

| <b>Appendix 2</b>   |   |
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| <b>Government Programs Supporting the Creation of New Housing Co-operatives</b> |   |
| <b>1. Federal Government - Co-op Housing Development Program (CHDP) (NEW)</b>   |   |
| <b>Description</b>  | \$1.5 billion in funding available in the form of forgivable and low-interest repayable loans through a callout application-based process. Funding will be committed over 4 years starting in 2024-25.  |
| <b>Goal</b>   | To increase the supply of new rental housing co-operatives that result in inclusive, strong communities that foster a sense of security, dignity and belonging.   |
| <b>Program Funding</b>  | <p><b><u>Co-op Housing Development Program loan structure</u></b><br/>Funding support is provided in the form of a combination of both forgivable and repayable loans. CMHC will fund up to 100% of the eligible soft and hard project costs (repayable and forgivable combined).</p> <p><u>Repayable loans</u></p> <ul style="list-style-type: none"> <li>• Up to two-thirds of project costs are available as repayable loans to fund projects.</li> <li>• Repayable loans will be low-interest and can be amortized up to 50 years.</li> <li>• Proponents have a 10-year term with the option to renew for a second 10-year term.</li> </ul> <p><u>Forgivable loans</u></p> <ul style="list-style-type: none"> <li>• Up to one-third of project costs are available as forgivable loans when combined with repayable loans.</li> <li>• Will be forgiven over 20 years and forgiveness is earned annually.</li> </ul> |
| <b>Eligible Applicants</b>  | <p><u>New and existing non-profit housing co-operatives:</u></p> <ul style="list-style-type: none"> <li>• As stand-alone co-operatives or in partnership with another non-profit (for example land trusts).</li> <li>• Student housing co-operatives.</li> <li>• Senior's housing co-operatives.</li> <li>• Indigenous co-operatives, including those in partnership with Indigenous governments and organizations.</li> </ul> <p><u>Land trusts</u></p> <p><b>NOTE: Homeownership and equity co-operatives, nursing homes and life lease projects are ineligible.</b></p>  |
| <b>Eligible Projects</b>  | <ul style="list-style-type: none"> <li>• New construction of residential development (may include densification projects).</li> <li>• Conversion of non-residential to residential.</li> <li>• Projects must create/purchase net new housing units regardless of tenure.</li> <li>• Must operate as a rental co-operative.</li> </ul>   |
| <b>Mandatory Minimum Requirements</b>   | <p><b>Project Size</b> – For cities &gt;100,000 population – minimum 75 units.</p> <p><b>Affordability</b> - Proponents must commit for a minimum of 20 years (from occupancy), to keep the rents/housing charges for 100% of units at or below 110% of the Median Market Rent (MMR) of post-2000 builds in the subject area (obtained from CMHC).</p> <p><b>Financial Feasibility</b> - Minimum debt coverage ratio (DCR) requirements:</p> <ul style="list-style-type: none"> <li>• DCR of 1.00 for residential loan component.</li> <li>• DCR of 1.40 for non-residential loan component.</li> </ul>   |

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|   | <ul style="list-style-type: none"> <li>• Loan applications will be qualified with a 100 bps (1.00%) spread over the CMHC indicative 10-year fixed rate. The spread is determined by CMHC and is subject to change from time-to-time.</li> </ul> <p><b>Energy Efficiency</b> – Projects must achieve Tier 2 of the 2020 NECB or Tier 3 of the 2020 NBC.</p> <p><b>Accessibility</b> - Projects must have:</p> <ol style="list-style-type: none"> <li>1. Minimum 20% of all units within the project meet or exceed accessibility standards (CSA B651/652 or Rick Hansen Foundation GOLD Accessibility Certification) with access to the project and its common areas being barrier free.</li> </ol> <p><b>OR</b></p> <ol style="list-style-type: none"> <li>2. Full universal design throughout the entire project (common areas and dwelling units).</li> </ol>  |
| <b>Duration</b>   | Annual application period between 2024 to 2027. Initial application window between July 15, 2024 and September 15, 2024.   |
| <b>2. Federal Government - Federal Lands Initiative (FLI) &amp; Public Lands for Homes Plan</b> |  |
| <b>Description</b>  | <p>\$316.9-million fund designed to support the transfer or leasing of surplus federal lands and buildings to eligible applicants. These properties are available at discounted or no cost, intended for development or renovation into affordable housing.</p> <p>The discount on the property purchase or lease depends on the level of social outcomes achieved by the approved proposal. Once transferred or leased, the properties will be developed or renovated into affordable, sustainable, accessible and socially inclusive housing.</p> <p>The Public Lands for Homes Plan commits to leasing public lands instead of selling them, ensuring that public land remains public and affordable homes stay affordable.</p> <p>Led by CMHC with support from Public Service and Procurement Canada (PSPC), Housing, Infrastructure and Communities Canada (HICC), and Canada Lands Company (CLC).</p> |
| <b>Goal</b>   | This investment aims to create at least 1,500 homes, including 600 affordable homes and will prioritize new approaches, such as leasing, to make federal lands available to affordable housing providers.  |
| <b>Program Funding</b>  | \$500 million in 2024 allocated for the Public Lands Acquisition Fund to buy land from other levels of government to add more lands to the Plan.   |
| <b>Eligible Applicants</b>  | <p><u>Open but not limited to the following groups:</u></p> <ul style="list-style-type: none"> <li>• Community housing organizations.</li> <li>• Non-profit organizations or registered charities.</li> <li>• Co-operative housing organizations.</li> <li>• Municipal, provincial and territorial governments including their agencies.</li> <li>• Indigenous governments and organizations, including Tribal Councils.</li> </ul>  |
| <b>Eligible Projects</b>  | <p>Include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Mixed-income.</li> <li>• Mixed-use (commercial space should not exceed 30% of gross floor area).</li> <li>• Mixed-tenure.</li> <li>• Shelters.</li> </ul>  |

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|   | <ul style="list-style-type: none"> <li>• Transitional housing.</li> <li>• Supportive housing.</li> <li>• Rental housing.</li> <li>• Affordable homeownership.</li> </ul>   |
| <b>Minimum Requirements</b>   | <p>Proposals to build or renovate surplus federal property into affordable housing must meet the following minimum requirements:</p> <p><b>Affordability:</b> At least 30% of units must be less than 80% of Median Market Rent, for a minimum of 25 years.</p> <p><b>Accessibility:</b> At least 20% of units must meet accessibility standards and projects must be barrier-free or demonstrate full universal design.</p> <p><b>Energy Efficiency:</b> New projects are required to achieve either a 25% decrease in energy consumption and greenhouse gas (GHG) emissions relative to the 2015 National Energy Code for Buildings or the 2015 National Building Code; OR a 15% decrease relative to the 2017 National Energy Code for Buildings.</p> <p><b>Evidence of Community Need:</b> Proponents must provide a clear description of how their project will meet the needs of the community and at least a letter of support from the municipality, a market study or waiting lists for social or affordable housing in the community.</p> <p><b>Experience:</b> Proponents, or their team, must indicate a minimum of 5 years of experience in the construction/renovation and operation of projects of similar size and scope.</p> <p><b>Financial Viability:</b> Projects must meet the minimum debt coverage ratio (DCR) of 1.10.</p> |
| <b>Available Sites</b>  | <p>The <i>Canada Lands Bank</i> currently identifies 70 surplus federally-owned properties appropriate for housing development across Canada. Five properties in Ontario, Quebec and Alberta have been offered for redevelopment through a recent expression of interest. In each case a potential unit yield has been identified by Canada Lands Corporation and at least 30% of the units must be made available at below 80% of the Median Market Rental Rent, for the term of the lease (99 years).</p> <p>The only site identified in Mississauga is <b>1 Port Street East</b>. It consists of 7.4 hectares/18.3 acres of development land located on the waterfront in Port Credit. The City's approved master plan outlines a vision for the site's redevelopment, including affordable housing, mixed-use residential and commercial space, a new public marina, parks, waterfront trail, public access to the waterfront, and other place-making opportunities.</p>   |
| <b>3. Province of Ontario – Community Housing Renewal Strategy</b>              |  |
|   | <p>On January 18, 2024, the provincial government announced \$646,790 over three years in funding for the Co-operative Housing Federation (CHF) of Canada to obtain financial and technical advice from asset management plans. The goal of the funding is for the CHF to use the funding to explore growth opportunities and develop asset management plans for 96 housing co-ops in Ontario. However, none of the 96 co-ops are in Mississauga.</p> <ul style="list-style-type: none"> <li>• In 2022, the Housing Services Act (HSA) was amended to reflect the end of mortgage that many co-ops were approaching. These changes reinforced the role of housing service managers, who are responsible for funding rental</li> </ul>  |

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|  | assistance for low-income households after the initial mortgage is paid off and the initial HSA obligations are fulfilled. Of the 251 co-ops governed by the HSA in Ontario, over half will reach the end of their mortgage by 2027. This means that negotiations between individual co-ops and municipal service managers are currently taking place for new service or exit agreements.   |
| <b>4. Ontario Bill 23 - Statutory Fee Exemptions</b>                                 |   |
|  | Non-profit housing including non-equity co-operative housing is eligible for exemptions from municipal community benefit contributions charges, development charge (both City and Region) and Parkland levies.  |
| <b>5. Region of Peel – Peel Affordable Rental Incentives Program (PARIP)</b>         |   |
|  | The Peel Affordable Rental Incentives Program (PARIP) was launched as a pilot program on July 7, 2020 which is a capital grant program designed to support private and non-profit developers building affordable rental housing. Co-op housing providers would be eligible for PARIP program incentives. However, the PARIP program 2022 update report noted that the need for up-front capital and long-term commitment from developers can be challenging for co-ops due to some co-ops need for acquiring land for development.  |
| <b>6. Region of Peel – Non-profit Housing Development Program</b>                    |   |
|  | Launched in 2024 with an initial funding of \$71 million to increase capacity in the non-profit sector by funding at least one project. A report is expected later in 2024 regarding a 10-year plan and required resources and funding. The program is expected to deliver deeply affordable housing. Co-op housing would be eligible.  |
| <b>7. City of Mississauga – Affordable Rental Housing Community Improvement Plan</b> |   |
|  | On July 31, 2024, the City passed the <i>Affordable Rental Housing Community Improvement Plan (CIP)</i> with \$44 million in funding to help get more affordable rental housing built citywide. The aim of the CIP is to quickly increase Mississauga's supply of affordable rental units and achieve gentle density rental units. Eligible projects for the CIP include non-profit housing co-ops, however, equity co-ops are not eligible. Co-ops that apply for the program must include five or more affordable rental or below market rental units and include a minimum 25- year affordability term for the affordable or below-market rental units The CIP also discusses land acquisition programs where the City may acquire land for the purpose of developing affordable housing. They are also enabled to issue requests for proposals for private development that achieves new rental affordable housing. Private, non equity co-ops along with community land trusts would be encouraged to submit proposals for these potential projects. Funds received from the Housing Accelerator Fund (HAF). |
| <b>8. City of Mississauga Housing Accelerator Action Plan</b>                        |   |
|  | In December, 2023, the City reached an agreement with the government of Canada to receive \$112.9 million in funds from the Housing Accelerator Fund (HAF) to deliver more homes and increase housing affordability. The funding allows for more than 13,000 permits for new homes to be approved by 2026. There is the potential that HAF funds can be used to support co-op development within Mississauga.   |