



## Federal Community Housing Initiative – Phase 2

### Questions and Answers

#### What is the new rental assistance program?

Phase 2 of the Federal Community Housing Initiative (FCHI-2) is a rental assistance program for community housing providers. It supplements the difference between the occupancy charge and the rent-geared-to-income charged to low-income tenants.

The program is for those reaching the expiration of their federally administered operating agreement from past social and affordable housing programs. Phase 2 is an independent program. It is not an extension or continuation of other programs or prior agreements.

Phase 2 of the Federal Community Housing Initiative will provide funding from April 1, 2020 until March 31, 2028.

#### Who is eligible for this funding?

The rental assistance program is for providers whose CMHC operating agreement ends between April 1, 2016 and March 31, 2028.

Eligible federally administered community housing providers include those with an expiring operating agreement from the following social housing programs\*:

- Section 95 (Pre-86) non-profit, co-operative, urban native
- Section 95 (Post-85) non-profit, co-operative, urban native
- Section 95 (Post-85) Index-Linked-Mortgage (ILM) co-operatives
- Section 27, 61 non-profit and co-operatives
- Section 26 non-profit
- Section 95 Rent Supplement (units currently leased from a private landlord and rented to those in need)

*\*Projects with provincial rent supplement agreements still in effect are not eligible for federal rental assistance. These include provincial rent supplement, unilateral or cost-shared agreements with the federal government.*

#### Is our project eligible if our operating agreement expired before April 2016 or if we opted out of FCHI-1?

Work is underway to determine how the Phase 2 may be available to select eligible former federally administered community housing providers:

- with expired agreements prior to April 2016
- who opted out of FCHI-1



Detailed eligibility information will be available once there is a better understanding of take-up and available funds.

### **How does it work for operating agreements that expire between now and February 2020?**

Housing providers with an operating agreement in effect until February 2020 continue to be eligible for FCHI Phase 1 (FCHI-1) and will be contacted by CMHC. They will also be eligible for FCHI-2.

- **FCHI-1:** In order to continue to receive existing subsidies until March 2020, providers will need to sign on to FCHI-1, extending the operating agreement until March 31, 2020, provided the project is in compliance.
- **FCHI-2:** In order to begin receiving rental assistance under FCHI-2 beginning April 2020, providers will need to complete and return the FCHI-2 package to CMHC, before November 20, 2019.

CMHC will work closely with housing providers by reaching out to them at least six (6) months before the expiration of their operating agreement.

### **What is the enrolment process for FCHI-2?**

Eligible housing providers will receive an enrolment package from CMHC 6 months prior to the expiration of the operating agreement. Providers must complete and sign the required forms and return the documents to CMHC to enrol.

CMHC will start the process once the signed forms are received.

### **When does the agreement take effect?**

The new agreement will have full force and effect from the effective date of the newly signed agreement, provided the existing operating agreement has expired.

For example:

If your operating agreement ends March 31, 2020, your rental assistance agreement will become effective on April 1, 2020.

### **How long does this new agreement run?**

All new agreements end on March 31, 2028 no matter when they took effect.



**We have multiple operating agreements with different expiration dates. Do we have to wait until the last expiration before enrolling for rental assistance?**

The eligibility for rental assistance is subject to each Agreement's expiration date. CMHC will contact you 6 months prior to every agreement expiration date and confirm whether you want to opt-in or opt-out of the program.

**How much rental assistance will my project receive?**

CMHC will determine the amount of funding you will receive following the receipt of the enrolment forms.

The annual funding allocation is confirmed when CMHC has completed the assessment. It determines the amount of money needed to supplement the difference between the occupancy charge and the rent-geared-to-income charged to low-income tenants. CMHC will make payments directly to you – the community housing provider.

Tenants will not pay more than 30% of the household's total monthly-adjusted income for rent.

**Although the program provides rental assistance, will there still be support to help improve our operations?**

We anticipate that you will continue to strengthen your housing project to ensure long-term preservation of the community housing stock.

Although it is not a condition of funding, we will ask you to demonstrate progress on an agreed upon action plan that improves levels of:  
asset management

- governance
- social inclusion
- financial viability

You will also need to propose and submit a 3-year action plan within the first year of your agreement. It should describe annual milestones that you will meet throughout the duration of your agreement. To do this, you will need to complete a self-assessment. CMHC will be there to assist you in that process, as required.

CMHC will assess the achievement of the action plan milestones annually and work with you every 3 years to develop new action plans as required until the end of the FCHI-2 agreement.

Examples of activities and elements that could be included in a project's action plan (non-exhaustive list) include:

- Completion of a building condition assessment (BCA)
- Adequate contribution and management of replacement reserve funds
- Inclusion of accessibility features in buildings



- Asset modernization

### **What are the conditions for funding?**

You will be required to provide supporting documentation that confirms the funds provided under the program are used as intended. Documentation that satisfies agreement compliance includes annual funding reconciliations, financial statements, and budgets.

### **What if we don't want to sign a new agreement or we change our mind and decide to opt-out of the program?**

If you choose to opt-out of Phase 2, you can still opt-in later and will be subject to available rental assistance funding at such time.

If you opted-in to the rental assistance program, you can withdraw from the program or the process at any time. You must provide written documentation.

If you choose not to sign a new agreement with CMHC, you must decline the offer through the provided opt-in/opt-out form.

### **How can we access transitional assistance?**

You may be able to access temporary transitional assistance to help move to the new program.

If you are experiencing challenges transitioning, you may qualify for one-time transitional assistance to help fund some operating costs for up to 2 years.

CMHC will complete an initial analysis and work with you to determine if this assistance can address your needs.

Allocation of transitional funding focus on set criteria to **serve projects most in need**, such as:

- inclusion of vulnerable populations
- percent of subsidized units in the project
- average income level of tenants

### **Can we access other National Housing Strategy or CMHC funding if we are receiving rental assistance?**

Yes. You can apply for other programs that will help you remain operationally viable and improve your long-term financial sustainability. You can enter into redevelopment planning and discussions with CMHC or other housing sector associations. CMHC will work with housing providers to promote and raise awareness of other funding available.

Here are a few options:

- [National Housing Co-investment Fund](#) provides funding for new construction and revitalization projects



- [Community Housing Transformation Centre](#) helps increase capacity, adapt and strengthen the viability of the community-housing sector in key areas

**Please note:** An approval of funding under the FCHI-2 program doesn't guarantee an approval for other types of funding or assistance, including Federal/Provincial/Territorial assistance.