

**Social Housing Renovation and
Retrofit Program (SHRRP)
Question & Answer – Round 2
October 21, 2009**

These Questions and Answers are meant to assist Service Managers in their understanding of the SHRRP. In the case of a conflict of information, the Administration Agreement and Schedules prevail, not the Qs & As.

The program guidelines have been posted on the MMAH website, in English <http://www.mah.gov.on.ca/Page6602.aspx> and French <http://www.mah.gov.on.ca/Page6603.aspx>

Q1. For the purposes of a Project Information Form (PIF), how is a project defined?

A1. A project is defined as one of the following: (1) individual building with a distinct address; or, (2) multiple buildings with distinct addresses sharing a common feature. For example, row houses or townhouses that have distinct addresses, but share a common element such as a parking lot or walkway could be done under one PIF.

Scattered units with distinct addresses could be done under one PIF (including all the extra addresses), provided one of the following:

- a. the units are under the same housing provider and under the same mortgage; or
- b. the units are under the same OHC project, in accordance with the Transfer Order.

When submitting a PIF for scattered units, enter the total number of units covered under the mortgage or transfer order in the Project Information section and the number of units under repair in the Repair Details section of the PIF.

Q2 .Can more than one Project Information Form (PIF) be grouped together into one Funding Agreement (FA)?

A2. Yes, multiple PIFs can be grouped together. When submitting PIFs, Service Managers should indicate which ones they would like grouped together. Remember that all PIFs associated under the same funding agreement must start construction within three months of signing the FA.

Q3. What is the definition of affordable rent and when does the affordability period begin?

A3. Since the administration agreement was developed, it has been brought to the Ministry's attention that the definitions of affordable rent and the affordability period, as defined in Appendix B (Rental Protocol) of the SHRRP schedule, needs to be reviewed.

Initially, the Ministry assumed social housing providers would already meet Canada Mortgage and Housing Corporation (CMHC) requirements for affordability, and only those providers whose mortgages expired would be subject to the rental protocol as of the expiry date. It has since become clear that for projects with non-RGI (rent-geared-to-income) units, it will be difficult to meet the affordability requirements.

To address this challenge, the Ministry is considering changing the definition of affordable rent and adding a definition of an affordability period for projects with non-RGI units. The new definition of affordable rent will allow averaging rents paid by non-RGI tenants and RGI tenants across the project. The affordability period for projects with non-RGI units will begin when the housing provider first receives SHRRP funding for the project.

Affordable rent will be defined based on the following principles: (1) The average rent per unit type must be at or below the CMHC Average Market Rent in the geographical area, as determined in the most recent CMHC Annual Rental Market Report; and, (2) the weighted-average rent for all units in the project must be at or below 80% of CMHC Annual Market Rent.

We expect these changes will allow housing providers to meet the affordability requirement. Formal direction will be provided to Service Managers regarding these changes.

Q4. What are the Service Manager reporting requirements during the 10-year reporting period following the date of the Administration Agreement?

A4. Since the administration agreement was developed, it has been brought to the Ministry's attention that the reporting requirements, as defined in Appendix B of the SHRRP schedule, need to be reviewed.

The administration agreement originally required Service Managers to receive an independently audited financial statement from the housing provider confirming that all funding provided to the housing provider was used for approved eligible capital expenses.

The Ministry is considering a revision to this reporting requirement. The revised reporting requirements will require the Service Manager to submit a statement indicating that the housing provider's annual audited financial statements contain a note(s) or supplementary schedule(s) reporting the total amount of SHRRP funding the housing provider spent on the project.

Since the provider is already required to prepare annual audited financial statements, the Ministry expects the proposed revision to the reporting requirement will not create an additional audit burden. Formal direction will be provided to Service Managers regarding this change.

Q5. Will Ministerial consent ever be required under the SHRR Program?

A5. Based on PIF submissions, it has come to the Ministry's attention that there is a need to provide clarification regarding the type of work that may require Ministerial consent.

If a capital renovation or retrofit project relates to a public housing project or to a federal project whose operating agreement was not terminated by the *Social Housing Reform Act, 2000* and it is proposed that the work affect the structure, configuration or foundation of the project, is to add to or reduce the number of units in the project or is to add to the project in any way, Ministerial Consent may be required.

Examples include, but are not limited to: the addition of an elevator to an existing building; any additions to the building or property; any internal changes to the building to facilitate a project that will result in going substantially below the existing basement grade or floor (i.e. digging); any change in the configuration of unit types or location.

If the capital renovation or retrofit project relates to a housing project under Part VI of the *Social Housing Reform Act, 2000* (non-profit housing) or if it otherwise does not need consent and the proposed work is as described above, the Ministry may simply request that the housing provider provide sufficient information about the capital renovation or retrofit project to allow the Ministry to make the primary lender under the social housing mortgage aware of the changes that will be made to its security.

Whether Ministerial consent is required will be assessed on a case-by-case basis and will depend on, among other things, the scope of the proposed work. Refer to Appendix A of the SHRRP guidelines for more information regarding Ministerial Consents.

Q6. In view of potential demand for materials and services in specific areas will there be any group/bulk purchasing organized or co-ordination of service on a Regional basis?

A6. The Ministry has been informed that some Service Managers are bulk buying within their municipal area. In addition, Social Housing Services Corporation (SHSC) has developed a bulk buy program that follows municipal best practices and complies with SHRRP purchasing rules for products such as energy star refrigerators and stoves, low-flow toilets, windows, furnaces and lighting fixtures. Where possible, the Ministry encourages Service Managers to follow bulk-purchasing opportunities.