Appendix A

Partnership Housing Program – Pilot Guidelines

The following are the general program guidelines.

Goal: The goal of the Partnership Housing Program (PHP) is to provide targeted supports to the for profit and not-for-profit sector to develop more rental opportunities in Niagara.

Support Provided: The PHP will provide the following supports to potential developers:

(i) The provision of equity – Niagara Region will co-invest up to a maximum of 35% of the required equity for the development Project. The maximum amount of equity funding available is $1.75 million.

(ii) A lease guarantee for a portion of the rental units – Niagara Region will provide a guarantee to rent or to guarantee the rental of a fixed number of units within the development. The length of the guarantee will be 10 years with three 5-year options to extend the arrangement in the favour of Niagara Region.

No other Regional supports would be provided under the PHP, however the development may be eligible for incentives in the Development Charge By-law and may apply for other programs that are generally available for developments similar to the proposed development.

Minimum Size of Development: The minimum size of the development for the PHP program is twenty (20) rental units.

Governance and Deal Structure: Niagara Region understands that each development under the PHP may have a unique deal structure which would be dependent upon the development partner and the opportunity. The following are key principles for Niagara Region

Respect of Taxpayer Funds: The proposed investment structure should ensure that the public funds are treated with the same regard or higher than the development partner’s funds are. This principle should be applied to the anticipated rates of return, the timing of the cash flows, the requirement to fund cash flow shortages as well as other funding requirements.

Assumption of Risk: The proposed investment structure should be developed in a manner to not place Niagara Region into a situation in which the assumed financial and operational risks are higher than the risks that would have been assumed by Niagara Region if they developed the project on its own.

Partnership Concept: This principle relates to how the Niagara Region participates with the development partner in the strategic decision making processes for the development. This principle would be tied directly to the previous Respect of Taxpayer Funds principle.
Pilot Project in Nature: The PHP is a pilot project and as such the project maybe stopped or altered based upon a number of factors including Council’s discretion, market changes, learnings from the previous investments, changes in government policy or any other factor.