



BRITISH
COLUMBIA



BC Housing

Program Guide

Housing Provider Kit

MARCH 2015

PROGRAM GUIDE

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BC Housing Program Guide

Introduction

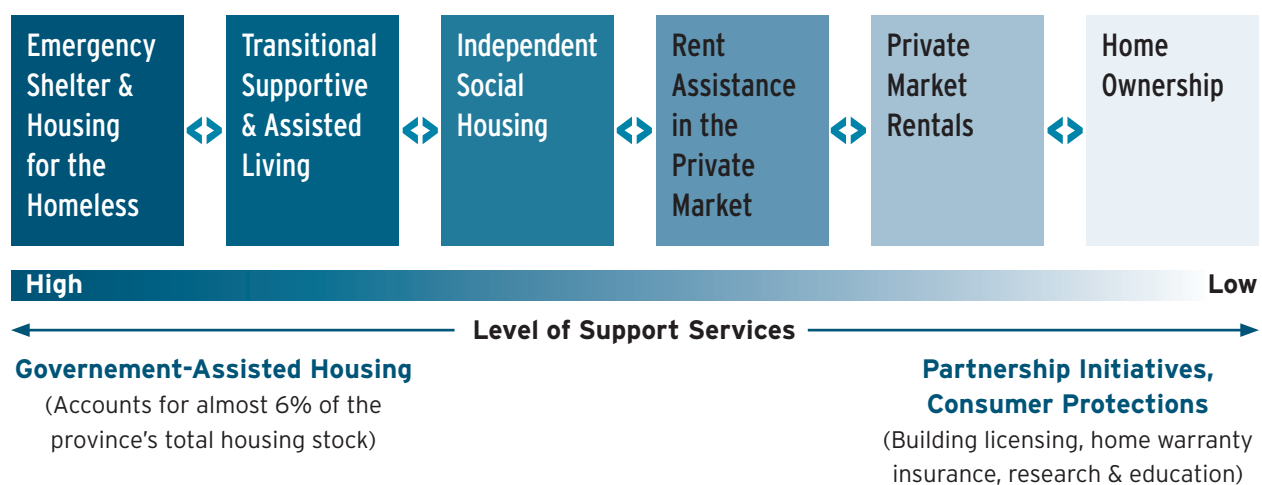
The **Program Guide** gives housing providers quick access to information on the housing programs you manage. The information is generic, and program rules do not apply in all situations. Please refer to your operating agreements, which contain the specific provisions governing the developments you operate and manage, as well as portions of developments earmarked for special uses. (Some developments have multiple programs and/or agreements, each with distinct operating rules.) Other regulations or agreements—land leases, land title covenants or loan documents—can set out additional terms for your developments.

Roles and Responsibilities

BC Housing

The [British Columbia Housing Management Commission \(BC Housing\)](#) is a provincial crown agency that develops, manages, and administers a wide range of housing options for families, seniors, people with disabilities, people who are homeless or at risk of homelessness, and others. BC Housing partners with private and non-profit partners, other levels of government, health authorities, and community groups to increase affordable housing options for people in need.

BC Housing's role is to help British Columbians in greatest need of affordable, appropriate housing with options along the housing continuum:



Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation (PRHC) buys, holds and disposes of provincially owned social housing properties, and leases residential properties to non-profit societies, housing co-operatives and municipal housing authorities.

Members of BC Housing's senior management team serve as PRHC's President and Directors; the sole shareholder is the provincial Minister of Housing. BC Housing administers PRHC, which does not directly employ staff.

Housing Providers

Housing providers—non-profit societies, housing co-operatives or municipal corporations—own and/or manage affordable housing in BC.

Some housing providers also provide support services to help vulnerable populations achieve stable, appropriate housing.

Acts, Legislation & Agreements

Housing operations are governed by several legislative acts and legal agreements. Depending on the housing program and whether the housing provider is a non-profit society, housing co-operative or municipal corporation, these may include the:

- [National Housing Act](#) (NHA)
- [Society Act](#)
- [Residential Tenancy Act](#) and Tenancy Agreements
- [Cooperative Association Act](#) and Occupancy Agreements
- Agreements with BC Housing or other parties
- Land Leases
- Mortgages
- [Social Housing Agreement](#) (SHA)

For more information, please see the [Administration Guide](#).

Identifying Your Program

- Check your agreements with BC Housing; the program name is usually listed
- Check program materials or correspondence that may list the program name
- Check the most recent Financial Review Summary for the program type (listed at the bottom right of the page under operating details); this program funding number can be cross referenced in [Appendix 1](#) to identify the program name

Contact your Non-Profit Portfolio Manager (NPPM) for assistance if you cannot identify your program.

Aboriginal Housing Initiative

Include **AHI Phase II**

Program Summary

The Aboriginal Housing Initiative (AHI) created new affordable, culturally appropriate housing for Aboriginal youth, women, seniors and people struggling with addiction. BC Housing worked in partnership with Aboriginal groups and non-profit organizations to allocate more than \$50 million, from 2007 through 2009, to create new affordable mixed housing developments.

The majority of funding for this program came from the federal Aboriginal housing fund. One-time capital grants, secured by BC Housing's standard forgivable mortgage package, were used to establish market and non-market units in developments sustained by tenant revenues without ongoing subsidies. Housing providers were responsible for securing additional funding from other sources in projects with resident support or services.

In 2012, BC Housing transferred responsibility for administering AHI operating agreements managed by Aboriginal housing providers to the [Aboriginal Housing Management Association \(AHMA\)](#).

QUICK REFERENCE

Target Groups:	Aboriginal youth, singles, people with mental illness, frail elders and low income families
Project Development:	Projects were awarded between 2007 and 2009; no new project funding is available
Program Funding:	Federal
Program Funding Number:	585
Agreements:	Operating agreements are typically for 60-year terms
Unit Designation:	Housing providers manage a mix of market and rent-geared-to-income (RGI) units that enable the project to break even with no ongoing financial support from BC Housing; revenues from market units support the RGI units A minimum 20% of units must be RGI, and as revenues permit, the number of RGI units should be increased
Household Income:	RGI Units: At or below the Housing Income Limits
Rents:	RGI Units: BC Rent Scale (currently 30% of income or minimum rent); tenants on Income Assistance pay the maximum shelter component Market rents are professionally appraised at least once every five years
Subsidy Calculation:	N/A
Operating Budget:	Providers submit an annual budget to AHMA

Surpluses/Deficits:	Providers manage any surpluses or deficits generated in the operating budget
Financial Review:	Contact AHMA for information
Replacement Reserves:	Providers are required to contribute at least annually to a replacement reserve fund
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Providers submit a budget and financial statement to AHMA annually and a market rent appraisal every five years ➤ AHMA may conduct an Operational Review at any time

Eligibility

Housing providers handle applicant selection, and applicants of Aboriginal descent are given priority.

Unit Mixture

A majority of AHI developments have a mix of RGI and market units. Housing providers manage the mix to support RGI unit costs and cover operating expenses with revenues from the market units.

While the mix of RGI and market units may vary over time, a minimum of 20% of all units in an AHI development must be RGI. As revenues permit, providers should increase the number of RGI units.

Rents

Housing providers obtain proof of income from applicants at initial occupancy.

Market Units

Market units are subject to the rent increase provisions of the *Residential Tenancy Act*. When a market unit becomes vacant, the new tenant will pay a rent reflecting private market levels at the time.

Subsidy

AHI developments are expected to be self-sustaining and are not eligible to receive subsidies.

Financial Management

At the end of each fiscal year, providers send financial statements and an annual report to AHMA, showing unit addresses, age of tenants, current rents charged, household income at move-in for market tenants, household income for RGI tenants, and move-in date. Financial statements may be audited at AHMA's request.

In addition, housing providers submit a copy of the market rent appraisal to AHMA at least once every five years.

Capital Repair/Replacement/Planning

Housing providers are responsible for regular contributions to replacement reserves, as well as capital repairs, replacements or improvements. Expenditures are in accordance with a schedule of capital repairs.

Other Reference Materials

- [Aboriginal Housing Management Association website](#)

Community Partnership Initiative (CPI)

Affordable Non-Profit Rental and HomeOwnership

Program Summary

Since 2001, BC Housing has partnered with non-profit societies, government agencies and community organizations to create affordable housing for low to moderate income households in communities across British Columbia, through the Community Partnership Initiative (CPI).

CPI may provide interim construction or take-out financing to create both affordable rental and homeownership units. To be eligible for CPI financing, the program principles require that:

- ▶ Community need and demand for the project are established
- ▶ The project is financially sustainable
- ▶ The project is supported by the community and consistent with official community plans and strategies
- ▶ Program partners maximize their equity contributions

QUICK REFERENCE		
	Affordable Non-Profit Rental Housing	Affordable Homeownership
Target Group:	Low to moderate income households	Low to moderate income households
Project Development:	2001 to present	2012 to present
Program Funding:	Wholly provincial	Wholly provincial
Program Funding Number:	555	555
Agreements:	The non-profit partner enters into an operating agreement with BC Housing, normally for five years longer than the mortgage amortization period	The project partner enters into an agreement with BC Housing governing the development and sale of units to eligible applicants
Resident Selection:	The Housing Registry or a provider managed applicant list	Project partners market the units, and identify and select eligible purchasers

QUICK REFERENCE

	Affordable Non-Profit Rental Housing	Affordable Homeownership
<p>Household Income:</p>	<p>Projects developed or approved on or before May 30, 2014: Gross household income does not exceed the top of the second quintile of household incomes for two or more people in BC, based on Statistics Canada Income Tax data, and as determined by BC Housing from time to time.</p> <p>Projects developed or approved after June 1, 2014, depending on the number of bedrooms in the unit:</p> <p>Units with two or more bedrooms: The gross household income does not exceed the median income for families with children, based on Statistics Canada - Income Statistics Division: T1 Family File - Median Income for British Columbian Couple Families (With Children), and as determined by BC Housing from time to time.</p> <p>Units with less than two bedrooms: The gross household income does not exceed the median income for families without children, based on Statistics Canada - Income Statistics Division: T1 Family File - Median Income for British Columbian Couple Families (Without Children), and as determined by BC Housing from time to time.</p> <p>Project partners may apply lower income limits for some or all units; there is no asset test</p>	<p>Gross household income does not exceed the median household income for BC couples with children, and as determined by BC Housing from time to time</p> <p>Project partners may apply lower income limits for some or all units; there is no asset test</p>

QUICK REFERENCE		
	Affordable Non-Profit Rental Housing	Affordable Homeownership
Rents:	Rent types vary, but rent on all CPI units must be affordable for eligible tenants throughout the term of the operating agreements Rent revenues have to support all operating costs including debt servicing	Units are priced at or below 90% of fair market value In some projects, an optional second mortgage can be extended by a project partner to bridge the gap between the buyer's contribution and the property's fair market value
Monitoring and Reporting:	BC Housing can require periodic reports from the project partner, and may conduct a periodic Operational Review	Varies: may be required by some project partners

Project Eligibility

Affordable housing projects must be self-sustainable to qualify for CPI financing: CPI does not provide grants or ongoing operating subsidies. When projects offer resident support or services, providers obtain additional funding from other programs and/or commitments from other funders.

Before BC Housing commits to a project, the non-profit or private partner has to demonstrate the ability to pay out the interim construction loan. For non-profit partners, this can be via take-out financing.

BC Housing considers CPI funding proposals through open proposal calls for submissions ([click here for current bid information](#)). The evaluation is based on proponent and project eligibility, need and demand, lending criteria and available financing. For more detail, see the [CPI Program Framework](#) and [Lending Criteria Guide](#).

Construction Financing

BC Housing can provide interim construction financing at a competitive interest rate to develop affordable housing, including new construction, purchase, or renovating existing buildings to preserve affordability. Interim financing may be approved up to 100% of the construction cost to complete the affordable housing project.

BC Housing typically requires the following security registered on title:

- A mortgage in favour of BC Housing
- A Section 219 covenant and option to purchase
- An agreement with BC Housing
- The partner must have a mortgageable interest in the property, free and clear of any encumbrances or title defects which would prevent the registration of a mortgage and security documentation

Take-out Financing (affordable rental housing only)

When the construction, renovation or purchase is complete, BC Housing may arrange take-out financing

for eligible non-profit partners (i.e., a mortgage with a private lender insured by Canada Mortgage and Housing Corporation), through a competitive tender process. The main benefit is access to inexpensive loan insurance, which can help preserve housing affordability.

Resident Eligibility and Rents

Affordable Rental Housing:

Project partners select residents and verify their income at initial occupancy. Rents must be affordable for eligible tenants throughout the term of an operating agreement with BC Housing. The rent structure will vary, depending on the characteristics of the particular project, the tenant population served, and whether or not funding from other sources is included. Rent revenue has to support all operating costs, including debt servicing.

Affordable Homeownership:

Project partners market the development to qualified purchasers, and verify household income for all buyers before signing a **Purchase and Sale Agreement**.

To be eligible, the purchaser has to:

- Be age 19 or older; be a Canadian citizen or landed immigrant and permanently reside in BC; intend to use the unit as their primary residence; and not currently own or have an ownership interest in a home
- Provide a minimum cash down payment of 1% of the purchase price
- Be pre-approved for a mortgage from a private lending institution
- Complete homeownership education acceptable to BC Housing and the lending institution

Subsidy

BC Housing does not provide ongoing subsidies or grants.

Capital Repair/Replacement/Planning

Project partners are responsible for funding and replacing all capital items and for insuring the property and improvements. For rental projects, BC Housing approves the initial replacement reserve and capital plan.

Financial Management/Monitoring/Reporting

Requirements vary depending on the characteristics of the project. Refer to your operating agreement or contact your Non-Profit Portfolio Manager for specific details.

Affordable Rental Housing:

BC Housing may conduct an onsite visit every three to six years.

BC Housing may require project partners to submit a report, using our template, to address the:

- Current financial statements
- Current rent levels
- Household incomes at move-in

Affordable Homeownership:

BC Housing does not require close monitoring after the initial sale. However, project partners can opt to have homeowners prove the property is being maintained as their primary residence.

Other Reference Materials

- [Community Partnership Initiative Program Framework](#)
- [Affordable Rental Evaluation Matrix](#)
- [Lending Criteria Guide](#)
- [Need & Demand Template](#)
- [Social Housing Cost Target Framework](#)

Emergency Shelter Program (ESP)

Program Summary

The Emergency Shelter Program (ESP) funds emergency shelter accommodation, seasonal shelter services, drop-in-services, and other specialized programs for people who are homeless and those at risk of homelessness. Emergency shelters operate year round and most offer services 24/7. Clients do not pay for accommodation or services. (Please see the [Extreme Weather Response program](#) for information on temporary shelters open during winter.)

In 2005, the Emergency Shelter Program was transferred to BC Housing from the Ministry of Employment and Income Assistance, as part of a provincial initiative to centralize housing and homelessness services.

Core program services include:

- ▶ **Emergency Shelters** - To provide temporary overnight shelter accommodation, along with essential and gateway services
- ▶ **Essential Services** - To meet clients' immediate needs for accommodation, nutritious meals, security, and basic hygiene
- ▶ **Gateway Services** - To help clients break the cycle of homelessness by connecting them to community services and appropriate housing

Some service providers also offer drop-in services like meals, laundry and hygiene support.

This program does not fund construction costs, but some shelters have been built with funding from other housing programs like the [Provincial Homelessness Initiative](#). In this case, service providers may have another service agreement with BC Housing, which will contain additional information.

See the [Emergency Shelter Program Framework](#) for more detail.

QUICK REFERENCE

Target Group:	Anyone age 19 or older who is homeless or at risk of homelessness
Period Active:	2005 to present
Program Funding:	Wholly provincial funding
Program Funding Number:	560
Service Agreements:	Generally three years, expiring March 31
Client Income:	There is no income testing for this program
Rents:	Clients do not pay for accommodation or services
Subsidy Calculation:	The amount set out in the approved operating budget
Operating Budget:	BC Housing reviews and approves the annual operating budget and expenditures annually on the service provider's fiscal year end

Surpluses/Deficits:	<p>Upon approval, service providers may retain and reinvest surplus funds for programs to benefit clients, which are related to funded services</p> <p>The provider is responsible for any operating deficits incurred</p>
Financial Review:	<p>BC Housing performs an annual Financial Review</p> <p>Service providers with operating budgets over \$50,000 per year submit audited financial statements</p>
Performance Requirements:	<ul style="list-style-type: none"> ➤ Occupancy rates are maintained at 75% or greater ➤ At least 25% of clients move to stable accommodation ➤ At least 60% of clients who have moved to stable accommodation maintain their tenancy for six months
Monitoring and Reporting:	<p>BC Housing monitors the number and percentage of clients who are offered a case plan, have initiated a case plan, and are referred to support services</p> <p>Service providers have to:</p> <ul style="list-style-type: none"> ➤ Submit financial statements and staff schedules to BC Housing annually ➤ Enter data into the Homelessness Services System ➤ Submit a copy of current certificate(s) of insurance as set out in the service agreement <p>BC Housing conducts an Operational Review every three years</p>

Service Standards

Emergency shelters may offer a combination of shelter and drop-in services, depending on the provider's mandate, resources and local need. The agreement outlines service standards, which usually address:

- Required policies and procedures
- Hours of operation
- Staff requirements
- Client eligibility, admission and discharge
- Accommodation and hygiene
- Maintenance of the development
- Where applicable, provision of clean linens, personal hygiene items, meals, and case planning

Eligibility

Services are accessible to anyone age 19 or older including the absolute homeless, homeless due to a crisis, hidden homeless, and those at risk of homelessness regardless of ethno-cultural background, religious beliefs, physical disability, mental health status, gender identity, or sexual orientation. Services restricted for particular populations, such as women, families or those using substances, must be based on a clear service mandate and policies.

Children under the age of 19 can receive services only if accompanied by a parent/guardian, or referred by a social worker under the [Child, Family, and Community Service Act](#).

Subsidy

BC Housing makes monthly payments to the service provider, as set out in the approved operating budget reviewed annually on the service provider's fiscal year end.

Financial Management

Service providers prepare and submit an annual operating budget to BC Housing for approval. Eligible program costs are outlined in the agreement, and usually include:

- ▶ Program staff salaries
- ▶ Direct program expenses
- ▶ Property management expenses
- ▶ Administration

Include a separate Schedule of Revenue and Expenditure in the financial statements for each service you offer beyond the scope of services defined in the ESP Service Agreement.

See the [Financial Management Guide](#) for other requirements.

Capital Repair/Replacement/Planning

This program funds the delivery of shelter and support services only, with no commitment to fund capital replacements. Shelters built under another BC Housing program, such as the [Provincial Homelessness Initiative](#), may be eligible for capital replacement funding under that program. See other operating agreements for details.

Monitoring and Reporting

Database:

Service providers report daily or monthly on client activities and services provided to clients.

Clients are asked to sign a release to allow collection of personal information for the Homelessness Services System, in accordance with the [Personal Information Protection Act](#). Signing the release is not a requirement for receiving service. Clients who decline to sign the release are reported as anonymous.

Operational Review:

An Operational Review is generally conducted every three years. The review includes interviews with the provider's management staff, an on-site visit and inspection, and a review of service policies and procedures.

Other Reference Materials

- ▶ [Emergency Shelter Program Framework](#)
- ▶ [Extreme Weather Response Program](#)
- ▶ [Financial Management Guide](#)

Extreme Weather Response (EWR) Program

Program Summary

The Extreme Weather Response program grew out of a grassroots initiative to address emergency shelter needs in winter, and was formalized in 2010 after the introduction of the [Assistance to Shelter Act](#). The Act enables local police and RCMP to assist homeless people on the street during extreme weather, by bringing them to a shelter or connecting them with a shelter worker. The legislation applies only when a community has issued an Extreme Weather Alert, in conjunction with opening extra shelter beds under the EWR program. (Previously, the [Emergency Shelter Program](#) funded additional shelter winter beds on an as-needed basis.)

EWR funding enables communities to temporarily increase emergency shelter capacity during extreme weather conditions that threaten the safety and health of homeless people. The program funds time-limited, temporary shelter beds needed during extreme weather. Clients do not pay for shelter services.

This program does not provide construction funding. However, a shelter may have been built with funding from another housing program like the [Provincial Homelessness Initiative](#). In this case, shelter providers may have another operating agreement with BC Housing, which will contain additional information.

Emergency Shelter Program administration was transferred to BC Housing from the Ministry of Employment and Income Assistance in 2005, as part of a provincial initiative to centralize the housing and homelessness service.

See the [Extreme Weather Response Program Framework](#) for more information.

QUICK REFERENCE

Target Group:	Absolute homeless at risk of suffering physical harm from extreme weather conditions; however, shelters are accessible to all homeless adults and families
Program Funding:	Wholly provincial funding; many shelters also receive in-kind or additional funding from other sponsors
Program Funding Number:	560
Service Agreements:	Not applicable Each community participating in the EWR program submits its annual Extreme Weather Response Plan to BC Housing Service providers' budget allocations are based on nightly budgets approved by BC Housing
Client Income:	There is no income testing for this program
Rents:	Clients do not pay for shelter services
Subsidy Calculation:	BC Housing makes payments based on the approved amount in the Extreme Weather Response Shelter Invoice form

Operating Budget:	An Extreme Weather Shelter Nightly Budget is submitted annually for each shelter; BC Housing reviews and approves the budget
Surpluses/Deficits:	N/A; EWR shelters invoice BC Housing for approved costs every two weeks
Financial Review:	Financial statements are not required
Monitoring and Reporting:	Daily reporting includes: <ul style="list-style-type: none"> ➤ Number of people sheltered ➤ Gender of people sheltered ➤ Age category of people sheltered (over/under 19 years) ➤ Number of turnaways ➤ Information on any critical incidents

Eligibility

The EWR program targets the absolute homeless first, but strives to accommodate people who are homeless due to crisis, the hidden homeless, and those at risk of homelessness. EWR shelters are available to all adults (age 19 or older) and families, regardless of ethno-cultural background, religious beliefs, physical disability, mental health status, gender identity, or sexual orientation.

Children under the age of 19 can receive service only if accompanied by a parent/guardian, or referred by a social worker under the *Child, Family, and Community Service Act*.

Subsidy

BC Housing pays subsidy based on the amount approved every two weeks in the Extreme Weather Response Shelter Invoice form.

Financial Management

An annual Extreme Weather Shelter Nightly Budget is submitted, along with the community's EWR Plan, for each shelter included in the plan. BC Housing reviews and approves the budget.

BC Housing pays expenses only when they are incurred due to an Extreme Weather Response, would otherwise not have been incurred, and are identified in the approved nightly budget. Eligible expenses include:

- Shelter staff costs, including reasonable volunteer recognition or honoraria
- Food costs
- Cleaning and laundry costs
- Client transportation to and from the shelter
- First aid supplies

BC Housing does not pay for any capital expenses or equipment (i.e., mats and blankets).

Service providers do not have to submit financial statements.

Capital Repair/Replacement/Planning

EWR provides funding for shelter services only, with no commitment to fund capital replacements. If the shelter was built under another BC Housing program like the [Provincial Homelessness Initiative](#), it may be eligible for capital replacement funding under that program. Contact your BC Housing Non-Profit Portfolio Manager for information.

Monitoring and Reporting

Providers submit daily reporting on an approved form. BC Housing contacts service providers annually to solicit feedback on service delivery.

Other Reference Materials

- ▶ [Extreme Weather Response Policy](#)
- ▶ [Extreme Weather Response Program Framework](#)
- ▶ [Extreme Weather Response Volunteer Training Guide](#)
- ▶ [Extreme Weather Response Volunteer Training Presentation](#)
- ▶ [Extreme Weather Response Shelters Listing](#) (available November to March only)
- ▶ [Extreme Weather Response Nightly Expense Budget Template](#)
- ▶ [Extreme Weather Nightly Occupancy Form](#)
- ▶ [Extreme Weather Response Invoice Form](#)

Homeless Outreach Program (HOP)

Including **Aboriginal Homeless Outreach Program (AHOP)** and **Homeless Prevention Program (HPP)**

Program Summary

Homeless outreach connects people who are homeless or at risk of homelessness to housing, income assistance, and community-based social and health services. Non-profit outreach workers engage clients to assess need, assist with personal goals, and connect individuals and families with stable accommodation and appropriate services.

This wholly provincial program has been funding outreach services across the province since 2006. Where applicable, service providers administer rent supplements to secure housing for individuals or families in the private market, often in communities with limited public housing. Where appropriate, outreach workers offer support/resources to landlords providing tenancy.

For many clients, the program represents the first step in moving towards independence. Homeless outreach is often the first point of contact with the provincial housing and support services system, providing an opportunity to find long-term or more stable housing, as well as referrals to appropriate services. Intended program outcomes include housing stability and connections with support services to strengthen client health and well being.

The Aboriginal Homeless Outreach Program provides similar services, recognizing Aboriginal people have unique cultural and social abilities and needs.

In 2014, in some communities, the [Homeless Prevention Program \(HPP\)](#) was introduced to provide additional preventative measures such as rental supplements and supports to help individuals and families who are at immediate risk of homelessness due to crisis or transition.

QUICK REFERENCE

Target Group:	Adults who are homeless or at risk of homelessness HPP: People leaving the corrections and hospital systems, women who have experienced violence or are at risk of violence, youth (including those in the care system), and people of Aboriginal descent
Period Active:	2006 to present
Program Funding:	Wholly provincial funding; eligible program costs include staffing, program administration, overhead costs, and rent supplements (where available)
Program Funding Number:	565, 601
Service Agreements:	Generally three years
Client Income:	Outreach Services: N/A Rent Supplements (where applicable): Client income at initial occupancy is at or below the Housing Income Limits

Rents:	<p>Outreach Services: Clients do not pay</p> <p>Rent Supplements (where applicable): Eligible clients may receive rent supplements up to \$300 per month per Client</p> <p>HPP Rental Supplements (where available): Eligible clients may receive rent supplements up to \$450 per month per Client.</p>
Rent Supplements:	See the HOP Rent Supplement Guidelines for guidelines on using and administering rent supplements
Subsidy Calculation:	The amount set out in the approved operating budget
Operating Budget:	BC Housing reviews and approves annual operating budgets and expenditures
Surpluses/Deficits:	<p>Upon approval, providers may retain and reinvest surplus funds for programs to benefit clients, which are related to funded services</p> <p>Providers are responsible for covering any deficits</p>
Financial Review:	BC Housing performs an annual Financial Review
Performance Requirements:	<p>Training and certification is required for all staff providing services, as per the service agreement</p> <p>Percentage of clients housed have maintained tenancy at six months</p> <p>Percentage of clients are referred to support services</p> <p>BC Housing also monitors the percentage of clients offered a case plan, and those who have initiated one</p>
Monitoring and Reporting:	<p>Service providers are required to:</p> <ul style="list-style-type: none"> ➤ Submit annual financial statements and staff schedules to BC Housing ➤ Enter monthly data into the Homelessness Services System ➤ Submit a copy of current certificate(s) of insurance as set out in the service agreement <p>BC Housing conducts an Operational Review every three years</p>

Eligibility

The absolute homeless are the primary target population for the HOP and AHOP program. However, homeless outreach services are accessible to anyone 19 or older who is homeless, regardless of ethno-cultural background, religious beliefs, physical disability, mental health status, gender identity, or sexual orientation.

Children under the age of 19 can receive services only if accompanied by a parent/guardian, or referred by a social worker under the *Child, Family, and Community Service Act*.

People leaving the corrections and hospital systems, women who have experienced violence or are at risk of violence, youth (including those in the care system), and people of Aboriginal descent, are the primary target population for the HPP program.

Rent Supplements (where applicable)

Rent supplements help clients pay rent when they are unable to make the full payment on their own.

To be eligible for rent supplements, gross household income must be at or below the [Housing Income Limits](#) at initial occupancy. The service provider reviews the client's proof of income and assets and keeps copies on file.

Rental units should be suitable for the client's household size, in accordance with Occupancy Standards.

Payment to a client cannot exceed \$300 per month for HOP and AHOP clients, and \$450 per month for HPP clients; however, there is no time limit on disbursing a rental supplement to an individual client. Rent supplement payments are normally issued directly to the landlord, not the client. Service providers should have a mechanism for verifying the rental supplement was used for its intended purpose.

For more on rent supplements, see [HOP Rent Supplement Guidelines](#).

Subsidy

BC Housing makes monthly payments to service providers, as set out in the approved operating budget.

Financial Management

Each year, service providers prepare an operating budget with all annual revenues and expenses related to services in the agreement (in a format provided by BC Housing), and submit it to BC Housing for approval. Eligible costs include staffing, program administration, and overhead. Service providers also submit a staff schedule with:

- ▶ Salaries and benefits paid for, in full or in part, by funding provided under the agreement
- ▶ Details on the funded salary portion and the portion paid for through other means

Include a separate Schedule of Revenue and Expenditure in the annual financial statements for each service you offer beyond the scope defined in the service agreement.

Monitoring and Reporting

Database:

Clients are asked to sign a release to allow collection of personal information for the Homelessness Services System, in accordance with the [Personal Information Protection Act](#). Signing the release is not a requirement for receiving service.

Service providers report on a number of outputs and outcomes related to client activities and services.

In addition, providers enter data on all rent supplement payments (where applicable) into the Homelessness Services System.

Operational Review:

BC Housing conducts an on-site Operational Review every three to five years. The review includes interviews with management and outreach workers, and a review of service policies, procedures and other relevant documents. The review may also include interviews with landlords and community organizations to gain an understanding of their experience with the program.

In addition, BC Housing may conduct random audits to verify appropriate use of funds, including rent supplements.

Other Reference Materials

- [Homeless Outreach Program Framework](#)
- [Aboriginal Homeless Outreach Program Framework](#)
- [Rent Supplement Guidelines](#)
- [Homeless Prevention Program Website](#)

Independent Living BC (ILBC)

Non-Profit and Rent Supplement Phases 1 & 2

Program Summary

Independent Living BC provides rental housing and support services for low and moderate income seniors and people with disabilities, who need some assistance to live independently but do not require 24-hour residential care. ILBC is an assisted living partnership between BC Housing, regional health authorities, and non-profit and private sector housing providers.

ILBC residents pay a “tenant contribution” towards accommodation, hospitality services and personal care, calculated at 70% of after-tax income, up to a maximum rent.

Hospitality services include two meals daily, housekeeping, laundry, recreational opportunities and 24-hour emergency response. Personal care services include assistance with grooming, mobility and medications.

Non-profit and for-profit housing providers operate ILBC units; their organizations and facilities must be registered with the Office of the Assisted Living Registrar, under the [Community Care and Assisted Living Act](#).

Projects were awarded between 2002 and 2008.

Other Reference Materials

- [ILBC Program Framework](#)
- [Assisted Living Registrant Handbook](#)
- [ILBC Phase 1 Guide for Non-Profit Operators](#)
- [ILBC Phase 1 Guide for Private Operators](#)
- [ILBC Design and Construction Standards \(2006\)](#)
- [Office of the Assisted Living Registrar Website](#)

Independent Living BC, Non-Profit Phases 1 & 2

Also known as Budget Led ILBC Projects

Program Summary

Non-profit ILBC providers receive subsidies to operate developments that consist entirely or predominantly of ILBC units. Some developments were purpose built for ILBC; others were converted. When construction occurred, capital costs were amortized over a 35-year mortgage. Many projects were built on land owned by a non-profit provider, or leased from a health authority or other public body.

QUICK REFERENCE	
Target Group:	Low and moderate income seniors and people with disabilities who require some assistance to live independently
Project Development:	Projects were awarded between 2002 and 2008; no new project funding is available
Program Funding:	Wholly provincial
Program Funding Numbers:	553, 554, 558, 563, 564, 568
Agreements:	Usually 35-year terms Providers are also required to enter into an <i>Assisted Living Agreement</i> with the health authority
Units Eligible for Subsidy:	As set out in the operating agreement; often 100% of units are eligible for subsidy in a non-profit building, although ILBC units may be mixed in a larger seniors' development in some cases
Resident Selection:	The regional health authority places residents in assisted living units
Household Income:	Households are income tested at the time of application, generally by the health authority case manager In subsequent years, income is verified through the Ministry of Health and health authorities, who advise the housing provider, the resident and BC Housing of the new annual tenant contribution (effective January 1 st each year)
Rents:	Residents pay 70% of after-tax income towards accommodation, hospitality and personal care services, subject to a minimum rent and up to a maximum rent

Subsidy Calculation:	<p>Phase 1: BC Housing subsidizes the difference between 30% of resident income and shelter costs only; the rest of the tenant contribution goes toward hospitality and personal care costs, which are subsidized by the health authority, if necessary</p> <p>Phase 2: BC Housing subsidizes the difference between 70% of resident income and the costs of both shelter and hospitality services; the health authority subsidizes personal care costs only</p> <p>Subsidy is paid monthly to the provider, reviewed quarterly, and adjusted as required.</p>
Operating Budget:	<p>Most ILBC developments have a five-year budget cycle; in between review years, BC Housing adjusts budgeted shelter costs to reflect changes in the Consumer Price Index (see operating agreement)</p> <p>Providers prepare an annual budget listing expenses and revenues separately for the shelter, non-shelter, and support service components, plus a combined amount</p> <p>Phase 2 budgets include hospitality expenses</p>
Surpluses/ Deficits:	The housing provider manages any surpluses or deficits generated in the operating budget
Financial Review:	Providers submit annual financial statements to BC Housing
Replacement Reserves:	The annual operating budget includes a provider contribution to the replacement reserve fund
Monitoring and Reporting:	<p>BC Housing performs an annual Financial Review, and an Operational Review at least every three years</p> <p>The provider performs an annual Rent Calculation Review</p> <p>BC Housing's Internal Audit Department may select tenants at random for an income declaration audit, and providers at random for an agreement compliance audit</p>

Eligibility

The regional health authority selects residents for assisted living units. ILBC occupancy standards apply (see the [ILBC program framework](#)).

People living in non-profit ILBC developments are not eligible for [Shelter Aid for Elderly Renters \(SAFER\)](#).

Over time, residents' ability to remain independent may decline, and some residents may need support that exceeds ILBC services. The health authority determines whether an ILBC unit is no longer appropriate to meet a resident's needs. Providers will work with the health authority as these decisions are made, and develop exit criteria for residents.

Providers need to sign a *Residency Agreement* with each tenant, defining both the occupant and provider's obligations for accommodation and hospitality services (see [ILBC Phase 1 Guide for Non-Profit Operators](#), Schedule C). The health authority also needs to review and approve the agreement, as it may have additional criteria for this contract.

Rents

Residents pay 70% of after-tax income towards accommodation, hospitality and personal care services, subject to a minimum rent and up to a maximum rent. The maximum rent is the most an ILBC resident will pay: if 70% of after-tax income exceeds the maximum rent, the tenant pays the maximum rent. The maximum rent is based on a survey of market prices for assisted living accommodation and hospitality in different regions, plus an amount for personal care determined by each health authority.

In the fall of each year, the health authority advises residents and the housing provider of the new rent contributions for January of the following year (based on Ministry of Health and health authority calculations from the resident's previous year's tax return). The health authority gives the rates to BC Housing.

Residents receiving Income Assistance pay a flat rent, based on the amount of assistance. The Ministry of Health sets the minimum rent and rate for income assistance recipients. On October 1, 2007, a tenant hydro surcharge of \$15 per month was added to the tenant contribution. On January 1, 2015, this amount was increased to \$18 per month.

Financial Management

Housing providers prepare and submit an operating budget to BC Housing for approval, based on the schedule in the operating agreement. Providers manage any surpluses or deficits generated in the operating budget.

At the end of each fiscal year, you submit financial statements. When operating budgets exceed \$50,000 per year, financial statements must be professionally audited, and BC Housing conducts a Financial Review. See the [Financial Management Guide](#) for more information.

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of capital items that periodically wear out, so the building continues to be functional. See the [Standardized List of Replacement Items](#) for items normally eligible for replacement reserves. Approved items and replacement cycles vary according to building design, tenant use and the physical environment. In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the operating bank account to the replacement reserve account. The amount transferred to the reserve fund is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Monitoring and Reporting

Providers have to notify BC Housing of changes in occupancy, usually as changes occur and at least quarterly. Generally, providers work with the health authority case managers to complete paperwork as new clients move in. In addition, the housing provider or health authority advises BC Housing of any other rate changes during the year, including hardship adjustments approved by the case manager.

BC Housing conducts an Operational Review at least every three years, which can include an inspection of the development, designated units, tenant records, and, for Phase 2 units, hospitality services. Health authorities may monitor hospitality and care services at any time, and collaborate with BC Housing staff to conduct on-site reviews.

Phase 2 providers also conduct resident satisfaction surveys.

Independent Living BC, Rent Supplement Phases 1 & 2

Program Summary

Private market housing providers receive rent supplements to make some private assisted living units affordable for low and moderate income seniors and persons with disabilities. BC Housing pays rent supplements at a fixed rate per unit per month.

Residents pay 70% of after-tax income towards accommodation, hospitality and personal care services, up to a maximum rent determined by the health authority, which varies across communities.

The health authority covers the cost of personal care services and, in Phase I, also subsidizes hospitality services.

QUICK REFERENCE	
Target Group:	Low and moderate income seniors and persons with disabilities who require some assistance to live independently
Period Active:	2002 to Present
Program Funding:	Wholly provincial
Program Funding Numbers:	Phase 1: 552, Phase 2: 562
Agreements:	Most rent supplement agreements are for five years and renewable, but some agreements are for 10 years or longer Providers are required to enter into an <i>Assisted Living Agreement</i> with the health authority <i>Note: agreements vary; check individual agreements for details</i>
Units Eligible for Ongoing Subsidy:	Usually a limited number of units in a complex
Resident Selection:	The regional health authority places residents in assisted living units
Household Income:	Households are income tested when they apply
Rents:	Residents pay 70% of after-tax income for housing, hospitality and personal care services, subject to a minimum rent set by the Ministry of Health, and up to the maximum rent, plus a hydro surcharge Residents receiving Income Assistance pay a flat rent, also set by the ministry The maximum rent is the actual market rent outlined in the operating agreement, plus an amount for personal care
Vacancies:	BC Housing does not make vacancy payments in most projects; however, payments are made in some projects if units are vacant longer than three months (see the operating agreement for details)
Financial Review:	N/A

Replacement Reserves:	N/A
Monitoring and Reporting:	<p>Providers report resident proof of income (which may come from the health authority), vacancies longer than three months, an annual activity report, and resident satisfaction surveys (for Phase 2 only)</p> <p>BC Housing is permitted to inspect the development, designated units, and tenant records</p>

Rents

In practice, most residents will actually pay either:

- ▶ 70% of income, based on the ILBC Rent Scale (plus the hydro surcharge), or
- ▶ A flat rent amount, if a tenant receives Income Assistance, or has a very low income and 70% is less than the flat rent amount (including the hydro surcharge), or
- ▶ The Agreed Rent for the unit, which represents the cost of shelter and hospitality services, exclusive of personal care costs agreed to separately. If the tenant contribution (70% of after tax income) is at or greater than the agreed rent, the tenant is not eligible for a rent supplement.

Providers need to sign a *Residency Agreement* with each tenant, defining the occupant and provider's obligations for accommodation and hospitality services (refer to ILBC Phase 1 Guide for Private Operators). The health authority also needs to review and approve the agreement, as it may have additional criteria for this contract.

Rent Supplements

ILBC operators provide shelter, hospitality and personal care services for residents. BC Housing provides a rent supplement toward the shelter costs, while local health authorities provide a subsidy towards the cost of hospitality and personal care services.

The BC Housing rent supplement is typically a flat amount per unit per month. To be eligible for this rent supplement, the tenant contribution must be less than the Agreed Rent for the unit.

Modernization and Improvement

Designated units will be repainted at the provider's cost once every eight years, and carpets and drapes/blinds cleaned no less than once every two years.

Monitoring and Reporting

BC Housing may conduct periodic inspections of designated rent supplement units, the tenant records for these units, and the development to ensure the operator's compliance with standards set out in the operating agreement and statutory requirements. Health authorities may collaborate with BC Housing staff to conduct on-site reviews.

In addition, the BC Housing Internal Audit Department may randomly select tenants for an income declaration audit.

Provincial Homelessness Initiative (PHI)

Non-Profit Partnerships - Phases I and II Preserved Affordable Housing Stock (SROs) Local Government Partnerships (MOUs)

Introduction

In 2004, the Premier's Task Force on Homelessness, Mental Illness and Addictions recommended the Provincial Homelessness Initiative be created to help people who are homeless or at risk of homelessness to:

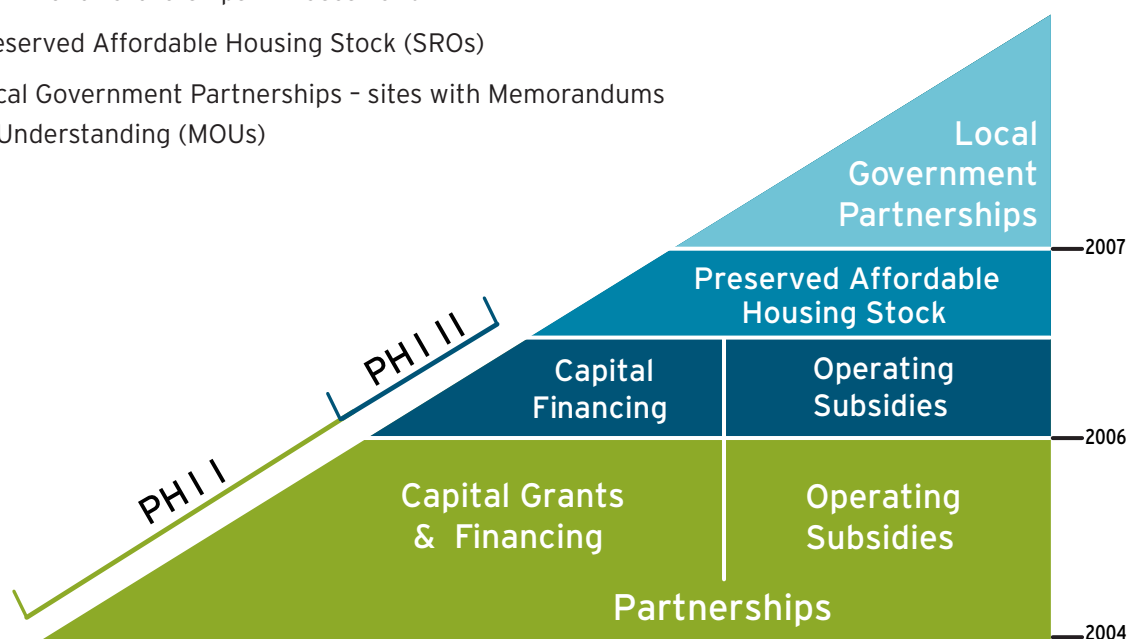
- Move beyond temporary shelter to more secure housing
- Gain greater self-reliance
- Achieve appropriate employment

PHI includes a mix of transitional and permanent housing, with a range of unit types, from Single Room Occupancy (SRO) hotels to self-contained apartments. Support services help residents achieve housing stability and may include:

- Individual or group support services such as life skills, community information, social and recreational programs, and meal programs
- Resident referrals to community supports and services
- On-site staff
- Meals and laundry

PHI relies on a range of partnerships with local governments, municipalities, and non-profit organizations to fund and operate affordable housing and provide support services, through three program components:

- Non-Profit Partnerships - Phases I and II
- Preserved Affordable Housing Stock (SROs)
- Local Government Partnerships - sites with Memorandums of Understanding (MOUs)



Program Summary

Non-Profit Partnerships:

Phase I offered capital grants, forgivable loans, or mortgage financing to non-profit providers to renovate/construct affordable housing for people who are homeless or at risk of homelessness. The federal and provincial governments provide funding through the [Canada-British Columbia Affordable Housing Agreement](#). Some developments provide support services, which are funded and delivered by partnering ministries.

Phase II has a stronger focus on providing support services, with funding provided by the [Extension to the Canada-British Columbia Affordable Housing Initiative](#). Partner ministries may also fund support services.

Preserved Affordable Housing Stock (SROs):

Beginning in 2007, the Provincial Rental Housing Corporation (PRHC) acquired and renovated twenty-six single room occupancy hotels (SROs), in Vancouver, Victoria and New Westminster to create supportive housing for people who are homeless or at risk of homelessness. Non-profit partners deliver property management and support services.

The [SRO Renewal Initiative \(SRI\)](#) and Canada-British Columbia [Housing Renovation Partnership](#) are funding additional renovations to some SRO hotels.

Local Government Partnerships:

Under this program component, BC Housing enters agreements with municipalities to construct new affordable housing developments. An expedited municipal approval process is a key feature of these agreements. The land is usually leased to PRHC for a nominal fee, and PRHC provides all pre-development and construction costs. Some non-profit partners provide property management and/or support services, while others own and operate developments, or lease directly from the municipality.

QUICK REFERENCE	
Target Groups:	People who are homeless or at risk of becoming homeless, including those with drug or alcohol addiction, mental illnesses or concurrent disorders, women and children fleeing abuse, and Aboriginal people
Project Development:	<p>Phase I: 2004 to 2006</p> <p>Phase II: 2006 to present</p> <p>SROs: Developments were first acquired in 2007</p> <p>MOUs: 2010 to present</p>
Program Funding:	<p>Phases I and II: Federal and provincial</p> <p>SROs: Wholly provincial</p> <p>MOUs: Wholly provincial</p>
Program Funding Numbers:	<p>Phase I: 559</p> <p>Phase II: 569</p> <p>SROs: 587</p> <p>MOUs: 588, 596, 598</p>

Agreements:	While some sites have one operating agreement, other projects involve one or more non-profit providers managing discrete functions, under property management or support service agreements; these agreements vary in length
Units Eligible for Subsidy:	Usually 100% of units are rent-geared-to-income MOU Phase II projects - refer to agreements for details
Resident Selection:	Residents must be homeless or at risk of homelessness at initial occupancy, and are selected through the Housing Registry , Supportive Housing Registry, or the housing provider's applicant list; National Occupancy Standards apply (see agreement for details)
Household Income:	Income must be at or below the Housing Income Limits (HILs) Asset limits may be in place in the agreement
Rents:	Residents pay a set percentage (currently 30%) of income towards rent, and there is no rent cap Residents on Income Assistance pay the maximum shelter component In a small number of projects, residents pay a fixed rent
Subsidy Calculation:	Rent Subsidy: Approved operating costs less Tenant Rent Contributions plus other eligible revenues; agreements that specify enhanced property services include these costs in the economic rent Support Services Subsidy: Partnering ministries or BC Housing fund support services in some developments, under an additional <i>Support Services Agreement</i> ; generally, BC Housing's support services subsidy is based on the staff schedule and the approved annual budget
Operating Budget:	BC Housing reviews and approves annual operating budgets and expenditures Projects with funded support services need to separately identify which expenses are allocated to the operating budget and which to the support services budget For PHI Combined Property Management and Support Service agreements, only one budget is submitted.
Surpluses/ Deficits:	See agreement for details
Financial Review:	BC Housing performs an annual Financial Review Service providers with operating budgets exceeding \$50,000 per year submit audited financial statements
Replacement Reserves:	Non-Profit Partnerships: Housing providers make an annual contribution to the replacement reserve, according to your Schedule of Capital Repairs; depending on the agreement, the provision may be funded as part of the operating budget SROs: Replacement reserves do not apply MOUs: Capital repairs and replacements are funded by a contribution to the replacement reserve

Performance Requirements:	<p>Distinct performance standards apply to property management and support service functions, guided by the following broad outcomes:</p> <ul style="list-style-type: none"> ➤ 60% of residents remain housed after six months ➤ 80% of residents are connected with community-based supports and services <p>See agreement(s) for specific standards and requirements</p>
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Annual Financial Review ➤ Rent Calculation Annual Review ➤ Provider Report (as requested) ➤ Operational Review at least every three years

Performance Standards

Housing providers are expected to meet performance standards outlined in the agreement, usually related to:

- Risk management
- Development maintenance
- Human resources
- Financial management and administration
- Resident management

Support service providers are expected to meet performance standards outlined in the agreement, usually related to:

- Staffing requirements
- Required policies and procedures
- Resident complaints process
- Communication about support services offered
- Connecting residents to community supports and services
- Risk management

See agreement(s) for specific standards and reporting requirements.

Capital Repair/Replacement/Planning

Replacement reserves enable housing providers to plan for the replacement of certain capital items that periodically wear out, so the building continues to be functional over its useful life. See the **Schedule of Capital Repairs** (if applicable) in your agreement for a list of eligible replacement reserve items. Approved items and replacement cycles vary according to building design, resident use and the physical environment.

Where replacement reserves apply, housing providers are expected to make an annual contribution to the reserve, which may be funded as part of the operating budget. The contribution is made through an annual or monthly transfer from the housing provider's operating bank account to the replacement reserve account. The amount transferred to the replacement reserve is set out in the operating budget

(see the [Financial Management Guide](#) for details).

Where the building is owned by the Provincial Rental Housing Corporation (PRHC), the costs for major capital repairs and replacements are generally paid for by the Province, subject to the availability of funds. Special expenditures for capital items must be requested from BC Housing during the annual budget approval or as an emergency request.

All MOU developments contribute to a replacement reserve, regardless of building ownership.

Monitoring and Reporting

BC Housing may ask housing providers to complete a *Provider Report* periodically. The report verifies compliance with program standards and provides an open-ended opportunity for qualitative feedback.

We generally conduct an Operational Review every three years to assess your fulfillment of the agreement terms. The review includes interviews with your management staff, an on-site visit and inspection, and a review of service policies and procedures.

Other Reference Materials:

- [Provincial Homelessness Initiative Program Framework](#)
- [Financial Management Guide](#)

Provincial Housing Program (HOMES BC)

This suite of programs is also known as **Wholly Provincial Non-Profit**

Program Summary

Three HOMES BC program components target a diverse range of households, through long-term operating agreements with non-profit partners, or rent supplements for households in private and non-profit housing:

1. HOMES BC Regular (serves families and seniors)
2. HOMES BC Homeless-at-Risk (HAR) and Low Income Urban Singles (LIUS)
3. HOMES BC Rent Supplement and Rent Support (serves families, seniors and persons with disabilities living in private or non-profit housing)

Projects were awarded between 1993 and 2003. Capital costs were amortized over a 35-year mortgage. Many projects were built on land owned by the Provincial Rental Housing Corporation (PRHC) and leased to non-profit providers for 60 years. The land and buildings revert to PRHC when the lease expires. If the lease is pre-paid, it is amortized into the mortgage along with the capital costs.

In the HOMES BC Regular, HAR and LIUS programs, BC Housing provides subsidies to bridge the gap between Tenant Rent Contributions and the approved operating budget for 35 years. Operating agreements set program standards and targets, and remain in effect for 60 years, well after the termination of subsidy.

In many cases, BC Housing provided low cost CMHC loan insurance and arranged low interest rates and favourable terms for HOMES BC mortgages with a *National Housing Act* approved lender.

Other Reference Materials

- ▶ HOMES BC Operating Guide

HOMES BC Regular

Program Summary

This HOMES BC program provides housing for low income families with children, independent disabled persons, and seniors. The majority of projects are mixed income developments, with 60% rent-geared-to-income (RGI) units and 40% market units.

RGI residents pay a Tenant Rent Contribution (TRC) based on the BC Rent Scale—currently 30% of income or a minimum rent—which is adjusted if the resident’s income or household composition changes. Residents on Income Assistance (IA) pay a flat rent based on the IA shelter component for their household size, less a set amount for telephone and domestic utilities.

Market residents pay rents approaching market levels for comparable units in the private sector.

A unique feature of these developments is the division of subsidy into two distinct streams:

- 1. Rent subsidy payments** make up the difference between RGI Tenant Rent Contributions and the approved operating costs for those units (called the economic rent). This subsidy is paid until the earlier of 35 years, or the point at which the project achieves an overall surplus.
- 2. Repayable Assistance** makes up the difference between market rents and the economic rent for these units. The program assumes market rents will increase more quickly than operating costs over time. Eventually, the market rents should exceed operating costs, and the housing provider will start repaying the assistance to BC Housing. In practice, repayable assistance is collected through a reduction in the subsidy BC Housing pays for RGI units. Some operating agreements refer to Repayable Assistance as a Rental Assistance Payment.

Some developments are 100% RGI, with all units eligible for the rent subsidy payment (repayable assistance does not apply in these cases).

QUICK REFERENCE

Target Groups:	Families with children, independent disabled persons and seniors
Project Development:	Projects were awarded between 1993 and 2003; no new project funding is available
Program Funding:	Wholly provincial
Program Funding Number:	529
Agreements:	60 years, expiring between 2056 and 2066; subsidy ends after 35 years
Unit Designation:	Most projects are 60% rent-geared-to-income (half Deep Need, half Shallow Need) and 40% market; some projects are 100% rent-geared-to-income
Resident Selection:	The Housing Registry or a housing provider applicant list

Household Income:	<p>RGI units: At or below the Housing Income Limits (HILs)⁷</p> <p>Market units: Moderate income at or below the Upper Income Limit. The Upper Income Limit's gross household income must be less than five times the market rent for the unit.</p>
Rents:	<p>RGI units: BC Rent Scale (currently 30% of income or a minimum rent)</p> <p>Market units: Rents should average 90% of the appraised market rent</p>
Subsidy Calculation:	<p>RGI units: Rent Subsidy Payment = Approved operating costs (economic rent) less Tenant Rent Contribution</p> <p>Market units: <i>Repayable Assistance</i> = Approved operating costs less market rent</p>
Operating Budget:	BC Housing approves the budget every one to five years, depending on the terms of the operating agreement
Surpluses/Deficits:	The housing provider manages any surpluses or deficits generated in the operating budget. See the HOMES BC Operating Guide for information on Accumulated Operating Surplus.
Financial Management:	Providers submit audited financial statements to BC Housing BC Housing performs an annual Financial Review
Replacement Reserves:	The annual operating budget includes a provider contribution to the replacement reserve fund
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Annual Financial Review ➤ Rent Calculation Annual Review ➤ Operational Review at least every five years

Unit Designation

The housing provider maintains the unit designations set out in the operating agreement.

In mixed income developments (with both RGI and market units), if an RGI resident's income increases so they no longer qualify for a subsidy, the household may be able to remain in the unit if the unit designation is changed to market. This will change the overall number of RGI versus market units. But the overall mix of unit types can be restored when the next market unit becomes vacant, by converting it to an RGI unit and renting it to residents needing subsidy.

Eligibility and Rents

RGI:

Housing providers who join [the Housing Registry](#) select all RGI residents from the registry database. Providers who are not part of the registry establish their own application process and select from their applicant list.

To be eligible for an RGI unit, gross household income must be at or below the [Housing Income Limits](#):

- ▶ Half of RGI units are designated for households in **Deep Need** (gross household income is below 70% of the HILs)
- ▶ Half of RGI units are designated for households in **Shallow Need** (gross household income is between 70-100% percent of the HILs)

Deep and shallow need requirements do not apply to 100% RGI developments.

All RGI residents pay a Tenant Rent Contribution based on the BC Rent Scale and are income tested annually. The [Rent Calculation Guide](#) explains how to calculate the Tenant Rent Contribution for RGI units. Tenant Rent Contributions are capped at market rent.

Market:

The housing provider is responsible for maintaining average rents at or near market levels (ideally 90% of market and never less than 85% of market), and must arrange and pay for a professional market rent appraisal every five years. Market units are subject to the rent increase provisions of the [Residential Tenancy Act](#).

Housing providers select market residents from their own applicant list, or [the Housing Registry](#).

To be eligible for market units, households must have a moderate income at or below the **Upper Income Limit**: gross household income must be less than five times the market rent for the unit at initial occupancy. This limit means no market resident will pay less than 20% of income for rent. Household income for market units is verified at initial occupancy only.

Subsidy

RGI Units:

BC Housing provides a monthly rent subsidy payment for RGI units to make up the difference between Tenant Rent Contributions and approved operating costs (the economic rent) for those units. Subsidy changes are recorded as tenancy changes occur, but the total monthly subsidy payment remains the same throughout the year. Adjustments are made at fiscal year-end to the total annual subsidy, after we review the financial statements.

Market Units:

BC Housing provides a “repayable assistance” subsidy for market units, to make up the difference between the market and economic rents for those units.

At the start of each five-year budget cycle, BC Housing establishes the repayable assistance based on an expectation the housing provider will charge market rents at an average of 90% of the appraised market rent. Throughout the budget cycle, housing providers are expected to apply reasonable annual rent increases, by at least 90% of any increase in the Consumer Price Index from the previous year. BC Housing automatically reduces the repayable assistance each year on this expectation. Some providers are on a one-year budget cycle.

As long as you increase market rents by at least this amount annually, a balanced budget should be attainable. Since actual rental market dynamics may differ from BC Housing’s forecasting, contact your Non-Profit Portfolio Manager to discuss any challenges that arise as a result of the subsidy adjustment approach used in this program.

Financial Management

Housing providers prepare and submit an operating budget to BC Housing for approval every one or five years, depending on the terms of the operating agreement. For those on a five-year budget cycle, BC Housing adjusts the economic and market rents annually based on changes in the Consumer Price Index.

At the end of each fiscal year, housing providers have financial statements professionally audited, and submit them to BC Housing for a Financial Review. Audited financial statements may not be required when funding is less than \$50,000 per year.

Providers manage any surpluses or deficits generated in the operating budget.

See the [Financial Management Guide](#) for more information.

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of certain capital items that periodically wear out, so the building continues to be functional over its useful life. See the [Standardized List of Replacement Items](#) for a list of eligible replacement reserve items. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the housing provider's operating bank account to the replacement reserve account. The amount transferred to the replacement reserve is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Monitoring

BC Housing will conduct an on-site Operational Review at least every five years.

BC Housing's Internal Audit Department may randomly select residents for an audit to verify income was declared correctly and the Tenant Rent Contribution calculated accurately.

HOMES BC Homeless-At-Risk (HAR) & Low Income Urban Singles (LIUS)

Program Summary

This HOMES BC program provides housing for the homeless, people at risk of homelessness, and low income urban singles. Varying eligibility criteria and different rent scales apply.

While most projects receive ongoing subsidy, some have a forgivable loan only.

QUICK REFERENCE	
Target Group:	The homeless, persons at risk of homelessness, and low income urban singles
Project Development:	Projects were awarded between 1993 and 2003; no new project funding is available
Program Funding:	Wholly provincial
Program Funding Number:	526
Agreements:	60 years, expiring between 2053 and 2065; subsidy ends after 35 years
Units Eligible for Ongoing Subsidy:	Usually 100% of units are eligible for subsidy
Resident Selection:	The Housing Registry or housing provider applicant list
Household Income:	At or below the Housing Income Limits ; HAR multi-service short-term and expandable components ¹ do not require income testing
Rents:	Varies: Fixed rent-on-the-door, BC Rent Scale, LIUS Rent Scale, depending on the operating agreement
Subsidy Calculation:	<p>Fixed rent-on-the-door: = Approved operating costs (economic rent) less fixed rent</p> <p>BC/LIUS Rent Scale: = Approved operating costs (economic rent) less Tenant Rent Contribution</p> <p>HAR Multi-service short-term/expandable component: = Approved operating costs less other revenue</p>
Operating Budget:	BC Housing approves an annual budget
Surpluses/Deficits:	BC Housing pays any approved deficit to the provider; the provider repays any surplus to BC Housing

¹ The short-term component is a part of the development with shared or single rooms and no private bathroom or kitchen facilities. The expandable component is a part of the development used for recreation, programs, etc., which can be used to provide overnight accommodation on an emergency basis, as required by weather conditions and other related factors.

Financial Review:	<p>BC Housing performs an annual Financial Review</p> <p>Service providers with operating budgets exceeding \$50,000 per year submit audited financial statements</p> <p>BC Housing's Internal Audit Department may randomly select residents for an audit to verify income was declared correctly and the Tenant Rent Contribution calculated accurately</p>
Replacement Reserves:	<p>The annual operating budget includes a provider contribution to the replacement reserve fund</p>
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Annual Financial Review ➤ Rent Calculation Annual Review ➤ Operational Review every three to five years

Eligibility and Rents

In Homeless-at-Risk developments, residents must be homeless or at high risk of becoming homeless because of a physical, social or mental condition or disability, at initial occupancy. In Low Income Urban Singles developments, residents must be 19 years or older, without dependents under the age of 19, at initial occupancy. For all developments, housing providers select eligible residents from their applicant lists or the Housing Registry.

To meet the diverse needs of target populations, this program uses various rent scales:

1. Homeless-at-Risk No Subsidy

Ongoing subsidy is not provided; a forgivable loan is given based on the terms of the Loan Commitment Letter.

2. Homeless-at-Risk Fixed Rent

Residents pay a fixed rent-on-the-door, based on the maximum Income Assistance shelter component. Some exceptions apply: see your operating agreement for details.

3. Homeless-at-Risk 100% RGI

Residents pay a Tenant Rent Contribution based the BC Rent Scale, and are income tested annually. Currently, residents pay 30% of income or a minimum rent. Residents on Income Assistance pay a flat rent based on the Income Assistance shelter component for their household size, less a set amount for telephone and domestic utilities. The [Rent Calculation Guide](#) explains how to calculate the Tenant Rent Contribution for RGI units. There is no rent cap.

4. Homeless-at-Risk Multi-Service Housing

Second stage component: Residents pay a fixed rent-on-the-door equal to the Income Assistance maximum shelter component.

Short-term/expandable component (emergency accommodation): Only persons who are homeless or at high risk of becoming homeless because of a physical, social or mental condition or disability are eligible. There is no income testing or rent charge.

5. Low Income Urban Singles

Residents pay a Tenant Rent Contribution based on the LIUS Rent Scale: 30% of income or a minimum rent. Residents on Income Assistance pay the maximum shelter amount. There is no rent cap.

Subsidy (if applicable)

BC Housing provides a monthly subsidy payment to the housing provider to make up the difference between the aggregate Tenant Rent Contributions and aggregate approved operating costs. Changes to individual subsidies for each unit are recorded as they occur, but do not affect the total monthly subsidy payment. Adjustments are made at fiscal year-end for the total annual subsidy, after we review the financial statements.

For HAR Multi-Service Housing (short-term/expandable components), BC Housing provides an operating support payment equal to the approved operating costs, less any funding received from other sources (such as a local health authority) towards these expenses, and any surplus in excess of the approved maximum surplus.

See the [Financial Management Guide](#) for other requirements.

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of certain capital items that periodically wear out, so the building continues to be functional over its useful life. See the [Standardized List of Replacement Items](#) for a list of eligible replacement reserve items. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the housing provider's operating bank account to the replacement reserve account. The amount transferred to the replacement reserve is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Monitoring

BC Housing will conduct an onsite Operational Review once every three to five years, depending on the operating agreement.

HOMES BC Rent Supplement & Rent Support

Program Summary

This HOMES BC program provides rent supplement and rent support payments to people with disabilities, families with children, and seniors who have unique needs or live in an area where their needs cannot be accommodated through existing subsidized housing.

Typically, these operating agreements are one-of-a-kind. Refer to the terms of your operating agreement for specific details.

QUICK REFERENCE	
Target Groups:	Persons with mental, physical, or psychiatric disabilities, families with children, seniors
Project Development:	Rent supplements were awarded between 1994 and 2003; no funding is available for new rent supplements
Program Funding:	Wholly provincial
Program Funding Number:	550
Agreements:	<p>Rent Supplement: usually five years</p> <p>Rent Support: usually 10 years</p> <p>Some newer agreements allow for annual renewal without notice</p>
Units Eligible for Ongoing Subsidy:	As described in the operating agreement
Resident Selection:	The Housing Registry or housing provider applicant list
Household Income:	At or below the Housing Income Limits
Rents:	BC Rent Scale (currently 30% of income or a minimum rent)
Subsidy Calculation:	Market rent less Tenant Rent Contribution
Operating Budget:	N/A
Surpluses/Deficits:	N/A
Financial Review:	N/A; BC Housing performs a subsidy reconciliation at the end of each fiscal year
Replacement Reserves:	N/A
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Rent Calculation Annual Review (rent supplement only) ➤ Operational Review: BC Housing may inspect the development, units and recipient files

Eligibility and Rents

Households offered a rent supplement are responsible for locating a unit in the private market, where rent does not exceed the [maximum rent ceilings](#).

Before receiving the supplement, residents have to sign an agreement for the rent subsidy and give a copy to the private market landlord.

The Tenant Rent Contribution is based on the BC Rent Scale, and all residents are income tested annually. The [Rent Calculation Guide](#) explains how to calculate the TRC, which is capped at market rent. The TRC may be called the Recipient Rent Contribution in the operating agreement.

Refer to your operating agreement for specific tenancy agreement requirements.

Subsidy

BC Housing provides a monthly subsidy payment to housing providers to make up the difference between the aggregate Tenant Rent Contributions and aggregate total of market rents. Providers record changes to individual subsidies for each rent supplement allocation as they occur, but adjustments are made at fiscal year-end to the total annual subsidy. BC Housing performs a subsidy reconciliation at the end of each fiscal year.

BC Housing does not pay for vacant or un-allocated units.

Capital Repair/Replacement/Planning

Funding is not available for capital repair, replacement or planning.

Monitoring

BC Housing may inspect the development, units and rent supplement/support recipient files at any reasonable time.

When requested, housing providers will provide BC Housing with an **Annual Rent Supplement Report** that may include:

- ▶ Total Tenant Rent Contributions
- ▶ Total BC Housing rent supplement payments
- ▶ Total rent for all units receiving rent supplement payments
- ▶ Total number of vacancy months and a rent roll for all units covered under the operating agreement

BC Housing's Internal Audit Department may randomly select residents for an audit to verify income was declared correctly and the Tenant Rent Contribution calculated accurately.

Provincial Rental Assistance Program (PRAP): Disabled

Program Summary

This program supports people with disabilities paying rent-geared-to-income (RGI).

The provincial government established PRAP Disabled in 1983 and awarded projects until 1985. Some buildings received a capital grant. At inception, the program was primarily aimed at placing tenants from government institutions that were being closed (e.g. Tranquille, Glendale and Woodlands).

The program was layered on to the [Canada Mortgage and Housing Corporation \(CMHC\) Section 95, Pre 1986 program](#), which provided a mix of market and non-market units, and a subsidy based on the difference between amortizing capital costs at an interest rate of 2% and amortizing at the actual interest rate. PRAP subsidies covered the difference between the CMHC contribution, plus resident rent revenue, and the economic rent.

CMHC and BC Housing each sent monthly payments to providers in the early years of the program. BC Housing has always handled budget approval, financial review and program oversight, and took over paying the CMHC contribution and mortgage administration in February 2007. While BC Housing still calculates and records the 2% write-down separately, we simply pay a subsidy based on the difference between total RGI rent revenue and the total cost of operating the development (economic rent).

QUICK REFERENCE

Target Group:	Low income persons with disabilities
Project Development:	Projects were awarded between 1983 and 1985; no new project funding is available
Program Funding:	CMHC and provincial
Program Funding Number:	509
Agreements:	Agreements are renewed annually to a maximum of 35 years, and will expire between 2019 and 2021
Units Eligible for Subsidy:	In most developments, 100% of the units are designated as eligible for RGI subsidies
Resident Selection:	Housing provider applicant list; some residents may be selected by a support agency
Household Income:	While operating agreements describe income thresholds in relation to the Guaranteed Available Income for Need (GAIN), BC Housing has, for many years, asked providers to select residents with household incomes at or below the Housing Income Limits at initial occupancy
Rents:	BC Rent Scale to a maximum of market rents Market rent is generally set only when a caregiver lives on-site and is required to pay rent

Subsidy Calculation:	The difference between total revenues (mostly resident rent) and total approved expenses When providers receive support funding from another source for client services, the related revenues must be kept separate
Operating Budget:	BC Housing approves annual budgets
Financial Review:	Housing providers submit annual financial statements Financial statements are professionally audited when total subsidy exceeds \$50,000, or at BC Housing's request
Replacement Reserve:	Providers budget for a replacement reserve using BC Housing guidelines
Surplus/Deficit:	BC Housing reviews financial statements and determines whether any surplus amounts are due back or a deficit will be paid to the provider
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Housing provider reports include resident incomes, annual summary, changes of tenancy (every three months), annual budgets, and annual market rent reviews ➤ BC Housing may perform an on-site Operational Review every three to five years; we may ask to see supporting documentation for tenant income declarations during the review ➤ BC Housing's Internal Audit Department may randomly select residents for an income declaration audit

Replacement Reserves

Housing providers make annual contributions to a replacement reserve, according to the operating agreement and BC Housing's standards. BC Housing must approve any expenditures not in compliance with these standards. See the [Standard List of Replacement Items](#) and [Financial Management Guide](#) for more information on BC Housing's requirements.

Other Capital Requirements

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or new kitchen cabinets, may require significant capital expenditures as buildings age. BC Housing may provide funding for these planned upgrades or other modernizations, subject to availability.

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Provincial Rental Assistance Program (PRAP): Seniors

Program Summary

This program supports low income seniors paying rent-geared-to-income (RGI).

The provincial government established PRAP Seniors in 1979 and awarded projects until 1985. Buildings received a provincial capital grant under the former *Housing Construction (Elderly Citizens) Act*, and many have land leases with monthly payments. The Province led the decision on which sponsors were approved for buildings.

The program was layered onto the [Canada Mortgage and Housing Corporation \(CMHC\) Section 95, Pre 1986 program](#), which provided a mix of market and non-market units, and a fixed subsidy based on the difference between amortizing capital costs at an interest rate of 2% and amortizing at the actual interest rate. PRAP subsidies covered the difference between the CMHC contribution, plus resident rent revenue, and the economic rent.

CMHC and BC Housing each sent monthly payments to providers in the early years of the program. BC Housing has always handled budget approval, financial review and program oversight, and took over paying the CMHC contribution and mortgage administration in February 2007. At this point it was no longer necessary to calculate the 2% write-down, and we simply pay a subsidy based on the difference between total RGI rent revenue and the total cost of operating the development (economic rent).

Quick Reference	
Target Group:	Low income seniors
Project Development:	Projects were awarded between 1979 and 1985; no new project funding is available
Program Funding:	CMHC and provincial
Program Funding Number:	508
Agreements:	Renewed every five years to a maximum of 35 years; agreements expire between 2015 and 2021 Many projects have a land lease with the Provincial Rental Housing Corporation that extends beyond the term of the operating agreement and subsidy, and requires providers to continue fulfilling operating agreement requirements for the full term of the lease
Units Eligible for Subsidy:	In most developments, 100% of the units are designated as eligible for RGI subsidies
Resident Selection:	Housing provider applicant list or the Housing Registry
Household Income:	Although operating agreements describe income thresholds in relation to the Guaranteed Available Income for Need (GAIN), BC Housing has, for many years, asked providers to select residents with household incomes at or below the Housing Income Limits at initial occupancy

Rents:	The BC Rent Scale to a maximum of market rents Market rents are set at the low end of the market range and reviewed annually Providers obtain a formal market rent appraisal at BC Housing's request
Subsidy Calculation:	The difference between total revenues (mostly resident rents) and total approved expenses
Operating Budget:	BC Housing approves annual operating budgets
Financial Review:	Housing providers submit annual financial statements Financial statements are professionally audited when total subsidy exceeds \$50,000, or at BC Housing's request
Replacement Reserve:	Providers budget for a replacement reserve using BC Housing guidelines
Surplus/Deficit:	BC Housing reviews financial statements and determines whether any surplus amounts are due back or a deficit will be paid to the provider
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Housing provider reports include resident incomes, annual summary, changes of tenancy (every three months), annual budgets, and annual market rent reviews ➤ BC Housing may perform an on-site Operational Review every three to five years; we may ask to see supporting documentation for tenant income declarations during the review ➤ BC Housing's Internal Audit Department may randomly select residents for an income declaration audit

Replacement Reserves

Housing providers make annual contributions to a replacement reserve, according to the operating agreement and BC Housing's standards. BC Housing must approve any expenditures not in compliance with these standards. See the [Standard List of Replacement Items](#) and [Financial Management Guide](#) for more information on BC Housing's requirements.

Other Capital Requirements

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or new kitchen cabinets, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Rural and Native Housing – Homeowner Program Sections 79 and 92

Program Summary

Canada Mortgage and Housing Corporation (CMHC) established this homeownership program to:

- ▶ Help low income households in rural areas (generally in communities with less than 2,500 residents) acquire new or existing housing, and
- ▶ Promote Aboriginal involvement in planning and delivering housing.

Off-reserve Aboriginal and non-Aboriginal households in core housing need were eligible for Rural and Native Housing (RNH). The goal was to have registered owners occupy their homes.

CMHC ran the RNH program from 1974 to 1985 under Section 79 of the *National Housing Act*. Projects were then acquired under NHA Section 92 from 1985 to 1991.

CMHC provided mortgage loans up to 100% of capital costs, and encouraged some cash or “sweat equity” from homeowner clients. For the Section 79 portion of the program, CMHC paid 75% of program costs and BC Housing paid 25%. The Province registered a *Certificate of Monies Advanced* on title to recapture the provincial portion of any subsidy if the housing was transferred. The provincial government did not participate in the Section 92 program.

CMHC initially handled program delivery and administration and, over time, phased in a number of Aboriginal Property Management Groups (PMGs) to oversee projects in different regions across the province. BC Housing continued this approach when we took on portfolio management in 2007. Then in 2012, the [Aboriginal Housing Management Association](#) (AHMA) took over portfolio management and the PMGs have now been phased out.

About 40 homes remain under this program. AHMA is responsible for mortgage administration, processing mortgage renewals, determining owners’ mortgage payment contributions, collecting owners’ mortgage payments, paying local taxes (municipal or equivalent), and handling any defaults. BC Housing continues to provide AHMA with some assistance for mortgage renewals and discharge.

Over time, a number of homeowner clients defaulted on their mortgages, leading CMHC, as the mortgage holder, to take back those homes. Some were re-sold, some were offered on a lease-to-purchase option, and others were rented to eligible households under the [Rural and Native Rental program](#).

QUICK REFERENCE

Target Groups:	Off-reserve Aboriginal and non-Aboriginal households in core housing need
Project Development:	Section 79 projects were acquired from 1974 to 1985 Section 92 projects were acquired from 1985 to 1991
Program Funding:	<i>Section 79:</i> CMHC 75% and provincial 25% <i>Section 92:</i> CMHC 100%
Program Funding Numbers:	580, 514, 577
Agreements:	Mortgage agreements between homeowners and CMHC For Section 79 units, the Province registered a <i>Certificate of Monies Advanced</i> on title to recapture the provincial portion of any subsidies if the housing was subsequently re-sold
Resident Selection:	Clients applied to CMHC for a mortgage; both the homes and the purchasers were required to meet CMHC guidelines
Household Income:	Households had to be in core housing need at the time of purchase Homeowner income is reviewed at mortgage renewal
Mortgage Payment:	Mortgage payments are based on 25% of the homeowner's adjusted annual income, according to the Federal Rent Scale AHMA collects homeowner mortgage payments and is responsible for mortgage administration
Subsidy:	Subsidy covers the difference between the homeowner's mortgage contribution and the actual mortgage and taxes No subsidy payment is made to the homeowner AHMA pays local taxes
Operating Costs, Maintenance and Repairs:	Homeowners are responsible for operating costs, including maintenance and repairs, but not local taxes

Rural and Native Housing – Rental Program Sections 79 and 92

Program Summary

Canada Mortgage and Housing Corporation (CMHC) established Rural and Native Housing (RNH) as a homeownership program. However, a number of homeowners defaulted on their mortgages, leading CMHC to take back those homes. Some homes were re-sold, some were offered on a lease-to-purchase option, and some were rented to eligible households. Rental units targeted the same client group as the homeowner program: low income off-reserve Aboriginal and non-Aboriginal households in rural areas (generally in communities with less than 2,500 residents).

CMHC ran the RNH program from 1974 to 1985 under Section 79 of the *National Housing Act*. Projects were then acquired under NHA Section 92 from 1985 through 1991.

CMHC initially handled program delivery and administration and, over time, phased in a number of Aboriginal Property Management Groups (PMGs) to oversee projects in different regions across the province. BC Housing continued with this approach when we took over portfolio management in 2007.

In 2012, the *Aboriginal Housing Management Association* (AHMA) took on portfolio management and the PMGs have now been phased out. BC Housing transferred ownership of rental houses to AHMA and a number of Aboriginal non-profit housing providers, who manage the rental units in various regions of BC. AHMA delivers subsidies to these Aboriginal housing providers.

The homes are rented to low income households paying rent-geared-to-income (RGI) under agreements with AHMA, until the original CMHC debenture expires. AHMA's subsidies to providers also cease at that time. Housing providers collect resident rents and manage all operating revenues and costs, including replacement reserves, capital repairs, maintenance and improvements.

QUICK REFERENCE

Target Groups:	Off-reserve Aboriginal and non-Aboriginal households in core housing need
Project Development:	Section 79 projects were acquired from 1974 to 1985 Section 92 projects were acquired from 1985 to 1991
Program Funding:	Section 79: CMHC 75% and provincial 25% Section 92: CMHC 100%, now transferred to AHMA
Program Funding Numbers:	581, 583, 578
Agreements:	Agreements between AHMA and Aboriginal non-profit housing providers Tenancy agreements between AHMA/providers and residents
Resident Selection:	Housing providers/AHMA select residents for the units they own and manage

Household Income:	Households must be in core housing need at the time of occupancy
Rent Payment:	Rents are set at 25% of income according to the Federal Rent Scale, plus utilities; new tenants may pay according to the BC Rent Scale
Subsidy:	Subsidies cover the difference between the resident rent payment and the cost of running the home
Financial Review:	None
Replacement Reserve:	Housing providers or AHMA cover replacement reserves from their own resources
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Housing providers submit annual audited financial statements to AHMA ➤ AHMA provides regular reports to BC Housing

Section 26 Non-Profit Housing

Program Summary

This program provides affordable housing for low income seniors, families and people with special needs.

[Canada Mortgage and Housing Corporation](#) (CMHC) established the program in 1950, with projects awarded until 1972. CMHC provided mortgage financing at reduced interest rates, fixed over a 40 to 50-year term. Reduced mortgage costs were intended keep economic rents modest and, therefore, unit rents within the reach of low income tenants.

This program involves no subsidy, but [Section 82.1\(b\)](#) rent subsidy agreements were subsequently layered into some projects.

BC Housing took over responsibility for program administration in February 2007.

QUICK REFERENCE	
Target Groups:	Low to moderate income seniors, families and individuals with special needs
Project Development:	Projects were awarded between 1950 and 1972; no new project funding is available
Program Funding:	CMHC below market mortgages; some CMHC grants; some provincial grants under the former <i>Elderly Citizens Housing Aid Act</i>
Program Funding Number:	573
Agreements:	The operating agreement expires with the term of the loan
Resident Selection:	Providers choose residents from an applicant waitlist
Household Income:	At or below the Housing Income Limits (HILs), verified at initial occupancy
Rents:	Rents are set at the approved economic rent and maintained below market
Subsidy Calculation:	No ongoing subsidy is provided under this program
Operating Budget:	Set by the housing provider
Surpluses/Deficits:	Managed by the housing provider
Financial Review:	The review determines whether rent adjustments are required to ensure they are adequate to cover costs. Effective January 2014, financial statements are not required for Section 26 care facilities.
Replacement Reserves:	CMHC determined the reserve amount to set aside and approved the use of reserve funds; BC Housing now handles administration

Monitoring and Reporting:

- Financial Review
- Operational Review

Housing Construction (Elderly Citizens) Act

For some projects, a provincial **Elderly Citizens Housing Aid Act** grant—later renamed the **Housing Construction (Elderly Citizens) Act**—funded 25% to 33% of capital costs. The Act was repealed in 2001.

Mortgages

Some mortgages can be paid out early with a three-month interest penalty only, but most mortgages require the full interest penalty for the remaining term of the loan.

In addition, some mortgages are written at a higher face interest rate than CMHC actually collects. For example, the face rate may have been 10%, but CMHC collected a payment based on only 8%. However, the interest penalty on an early payout is calculated at the higher (10%) rate, as the subsidy write-down is lost.

Some projects also received a 10% grant from CMHC, which is forgiven over the length of the mortgage. On early payout, the remaining unforgiven portion of the grant must be repaid.

In 2013, CMHC started accepting prepayment of closed mortgages, when refinancing is needed for capital repairs and renovations, with a penalty consistent with private lending institutions. On early payout, the operating agreement is terminated, and any Section 82.1(b) subsidy agreement layered into these projects is also terminated at BC Housing's discretion.

Replacement reserves cannot be used to pay out mortgages.

You can contact BC Housing's Legal and Lending Department to determine early payout options and costs.

Monitoring and Reporting

BC Housing reviews financial statements and monitors rents to ensure they're adequate to cover costs. Effective January 2014, financial statements are not required for care facilities.

We also conduct an onsite Operational Review, generally every three to five years.

Other Reference Materials

- [Section 82.1\(b\) program](#)
- [Section 26/27 Early Mortgage Payout document](#)

Section 27 Non-Profit Housing

Program Summary

This program provides affordable housing for low to moderate income seniors, families and people with special needs.

Canada Mortgage and Housing Corporation (CMHC) established the program in 1973, with new projects built until 1977, under Section 15.1 (later revised as Section 27) of the *National Housing Act*. This program replaced the previous [Section 26 program](#) and allowed for 100% capital cost financing.

CMHC provided mortgage financing to non-profit housing providers, with 50-year amortization and 50-year fixed terms at below market rates, to construct or rehabilitate housing projects. The reduced mortgage costs were designed to keep economic rents modest and, therefore, unit rents within the reach of low income residents.

BC Housing took over administering operating subsidies and collecting mortgage payments in February 2007, although CMHC still owns the mortgages and makes final decisions on any requests for mortgage payouts.

Neither CMHC nor BC Housing provides ongoing subsidies under this program. However, many projects received provincial grants (under the former *Elderly Citizen Housing Aid Act*) and were eligible for federal/provincial subsidies under the [Section 82\(1\)\(b\) housing program](#). Some Section 27 buildings also receive rent subsidies under subsequent housing programs like [Independent Living BC](#) or [Seniors' Supportive Housing](#).

QUICK REFERENCE

Target Groups:	Seniors, families and individuals with special needs
Project Development:	Projects were awarded between 1973 and 1977; no new project funding is available
Program Funding:	CMHC below market mortgages; some CMHC grants; some provincial grants under the former <i>Elderly Citizens Housing Aid Act</i> (see notes below)
Program Funding Number:	574
Agreements:	Operating agreements expire with the 50-year term of the mortgage
Resident Selection:	Housing providers choose residents from an applicant waitlist Health authorities select residents for some units receiving subsidies under other housing programs
Household Income:	BC Housing has asked providers to place residents with incomes: <ul style="list-style-type: none">➤ At or below the Housing Income Limits (HILs), or➤ Up to the top of the second quintile of household incomes for two or more people in BC, based on Statistics Canada Income Tax data when no one with an income under the HILs is available (CMHC's original expectation) Incomes are verified at initial occupancy

Rents:	Rents are set at the approved economic rent and maintained below market
Subsidy Calculation:	This program has no ongoing subsidy
Operating Budget:	Set by housing providers
Surpluses/Deficits:	Managed by housing providers
Financial Review:	The review determines whether rent adjustments are required to ensure they are adequate to cover costs. Effective January 2014, financial statements are not required for Section 27 care facilities.
Replacement Reserves:	CMHC determined the reserve amount to set aside and approved the use of reserve funds; BC Housing now handles administration Some projects' operating budgets and reserves are set in partnership with the local health authority
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Financial Review ➤ Operational Review

Housing Construction (Elderly Citizens) Act

For some projects, a provincial **Elderly Citizens Housing Aid Act** grant—later renamed the **Housing Construction (Elderly Citizens) Act**—funded 25% to 33% of capital costs. The Act was repealed in 2001.

Mortgages

Some mortgages can be paid out early with a three-month interest penalty only, but most mortgages require the full interest penalty for the remaining term of the loan.

In addition, some mortgages are written at a higher face interest rate than CMHC actually collects. For example, the face rate may have been 10%, but CMHC collected a payment based on only 8%. However, the interest penalty on an early payout is calculated at the higher (10%) rate, as the subsidy write-down is lost.

Some projects also received a 10% grant from CMHC, which is forgiven over the length of the mortgage. On early payout, the remaining unforgiven portion of the grant must be repaid.

In 2013, CMHC started accepting prepayment of closed mortgages, when refinancing is needed for capital repairs and renovations, with a penalty consistent with private lending institutions. On early payout, the operating agreement is terminated, and any subsidy agreement layered into these projects is also terminated at BC Housing's discretion.

Replacement reserves cannot be used to pay out mortgages.

You can contact BC Housing's Legal and Lending Department to determine early payout options and costs, and refer to the [Section 26/27 Early Mortgage Payout document](#).

Replacement Reserves

Replacement reserves enable housing providers to plan for the replacement of certain capital items that periodically wear out, so the building continues to be functional over its useful life. See the [Standardized List of Replacement Items](#) for a list of eligible replacement reserve items. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the operating bank account to the replacement reserve account. The amount transferred to the replacement reserve is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Monitoring and Reporting

BC Housing reviews financial statements and monitors rents to ensure they're adequate to cover costs.

Effective January 2014, financial statements are not required for Section 27 care facilities.

We also conduct an on-site Operational Review, generally every three to five years.

Section 82.1(A) Non-Profit Disabled

Program Summary

This program provides rent subsidies to residents in apartments and group homes run by non-profit providers. The subsidies support adults with physical, mental or psychiatric disabilities.

Residents pay rent-gear-to-income (RGI). BC Housing pays a monthly subsidy to the provider to cover the difference between the Tenant Rent Contribution, based on the BC Rent Scale, and the approved economic rent for the unit.

This program was established in 1979, with projects awarded until 1983.

QUICK REFERENCE	
Target Group:	Adults with physical, mental or psychiatric disabilities
Project Development:	Projects were awarded between 1979 and 1983; no new project funding is available
Program Funding:	Traditionally 50%-50% split between CMHC and BC Housing
Program Funding Number:	506
Agreements:	One-year agreements, with renewals up to 35 years from the original signing date
Unit Designation:	RGI units are designated in the operating agreement; usually 100% of units in group homes, and specific units in rental apartments
Resident Selection:	Non-profit housing provider
Household Income:	At or below the Housing Income Limits (HILs) Income is reviewed annually on the anniversary date of the initial application for subsidy
Rents:	Residents pay rent-gear-to-income, based on the BC Rent Scale Maximum rent varies: see operating agreement for details
Subsidy Calculation:	Subsidy is based on the difference between the Tenant Rent Contribution and the economic rent for the unit Subsidy payments are based on the annual review data and any subsequent changes in economic rent affecting the entire project Changes in individual subsidies (due to a change in income or resident) are recorded as they occur, but subsidy adjustments are made at year-end after the financial statement review
Surpluses/ Deficits:	For the most part, BC Housing pays a deficit and housing providers return any surplus; however, the way surpluses/deficits are handled varies by project; see the operating agreement and Financial Review for details

Monitoring and Reporting:

Financial Review: BC Housing reviews financial statements to check subsidy records, tenant rent contributions, and any surplus/deficit

Housing providers submit the following to BC Housing:

- Annual copy of financial statements; a professional signed audit is generally not required if funding is less than \$50,000 per year
- Applications for rent subsidies and a summary of changes in tenancy, once every three months
- Annual budget to determine economic rents

Operational Review: BC Housing conducts an on-site Operational Review, generally every three to five years

Operational reviews may be modified for rental apartments

Audits: BC Housing's Internal Audit Department may randomly select providers for an agreement compliance audit and residents for an income declaration audit

Section 82.1(A) Private Landlord

Program Summary

This program provides rent subsidies for low income households renting in the private market, including wheelchair modified units for adults with physical disabilities. Residents pay rent-geared-to-income (RGI). BC Housing pays the monthly subsidy to residents, based on the difference between the Tenant Rent Contribution and the market rent.

The program was established in 1976, with projects awarded until 1978. Under this [Canada Mortgage and Housing Corporation \(CMHC\) Assisted Rental Program](#):

- ▶ Private developers received an interest free loan for up to 10 years, and
- ▶ The provincial government provided a grant for eligible units.

QUICK REFERENCE	
Target Groups:	Families with children, seniors over 55 years of age, and some individuals needing wheelchair modified housing
Project Development:	Projects were awarded between 1976 and 1978; no new project funding is available
Program Funding:	Historically, 50/50 cost-shared between CMHC and BC Housing
Program Funding Number:	505
Agreements:	Designated Unit Agreements: Five-year renewable agreements between the landlord and BC Housing Rent Subsidy Agreements: Between residents and BC Housing
Eligible Units:	RGI units are designated in the operating agreement with the private landlord
Resident Selection:	BC Housing staff or agents
Household Income:	At or below the Housing Income Limits (HILs) Income is reviewed annually on the anniversary date of the initial application for subsidy
Rents:	Residents pay rent-geared-to-income, with maximum rent set at the economic rent
Subsidy Calculation:	The difference between the Tenant Rent Contribution and the market rent; paid monthly to the resident
Surpluses/Deficits:	The way surpluses/deficits are handled varies; see your operating agreement for details
Financial Review:	N/A

Monitoring and Reporting:

- BC Housing conducts an on-site building inspection at least once every three to five years
- BC Housing's Internal Audit Department may select residents at random for an income declaration audit

Section 82.1(B) Non-Profit Seniors

Program Summary

This program delivers rent subsidies for seniors and people with disabilities living in non-profit housing developments. Residents pay 30% of income, up to the approved economic rent. Subsidies make up the difference between the Tenant Rent Contribution and the approved rent. Consequently, changes in tenant rent affect the amount of subsidy.

The program was established in 1975, with projects awarded until 1979. It was designed to address an increase in land costs, municipal taxes and interest rates during the preceding period, making economic rents in some projects beyond the reach of low income residents.

The program offers an operating subsidy, layered onto [Canada Mortgage and Housing Corporation \(CMHC\) Section 26](#) or [Section 27](#) mortgage programs. When the mortgage is paid off, the 82.1(b) agreement and subsidy also end.

QUICK REFERENCE	
Target Groups:	Seniors over 55 and disabled clients of any age
Project Development:	Projects were awarded between 1975 and 1979; no new project funding is available
Program Funding:	Historically, 50/50 cost-shared between CMHC and BC Housing
Program Funding Number:	507
Agreements:	This program involves annual agreements, renewed automatically, unless either party gives at least 30 days' notice These agreements are layered onto CMHC Section 26 or 27 agreements
Unit Designation:	All units in Section 26 or 27 buildings that receive Section 82.1(b) subsidies are rent-gear-to-income (RGI) In many developments, all of the units receive Section 82.1(b) subsidy, in others, only some units receive subsidy (see your agreement for details)
Resident Selection:	Housing providers select residents
Household Income:	At or below the Housing Income Limits (HILs) , reviewed annually on the anniversary date of the building
Rents:	Residents in eligible units pay rent-gear-to-income, based on the BC Rent Scale, with the maximum Tenant Rent Contribution capped at the approved economic rent

Subsidy Calculation:	<p>Approved economic rents less the Tenant Rent Contribution, forwarded monthly</p> <p>BC Housing may not adjust subsidy for any changes in tenant rent until after the annual Financial Review</p> <p>If revenues exceed or are less than annual operating costs, the approved rent may be adjusted upward or downward in the subsequent year</p>
Operating Budget:	BC Housing approves rent increases
Surpluses/Deficits:	Housing providers manage any surpluses/deficits
Financial Review:	BC Housing determines if subsidy has been under or overpaid and makes rent adjustments accordingly
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Financial Review ➤ Rent Calculation Annual Review ➤ Operational Review

Other Reference Materials

- CMHC [Section 26](#) or [Section 27](#) programs

Section 95 Post 1985 Non-Profit – Regular: Public, Private, Co-operative

Also known as **Federal Provincial (F/P) Cost Shared Program**

Program Summary

This program provides affordable housing for low income families, seniors, and people with disabilities. All residents pay rent-g geared-to-income (RGI). Municipal housing corporations, non-profit housing societies, and non-profit housing co-operatives manage these developments.

Projects were awarded between 1986 and 1993. Capital funding provided a 35-year mortgage, with an operating subsidy paid to the end of the mortgage. Mortgages, operating agreements and subsidies will expire between 2021 and 2031.

Two-thirds of projects were built on land owned by the Provincial Rental Housing Corporation (PRHC) and leased to housing providers, typically until 20-25 years after the operating agreements expire. The land and buildings revert to PRHC when the lease expires. (Refer to the land lease document, where applicable, for specific information.)

BC Housing arranged low-cost [Canada Mortgage and Housing Corporation](#) (CMHC) loan insurance, and obtained low interest rates and favourable mortgage terms with a [National Housing Act](#) approved lender. Pre-payment or early payout of the mortgage is not permitted.

This is a federal/provincial cost shared program, with the federal government historically contributing two-thirds of the funding and the provincial government contributing one-third. The [Social Housing Agreement](#) (SHA) has replaced this funding ratio, but subsidy payments to providers remain the same.

QUICK REFERENCE

Target Groups:	Families with children, seniors, persons with disabilities, and older singles in the Downtown Eastside of Vancouver
Project Development:	Projects were awarded between 1986 and 1993; no new project funding is available
Program Funding:	Cost shared: historically two-thirds federal, one-third provincial
Program Funding Numbers:	536 - Public (municipal housing corporations) 538 - Private (non-profit housing societies) 540 - Co-operative (non-profit housing co-operatives)
Agreements:	35 years (expiring between 2021 and 2031)
Units Eligible for Subsidy:	100% of units are rent-g geared-to-income
Resident Selection:	The Housing Registry or a housing provider applicant list
Household Income:	At or below the Housing Income Limits (HILs) at initial occupancy; household income is verified annually

Rents:	BC Rent Scale (currently 30% of income or a minimum/flat rent); there is no maximum rent in this program
Subsidy Calculation:	The difference between the tenant rent contribution (as set out in the BC Rent Scale) and the economic rent for the unit
Operating Budget:	BC Housing approves the annual budget
Surpluses/Deficits:	Subsidy payments are adjusted to address deficits; surpluses are repaid to BC Housing
Financial Review:	BC Housing performs an annual Financial Review Providers submit audited financial statements
Replacement Reserves:	Providers contribute annually to the replacement reserve fund
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Annual Financial Review ➤ Rent Calculation Annual Review ➤ Operational Review at least every five years

Subsidy

BC Housing provides a monthly subsidy to housing providers to make up the difference between the TRC (as set out in the BC Rent Scale) and approved operating costs (called the economic rent) for each unit. Any changes in Tenant Rent Contribution or approved operating costs are identified at year-end, and subsidy is adjusted accordingly.

Units with lower income residents receive deeper subsidy; units with higher income residents receive less subsidy. In cases where the resident's TRC is high enough, the unit may receive no subsidy at all. If the TRC exceeds operating costs for the unit, the excess amount is used to reduce the subsidy BC Housing pays for other units. If a resident decides to move out, the unit is made available to another person in core need.

Financial Management

Housing providers prepare and submit an annual operating budget to BC Housing for approval. At the end of each fiscal year, providers submit financial statements to BC Housing for the annual Financial Review. Audited financial statements may not be required when funding is less than \$50,000 per year.

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of certain capital items that periodically wear out, so the building continues to be functional over its useful life. See the [Standardized List of Replacement Items](#) for items normally eligible for replacement reserves. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the operating bank account to the replacement reserve account. The amount transferred to the reserve fund is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Monitoring and Reporting

BC Housing conducts a regular on-site Operational Review at least every five years.

BC Housing's Internal Audit Department may randomly select residents for an audit to verify income was declared correctly and the TRC accurately calculated.

Section 95 Post 1985 Non-Profit – Special Facilities

Program Summary

This program provides rent subsidies to long-term residents of group homes, hostels or apartments, where some level of care is provided by a sponsoring ministry such as health or social services. Projects were awarded between 1988 and 1993.

Housing providers generally own the buildings and land, but in some cases may lease them from the Provincial Rental Housing Corporation or a municipality.

QUICK REFERENCE	
Target Group:	Adults with physical, mental or psychiatric disabilities
Project Development:	Projects were awarded between 1988 and 1993
Program Funding:	Historically two-thirds federal, one-third provincial
Program Funding Numbers:	541 - Private (non-profit housing societies) 542 - Public (municipal housing corporations)
Agreements:	Non-profit operating agreement, 35-year term; most agreements expire between 2024 and 2030
Eligible Units:	Designated in the operating agreement
Resident Selection:	The Housing Registry or a housing provider applicant list
Household Income:	At or below the Housing Income Limits at initial occupancy; household income is reviewed annually on the anniversary date of the building
Rents:	BC Rent Scale (currently 30% of income or a minimum/flat rent); there is no maximum rent
Subsidy Calculation:	Approved operating costs less the Tenant Rent Contribution
Operating Budget:	BC Housing approves the annual budget Equipment/areas used or occupied by caregivers are not eligible for subsidy
Surpluses/Deficits:	Subsidy payments are adjusted to address approved deficits; surpluses must be repaid to BC Housing
Financial Review:	Housing providers submit annual financial statements, identifying costs related to ineligible space; auditing may not be required when funding is less than \$50,000 per year BC Housing reviews financial statements to check the record of subsidy payments, tenant rent contributions, and amount of surplus/deficit

Replacement Reserves:	Housing providers fund the replacement reserve annually
Monitoring and Reporting:	<ul style="list-style-type: none"> > Rent Calculation Annual Review > Operational Review

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of capital items that periodically wear out, so the building continues to be functional. See the [Standardized List of Replacement Items](#) for items normally eligible for replacement reserves. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the operating bank account to the replacement reserve account. The amount transferred to the reserve fund is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

Monitoring and Reporting

Rent Calculation Annual Review:

Housing providers submit *Application for Rent Subsidy* and *Notification of Tenancy/Membership Change* forms to BC Housing.

BC Housing's Internal Audit Department may select tenants at random for an income declaration audit, and providers for an agreement compliance audit.

Operational Review:

BC Housing conducts an on-site review, generally every three to five years.

Section 95 Post 1985 Non-Profit – Special Purpose

Program Summary

This program provides housing and care services, emergency shelters, or transitional housing for individuals with disabilities, people in alcohol and drug recovery programs, and children under the age of 19. Projects were awarded between 1986 and 1992.

Housing providers generally own the buildings and land, but in some cases may lease them from the Provincial Rental Housing Corporation or a municipality.

The operating subsidy equals the difference between amortizing approved capital costs over 35 years at a current interest rate on the mortgage, and over 35 years at a 2% rate. The subsidy is, therefore, fixed for the term of the mortgage and adjusted as mortgages renew.

QUICK REFERENCE	
Target Groups:	Individuals with disabilities, persons in need of crisis housing, persons in alcohol and drug recovery/rehabilitation programs, and children under age 19
Project Development:	Projects were awarded between 1986 and 1992; no new project funding is available
Program Funding:	Historically two-thirds federal, one-third provincial; in some cases, a sponsoring ministry is billed for the provincial share
Program Funding Numbers:	539 - Private (non-profit housing societies) 537 - Public (municipal housing corporations)
Agreements:	Non-profit operating agreement, 35-year term; most agreements expire between 2024 and 2030
Eligible Units:	Designated in the operating agreement
Resident Selection:	The Housing Registry or a housing provider applicant list; in some cases, a sponsoring ministry may select residents
Household Income:	Residents are not income tested; however, the regional health authority may review residents' income in care facilities
Rents:	Most residents pay a flat rent based on the Income Assistance shelter component
Subsidy Calculation:	The maximum federal assistance is based on 100% of approved capital costs of the shelter component only, amortized over 35 years The subsidy amount is the difference between the mortgage payment at the prevailing interest rate, and the mortgage payment if the interest rate were 2%; subsidy is fixed for the term of the mortgage and adjusted as mortgages renew

Operating Budget:	A sponsoring ministry approves both support and shelter budgets
Surpluses/Deficits:	BC Housing does not cover deficits
Replacement Reserves:	Housing providers make an annual contribution to the replacement reserve fund, which is included in the operating budget
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Effective January 2014, Financial Review no longer applicable ➤ Operational Review

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of capital items that periodically wear out, so the building continues to be functional. See the [Standardized List of Replacement Items](#) for items normally eligible for replacement reserves. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, housing providers fund the replacement reserve annually.

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

Monitoring and Reporting

Financial Review:

Effective January 2014, an annual Financial Review is no longer required for this program.

Operational Review:

BC Housing conducts an on-site Operational Review, generally every three to five years.

Section 95 Post 1985 – Rent Supplements

Program Summary

Rent supplements enable eligible low income households to pay rent-geared-to-income (RGI) in private market rental units or Federal Co-operative Housing Program units (called Index Linked Mortgage co-ops, or ILM). Projects were awarded between 1986 and 1993.

Three rent supplement programs target low income people with disabilities, families with children, and seniors:

- 1.** Non-Profit Rent Supplements
- 2.** Co-operative Rent Supplements
- 3.** Private Market Landlord Rent Supplements

Section 95 Post 1985 Rent Supplement – Non-Profit

Program Summary

BC Housing awarded rent supplements to non-profit housing providers for residents in private market rental units, who have unique needs or live in an area where their needs cannot be accommodated in existing subsidized housing.

BC Housing pays the non-profit housing provider a monthly subsidy to make up the difference between the Tenant Rent Contribution and the market rent, plus an administrative fee for the unit.

Generally, housing providers give the subsidy to the resident, who pays it to the landlord along with the Tenant Rent Contribution. In some instances, housing providers pay the subsidy to the landlord, or collect the Tenant Rent Contribution and pay it to the landlord along with the subsidy.

QUICK REFERENCE	
Target Groups:	Families with children, seniors, persons with disabilities
Period Active:	1986 to 1993; no new project funding is available
Program Funding:	1986 to 1993; no new project funding is available
Program Funding Number:	531
Agreements:	35 years (expiring between 2021 and 2028)
Units Eligible for Subsidy:	The number of available rent supplements is designated in the operating agreement
Resident Selection:	Housing providers select residents
Household Income:	At or below the Housing Income Limits (HILs) at initial occupancy
Rents:	Private landlords charge the market rent Residents pay a Tenant Rent Contribution according to the BC Rent Scale (currently 30% of income or a minimum/flat rent)
Subsidy Calculation:	BC Housing pays the monthly subsidy to the housing provider, based on the approved market rent plus an administrative fee, less the Tenant Rent Contribution
Financial Review:	BC Housing reviews financial statements to check the record of subsidy, tenant rent contributions, and any surplus/deficit

Monitoring and Reporting:

Rent Calculation Annual Review: BC Housing reviews Application for Rent Subsidy and Notification of Tenancy/Membership Change forms
BC Housing's Internal Audit Department may select tenants at random for an income declaration audit, and providers for an agreement compliance audit

Operational Review: BC Housing may inspect the provider's administration procedures and tenant records every three to five years

Section 95 Post 1985 Rent Supplement – Co-operative

Program Summary

BC Housing provides rent supplements for residents of housing co-operatives built under the Federal Co-operative (Index Linked Mortgage) Housing Program. The monthly subsidy to the housing co-op makes up the difference between the Tenant Rent Contribution and the housing charge for the unit.

Private mortgages insured by the *National Housing Act* provided capital funding to build these developments, with payments linked to the cost of living (Index Linked Mortgage).

QUICK REFERENCE	
Target Groups:	Families, seniors, persons with disabilities
Project Development:	Projects were awarded between 1986 and 1993; no new project funding is available
Program Funding:	This program involves cost sharing; two-thirds federal, one-third provincial
Program Funding Number:	533
Agreements:	35 years (expiring between 2022 and 2028)
Units Eligible for Subsidy:	30% to 50% of units are designated as subsidized in operating agreements (including amendments), with the remaining units paying a regular occupancy charge based on 85% of market rent
Resident Selection:	Housing co-operative
Household Income:	At or below the Housing Income Limits at initial occupancy
Rents/Housing Charges:	Actual Occupancy Charge (based on the BC Rent Scale; currently 30% of income or a minimum/flat rent) Maximum rent is the Regular Occupancy Charge for the unit

Subsidy Calculation:	<p>There are two subsidy streams in this program:</p> <ol style="list-style-type: none"> 1. Federal assistance is applied to mortgage payments and is indexed to inflation, pursuant to the Federal ILM Co-op Program. In the first year of operation, this subsidy bridged the gap between operating costs and market rents, and was then adjusted annually by the Consumer Price Index, for 15 years. After year 16, it was expected that subsidy would gradually be reduced as rents began to exceed costs; 2. BC Housing pays a monthly rent supplement to the housing co-op to make up the difference between the Regular Occupancy Charge (30% of income) and the Actual Occupancy Charge (the rent contribution), paid monthly to the co-op. <p>Effective April 2015, if a member in a subsidized unit is over housed, the Regular Occupancy Charge used to determine the BC Housing rent supplement will be the Regular Occupancy Charge applicable for the number of persons currently in the unit, instead of the Regular Occupancy Charge based on initial occupancy. This difference, referred to as a “surcharge”, is applied to the amount paid by the over housed resident.</p>
Operating Budget:	BC Housing does not review budgets
Financial Review:	<p>The Agency for Co-operative Housing reviews financial statements using its Annual Information Return (AIR). Commencing 2014, The Agency for Co-operative Housing has granted access to BC Housing in order to undertake a review of the AIRs and determine whether any additional financial monitoring is required.</p> <p>Financial statements are audited as per CMHC’s requirements</p>
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ BC Housing reviews Application for Rent Subsidy and Notification of Tenancy/Membership Change forms ➤ BC Housing’s Internal Audit Department may select members at random for an income declaration audit

Section 95 Post 1985 Rent Supplement – Private Market Landlord

Program Summary

BC Housing provides a limited number of rent supplements to residents in private market rental units, who have unique needs or live in an area where their needs cannot be accommodated in existing subsidized housing. We give the resident a monthly subsidy to make up the difference between the Tenant Rent Contribution and the market rent, and the resident pays the landlord the full market rent.

The resident is responsible for selecting a private market unit that meets their needs. The market rent must be at or below the market rent ceiling BC Housing sets. The landlord and resident sign a tenancy agreement, which falls under the jurisdiction of the [Residential Tenancy Branch](#). BC Housing does not have a relationship with the landlord.

QUICK REFERENCE	
Target Groups:	Families with children, seniors, and persons with disabilities
Period Active:	1986 to 1993; no new project funding is available
Program Funding:	This program involves cost sharing; historically two-thirds federal, one-third provincial
Program Funding Number:	530
Agreements:	Generally one to five-year terms, for up to 35 years
Units Eligible for Subsidy:	Designated in the operating agreement
Resident Selection:	BC Housing through the Housing Registry
Household Income:	At or below the Housing Income Limits at initial occupancy
Rents:	BC Rent Scale (currently 30% of income or a minimum/flat rent) Maximum rent is the market rent for the unit
Subsidy Calculation:	Approved market rent less the Tenant Rent Contribution

Monitoring and Reporting:

Rent Calculation Annual Review: BC Housing reviews Application for Rent Subsidy and Notification of Tenancy/Membership Change forms

BC Housing's Internal Audit Department may select tenants at random for an income declaration audit

Operational Review: Before approval and occupancy, BC Housing inspects the private market unit to ensure basic safety standards are met

The private landlord is responsible for the building, and disputes regarding the unit condition fall under the jurisdiction of the Residential Tenancy Branch

Section 95 Pre 1986 Non-Profit Housing

This program is also known as **2% Write-Down**

Program Summary

This program subsidized mortgages to develop non-profit housing and facilities for individuals with special needs. Most projects are mixed income developments targeting low to moderate income households, generally families or singles. Some projects support seniors and people with disabilities; most of these also receive Provincial Rental Assistance Program (PRAP) subsidies (see [PRAP-Seniors](#) or [PRAP-Disabled](#)).

[Canada Mortgage and Housing Corporation](#) (CMHC) established the program in 1979; projects were awarded until 1985. BC Housing took over program administration in February 2007.

Capital costs were amortized over 35 years, initially with private mortgages, and later with CMHC mortgages. Operating agreements were also for 35 years, generally expiring between 2015 and 2021 to match the full amortization of the CMHC mortgages.

The operating subsidy equals the difference between amortizing the approved original capital costs over 35 years at a current interest rate on the mortgage, and amortizing these costs over 35 years at a rate of 2%.

Mixed Income Projects:

In mixed income projects, some units are rented at the lower end of market levels and some are rent-geared-to-income (RGI). The subsidy model is founded on the expectation that rents in market units could be above actual operating costs, with a relatively low mortgage payment. The operating surplus on the market units can then be used to subsidize a limited number of rent-geared-to-income units.

In some projects, the gap between market rents and operating costs has increased over time. With the increased revenue, some providers have been able to increase the number of RGI units. For other projects, however, rents have not increased as expected, or major repairs have required additional borrowing, which has reduced the operating surplus. For these and other reasons, the percentage of rent-geared-to-income units in developments varies widely.

QUICK REFERENCE

Target Groups:	Low to moderate income families, seniors, and people with special needs
Project Development:	Projects were awarded between 1979 and 1985; no new project funding is available
Program Funding:	Federal
Program Funding Numbers:	570 - Non-Profit Public 571 - Non-Profit Private

Agreements:	35 years, expiring 2015 through 2021 Operating agreements refer to program administration under NHA Section 56.1; subsequent amendments replaced Section 56.1 with Section 95
Unit Designation:	While this program does not formally designate the number of RGI and market units in mixed income housing projects, the initial program target was at least 15% RGI units
Resident Selection:	Provider applicant list or the Housing Registry
Household Income:	Mixed income projects: Low to moderate incomes, verified at initial occupancy for all units, and annually for RGI units
Rents:	RGI Units: Initially the federal rent scale; some providers have moved to the BC Rent Scale Mixed Income Projects: With the maximum rent at the lower end of market rents for similar accommodation in the area, the market rents are expected to exceed the operating costs for these units Operating surpluses from these units are intended to fund the operating losses on RGI units, where tenants pay less than the operating costs As operating costs change over time, providers are expected to vary the number of RGI and market units to ensure the continued financial viability of the development
Subsidy Calculation:	Maximum federal assistance is based on 100% of approved capital costs for the shelter component of the project; these costs are amortized over 35 years The subsidy amount is the difference between the mortgage payment at the prevailing interest rate, and the mortgage payment if the interest rate charged were 2%; subsidy is, therefore, fixed for the term of the mortgage and adjusted as mortgages renew (see "Subsidy" below for more details)
Operating Budget:	Set by the housing provider
Surplus/Deficit:	Housing providers can retain a subsidy surplus reserve of up to \$500 per unit from an operating surplus; deficits are not paid, but excess surplus (over \$500/unit) is returned to BC Housing Surplus subsidy is used to meet future subsidy needs for RGI residents, but excess surplus may be transferred to other projects under this program, with BC Housing's approval
Financial Review:	Providers submit financial statements and the CMHC 2254 Form to BC Housing annually Effective January 2014, financial statements are not required for Section 95 Pre 1986 care facilities
Replacement Reserve:	Providers budget for an adequate replacement reserve using CMHC/BC Housing guidelines

Monitoring and Reporting:

BC Housing may perform an on-site Operational Review every three to five years

Subsidy

The operating subsidy equals the difference between amortizing original capital costs over 35 years at the current mortgage interest rate and amortizing these costs over 35 years at a 2% rate.

The outstanding balance at renewal is not used in the calculation. For example, if eligible capital costs were \$1,000,000 and the current mortgage rate at renewal was 5%, the subsidy calculation would be:

\$1,000,000 at 5% over 35 years = \$5,046.87 per month

\$1,000,000 at 2% over 35 years = \$3,312.63 per month

Subsidy = \$1,734.24 per month

The subsidy is fixed at each mortgage renewal and remains fixed for the term of the renewal. In some cases, CMHC/BC Housing and the non-profit have agreed to a simplified subsidy calculation to be applied at mortgage renewal. Please contact your NPPM if you have questions.

Housing providers are encouraged to find additional revenues; this income will not affect the federal subsidy, but can be used to house low income residents.

Operating Surplus

Providers are allowed to retain an operating surplus of up to \$500 per unit. Amounts in excess of \$500 per unit are to be repaid to BC Housing. When a provider requires funds for major Modernization and Improvement or other necessary unfunded repairs, providers can request approval from BC Housing to transfer excess surplus subsidy to a special repair fund.

Capital Repair/Replacement/Planning

Replacement Reserves:

Operating agreements require providers to make annual contributions to a replacement reserve. Providers are encouraged to set reserves using BC Housing's standards. See the [Standardized List of Replacement Items](#) and [Financial Management Guide](#) for more on BC Housing's standards.

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

BC Housing may be able to help providers prepare a full condition assessment to establish a long range capital plan: contact your Non-Profit Portfolio Manager for more information.

When a development requires immediate repairs, and you have no alternative source of funds, BC Housing may be able to arrange a loan, generally secured by a mortgage on the property.

Monitoring and Reporting

BC Housing conducts an on-site Operational Review once every three to five years, depending on the operating agreement. We may ask to view tenant income declaration support at the time.

Other Reference Materials

- PRAP Seniors
- PRAP Disabled

Seniors Rental Housing Initiative

Program Summary

In 2009, the federal government implemented a 50/50 cost matching agreement with the Province, through one time economic stimulus measures, which combined:

- ▶ \$104 million in new housing for seniors, and
- ▶ \$19.5 million in new housing for persons with disabilities.

Construction of new developments was completed in 2011.

The [Supplementary Agreement No.2](#) to the Canada-BC Affordable Housing Agreement defined the requirements for provincial participation.

Some developments were built on land owned by the Provincial Rental Housing Corporation (PRHC) using federal/provincial funding. All of these cost-shared units provide rent-geared-to-income (RGI) housing for low income seniors and people with disabilities.

In other cases, BC Housing worked with non-profit housing providers to create mixed ownership developments known as “blended” sites, with:

- ▶ Cost-shared RGI units purchased by PRHC; and
- ▶ Market units owned by the provider

A combination of grants for the PRHC portion of the development and low interest take-out financing for the provider-owned portion, arranged by BC Housing, reduced overall construction costs.

Different income thresholds, asset management, and reporting requirements apply to the cost-shared RGI units and the market units.

QUICK REFERENCE

Target Groups:	<p>RGI units: Low income seniors and persons with disabilities</p> <p>Market units: Low to moderate income seniors and persons with disabilities</p>
Project Development:	BC Housing identified sites (with municipalities in some cases) and coordinated construction
Program Funding:	<p>RGI units: The federal and provincial governments provided 50/50 cost-shared capital funding for construction</p> <p>Market units: BC Housing arranged mortgage financing to encourage construction of affordable market rental units</p>
Program Funding Number:	590
Agreements:	<p>RGI units: AG 504 Operator Agreement for 60 years, with some agreements renewable at 10 or 30 years</p> <p>Market units: An additional AG 503 Operating Agreement, for 40 or 60 years, covers the operation of provider owned units, which may be governed by a different program in some instances</p>

Resident Selection:	All RGI applicants are selected from the Housing Registry
Household Income:	<p>RGI units: Household income at or less than the Housing Income Limits (HILs), verified at initial occupancy and annually thereafter; asset testing using BC Housing’s policy at initial occupancy</p> <p>Market units: Household income up to the top of the second quintile of household incomes for two persons or more in BC, based on Statistics Canada Income Tax data</p>
Rents:	<p>RGI units: Households pay 30% of gross household income; households receiving Income Assistance (IA) pay the full shelter component of Income Assistance for rent</p> <p>Market units: Rents are set at or below the current market rent for comparable housing in the area, determined by a market rent survey/appraisal</p>
Subsidy Calculation:	N/A; No subsidy is provided under this program; providers must cover operating costs from rent revenues
Operating Budget:	Annual operating budget cycle
Surpluses/Deficits:	<p>BC Housing does not cover operating deficits</p> <p>RGI units: Surpluses may be retained subject to the Operational Review</p> <p>Blended sites: Surplus rental revenue from market units may be used to cover any operating deficits for the RGI units</p>
Financial Review:	Effective January 2014, financial reviews are no longer conducted for providers who do not receive an operating subsidy
Replacement Reserves:	Providers contribute to replacement reserves monthly
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Rent Calculation Annual Review (cost-shared RGI units) ➤ Operational Review (at least every five years)

Eligibility

In RGI units, housing providers verify household income when tenancy begins and annually thereafter. Providers also assess assets at initial occupancy, in accordance with BC Housing policy.

RGI residents are ineligible for [Shelter Aid For Elderly Renters](#) (SAFER), and have to cancel SAFER upon move-in.

At some RGI sites, income blending was introduced to improve project viability. In these projects, total household income is the lesser of:

- The non-market Housing Income Limit for the region, or
- Five times the established maximum market rent (if applicable) for the development, multiplied by 12

See your agreement for details.

For market units, income testing is completed at initial occupancy only.

Rents

RGI residents are not eligible for the Heat Allowance.

In some RGI units, where RGI rent surpasses the average market rent in the community, a rent cap may have been established at market levels. In these cases, market level rents are determined by appraisal at least once every five years.

Blended sites: Tenancy agreements should state that residents are required to adhere to strata bylaws. See the [Seniors Rental Housing Initiative Guide for Housing Providers](#).

Capital Repair/Replacement/Planning

Replacement Reserves:

Providers contribute to replacement reserves every month. Revenues permitting, the recommended contributions are:

- \$30-60 per unit per month for modular housing owned or leased by PRHC
- \$60-100 per unit per month for blended site-built housing

Spending approval is required only for items not included on the [Standardized List of Replacement Items](#). If an operating deficit cannot be remedied via income blending or market rent adjustments, BC Housing may approve a temporary reduction in replacement reserve contributions.

Modernization and Improvements (M&I):

For RGI units, BC Housing will provide M&I funding for major capital repairs and replacements not covered by the replacement reserve schedule, at our discretion, for items such as the roof, bearing walls, foundations and seismic upgrades, major repairs to fire alarm and safety systems, storm drainage systems, major geotechnical repairs, and other major one-time repairs in excess of \$5,000.

In blended sites, BC Housing will provide a proportionate share of the funding for such repairs, based on the number of units PRHC owns in the building, and in compliance with the [Strata Property Act](#).

Monitoring and Reporting

Financial Review: Effective January 2014, financial reviews are no longer conducted for providers who do not receive an operating subsidy.

Rent Calculation Annual Review: Providers perform a rent calculation review annually for RGI units. BC Housing's Internal Audit Department may randomly select:

- Tenants for an income declaration audit
- Providers for an agreement compliance audit

Operational Review: BC Housing conducts a review at least every five years.

Green House Gas Emissions (GHG): BC Housing reports reduced GHG emissions, under the [Green House Gas Reductions Targets Act](#), which requires us to offset all GHG emissions from these projects with the purchase of carbon credits.

Other Reference Materials

- [Seniors Rental Housing Initiative Program Framework](#)
- [Seniors Rental Housing Initiative Guide for Housing Providers](#)

Seniors Supportive Housing

Program Summary

Seniors' Supportive Housing (SSH) provides modified rental units and support services for low income seniors and people with disabilities, who experience difficulty living independently but are ineligible for assisted living or a greater level of care. The program enables seniors to maintain their independence and "age in place" with suite and building modifications—for example, lever door handles, grab bars, elevators etc.—that improve accessibility and safety. Support services include daily meals, light housekeeping, social and recreational activities, and an optional 24-hour emergency response system. Residents pay up to 50% of gross income for rent and support services.

Projects were awarded between 2007 and 2011, and layered onto existing self-contained seniors subsidized housing projects managed by non-profit housing providers.

Provincial capital funding of up to \$45,000 per unit was awarded, secured by a forgivable mortgage registered on title. In the buildings selected for modifications:

- ▶ Preference was given to upgrading all units in the building, although only a few units were upgraded in some cases
- ▶ Regardless of the number of units upgraded, physical upgrades to common area accessibility, fire, safety, and service delivery were mandatory for the entire building

QUICK REFERENCE

Target Group:	Seniors or people with disabilities who require a modified physical environment and some support services to continue living independently Tenants receiving home support services from a health authority can continue to receive these services, in addition to SSH program participation
Project Development:	Projects were awarded between 2007 and 2011; no new project funding is available
Program Funding:	Wholly provincial
Program Funding Number:	584
Service Agreements:	SSH service agreement terms are normally tied to the terms of the "host" program agreement the SSH units are layered into
Units Eligible for Subsidy:	Subsidy eligibility varies; see the service agreement for details
Resident Selection:	Housing providers determine resident suitability, and develop exit criteria for those who need a higher level of care and no longer qualify for the program
Household Income:	At or below the Housing Income Limits at initial occupancy, reviewed annually

Rents:	<p>Residents pay no more than 50% of gross income for rent and support services (30% for rent; 20% for support services)</p> <p>Rent-geared-to-income (RGI) rents may be capped, based on an underlying agreement</p> <p>Residents in RGI units are not eligible for Shelter Aid for Eligible Renters (SAFER)</p>
Subsidy Calculation:	<p>When costs exceed 20% of resident income, and the combined cost of the rent and support services is 50% or more, BC Housing provides a subsidy; typically, the subsidy is layered on top of an existing seniors' housing program</p>
Operating Budget:	<p>BC Housing approves the annual budget</p>
Surpluses/Deficits:	<p>Surpluses can be used only to remedy a previous operational deficit</p> <p>Accumulated surpluses will be returned to BC Housing upon request</p>
Financial Review:	<p>BC Housing performs an annual Financial Review and providers submit audited financial statements</p>
Replacement Reserves:	<p>The annual operating budget includes a provider contribution to the replacement reserve fund; BC Housing approval is required only for expenditures not on the Standardized List of Replacement Items</p>
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Annual Financial Review ➤ Rent Calculation Annual Review ➤ Operational Review at least every three years

Urban Native Housing: Section 95 Pre 1986 & Post 1985

Program Summary

The Urban Native Housing program provides affordable rental housing for low and moderate income Aboriginal households:

- ▶ **Pre 1986** - Originally, these projects blended rent-geared-to-income (RGI) for low income residents and market rents for those with moderate incomes; however, all units are now RGI. Urban Native Additional Assistance was introduced to supplement regular assistance, and is based on the number of units occupied by Aboriginal households. Projects were awarded from 1978 to 1985.
- ▶ **Post 1985** - 100% of units are rent-geared-to-income. Projects were awarded from 1986 to 1993.

Subsidy for both programs is now based on the difference between estimated resident revenue and operating expenses set out in the annual budget. This program has no maximum rent.

These are former [Canada Mortgage and Housing Corporation \(CMHC\)](#) programs, previously administered under [National Housing Act \(NHA\)](#) Section 56.1 (later amended to NHA Section 95). In early 2007, CMHC transferred these programs to BC Housing. We subsequently transferred program delivery, administration and subsidy to the [Aboriginal Housing Management Association \(AHMA\)](#) at the end of 2012.

The projects were constructed with capital funding, generally involving a mortgage amortized over 35 years, with operating subsidy paid to the end of the mortgage. (Under the Post 1985 program, however, some mortgages are amortized over 25 years with 25-year agreements, while others are amortized over 25 years with 35-year agreements. In the latter case, the agreements continue beyond the mortgage expiry). The mortgages, originally administered by CMHC, are now administered by BC Housing.

Mortgages, operating agreements and subsidies will expire between 2017 and 2021 for the Pre 1986 program, and from 2021 through 2030 for the Post 1985 program.

QUICK REFERENCE

Target Group:	Aboriginal households living in municipalities with a population over 2,500
Project Development:	Pre 1986: Projects were awarded between 1978 and 1985 Post 1985: Projects were awarded between 1986 and 1993 No new project funding is available
Program Funding:	Generally 35-year federal insured loans for 100% of project costs; some projects involved 25-year loans Operating agreements generally run with the mortgage, but some Post 1985 projects have 35-year agreements
Program Funding Numbers:	Pre 1986: 575 Post 1985: 576

Agreements:	<p>Pre 1986: Section 95 Agreement Assistance to Non-Profit Housing Corporations, CMHC 2397; this covered the 2% mortgage interest write-down</p> <p>Urban Native Additional Assistance covered the move to 100% RGI</p> <p>Post 1985: Urban Native Non-Profit Housing Agreement, CMHC 2885</p>
Units Eligible for Subsidy:	100% of units are rent-geared-to-income
Resident Selection:	<p>Housing provider applicant lists</p> <p>If prolonged vacancies occur, AHMA may give permission to house non-Aboriginal households</p>
Household Income:	Incomes at or below Housing Income Limits , verified annually by the provider
Rents:	<p>100% rent-geared-to-income with no rent cap</p> <p>Some projects use the Federal Rent Scale; some have switched to the BC Rent Scale</p>
Subsidy Calculation:	Subsidy is based on the difference between the estimated tenant revenue and operating expenses set out in the approved annual budget
Operating Budget:	Housing providers submit annual operating budgets showing projected revenues and expenses to AHMA for approval
Surpluses/Deficits:	All units are RGI and fully funded; consequently, the \$500 per unit surplus allowance (under the regular Section 95, Pre 1986, 2% write-down program) is not needed to cushion changes in tenancy and not permitted
Financial Review:	Housing providers submit annual financial statements to AHMA
Replacement Reserves:	Housing providers make annual contributions to a replacement reserve
Monitoring and Reporting:	<p>AHMA conducts the:</p> <ul style="list-style-type: none"> ➤ Annual Financial Review ➤ Periodic Operational Review

Capital Repair/Replacement/Planning

Replacement Reserves:

Replacement reserves enable housing providers to plan for the replacement of certain capital items that periodically wear out, so the building continues to be functional over its useful life. See the [Standardized List of Replacement Items](#) for a list of items normally eligible for replacement reserves. Approved items and replacement cycles vary according to building design, tenant use and the physical environment.

In this program, the replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from the operating bank account to the replacement reserve account. The amount to be transferred to the reserve fund is set out in the operating budget (see the [Financial Management Guide](#) for details).

Other Capital Repairs/Replacements:

Replacement reserves are intended to replace items with a short-term life, such as flooring, appliances, etc. Major undertakings, such as window replacement or re-piping, may require significant capital expenditures as buildings age. Housing providers are responsible for planning and funding these upgrades or other modernization projects, and need to obtain funding through fundraising or additional financing (which may not be subsidized).

Housing providers must request special expenditures for capital improvements from AHMA, as part of the annual budget approval or as an emergency request.

Monitoring and Reporting

Aboriginal housing providers submit annual financial statements and budgets to AHMA. Financial statements are professionally audited, unless otherwise agreed to by AHMA.

Rent calculation data does not have to be submitted.

AHMA conducts operational reviews.

Other Reference Materials

- ▶ CMHC operating agreements

Women's Transition Housing and Supports Program

Program Summary

Transition houses began with communities of women recognizing the need to respond to the issue of domestic violence, who volunteered to house and support women and children in private homes. Over time, this grassroots movement evolved into a network of services.

In 2009, responsibility for Transition Homes, Safe Homes and Second Stage Housing was transferred to BC Housing from the Ministry of Housing and Social Development, as part of a provincial initiative to strengthen the continuum of housing for women and children at risk of violence. These programs are linked to a broader continuum of [Violence Against Women](#) services, including those funded by the Ministry of Justice.

In 2011, BC Housing collaborated extensively with service providers and the [BC Society of Transition Houses](#) to establish a [program framework](#). The purpose of the program is to support women and their dependents who have experienced violence or are at risk of violence, with support services and temporary shelter/housing. Three streams are funded through this program:

- ▶ **Safe Homes** provide support services and access to safe short-term shelter. Stays are typically up to 10 days, but may be extended.
- ▶ **Transition Houses** provide support services, 24/7 staffing and safe shelter. Length of stay is typically 30 days, but may be extended.
- ▶ **Second Stage Housing** provides safe, affordable short-term housing with support services, usually following a stay in a Safe Home or Transition House. The length of stay is usually up to 18 months, but may be extended.

Core services common to all program streams include:

- ▶ Initial contact services
- ▶ Safe shelter/housing and immediate basic needs
- ▶ Personal supports for women and children
- ▶ Referrals, advocacy and supported access to services
- ▶ Inter-agency service linking

Some variation in service delivery can occur, based on each client's circumstances and resources available at the time.

Service agreements are typically three years in length, and do not include construction or mortgage financing. No new project funding is available. For more details, see the [Women's Transition Housing and Supports Program Framework](#).

QUICK REFERENCE

Target Group:	Women and their children who have experienced violence or are at risk of experiencing violence; clients may self-refer or be referred
Period Active:	BC Housing's administration: 2009 to present
Project Development:	Service providers led project development, with a variety of government and other stakeholder involvement No new project funding is available
Program Funding:	Wholly provincial funding; many service providers also receive funding from other ministries or organizations
Program Funding Number:	591
Service Agreements:	Typically three-year terms, renewable
Program Streams:	<p>Safe Homes: Support services and safe short-term shelter; stays typically up to 10 days, but may be extended</p> <p>Transition Houses: Support services, 24/7 staffing and safe shelter; stays typically up to 30 days, but may be extended</p> <p>Second Stage Housing: Safe, affordable short-term housing with support services, usually following a stay in a Safe Home or Transition House; stays usually up to 18 months, but may be extended</p>
Household Income:	<p>Safe Homes and Transitions Houses: N/A</p> <p>Second Stage Housing: Proof of income is required from the client to establish rent, but there is no maximum income requirement, as income testing is not performed</p>
Rents:	<p>Safe Homes and Transition Houses: N/A</p> <p>Second Stage Housing: With the WTHSP Rent Scale, clients pay a set percentage of their income towards rent (currently 30%); clients on Income Assistance pay the maximum shelter component</p>
Subsidy Calculation:	BC Housing makes a fixed monthly payment, as set out in the service agreement
Operating Budget:	BC Housing approves the annual operating budget
Surpluses/Deficits:	The service provider is responsible for any deficits incurred; operating surpluses may be spent on programs for clients, capital repair, or other areas approved by BC Housing
Financial Review:	BC Housing performs an annual Financial Review When the total value of contracts with BC Housing exceeds \$250,000 per year, providers are required to have the annual financial statements professionally audited (as per the service agreement)

Replacement Reserves:	In some projects, the annual operating budget may include a provider contribution to the replacement reserve fund
Monitoring and Reporting:	<ul style="list-style-type: none"> ➤ Quarterly Statistical Report ➤ Annual Provider Report ➤ Annual Financial Review ➤ Operational Review (every three years or as specified in the service agreement)

Eligibility

All women and their dependents who have experienced violence or are at risk of experiencing violence, and require services related to this risk or experience, are eligible for program services. Clients are referred to service providers by other agencies or self-refer.

Service providers may serve young women under the age of 19 who live independently. Providers must work with the [Ministry of Children and Family Development](#) to establish a protocol for delivering services to these young women.

There is no minimum or maximum income limit for determining client eligibility for shelter or support services.

Second Stage Housing is designed to support women following a stay in a Transition House or a Safe Home, but this is not an eligibility requirement.

Subsidy

BC Housing makes a fixed monthly payment, as set out in the service agreement.

Financial Management

Each year, the provider prepares an operating budget and submits it to BC Housing for approval.

At the end of each fiscal year, service providers submit their financial statements to BC Housing for a Financial Review. When the total value of contracts with BC Housing exceeds \$250,000 per year, providers are required to have their annual financial statements professionally audited.

Capital Repair/Replacement/Planning

Facilities across the sector have diverse building forms, tenure (rent, own or lease), and additional funding sources and agreements (e.g., other operating agreements with BC Housing). Accordingly, BC Housing determines capital asset management strategies on a case-by-case basis with each service provider.

Monitoring and Reporting

Service providers complete quarterly and annual reports, with quantitative and qualitative information to help measure program effectiveness and identify areas for improvement:

- The *Quarterly Statistical Report* collects quantitative information on support and shelter services utilization. Use BC Housing's electronic reporting form to submit this report.
- The *Annual Provider Report* verifies compliance with required program standards and provides an open-ended opportunity for qualitative feedback.

Service providers can also use a voluntary, anonymous client survey to ensure women have an opportunity to provide program input and indicate if services meet their needs.

BC Housing conducts an annual Financial Review.

BC Housing also conducts an Operational Review every three years (or more frequently as required). Its purpose is to evaluate program successes and challenges by interviewing the provider's management, performing an on-site visit to inspect facilities where appropriate, and reviewing service policies and procedures.

Other Reference Materials

- ▶ [Women's Transition Housing and Supports Program Website](#)
- ▶ [Women's Transition Housing and Supports Program Framework](#)
- ▶ [BC Society of Transition Houses](#)

Appendix 1 - Funding Program Number References

FP# PROGRAM NAME

505	Section 82.1(A) Private Landlord
506	Section 82.1(A) Non-Profit Disabled
507	Section 82.1(B) Non-Profit Seniors
508	Provincial Rental Assistance Program (PRAP) - Seniors
509	Provincial Rental Assistance Program (PRAP) - Disabled
514	Rural & Native Housing (RNH) - Homeowner, Sections 79 and 92
526	Provincial Housing Program (HOMES BC): Homeless At Risk (HAR) & Low Income Urban Singles (LIUS)
529	Provincial Housing Program (HOMES BC): Regular
530	Section 95 Post 85 Rent Supplement Private Landlord
531	Section 95 Post 85 Rent Supplement Non-Profit
533	Section 95 Post 85 Rent Supplement Co-operatives
536	Section 95 Post 1985 - Non-Profit Regular (Public, Private, Co-op)
537	Section 95 Post 1985 - Non-Profit Special Purpose
538	Section 95 Post 1985 - Non-Profit Regular (Public, Private, Co-op)
539	Section 95 Post 1985 - Non-Profit Special Purpose
540	Section 95 Post 1985 - Non-Profit Regular (Public, Private, Co-op)
541	Section 95 Post 1985 - Non-Profit Special Facilities
542	Section 95 Post 1985 - Non-Profit Special Facilities
550	Provincial Housing Program (HOMES BC): Rent Supplement and Rent Support
552	Independent Living BC (ILBC): Rent Supplement Phase 1
553	Independent Living BC (ILBC): Non-Profit "Budget-Led Projects" - Phases 1 and 2
554	Independent Living BC (ILBC): Non-Profit "Budget-Led Projects" - Phases 1 and 2
555	Community Partnership Initiative (CPI): Affordable Homeownership
555	Community Partnership Initiative (CPI): Affordable Non-Profit Rental Housing
558	Independent Living BC (ILBC): Non-Profit "Budget-Led Projects" - Phases 1 and 2
559	Provincial Homelessness Initiative (PHI) Phase I
560	Emergency Shelter Program
560	Extreme Weather Response Program (EWR)
562	Independent Living BC (ILBC): Rent Supplement Phase 2
563	Independent Living BC (ILBC): Non-Profit "Budget-Led Projects" - Phases 1 and 2

- 564 Independent Living BC (ILBC): Non-Profit "Budget-Led Projects" - Phases 1 and 2
- 565 Homeless Outreach Program (HOP) and Aboriginal Homeless Outreach (AHOP)
- 568 Independent Living BC (ILBC): Non-Profit "Budget-Led Projects" - Phases 1 and 2
- 569 Provincial Homelessness Initiative (PHI) - Phase II
- 570 Section 95 Pre 1986 Non-Profit Public
- 571 Section 95 Pre 1986 Non-Profit Private
- 573 Section 26 Non-Profit Housing
- 574 Section 27 Non-Profit Housing
- 575 Urban Native Housing - Section 95 Pre 1986
- 576 Urban Native Housing - Section 95 Post 1985
- 577 Rural & Native Housing (RNH) - Homeowner Sections 79 and 92
- 578 Rural & Native Housing (RNH) - Rental Sections 79 and 92
- 580 Rural & Native Housing (RNH) - Homeowner Sections 79 and 92
- 581 Rural & Native Housing (RNH) - Rental Sections 79 and 92
- 583 Rural & Native Housing (RNH) - Rental Sections 79 and 92
- 584 Seniors Supportive Housing
- 585 Aboriginal Housing Initiative
- 587 Provincial Homelessness Initiative (PHI) - SROs
- 588 Provincial Homelessness Initiative (PHI) - MOUs
- 590 Seniors Rental Housing Initiative
- 591 Women's Transition Housing and Supports Program
- 596 Provincial Homelessness Initiative (PHI) - MOUs
- 598 Provincial Homelessness Initiative (PHI) - MOUs
- 601 Homeless Prevention Program (HPP)