

## INFORMATION SHEET

### 2020 Ontario Renovates For Landlords Multi-Residential Rental Unit Rehabilitation Ontario Priorities Housing Initiative (OPHI)

#### Ontario Renovates Program Coordinator (PC) 613-966-1311 Ext. 4325

Disclaimer: Details contained herein are for informational purposes only, and are not to be relied upon as a comprehensive or precise representation of the program, its terms and conditions or eligibility rules.

Please read carefully before you decide to apply for a loan under the Ontario Renovates Program.

#### General Information

The Federal and Provincial governments have partnered to fund the Ontario Renovates program in Hastings County in 2020. The program expires December 11, 2020, or when program funds are depleted, whichever occurs first. Completed applications are generally processed on a first come first serve basis subject to a regard for a fair distribution of the program funds across the Multi-Residential Rental Unit Rehabilitation Program components and throughout The County of Hastings and the Cities of Belleville and Quinte West. An exception to the first come first serve basis may be approved where the Program Coordinator (PC), in its sole discretion, deems an adverse exceptional circumstance exists. Applications from landlord recipients of any capital component of Canada-Ontario Affordable Housing Program or previous Ontario Renovates funding may apply for new locations however may be processed in a lower priority regardless of the date received.

Multi Residential buildings funded by any capital component of Canada-Ontario Affordable Housing Program or previous Ontario Renovates funding are not eligible to receive current Ontario Renovates Program funding.

Funding is provided to landlords in the form of a 15 year forgivable Loan Agreement and a registered collateral Charge on title. The amount of funding per rental property may be up to a maximum of \$60,000 but the average funding of all applications under the program cannot exceed \$10,000 per unit.

If the applicant complies with program rules at all times the loan is payment free, interest free and forgivable. The period of forgiveness for Multi-Unit Rental Rehabilitation projects is 15 years. Provided the Landlord remains in compliance with program rules, the loan is forgiven at an equal rate per year over the program period. The earning of loan forgiveness begins on the date the Project Work passes final inspection.

The loan is repayable under certain circumstances. The full amount of the loan may be repayable if a lien, other charge or claim is made against the property. The full amount of the loan is repayable if information provided by the applicant is false or misrepresented or the applicant omits relevant information and/or the funding is used for purposes other than the approved use.

In other circumstances, the loan is repayable if the unit or project is sold or if rent levels are increased beyond allowable limits or the applicant no longer complies with the other program rules and requirements.

## Eligible Applicants

The following highlights applicant eligibility criteria.

1. A fully completed Ontario Renovates Application Form with all required information, documentation and verification attachments is required;
2. Photocopy of 2 pieces of government issued photo identification from every owner of the property;
3. Verification that the applicant(s) is/are the registered owner(s) of the building and property for which program funds are requested;
4. Applicants must demonstrate the on-going financial viability of both the project and the applicant(s) to the satisfaction of the Program Coordinator;
5. The building is located in the County of Hastings and the Cities of Belleville and Quinte West;
6. The building is more than five years old;
7. The total balance of all existing mortgages/charges and other financing on the property plus the estimated program loan amount do not exceed 100% of the market value of the property as determined by the MPAC assessed value or by a licensed qualified appraiser;
8. Payments on all mortgages/charges and other financing on the property must be up-to-date and not in arrears;
9. Building insurance coverage must be in place for the full value of the building/property and the premium must be paid up-to-date and not in arrears;
10. Property tax account is paid up-to-date and not in arrears;
11. Applicant must sign a forgivable Loan Agreement and register a collateral Charge on title;
12. Any work started prior to signing the Loan Agreement and registering the Charge on title, is not eligible for program funding;
13. The intended work must be eligible for program funds;
14. Work must commence within 45 days of the date the Loan Agreement is signed and the Charge is registered on title; and be completed within 120 days of commencement;
15. The need for and a description of the intended work must be confirmed by the local Building Department. Where confirmation by the local Building Department is not possible, a qualified professional must confirm the work. Qualified professional includes an inspector from the Electrical Safety Authority, Gas Company, Utility Company, Engineer, and in some cases a qualified Home Inspector, a Qualified Contractor, a Medical Professional or other person approved by the Program Coordinator. Confirmation of the need and work descriptions must be in a form and content and from a source acceptable to the Program Coordinator;
16. Quotes and estimates for the work must be from a qualified contractor and the relationship with the contractor must be at arms-length. "Arms-length" means a transaction in which the buyers and sellers of a product or service act independently and have no relationship to each other. The concept of an arm's length transaction is intended to facilitate a prudent use of public funds and ensure that the parties in the transaction are acting in their own self interest and are not subject to any pressure or undue influence from the other party;
17. The Landlord applicant must retain and submit copies of all financial records (including invoices and proof of payment) for reporting and audit purposes;
18. All work must be in accordance with applicable rules and regulations, including but not limited to zoning and municipal requirements;
19. The Landlord must maintain rents at or below the average market rents (AMR) provided by the Ministry Municipal Affairs and Housing each year and adhere to all other program requirements,

rules and timelines throughout the process and during the 15 year forgivable loan period. In the case of rooming houses, market rent must be at or below 60% of the average market rents.

### Program Rents for 2020

The average market rents for the purposes of the program are provided in the following table. Preference may be given to applications that propose a lower monthly rent than other applications.

Item	Bachelor \$	1 Bedroom \$	2 Bedroom \$	3 Bedroom \$	4 Bedroom \$
Maximum Apartment Market Rent – Includes Utilities	1025	1025	1200	1350	1475

**VERY IMPORTANT INFORMATION ►** About Inspections: You will note the need for an inspection from the local Building Department and where not possible, by a qualified professional. An inspector from the local Building Department or the qualified professional as the case may be, may be obligated to record any defects in the building/unit even if the defect was not part of the Ontario Renovates Loan Application.

The results of the inspection may remain on the record of your building and/or units with the local Building Department, and if so, all mandatory work must be completed even if you withdraw your application or if your application (all or in part) is not approved for funding. Please note that the program funding must be first applied to work identified as “mandatory” in the Inspection Report. It is also possible that the Ontario Renovates funding may not be enough to pay for all the work classified as mandatory and / or non-mandatory listed in the Inspection Report even if your application is approved. In this case, you may be responsible to complete the non funded mandatory items at your own expense prior to starting any approved Ontario Renovates funded work.

It is also important to note if the cost of the work described in the Inspection Reports is higher than the amount you requested on your application but lower than the maximum amounts allowed under the program, you may amend your application and request a higher loan amount. Such requests will be reviewed on a case-by case basis but there is no guarantee a request for a higher amount will be approved.

## General Eligible Project Work and Costs

Any work started prior to signing the Multi-Residential Rental Unit Rehabilitation Loan Agreement and registering the Charge on title, is not eligible for program funding. Applicants must obtain the necessary permits, approvals and final inspections for all work. In some cases, applicants may be required to obtain a Phase 1 Environmental Site Assessment (ESA). Eligible repairs for Ontario Renovates may include the following activities:

- Urgent and critical defects that render the building and/or units uninhabitable or if left unattended for a short period of time will render all or part of the building and/or units uninhabitable. Examples include severe water leaks (roof, basement), furnace or heat source condemned by the governing authority.
- Major repairs and rehabilitation required to correct defects. Examples include, but are not limited to: mold and asbestos remediation, heating systems, chimneys, doors and windows, foundations, roofs, walls, floors and ceilings, vents, louvers, electrical systems, plumbing, septic systems, well water, well drilling and fire safety remediation and may include carbon monoxide detectors.
- Modifications to increase accessibility related to housing and reasonably related to an occupant's disability including permanent installations of ramps, handrails, chair and bath lifts, height adjustments to countertops, and cues for doorbells/fire alarms.
- Repairs, rehabilitation or improvements to units in shelters funded in all, or in part by, the provincial government that assist victims of family violence.

Other eligible costs include labour and applicable taxes, building permits, legal fees, certificates, appraisal fees, inspection fees, drawing and specification and any other costs that the County of Hastings deems reasonable and that are agreed to by the Ministry of Municipal Affairs and Housing.

Ontario Renovates strongly encourages the use of energy-saving products or systems for the required repairs or rehabilitation.

## Ineligible Project Type

The following project types are not eligible for Ontario Renovates funding:

- conversion of non-residential space to residential space
- nursing homes, shelters (except those that house victims of family violence) and crisis care facilities (including hostels)
- projects receiving capital support from the Ministry of Health and Long-Term Care or the Ministry of Community and Social Services
- buildings funded by any capital component of Canada-Ontario Affordable Housing Program or previous Ontario Renovates funding
- projects receiving funding through the Canada Mortgage and Housing Corporation's Rental Construction Financing Program
- social housing as defined under the Housing Services Act, 2011

## VERY IMPORTANT INFORMATION

1. Applicants are not approved for any program funds solely on the basis of submitting an application or other information. All applicants are cautioned not to rely on Ontario Renovates program funds unless and until they receive a Letter of Final Approval confirming the application has been approved for program funds
2. Any work started prior to registration of the Multi-Residential Rental Unit Rehabilitation Loan Agreement Charge on title is not eligible for program funding.
3. If your application is approved, a Funding Schedule detailing the milestone activities, frequency and amount of funds to be released must be approved in advance by the Program Coordinator or authorized designate. The Funding Schedule will include a minimum 10 % holdback payment(s) to be released after the lien period has expired and there are no liens registered against the property.
4. Program funds cannot be used for deposits to contractors.
5. Applicants are cautioned not to sign any agreement or contract with a contractor prior to registration of the Loan Agreement on title.
6. Any and all contracts for the work are the responsibility of the applicant(s). The County of Hastings is not responsible for or bound in any way by any third party contracts.
7. If invoices exceed the maximum amount of the approved funding, the applicant is responsible to pay for the additional amount.

### How to Apply

A Request for Application Form and further program information is available **beginning**

**Monday June 22, 2020 on the County of Hastings website: [www.hastingscounty.com](http://www.hastingscounty.com)**

Click on: County Services ► Community and Human Services ► Housing Services ► Ontario Renovates Program ►

**Program Coordinator can be reached at 613-966-1311 Ext 4325**

## Ontario Renovates ► 8 Process Steps

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Delivery of the 2020 Ontario Renovates Multi-Residential Rental Unit Rehabilitation is administered by a Program Coordinator (PC). The delivery of any program requires a process. Implementation of this program has **8** steps:

**Step 1** Submit Completed Application and Supporting Documents to PC

**Step 2** PC Reviews Initial Application

**Step 3** PC sends Letter of Conditional Approval to Applicant

**Step 4** PC reviews inspections and quotes

**Step 5** PC sends Letter of Final Approval to Applicant

**Step 6** Applicant signs Loan Agreement and Applicant's Legal Representative Registers Charge on Title, and provides proof of Insurance and Taxes up to Date

**Step 7** Applicant Requests Payment of Program Funds

**Step 8** Applicant Submits Capital Cost Audit

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### Description of Each Step

#### **Step 1 Submit Completed Application and Supporting Documents to the Program Coordinator (PC)**

Applicants must submit the following:

- a) A fully completed Ontario Renovates Application Form with all required information, documentation and verification attachments;
- b) Verification that the applicant(s) is/are the registered owner(s) of the property for which program funds are requested;
- c) Photocopy of 2 pieces of government issued photo identification from every owner of the property;
- d) Verification of the market value of the building and property as determined by the MPAC assessed value or by a licensed qualified appraiser;
- e) Verification of the total balance of all existing mortgages/charges and other financing on the property (the total balances plus the requested estimated loan amount cannot exceed 100% of the market value of the property and building);
- f) Verification that payments on all mortgages/charges and other financing on the property is/are up-to-date and not in arrears;
- g) A Certificate of Insurance and verification that insurance coverage is in place for the full value of the building/property and the premium is paid up-to-date and not in arrears;
- h) Verification the property tax account is paid up-to-date and not in arrears;

- i) Verification the building is more than five years old.

## **Step 2 Program Coordinator (PC) Reviews Initial Application**

- a) Application will be reviewed for completeness and eligibility;
- b) If the application or documents is/are incomplete, the application cannot be processed. The applicant will be notified and may be required to start over at Step 1, losing their application ranking. **IMPORTANT ►** Applicants are encouraged to be sure the application is complete and all documents required are submitted to avoid losing your application ranking;
- c) If the application and documents are complete the PC conducts a title search to verify that the applicant(s) is/are the registered owner(s) of the building/property for which program funds are requested and to verify there are no liens registered against the property. The PC will also proceed to verify, among other things, any other information deemed necessary;
- d) If the application and related information confirms the applicant is ineligible, the application will be declined and the applicant will be notified by letter. End of process;
- e) If the application and related information confirms the applicant is eligible the applicant will be notified by letter and the application will proceed to Step 3.

## **Step 3 Program Coordinator (PC) sends Letter of Conditional Approval to Applicant**

- a) PC sends Letter of Conditional Approval to applicant confirming the applicant is eligible and that application is conditionally approved with a stated amount of maximum funding subject to:
  - i) Applicant obtaining and submitting a copy of the necessary confirmation of the need for the work, any required inspection(s) and a description of the work to at least two arms length, qualified contractors and obtain at least two quotes to complete the work. In some cases, the applicant may also be required to obtain a Phase 1 Environmental Site Assessment (ESA).  
The contractors' quotes must:
    - include a copy of the contractor's WSIB Clearance Certificate
    - include the contractor's HST number
    - a copy of the contractor's general liability insurance certificate
    - match the work description on the inspection reports
    - include the cost to obtain any permits or inspections
    - clearly indicate the cost of HST separately or clearly indicate that HST is included in the price.
  - ii) Applicant selecting their preferred quote and contractor;
  - iii) Applicant submitting to the PC the following information on or before the date indicated in the Letter of Conditional Approval:
    - a copy of the inspection(s) report(s);
    - a copy at least two quotes for the required work described in the inspection report(s) in accordance with the above requirements;
    - the Applicant's confirmation of the quote and which contractor the applicant has chosen to complete the work.
  - iv) Applicant adhering to all program requirements, rules and timelines throughout the process and during the 15 year loan forgiveness period;
  - v) Work must commence within 45 days of the date the Loan Agreement is signed and registered on title and be completed within 120 days of commencement.

Applicant will receive a sample copy of the forgivable Loan Agreement for review in advance of registering the collateral Charge on title of the property. Please note: the final version of the Loan Agreement is subject to change.

#### **Step 4 Program Coordinator (PC) Reviews Inspections and Quotes**

- a) PC reviews the inspections and quotes to ensure the quotes:
  - i) contain all necessary information;
  - ii) address the work described in the inspection report(s);
  - iii) are consistent with the conditional maximum approved amount.
  
- b) If the PC is satisfied that the inspection and quotes meet program requirements the application will proceed to Step 5.

#### **Step 5 Program Coordinator (PC) sends Letter of Final Approval to Applicant**

##### **In the case of Loan Agreements:**

- a) PC sends Letter of Final Approval to the applicant and a completed Loan Agreement to the applicant's legal representative for signature and registration of Charge on title.
- b) Final Letter of Approval is conditional among other things that:
  - i) Loan Agreement is signed by Applicant and Security is registered on title in accordance with Step 6;
  - ii) Proof of Insurance is provided noting the County of Hastings as Additional insured;
  - iii) The work commences within 45 days of the registration on title and work is completed within 120 days of the commencement date;
  - iv) Applicant obtains all necessary permits and approvals for the work.

#### **Step 6 Applicant's Solicitor Registers Security on Title**

Applicant arranges for its solicitor to register the Security on title in the form required by the Loan Agreement, and notifies PC that title registration is complete. Note Charge to be registered in first position of second only to the Applicant's purchase financing unless otherwise approved by the County. Proof of priority of registration to be provided by Applicant's Solicitor.

Applicant or Applicant's Solicitor to provide Confirmation of Insurance noting the County of Hastings as Additionally Insured meeting the requirements of the Loan Agreement.

Applicant or Applicant's Solicitor to provide confirmation taxes are paid up to date.



### Step 7 Applicant Requests Payment of Program Funds

- a) Applicant completes work and submits invoices for the work requesting release of program funds pursuant to the Funding Schedule. Funds cannot be used for deposits to contractors. All invoices must have an invoice number. (Invoices/receipts for permits and inspections and the cost of legal fees and title registration may be included).
- b) Applicant submits confirmation the lien period has expired and the work has passed final inspection and
- c) Necessary approval to receive final 10 % holdback payment(s).
- d) Funds will not be released until all program requirements have been met.
- e) Payment of funds will be made payable to the applicant. Non-payment to the contractor may cause a lien or other claim against the applicant resulting in default under the program. In such a case, the applicant may be required to re-pay the full amount of the Ontario Renovates loan. If the cost of the work exceeds the approved amount of program funds, the property owner is responsible to pay for the additional cost for the work.

### Step 8 Applicant Submits Capital Cost Audit

The Applicant, at the Applicant's expense, must arrange for and submit a Capital Cost Audit of the funds received under the program within 90 days of the date of the release of the last payment of program funds to the Applicant.

#### How to submit a completed application?

Completed application **with all required information, documentation and verification attachments** must be returned to:

**County of Hastings** 228 Church St Postal Bag 6300 Belleville, ON K8N 5E2

**Attention:** Ontario Renovates, Facilities Department, Program Coordinator

**Hours:** 8:30 a.m. – 4:30 p.m. Monday through Friday – excluding holidays