 and outline planned projects for both years of the SHRRP program.

## Allocation of Funding

SMs have been provided with funding allocations for each year of the program to allow for planning and project implementation. This allocation is based on the percentage of social housing units currently under each SM's management.

## Take Up Plan (TUP)

SMs must outline how they intend to use each year of their SHRRP allocation by submitting a TUP, which will be reviewed and approved by the ministry.

The primary purpose of the TUP is to enable the SM and the ministry to monitor progress of the projects. In December 2009 and 2010, the SM and the ministry will discuss the progress of individual projects in Year 1 and Year 2 respectively.

If the ministry finds, after reviewing the project's progress, that the SM is unable to use all of the allocation for any fiscal year of the program, all or any part of the unspent funding may be reallocated.

Projects may be submitted for funding approval prior to submission of the TUP.

See Appendix B for more detail on TUPs and Appendix C for a summary of program timelines.

## Project Approvals

Individual projects will be reviewed and recommended for approval by the SM.

The SM must submit a Project Information Form (PIF) (and, in the case of Regeneration projects, a business case) to request payment. The PIF will be entered into the Affordable Housing Information System (AIMS)\* and will be attached to the Funding Agreement (FA) when funding is requested.

If there is a single repair renovation contract for work being done on a number of sites, the value of the contract must be prorated on a project basis and reported on a separate PIF for each project.

\*As AIMS is not yet available for SHRRP input, see Appendix D for the template to be used as the temporary Project Information Form.

## Approval of Renovation and Retrofit Projects

Renovation and retrofit projects are expected to make up the bulk of the projects funded under SHRRP. The goal of these projects is to improve the quality of life of the tenants, improve the operating efficiency of the building, and extend the life of major building components.

These projects can include, but are not limited to:

- Replacement of major building systems such as building envelopes, roofs, elevator, and HVAC systems
- Retrofitting kitchens to support improved accessibility
- Replacing old appliances.

Projects should address provincial priorities:

- Improving the health and safety of tenants
- Increasing energy efficiency of buildings
- Increasing building accessibility for seniors and persons with disabilities.

SMs should approve projects that reflect value for money, make prudent use of public funds, and reflect provincial priorities.

SMs should not reduce existing transfer payments to social housing providers as a result of the new SHRRP funding. SHRRP is considered to be above and beyond existing capital funding, and must be reported in the annual SMAIR reports as additional capital spending.

SHRRP is a one-time grant program that is not intended to impact existing capital reserves. SMs should use maximum SHRRP funds first.

Social housing projects with contracts for capital repair projects that began after January 27, 2009 may be eligible for funding under the program.

The ministry will not approve a funding request unless the SM has confirmed that the social housing provider has agreed to maintain the project as affordable for a minimum of 10 years. SMs may, at their discretion, choose to increase this minimum period of affordability.

## Approval of Regeneration Projects

Regeneration projects entail a fundamental change in existing buildings through the reconfiguration or complete reconstruction of physically or functionally obsolete structures.

The unit/building type, physical placement and density of the units may be altered based on a best-use analysis of the site. Any change in units must be approved by the ministry. Regeneration includes:

- Conversion of units in response to changing client needs
- Rehabilitation of a vacant or abandoned unit in poor condition
- Demolition and reconstruction of all or part of a social housing project due to functional obsolescence and/or poor condition of the units.

There must be no reduction of service level standards as a result of a regeneration project. The number of existing rent-g geared-to-income units under administration may not be reduced.

Up to 10% of SHRRP funding will be permitted for regeneration projects across the province.

Regeneration projects will be approved by the ministry on a case-by-case basis according to the business case submitted by the SM. See Appendix E for more details on SHRRP business cases.

Regeneration is only permitted if the project is financially viable, does not create project operating deficits and can be completed within program guidelines.

## Funding Agreements

Once the ministry has approved funding, a Funding Agreement (FA) will be set up. Please see Appendix F for a sample FA.

Construction must start **within three months** of signing the FA. If construction does not commence within that time, the ministry may demand repayment of the funds.

All relevant Project Information Forms (PIFs) will be attached to the FA.

The ministry will not enter into any agreements with housing providers. SMs are responsible for setting up their own agreements with housing providers.

SHRRP funding is offered on a strict “use it or lose it” basis. Unspent allocations will lapse as of March 31st in each year.

Approved projects must start repairs/construction within three months of the date of signing the Funding Agreement for the project.

## Funding

For **renovation and retrofit projects**, the maximum funding per unit is \$28,000 in Southern Ontario.

An additional \$4,000 per unit is available for units in the far north as defined by CMHC. This includes north of the CN rail line running east-west from the Quebec border north of Lake Abitibi, and passing through the Eades Reserve, Cochrane, Kapuskasing, Hearst, Pagwa River Nakina, Armstrong, Savant Lake, Hudson and Minaki to the Manitoba border.

It is expected that average project funding per service area will be \$14,000 per unit.

For **regeneration projects**, the maximum funding per unit is \$150,000 or 100% of the actual capital cost required per unit, whichever is less.

SMs are eligible to receive funding once an FA has been signed.

## Payments for Projects

Payments will be flowed to SMs based on the following milestones:

- 20% of the approved estimated project cost when the FA is signed. This will enable coverage of "soft" and other preliminary costs. The payment will be processed as soon as the FA is signed.
- 50% of the approved estimated project cost when a project reaches start of construction (defined as when the construction contract is signed or, in special circumstances, when materials need to be pre-ordered). Requests for payment will be processed by the ministry on a "bundled" basis in each area, on a monthly basis. Payments can be processed sooner on a special request basis.
- The final 30% will be paid when construction is approximately 90% complete. Request for this payment will also be processed by the ministry on a "bundled" basis. Payments can be processed sooner on a special request basis.

## Energy Efficiency

It is expected that a major portion of the SHRRP projects will focus on improving the energy efficiency of social housing buildings.

The Ministry of Municipal Affairs and Housing (MMAH) is also developing a \$70 million Renewable Energy Initiative with the Ministry of Energy and Infrastructure. This initiative will be focused on the implementation of Renewable Energy Projects for social housing projects. Guidelines for this program will be available in Autumn 2009.

## Repairs and Retrofits

General repair and retrofit projects should consider energy usage when they are being developed. To ensure optimum ongoing energy performance, it is strongly recommended that the plan for project work be based on a thorough energy audit.

Maximum energy efficiency standards should be targeted for all building components used in projects. However, repairs and retrofits projects will not be required in order to meet a specific overall rating. For example:

- Window replacements should use double-pane, low E Argon windows
- Roof replacement involving the installation of attic insulation should reach R 40
- Replacement appliances *must* be ENERGYSTAR rated products.

## Energy Retrofit

For projects focused on energy retrofits all work should result in the unit meeting provincial energy efficiency standards, based on the age of the building.

For example, a low-rise building constructed in 1970 should reasonably be expected to achieve an Energuide rating between 63-72.

Existing high-rise buildings should be more energy efficient than the Model National Energy Code for Buildings. This could be achieved through measures such as improved air leakage control, increased insulation R-values and the installation of high-efficiency ENERGYSTAR rated boilers, furnaces, lighting, appliances, and windows. Any other improvements should also be supported under applicable government and utility-administered, energy efficiency programs.

All work should be supported by an energy audit. See Appendix G for examples of energy efficiency upgrades.

## Smart Meters

The Ontario government supports the installation of smart meters in rental buildings. SMs who install smart meters (either in directly metered units or by sub-meter) in their social or affordable rental buildings should refer to the *Electricity Act, 1998*, to ensure that the installation does not contravene the legislation.

The Ontario Energy Board can also confirm if meter installation (individual and/or sub-meters) is currently authorized and who is authorized to install them. **The Ontario Energy Board's (OEB) Consumer Relations Centre can be reached at 1-877-632-2727 or 416-314-2455.**

## Canadian Environmental Assessment Act (CEAA)

Funding from CMHC is now subject to the Canadian Environmental Assessment Act (CEAA). To be eligible for funding, proponents must provide proof that CEAA requirements of have been met. More details on CEAA provisions are found in Appendix H.

## Accessibility

As outlined in the *Ontarians with Disabilities Act, 2001*, municipalities have prepared accessibility plans and established accessibility advisory committees. SMs should refer to the *Act* and the work of these committees to guide their approach to improving accessibility and eligibility for persons with disabilities in their areas.

Eligible repairs include those that improve accessibility for seniors and persons with disabilities. This could include investment in major new building facilities, such as elevators or lifts, so that seniors or residents with disabilities do not have to move when their mobility is affected.

Federal RRAP-D may be used in combination with funding under the Renovation and Retrofit of Social Housing Program. SMs and proponents are encouraged to confirm funding eligibility with CMHC. Funding from other programs cannot be used in combination with this program.

## Stacking

Funding under the AHP Extension (2009) may be combined **in the same project** but cannot be combined **in the same unit**. For example, an existing seniors' social housing project may have some existing units on the site that are in need of repair/renovation under SHRRP. AHP funding could be applied to the construction of new affordable housing units in the same building, subject to ministry approval, which may include a ministerial consent or Transfer Orders under the SHRA, if required.

Federal RRAP-D may be used in combination with SHRRP funding (consistent with the guidelines) for the repair and retrofit of existing social housing stock. SMs and proponents should consult with CMHC's RRAP-D program to confirm eligibility.

## Reporting

Other programs may not be combined with the SHRRP without ministry approval.

A key condition of the federal funding is that program reporting take place monthly on each project. SMs are required to report to the ministry on the status of each project during its development and renovation, retrofit, or regeneration. The ministry will prepare a monthly roll-up in each SM's area.

Project details will be reported through AIMS. At this time, AIMS is not functional for SHRRP– the ministry will supply SMs with an interim report template shortly.

Each housing provider's Annual Information Return (AIR) must contain an audited statement of SHRRP project expenditures as well as a statement from a reputable independent auditor confirming that the funding provided was spent on approved, eligible capital expenditures, and in the case of regeneration projects, the budget was submitted with the business case for the project as approved by the Ministry.

The ministry reserves the right to verify or audit any information submitted for completeness and accuracy, and to ensure that funds were used on eligible expenditures and for the purpose intended. SMs should retain invoices, claims and contract documentation, such as procurement procedures and practices. In addition, evidence of contracts or a record of work forms (if the work was done by housing provider staff) should also be kept as evidence of repairs undertaken and completed.

## Indemnification and Repayment of Funds

All SHRRP participants have obligations in regards to indemnification and recovery of government funding.

The SM will fully indemnify the ministry for any liability that may incur as a result of, or relating to, the implementation of SHRRP and/or any projects funded through the program.

In cases of non-compliance due to misuse of funds or negligence by housing providers, the SM must notify the ministry immediately and take steps to recover and return SHRRP funding to the ministry.

SMs must make reasonable efforts to recover and return all funds not used on approved eligible capital expenditures.

### Program Assistance

If you require assistance or information on the program, please see Appendix I for the list of contacts for your local Municipal Services Office.

## APPENDIX A – Ministerial Consents

Ministerial consent under either the *Social Housing Reform Act, 2000* (SHRA) or Transfer Orders under the SHRA may be required in cases that affect social housing projects and/or social housing land. In addition to reviewing the SHRA to determine if consent is necessary, Transfer Orders should be reviewed for federal projects.

Ministerial consents may be required for:

- Encumbrances – mortgages that are registered on title, registration of other instruments such as easements, funding agreements, etc.
- Postponement of first mortgages, replacement of mortgages
- Sale/transfer/lease of social housing property/units, development/redevelopment of social housing property, granting/disposing of social housing property
- Altering any condition or state of social housing property, **excluding repairs or maintenance**
- **Development and/or redevelopment of social housing.**

If consent is required, the ministry may require certain documents and/or other items in connection with an application for ministerial consent. This may include, but is not limited to:

- A fulsome business case describing project goals and how these will be accomplished
- Corporate name of proponent and location(s) of anticipated work
- Council and board resolutions
- Title search
- Tenant relocation plan
- Copy of Operating Agreement for federal projects
- Financing arrangements
- Clean Phase 1 ESA's
- Draft easements
- Draft Shared Facilities Agreement
- Site plan
- Draft purchase and sale agreements
- Pre and post property appraisals
- Partial discharges of first mortgages
- Severances of land no longer to be used for social housing

- Separate ownership of land no longer to be used for social housing
- Consent of the first mortgagee.

For clarification of consent requirements and documentation, please refer to Release 20 - *Procedures for obtaining Ministerial Consent under the Social Housing Reform Act 2000* and/or contact:

- East of Yonge Street – Lilian Hulme-Smith 416-585-6094 or [lilian.hulme-smith@ontario.ca](mailto:lilian.hulme-smith@ontario.ca)
- West of Yonge Street – Yvonne Wright 416-585-6423 or [Yvonne.wright@ontario.ca](mailto:Yvonne.wright@ontario.ca)
- City of Toronto – Christopher Ryter, 416-585-6711 or [chris.ryter@ontario.ca](mailto:chris.ryter@ontario.ca)



## APPENDIX C – Program Timelines

Receive letter identifying notional allocation along with program guideline, Administration Agreement and Funding Agreement	
Submit signed Administration Agreement to the ministry	
Submit 2 year Take Up Plan (TUP)	September 30
Enter Project Information Forms into AIMS	Ongoing
Enter into Funding Agreements with ministry	Ongoing
Discussions with the ministry on the remaining projects planned to meet deadline	December 10
Ministry reallocates unused funding allocation	January 10
Final day to sign FA and use annual funding allocation	March 31
Final construction start date	June 30

# APPENDIX D - Project Information Form (PIF)



Ministry of Municipal  
Affairs and Housing

## Social Housing Renovation and Retrofit Program (SHRRP) Project Information Form

<b>Office Use</b>			
<i>Project Reference No.</i>			
<b>Date Submitted by</b> (yyyy-mm-dd)		<b>CMSM / DSSAB:</b>	
<b>1.0 Contact Information</b>			
<b>Housing Provider</b>			
Legal Name <Select>		Position	
Organization Name (if different from Legal Name):			
<b>Project Address</b>			Main Address: <input type="checkbox"/>
Street #	Street Name	Street Type <Select>	Street Dir. <Select>
Unit Designator: <Select>		No.:	
City:	Province: Ontario	Postal Code:	
Extra Address Info:			
Main Intersection:			
P.O. Box:	No.:	Type: STN	Qualifier:
Area Name:			
Rural Route: <Select>	No.:		
Telephone: ( )	Ext.	Fax No.: ( )	
E-mail Address:			
<b>Service Manager</b>			

Contact Name:		Position:	
Street #	Street Name	Street Type <Select>	Street Dir. <Select>
Unit Designator <Select>		No.:	
City:		Province: Ontario	Postal Code:
Extra Address Info:			
P.O. Box:	No.:	Type: <Select>	Qualifier:
Area Name:			
Rural Route: <Select>	No.:		
Telephone: ( )	Ext.	Fax No.: ( )	
E-mail Address:			

**MSO**

Contact Name:		Position:	
Street #	Street Name	Street Type <Select>	Street Dir. <Select>
Unit Designator <Select>		No.:	
City:		Province: Ontario	Postal Code:
Extra Address Info:			
P.O. Box:	No.:	Type: <Select>	Qualifier:
Area Name:			
Rural Route: <Select>	No.:		
Telephone: ( )	Ext.	Fax No.: ( )	
E-mail Address:			

**2.0 Project Information**

Original Funding: <Select>
Property Type: <Select>      Other – Specify:
Age of Property:
Number of Units (for this address):
Date Provider exits original program:

Confirm the 10 year affordability commitment:  Yes  No

Provide details of revised affordability date:

Special Features – Disabled Access:  Fully Accessible  Unit Modifications  Building Access for Special Feature – Disabled Access

Repair Details						
Category of Repair	Type of Repair	Units (to be repaired)	Cost (\$)	Health and Safety	Energy Efficiency	Accessibility
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<Select> Other-Specify:	<Select>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>TOTAL</b>	<b>0</b>	<b>0</b>			

Attach additional page(s) if required

**Eligibility**

This project is eligible as defined under the SHRRP guidelines

**2.1 Ministerial Consents**

Are you planning to build on land/property originally developed under Federal/Provincial social housing programs, subject to SHRA 2000 regulations or federal operating agreements?

Yes  No

If 'Yes', note a Ministerial consent is required to alter the existing mortgage and security. Please inform your provincial contact for more information.

**3.0 Special Features Description**

**Energy Efficiency**

Energy Audit       Energy Star Products       Smart Meter       Other measures – Specify:

**4.2 Other certifications**

Does it meet Canadian Environmental

Assessment Act (CEAA) requirements?       Yes       No

**5.0 Funding**

	Percentage of Total Funding (%)	Amount (\$)
<b>Total Estimated Funding Requested</b>		
Federal Funding	50	0.0
Provincial Funding	50	0.0
<b>1<sup>st</sup> Payment</b> (up to a maximum of 20% of total funding requested)		0.0
<b>2<sup>nd</sup> Payment</b> (up to a maximum of 50% of total funding requested)		0.0
<b>Final Payment</b>		0.0

**6.0 Milestones**

	n/a not applicable	Initial Estimate Date (yyyy-mm-dd)	Revised Estimate Date (yyyy-mm-d)
<b>Development Schedule</b>			
Construction/Repair Start	<input type="checkbox"/>		
Substantial Completion	<input type="checkbox"/>		
Completion/Occupancy	<input type="checkbox"/>		

## APPENDIX E – SHRRP Business Case

Under SHRRP, social housing regeneration projects may be permitted within an SM's social housing portfolio. Regeneration is the physical upgrading of a project that is physically and functionally obsolete.

A business case is required for all social housing regeneration proposals.

The ministry will review all business cases to determine eligibility for program funding.

**Social Housing Regeneration Proposals should be submitted to the Team Lead, Regional Housing Services, at the local Municipal Services Office.**

### Regeneration projects typically involve:

- Conversion of units in response to changing client needs
- Rehabilitation of a vacant, or abandoned unit in very poor condition
- Demolition and reconstruction of all or part of a social housing project due to the functional obsolescence and/or poor condition of the units
- The unit/building type, physical placement, and density of the units may also be altered based on a best-use analysis of the site.

### Business cases should include:

- A detailed description of why the social housing project is physically and functionally obsolete
- An analysis of the social housing project, including the preferred regeneration option and the alternative development options evaluated
- Drawings or site plans of the regeneration proposal, if available
- Details of any existing social housing mortgages. Please provide copies of the mortgage documents and, if applicable, any project operating agreements registered on title
- A Ministerial Consent may be required under the *Social Housing Reform Act, 2000* (SHRA) or a Transfer Order under the SHRA
- An estimated project capital budget outlining the total regeneration costs involved, including “soft” costs (consulting fees, professional fees, permit and application fees, development charges, etc.) and “hard” construction costs
- An estimated budget outlining all sources of funding for the regeneration project including SHRRP funds, other government assistance, municipal

contributions, contributions by others (including the proponent) and private financing

- An estimated project operating budget confirming there will be no operating deficits caused as a result of the regeneration
- Confirmation that there will be no reduction of SM service level standards due to the regeneration project. The number of existing social housing rent-geared-to-income units under administration must not be reduced as a result of the regeneration. Any units lost due to regeneration must be replaced elsewhere within the service area
- A detailed development schedule listing project milestones with estimated start and completion dates. Milestones should include municipal planning and building approvals, soils remediation, construction tenders, construction work, and any other details relevant to the proposal
- For social housing regeneration proposals involving in-situ residents, a tenant relocation plan provided by the delivery partner must be reviewed and approved by the SM.

## APPENDIX F – SAMPLE Funding Agreement (FA)

[Ministry Letterhead]

DATE

SM NAME

SM TITLE

SM ADDRESS

Dear Mr./Ms. XXX:

Re:

Service Manager:

Funding Agreement Reference No:

AIMS Project Reference No:

**Funding Agreement Letter**

**Canada-Ontario Affordable Housing Initiative**

**Social Housing Renovation and Retrofit Program (SHRRP)**

I am pleased to confirm that funding in the amount of \$XXX for XX units for the attached project(s) has been approved under the Social Housing Renovation and Retrofit Program (SHRRP) of the Canada-Ontario Affordable Housing Initiative.

The SHRRP is a two-year initiative cost shared equally between the federal and provincial governments. A total of \$704 million will be provided to Service Managers across Ontario for renovations and energy efficiency retrofits to eligible social housing projects. Up to 10% of total SHRRP funding may be allocated to social housing regeneration projects, upon Ministry approval of Service Manager business cases.

Funding for the project(s) is conditional on the achievement of specific milestones.

Under this SHRRP Funding Agreement, the SM (NAME) and the Ministry agree to the foregoing:

- The province and the Service Manager for the jurisdiction in which the projects will be built shall have signed an Administration Agreement part of which pertains to SHRRP.
- The Ministry acknowledges that it has approved the SM recommended scope of work summary for the proposed social housing renovations/retrofits, the eligible

capital expenditures set out in the attached PIF(s), and for social housing regeneration, the related business case(s).

- The SM acknowledges that the social housing units funded under the SHRRP shall remain under the SM's administration, and remain affordable to targeted households over the minimum 10 year affordability period.
- The SM shall ensure that the social housing provider has obtained Ministerial Consent, if required under the *Social Housing Reform Act, 2000*.
- SMs are required to provide certain reports to the Ministry as set out in the SM's Administration Agreement. These include a Project Information Form (PIF) through the Affordable Housing Information System (AIMS) when a project has commenced the repairs/construction work and when repairs/construction are 90% complete, status reports while the project is under development and a report annually thereafter for the minimum 10-year affordability period following the completion of the repairs/construction.
- **The SM acknowledges that the Repairs/Construction of SHRPP projects must start within three (3) months of the date that this Funding Agreement letter has been fully executed by the Ministry and the SM. The SM further acknowledges that should a project not meet this requirement, this Funding Agreement shall terminate, and the Ministry shall demand repayment of all funding for the project and re-allocate the funding in order to ensure timely fulfillment of overall fiscal targets.**
- The SM agrees to comply with all of the terms and conditions set out in the SM's Administration Agreement and the *Social Housing Renovation and Retrofit Program Guidelines* (the "SHRPP Guidelines").
- The social housing provider shall submit to the SM within three months following the full completion of the repairs/construction related to the project, an audited statement in accordance with the SM's Administration Agreement and SHRPP Guidelines respecting its expenditure of the funds provided pursuant to this Funding Agreement. The SM will provide this audited statement to the Ministry in accordance with the SM's Administration Agreement.

The SM will begin receiving SHRRP funding for the (NAME of social housing project or attached list) from the province, once this Funding Agreement between the Ministry and the SM has been signed.

SHRRP payments shall be advanced for the/each project according to the following milestones:

- 20% of the approved estimated project costs when the funding agreement is executed.

- 50% of the approved estimated project costs at construction start (that is, when construction contract is signed or, in special circumstances, when materials must be pre-ordered).
- Final 30% to be paid when construction is approximately 90% complete.

However, the Ministry will have no obligation to make any of the above payments if the SM has not submitted, where applicable, the report to which the payment relates.

In order to confirm your agreement with the above conditions, please sign in the space provided below and return a fully executed copy of this letter to us.

Please also complete and return the attached Direct Deposit Authorization Form within 30 days from the date of this letter.

Please send both documents to the Ministry of Municipal Affairs and Housing (MMAH) Municipal Services Office in your area:

Attention: MSO Contact Name  
Team Lead, Regional Housing Services  
MSO Office Address

Telephone: MSO Number

Please be advised that this conditional funding commitment is confidential until a joint federal-provincial-municipal announcement is made.

Yours truly,

Name

Director, Housing Programs Branch

Attachments: 1. Service Manager Confirmation for Sign-back  
2. Direct Deposit Authorization Form

c: MSO Name, Team Lead, Regional Housing Services, MSO –

Service Manager Confirmation

I understand and agree to abide with the terms and conditions of Social Housing Renovations and Retrofit Program funding under this letter for the \_\_\_\_\_ project in \_\_\_\_\_.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Name and Title of Service Manager

I have the authority to bind the Service Manager

## APPENDIX G – Examples of Energy Efficiency Upgrades

<b>Heating Systems</b>	
	An ENERGYSTAR qualified gas furnace that has a 92% annual fuel utilization efficiency or higher
	An ENERGYSTAR qualified condensing gas boiler that has a 90% AFUE or higher
	An ENERGYSTAR qualified oil boiler that has an 85% AFUE or higher
	An ENERGYSTAR qualified oil furnace that has an 85% AFUE or higher and a brushless DC motor
	A CAN/CSA-C448 compliant earth-energy system (ground or water source)
	Replacing the heat pump unit of an existing earth-energy system (ground or water source) The system must be compliant with CAN/CSA – C448
<b>Ventilation</b>	
	Install a heat recovery ventilator that is 70% efficient or better
	Replace motors to high-efficiency with variable speed / variable frequency drives (VSD / VFD)
<b>Cooling System</b>	
	Replace central air-conditioning with an ENERGYSTAR qualified system that has a SEER 14.5 or higher (complete system replacement, including any indoor or outdoor components)
	Replace window air conditioners with ENERGYSTAR qualified units
	Replace chiller with high efficiency model
<b>Domestic Hot Water</b>	
	Install solar domestic hot water heater system that meets the CAN / CSA F378.87 standards and provides a minimum contribution of 6000 megajoules per year
	Replace domestic hot water heater with an Energy Star qualified instantaneous gas-fired water heater that has an energy factor (EF) of .82 or higher
	Replace domestic hot water heater with a condensing gas storage type water heater that has a thermal efficiency of 90% AFUE or higher
<b>Ceiling Insulation</b>	
	Increase attic insulation to achieve a total minimum insulation value of RSI (R 40)
	Increase flat roof to RSI 5 – R-28
<b>Exterior Wall Insulation</b>	
	Insulate exterior wall with minimum additional of R 3.8
	Insulate empty exterior wall cavities to RSI 2.11 (100 mm cavities) and RSI 3.5 R20 in 150 mm cavities
<b>Exposed floor insulation</b>	
	Insulate exposed floor and increase its insulation value to a minimum of RSI 3.5 (R 20)

<b>Basement Insulation</b>		
	Insulate basement walls with minimum additional insulation of R 10	
<b>Basement Header Insulation</b>		
	Seal all basement header area and increase its insulation value by a minimum of RSI 3.5 (R 20)	
<b>Crawl Space Insulation</b>		
	Insulate crawl space walls with Minimum R 10	
	Insulate 100 percent of the floor above the crawl space to increase its insulation by a minimum of RSI 4.2 (R 24)	
<b>Doors / Windows</b>		
	Replace windows and skylights with models with that are ENERGYSTAR qualified for climate zone	
	Replace exterior doors with ENERGY STAR qualified for climate zone	
<b>Water Conservation</b>		
	Replace toilet with low flush model or dual flush rated at 6 litres. A product list is available at veritec.ca	
	Replace washing machines with ENERGYSTAR rated front loading horizontal axis (H axis) units	
	Replace all leaking fixtures using washerless type taps and low flow aerators	
	Change all shower heads and faucet aerators to low flow models	
<b>Lighting</b>		
	Replace indoor and outdoor light fixtures to more efficient models – T8 or T5 fluorescents, LED and High Intensity Discharge (HID) lighting	
	Replace all existing incandescent exit signs to LED exit signs	
<b>Energy Management Control Systems</b>		
	Implement direct digital controls (DDC), occupancy / motion sensors, programmable thermostats, photocells and direct load controls	
	Add control to schedule make up air, central exhaust and laundry room exhaust systems	

## APPENDIX H – Canadian Environment Assessment Act (CEAA)

Funding from CMHC is now subject to the *Canadian Environmental Assessment Act* (CEAA.) To be eligible for funding, a proponent must confirm that the proposal:

1. Does not involve construction, expansion, modification or demolition within 30m of a water body.
2. Does not involve construction, expansion or modification with a footprint of more than 500m<sup>2</sup> on land not serviced at the time of the commitment.
3. Does not involve the likely releasing of a polluting substance into a water body.
4. Does not involve the demolition of a building where its floor area is more than 1,000m<sup>2</sup> or where the proposal is to be carried out within 30m of another building.
5. Does not:
  - possibly affect the permafrost AND
  - take place on land not serviced at the time of the commitment AND
  - involve construction or expansion of a sidewalk, boardwalk, path, pedestrian ramp or access road longer than 100m.
6. Does not involve construction or expansion or modification in a national park, park reserve, national historic site or historic canal.
7. Does not involve a USE OTHER THAN:
  - residential accommodations
  - institutional accommodations offices
  - common-carrier-passenger facilities and services
  - retail sales facilities
  - medical, educational, informational or recreational facilities or services
  - food services
  - parking facilities
  - non-hazardous storage
  - presenting artistic, cultural, sporting or other community-related events.

The above requirements do not negate the provision of a Phase 1 ESA that may be required for Ministerial Consent.

## APPENDIX I - Municipal Services Offices (MSO) - Contacts

Service Managers are encouraged to contact their regional Municipal Services Offices if they require clarification or have questions regarding the Social Housing Renovation and Retrofit Program Guidelines.

<p><b>Canada-Ontario Affordable Housing Program Housing Programs Branch</b> 777 Bay Street, 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-5013 Fax: (416) 585-7003 www.mah.gov.on.ca</p> <p>Community Partnerships and Projects Branch – Toronto Unit 777 Bay St., 2nd Floor Toronto, ON M5G 2E5 Tel: (416) 585-6711 Fax: (416) 585-6588</p> <p><u>Contact:</u> Chris Ryter, Manager, Community Partnerships and Projects Branch Tel: 416-585-6711 Email: chris.ryter@ontario.ca Serving: Toronto</p>	<p><b>Central Municipal Services Office</b> 777 Bay Street, 2nd Floor 2nd Floor Toronto ON M5G 2E5 General Inquiry: (416) 585-6226 Toll Free: 1-800-668-0230 Fax: (416) 585-6882</p> <p><u>Contact:</u> Ian Russell, Team Lead, Regional Housing Services Tel: 416-585-6965 Email: ian.russell@ontario.ca</p> <p>Serving: Peel, Durham, Halton, York, Simcoe, Muskoka</p>
<p><b>Eastern Municipal Services Office</b> 8 Estate Lane Rockwood House Kingston ON K7M 9A8 General Inquiry: (613) 548-4304 Toll Free: 1-800-267-9438 Fax: (613) 548-6822</p> <p><u>Contact:</u> Mila Kolokolnikova, Team Lead, Regional Housing Services</p>	<p><b>Western Municipal Services Office</b> 659 Exeter Road, 2nd Floor London ON N6E 1L3 General Inquiry: (519) 873-4020 Toll Free: 1-800-265-4736 Fax: (519) 873-4018</p> <p><u>Contact:</u> Tony Brutto, Team Lead, Regional Housing Services Tel: 519-873-4032 Email: tony.brutto@ontario.ca</p>

<p>Tel: 613-545-2123  Email: mila.kolokolnikova@ontario.ca</p> <p>Serving: Northumberland, Peterborough, Kawartha Lakes, Ottawa, Kingston, Hastings, Lanark, Leeds &amp; Grenville, Lennox &amp; Addington, Prescott &amp; Russell, Renfrew, Cornwall</p>	<p>Serving: Hamilton, Waterloo, Wellington, Bruce, St. Thomas, Windsor, Grey, Huron, Chatham-Kent, Lambton, London, Niagara, Oxford, Stratford, Norfolk, Brantford, Dufferin</p>
<p><b>Northeastern Municipal Services Office</b>  159 Cedar Street, Suite 401  Sudbury ON P3E 6A5  General Inquiry: (705) 564-0120  Toll Free: 1-800-461-1193  Fax: (705) 564-6863</p> <p>Contact: Cindy Couillard, Team Lead, Regional Housing Services  Tel: 705-564-6808  Email: cindy.couillard@ontario.ca</p> <p>Serving: Parry Sound, Sault Ste Marie, Algoma, Cochrane, Manitoulin, Nipissing, Sudbury, Timiskaming</p>	<p><b>Northwestern Municipal Services Office</b>  435 James Street, Suite 223  Thunder Bay ON P7E 6S7  General Inquiry: (807) 475-1651  Toll Free: 1-800-465-5027  Fax: (807) 475-1196</p> <p>Contact: Peter Boban, Team Lead, Regional Housing Services  Tel: 807-473-3017  Email: peter.boban@ontario.ca</p> <p>Serving: Kenora, Rainy River, Thunder Bay</p>