



CHF CANADA FCHI-2 FREQUENTLY ASKED QUESTIONS

What is FCHI Phase 2?

The Federal Community Housing Initiative, Phase 2 (FCHI-2) is a response to our You Hold the Key Campaign. The program aims to protect affordability for low-income members living in housing co-ops, and to support the stability of the community housing portfolio.

The FCHI-2 is a new **rental assistance** program that is available to housing co-ops reaching the expiration of their federally administered operating agreements from past programs. FCHI-2 is not an extension or continuation of other programs or previous agreements.

The FCHI-2 Rental Assistance program will provide an agreed-upon funding allocation based on the amount needed to supplement the difference between the housing charge and rent-geared-to-income (RGI) charged to low-income members.

FCHI-2 will provide funding beginning April 1, 2020 until March 31, 2028.

Who does it apply to?

The FCHI-2 Rental Assistance program is available to providers of federally administered non-profit and co-operative housing whose CMHC Operating Agreement ends between April 1, 2016 and March 31, 2028.

For example, if your Operating Agreement ends in 2023, your co-op will begin to be eligible for FCHI-2 funding in that year.

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)

* Co-ops in receipt of a provincial rent supplement, either unilateral or cost-shared with the federal government, are not eligible for FCHI-2 Rental Assistance, as long as the provincial agreement is still in effect.

How much rental assistance will my co-op receive?

The amount of funding that a housing provider will receive will be determined in collaboration with CMHC, following the receipt of the Intent to Opt-in or Opt-out form. Members will not pay more than 30% of the household's total monthly-adjusted income for rent.

Once CMHC has completed the assessment and calculation, you will receive a confirmation of the annual funding allocation that will be provided. This will be based on the amount needed to supplement the difference between the occupancy charge and RGI charged to low-income tenants.

How do I enroll in FCHI Phase 2?

- The enrolment process will begin 6 months before your operating agreement ends.
- CMHC will contact the first wave of co-op and non-profit housing providers: those are that have operating agreements set to expire March 31, 2020.

Key Dates for the first wave of enrollment

- **September 30, 2019:** CMHC sent enrollment packages to eligible co-ops
- **November 20, 2019:** Deadline for co-ops to complete the enrollment package and opt-in to the program.
- **November to February 2020:** CMHC works with co-ops to determine level of rental assistance (and if applicable, transitional assistance). CMHC and co-ops sign new rental assistance agreements
- **April 1, 2020:** New program begins, and funding flows to co-ops.

What are the requirements for the new Rental Assistance Agreement?

Co-ops will be required to provide supporting documentation that confirms the funds provided under the program are used as intended. This includes:

- Rental assistance reconciliation
- Financial statements
- Budgets (for reporting purposes, and not for approval)

Since the program also aims to improve the stability of the community housing portfolio, CMHC will also ask co-ops to complete a basic self-assessment on areas of strength and weakness in your operations. Within the first year of the agreement, co-ops will also be asked to create an action plan, with goals to improve stability and sustainability in areas such as governance, management, and social inclusion.

Examples of activities that could be included in an action plan include: completion of a building condition assessment, adequate contribution and management of replacement reserve funds, inclusion of accessibility features in buildings, or asset modernization. While the completion of the self-assessment and the action plan are program requirements, the attainment of action plan goals are non-binding. Non-performance in reaching a goal will not constitute a breach of agreement.

We are monitoring this program requirement very closely in order to protect co-operative autonomy for our members.

What about housing co-ops with operating agreements that expired before April, 2016?

Further work is underway to determine how the FCHI-2 may be available to select eligible former federally administered co-ops whose Agreements expired prior to April, 2016 and for co-ops who opted out of FCHI-1.

How long does this new agreement run?

The term of the new Agreement will end on March 31, 2028.

What is Transition Assistance?

Additional temporary aid in the form of Transition Assistance may be available to qualifying (most in need) co-ops that are experiencing operating challenges.

Some co-ops may be able to access temporary Transitional Assistance to help transition to the new program. Eligible co-ops that are experiencing challenges in transitioning to a new program may qualify for one-time Transitional Assistance to help fund some operating costs, for up to 24 months. As part of the application intake, CMHC will complete an initial analysis and work with the co-op to determine if this assistance can address their needs.

Allocation of transitional funding will be based on set criteria to serve the co-ops most in need, such as:

- Inclusion of vulnerable populations
- Percent of subsidized units in the project; and
- Average income level of tenants.

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

Some housing co-ops fall into this category, and this is complicated. They need to enroll in Phase 1 in order to be eligible for Phase 2. CHF Canada will be communicating with these member co-ops directly to ensure they are not missed in the transition to FCHI-2.

What are the next steps?

CMHC will be communicating directly with co-ops to begin the intake and assessment process. Your co-op will need to decide to Opt-in or Opt-out of the program, and have the appropriate documents signed and returned to CMHC.

CMHC will work with housing co-ops to calculate the rental assistance amount and finalize the new Rental Assistance Agreement. CMHC will then send co-ops a new Rental Assistance Agreement. Once this new agreement has been signed and returned, funding will start the month following the co-op's expiring Agreement.

For example, if your Operating Agreement expires March 2020, and you have returned your signed new Agreement to CMHC, your Rental Assistance funding would begin April 2020.

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 opt-out of FCHI-2, please be advised that you can opt-in at a later date, but that you will be prioritized based on available Rental Assistance funding at such time.

Once you have expressed interest and have signed and returned the Intent to Opt-in or Opt-out form, you can withdraw in writing from the program or process at any time prior to entering into a Rental Assistance Agreement with CMHC.

If you don't want to sign a new agreement with CMHC following the expiry of your existing Operating Agreement and you do not want to receive funding under FCHI-2, you must indicate that you are declining the offer through the FCHI-2 Intent to Opt-in or Opt-out form.

CHF Canada has been actively advocating for a new rental assistance program for many years; we are urging our member co-ops to familiarize themselves with this new program, and take advantage of these funds.

Who do we contact for more information?

Please visit the FCHI- 2 website for additional information:

- www.cmhc.ca/FCHI
- [CMHC Frequently Asked Questions](#)
- CMHC will be offering online information sessions in October. CHF Canada will share those details as soon as they are available

You can also send an email with your questions to:

René Daoust
Program Manager / Co-op & Planning Services, National
rdaoust@chfcanada.coop or 1-800-465-2752.

Courtney Lockhart
Program Manager, Policy and Government Relations
clockhart@chfcanada.coop or 1-800-465-2752.