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**Information**


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## Seeking Feedback on Access to Provincial Financing for Not-for-Profit Housing Providers

**Regulation Number(s):** N/A

**Instrument Type:** Information

**Bill or Act:** N/A

**Summary of Proposal:** We are introducing More Homes for Everyone, that proposes targeted policies for the immediate term that make housing fairer for hard-working Ontarians and make it faster to build the homes that families need and deserve.

Not-for-profit housing providers are a key part of the housing sector in Ontario. They operate and build new affordable housing and keep existing stock in a good state of repair. This includes a range of housing settings, including affordable rental units, affordable homeownership, retirement homes, and supportive housing.

Both the federal and provincial governments as well as private lenders make capital available to non-profit housing providers that can be used to build and repair affordable housing. This includes:

- Direct capital investments.
- Commercial and government loans (for example, government loans through the Infrastructure Ontario Loan Program and the federal government's Rental Construction Financing Initiative.)

Ontario is interested in whether these sources of capital adequately address not-for-profit housing providers' needs, as well as whether there are opportunities to better support not-for-profit providers in accessing financing. In order to develop policy proposals for further government consideration, the Ministry is seeking feedback on:

- The specific challenges and barriers faced by not-for-profit housing providers in accessing capital, whether through commercial or government loans or through federal and provincial government programs.
- Ideas, solutions, or proposals on potential ways government could help address these challenges. This could include a range of financial and policy tools, such as provincial loan guarantees, focused investments, or improved coordination between housing programs at all levels of government.

### Key Context: Infrastructure Ontario (IO) Loans

IO currently provides \$6.2 billion in loans within its Infrastructure Loans portfolio, with \$1.4 billion to support the social and affordable housing sectors. These loans are comprised primarily of loans to Municipal Housing Corporations that are guaranteed by municipalities, with the remaining amount supporting affordable housing providers.

Loans to housing providers that are not guaranteed by municipalities are subject to credit guidelines aligning with IO's low credit risk appetite. There may be difficulty or special considerations when accessing loans for not-for-profit and affordable housing as there may be challenges in assessing borrower eligibility and credit worthiness in this sector.

### Questions

1. Could easier or less costly access to lending increase the supply of not-for-profit housing?
2. What are the key barriers and gaps that prevent not-for-profit housing providers in accessing the capital financing needed to build and repair more

housing (for example, through commercial and government loans or through capital financing and funding provided by federal and provincial programs)?

3. Do the issues around access to financing differ for not-for-profit development of affordable rental housing compared to home ownership or other types of development? Are they different for private sources of financing (e.g., commercial lending) compared to government sources?
4. What role could government play in addressing those barriers? Is there an opportunity for various levels of government to work together to address barriers?
5. How could the government prioritize its financial assistance to not-for-profit housing providers?

**Analysis of Regulatory Impact:**






Continued from Summary of Proposal

6. For not-for-profit developers: does your not-for-profit organization have long-term financing need for capital expenditure? If yes, then:
  - a. Does your organization have surplus cash flows to service loan repayment?
  - b. Does your organization have a third-party entity, such as a municipal government, that can provide a financial guarantee?
7. Do you have other suggestions for ways to improve non-profits housing providers' ability to build and repair more housing?

Analysis of Regulatory Impact

N/A

**Further Information:**

-  [More Homes, More Choice: Ontario's Housing Supply Action Plan](#)
-  [Community Housing Renewal: Ontario's Action Plan Under the National Housing Strategy](#)
-  [Funding and Financial Assistance Available to Non-Profits](#)
-  [Infrastructure Ontario – Infrastructure Lending](#)
-  [National Housing Strategy Initiatives](#)

**Proposal Number:** 22-MMAH010

**Posting Date:** March 30, 2022

**Comments Due Date:** April 29, 2022

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