



Housing Services Notice

Date: July 8, 2016

HSN#: 2016-04

This applicable legislation/policy is to be implemented effective this date by the housing provider(s) under the following programs:

Please note, if your program is **not checked**, this change is **not applicable** to your project.

- Federal Non-Profit Housing Program
- Federal Section 26/27 Housing Program
- Federal Urban Native Non-Profit Housing Program
- Private Non-Profit Housing Program
- Municipal Non-Profit Housing Program (Pre-1986)
- Local Housing Corporation
- Local Housing Corporation – Rent Supplement Programs
- Nipissing District Housing Registry

Subject: Social Housing Improvement Program (SHIP) Guidelines
NOTE: TIME SENSITIVE ACTION REQUIRED!

Background:

- The 2016 federal budget announced the federal government's Social Infrastructure Fund (SIF).
- This included \$209.3 million to the province of Ontario in 2016-17 for the renovation and retrofit of social housing. Service Managers will be able to use

funding to deliver tailored programs that incorporate local considerations to respond to provincial priorities.

- The Social Housing Improvement Program (SHIP) is a capital program that aims to improve and preserve the quality of social housing in the province and ensure its long term physical sustainability. The objective of the program is to assist in the repair, and energy and water retrofit of existing social housing to address capital needs, improve energy efficiency and reduce greenhouse gas emissions.
- SHIP funding is not intended to replace activities supported by Federal funding received under the Housing Services Act (HSA) 2011.
- As the Service Manager (SM) for the District of Nipissing, the DNSSAB is responsible for selecting and approving all eligible SHIP projects, monitoring progress and completion of projects, quality of work and for the advancement of funds.

Action:

- In order to help us prepare for the allocation of this funding, the DNSSAB is asking housing providers to provide the DNSSAB with a list of potential capital repair projects that could qualify for the program as per the program criteria as described in the attachment (Appendix A).
- Please use the attached form for your submission to the DNSSAB (Appendix B).
- The DNSSAB is requiring that the provider submit their list of repair projects to the DNSSAB no later than **August 2nd, 2016**. The DNSSAB recognizes that this does not leave our providers much time to prepare, however it is necessary in order to secure the funding from the Province for your projects.

Appendix A

SHIP Program Guidelines

Introduction

The Social Housing Improvement Program (SHIP) is a capital program that aims to improve and preserve the quality of social housing in the province and ensure its long term physical sustainability.

The objective of the program is to assist in the repair, and energy and water retrofit of existing social housing to address capital needs, improve energy efficiency and reduce greenhouse gas emissions.

This funding is not subject to any cost matching requirements by the DNSSAB or the housing providers.

SHIP funding is not intended to replace activities supported by Federal funding received under the Housing Services Act (HSA) 2011.

General Eligible Activities and Costs

Social housing projects eligible for SHIP funding must fulfill the following criteria:

- As of April 1, 2016, the project was administered within a “Transferred Housing Program” in Schedule 1, Regulation 367/11 of the Housing Services Act (HSA), 2011.
- At the time of the commitment and use of the SHIP funding for the project, the project is still within a “Transferred Housing Program” in Schedule 1, Regulation 367/11 of the Housing Services Act (HSA), 2011.

However, projects within Transferred Housing Program No 2(A) and 2(B): Rent Supplement Program under the “Transferred Housing Program” in Schedule 1 are not eligible.

The DNSSAB must ensure that all funds go towards critical repair and renovation work by prioritizing capital needs that extend the long term physical sustainability of the social housing projects.

Renovation/retrofit activities eligible to receive SHIP funding include the following:

- Replacement or reconstruction of worn out or obsolete major buildings or site components, major building system or services, basic facilities and

- equipment, kitchen and bathroom facilities, safety features, parking facilities and walkways.
- Upgrading any of the foregoing to modest modern standards.
 - Substantial modifications to provide or improve accessibility for persons with disabilities.

Additional activities eligible to receive SHIP funding include:

- Upgrades carried out for improving energy efficiency as determined by a qualified professional.
- Water conservation upgrades.
- Regeneration within the portfolio of existing eligible social housing including conversion of units, and demolition and reconstruction of all or part of a project.

The DNSSAB must ensure that in any redevelopment/regeneration project at least the previous number of RGI units is maintained at a minimum. Regeneration options should be considered if it assists in promoting long term financial viability, does not create operating deficits, and is consistent with SHIP program guidelines.

Soft costs are permitted under the program. They 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. All soft costs as a proportion of total construction budgets must be in accordance with industry norms.

Repairs must commence within 3 months of the date of funding commitment of the project and completed within 2 years of the date of funding commitment.

Copies of all financial invoices must be kept for reporting and audit purposes.

Ineligible Expenditures

The following costs are not eligible capital expenditures:

- Costs for ongoing or routine maintenance and repairs, as these are already covered under an annual operating budget
- Costs related to repair projects already included in annual capital plans
- Construction of new social housing units outside the social housing portfolio

Energy Efficiency

Energy efficiency work carried out in a building is expected to achieve minimum energy efficiency standard appropriate to the type of structure:

- Low rise building: 5 point increase on the EnerGuide for Homes scale.
- High-rise building: 15% improvement over the current baseline energy efficiency of the building/unit

The Ministry of Housing encourages the use of energy-saving products or systems for the required repairs to housing under SHIP.

Affordability Criteria

In all cases, funded social housing projects must remain affordable for a ten-year period after the completion of the funded repair/retrofit or regeneration activities, including a minimum of five (5) years during which it will operate as social housing under the Housing Services Act, 2011. This requirement applies regardless of any mortgage obligations or agreements between the DNSSAB and housing provider.

“Affordable” means units rented at the low end of market rent as determined by the DNSSAB.

Funding

Funding is provided in the form of a capital contribution to the housing provider based on the estimated cost of approved work items. In order to provide significant flexibility for SMs to address capital repair needs of social housing projects, the Ministry has not set any limit on the maximum amount of funding per unit.

The DNSSAB must not reduce existing subsidy payments to social housing providers as a result of the new SHIP funding.

Project Submission Process

The DNSSAB is responsible for selecting and approving all eligible SHIP projects, monitoring progress and completion of projects, quality of work and for the advancement of funds.

The DNSSAB must only approve projects that reflect value for money and make prudent use of public funds.

The DNSSAB must not approve a funding request unless the housing provider has agreed to operate the project as per the affordability requirements outlined above and has signed a contribution agreement with the DNSSAB.

Contribution Agreements (CAs)

A contribution agreement (CA) to be established by the DNSSAB must be signed between the DNSSAB and the housing provider for every project and submitted to the Ministry of Housing. The CA shall describe legal obligations and reporting requirements for the project. A fully executed CA must be in place prior to the DNSSAB making any payments to the housing provider under the program.

Reporting

A key condition of this funding is that program reporting take place quarterly on each project. The DNSSAB is required to report to the ministry on the status of each project during its repair, retrofit and regeneration activities. The DNSSAB must update progress on project activities and payments to housing providers regularly.

The DNSSAB must submit confirmation of construction start and completion for each project.

The DNSSAB must submit an Annual Program Compliance Attestation Report by April 15 in each year until the expiry of the Ten Year Affordability Period for each social housing project that received SHIP funding.

Accordingly, the DNSSAB will be requesting progress reports from the housing providers in order to meet the reporting requirements outlined above. Housing providers must submit the requested reports by the dates specified in order to maintain their eligibility for this funding.

Appendix B

PROVIDER NAME: _____

SUBMISSION DATE: _____

AUTHORIZED SIGNATURE: _____

Proposed Repair Project Description	Project Address	Number of Units Affected (or square footage of Common Areas)	Anticipated Completion Date	Anticipated Total Cost of Project