

CITY OF HAMILTON

COMMUNITY SERVICES DEPARTMENT *Housing Services Division*

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: November 23, 2011	
SUBJECT/REPORT NO: Investment in Affordable Housing for Ontario (CS11079(a)) (City Wide)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: David Brodati 905-546-2424 ext. 6159
SIGNATURE:	

RECOMMENDATION:

- (a) That the Investment in Affordable Housing for Ontario funds be deposited into Account # 000100-23194 "Prov Funding IAH" and applied accordingly;
- (b) That the General Manager of the Community Services Department or her designate be authorized and directed to deliver and administer the Investment in Affordable Housing for Ontario program;
- (c) That the Mayor and City Clerk be authorized and directed to execute the "Service Manager Administration Agreement - Investment in Affordable Housing for Ontario attached as Appendix A to Report CS11079(a) in a form satisfactory to the City Solicitor; and,
- (d) That the General Manager of Community Services or her designate be authorized and directed to execute all ancillary agreements as may be required to deliver the Investment in Affordable Housing in Ontario Program, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

In August 2011, the Province of Ontario announced the Investment in Affordable Housing for Ontario Program (IAH) that will provide \$480.6 million in federal and provincial funding province-wide for the creation and repair of affordable housing. This program is a rebranding of the former Canada-Ontario Affordable Housing Program and provides a commitment for federal and provincial funding for four years to March 31, 2015.

The Province announced Hamilton's notional allocation as follows:

April 1, 2012 – March 31, 2013: **\$6,924,937**
April 1, 2013 – March 31, 2014: **\$6,937,333**
April 1, 2014 – March 31, 2015: **\$3,012,711**
Total: **\$16,874,982**

The current year to March 31, 2012 is a transitional year with no notional allocations to municipalities. However, municipalities may access province-wide funding during this transitional year, but that funding will be brought forward and deducted from the municipalities' remaining notional allocations. It was decided that Hamilton will not request funding for Year 1 to allow time to develop a plan for investment of the IAH funding in partnership with the Housing and Homelessness Planning Group and to consult with the community and key stakeholders.

Up to 5% of a municipality's funding allocation can be used for program administration. For Hamilton, 5% of the \$16.8 million allocation is \$843,749. In addition to the 5% administration fee, municipalities will receive an upfront \$100,000 administration fee after signing the administration agreement with the Province.

The program rules and requirements are largely the same as under the previous Canada-Ontario Affordable Housing Program. The IAH allows flexibility for municipalities to determine how their overall notional allocation should be split between any of the following IAH program components:

- Capital funding of up to \$150,000 per unit for the creation of affordable rental housing;
- Encouraging homeownership through down payment assistance;
- Addressing affordability of existing rental units through rent supplements and housing allowances;

- \$25,000 per unit to renovate existing housing through Ontario Renovates – a component of IAH that replaces the former federal Residential Rehabilitation Assistance Program, and includes financial assistance to create secondary suites in existing single family homes.

IAH funding is conditional upon the City of Hamilton and the Province of Ontario executing the attached Service Manager Administration Agreement. Under the IAH, municipalities are responsible for planning and delivering the program funding, including completing and updating an annual Program Delivery and Fiscal Plan (PDFP). In October 2010, the City started work on the development of a Housing and Homelessness Action Plan in collaboration with community stakeholders as directed by the province's Long-Term Affordable Housing Strategy. Staff will draw upon that planning process to inform the best way to implement the IAH in Hamilton.

The City must submit a Council endorsed Program Delivery and Fiscal Plan (PDFP) to the Ministry of Municipal Affairs and Housing by February 28, 2012. The PDFP will outline how much of the \$16.8 million funding will be allocated to which components of the IAH over the remaining fiscal years of the program. Housing Services Division staff has consulted with community stakeholders on prioritizing IAH program components and will bring a recommendation report to Emergency and Community Services Committee in January 2012. The report will also outline a plan regarding the dispersal of the IAH program administration funding.

The PDFP will detail the program spending for each of the IAH program components within Hamilton's overall \$16.8 million notional allocation. The PDFP must then be submitted to the Province by February 28, 2012.

The City will continue to work with the Housing and Homelessness Planning Group to develop a plan to identify priorities for affordable housing in our community.

Alternatives for Consideration – Not Applicable.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS
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Financial:

Hamilton's notional allocation from the Province under the IAH program is as follows:

April 1, 2012 – March 31, 2013: **\$6,924,937**
April 1, 2013 – March 31, 2014: **\$6,937,333**
April 1, 2014 – March 31, 2015: **\$3,012,711**
Total: **\$16,874,982**

Staffing:

Currently, it is anticipated that the IAH Program will be delivered within the current staff complement of the Housing Services Division. As part of the Program Delivery and Fiscal Plan (PDFP) that must be submitted to the Province by February 28, 2012, staff will analyze and determine if additional staff resources are required to administer the program to March 31, 2015. Up to 5% of a municipality's funding allocation can be used for program administration. The PDFP will be brought to Council for approval in January 2012.

Legal:

Legal Services staff has reviewed the draft Administration Agreement and has no concerns. To ensure that the City complies with the terms of the Administration Agreement; Legal Services will be involved in the review and drafting of any ancillary agreements, as may be required to deliver the IAH Program. Legal Services staff will also ensure that the security requirements, as required from the project proponents are fulfilled to protect the interests of the City, in accordance with the Administration Agreement.

HISTORICAL BACKGROUND (Chronology of events)

In August 2011, the Province released information on the IAH program as well as municipal notional funding allocations under the program. Hamilton will receive \$16.8 million over 4 years to March 31, 2015. IAH funding is conditional upon the City of Hamilton and the Province of Ontario executing the attached Service Manager Administration Agreement.

On September 9, 2011, staff brought Report CS11079 on the IAH program to the Emergency & Community Services Committee. That report addressed the fact that while the \$16.8 million funding investment in Hamilton is welcome, it falls significantly short of what is needed in our community. The IAH funding allocation to Hamilton represents a reduction in funding compared to the \$66 million that Hamilton received in the previous five years for the same program components.

The City of Hamilton, in partnership with community stakeholders such as the Affordable Housing Flagship, is in the process of completing the first phase of Hamilton's Housing and Homelessness Action Plan. The Action Plan will be the product of extensive research and community engagement activities and is being guided by a Planning Group that represents a wide range of collaborative groups and sectors involved in housing and homelessness. The Planning Group has been meeting regularly since October 2010. An information report on the Action Plan will be brought to Council in December 2011 with an update on the activities of the Planning Group. It is anticipated that phase 1 of the Action Plan will be brought to Council in April 2012 for approval.

POLICY IMPLICATIONS

There are no policy implications for Report CS11079(a)

RELEVANT CONSULTATION

Housing Services Division staff have consulted with the following stakeholder groups regarding the IAH program and the weighting of the four program components within IAH:

- Planning Group for the Housing & Homelessness Action Plan;
- Affordable Housing Flagship;
- Tenant Advisory Committee; and,
- Community Consultation Committee on Social Housing.

There was general agreement by each of the above stakeholder groups that the IAH program components be prioritized as follows:

1. Rent Supplements/Housing Allowances
2. Ontario Renovates (replaces the former Residential Rehabilitation Assistance Program)
3. New affordable rental housing construction
4. Homeownership down payment assistance

ANALYSIS / RATIONALE FOR RECOMMENDATION

The IAH program funding represents an opportunity for the City of Hamilton to address some of the affordable housing needs of residents through rent supplements, renovations, new construction and homeownership down payment assistance. These activities will also help promote and strengthen partnerships between the City of Hamilton and the Federal and Provincial Governments, as well as with community housing stakeholders in both the private sector and not-for-profit sector.

As detailed in Report CS11079 – Investment in Affordable Housing for Ontario, the amount of IAH funding allocated to Hamilton falls well short of what is needed although the federal and provincial investment in affordable housing in Hamilton is timely and welcome.

ALTERNATIVES FOR CONSIDERATION:

Not applicable.

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability,
3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development,
6. Environmental Stewardship, 7. Healthy Community

Inter-Government Relationships

- ◆ Acquire greater share of provincial and federal grants (including those that meet specific needs)

Social Development

- ◆ Everyone has a home they can afford that is well maintained and safe

Healthy Community

- ◆ Adequate access to food, water, shelter, income, safety, work, recreation and support for all (Human Services)

APPENDICES / SCHEDULES

Appendix "A" to Report CS11079(a) - Service Manager Administration Agreement –
Investment in Affordable Housing in Ontario.

Version: September 6, 2011

SERVICE MANAGER ADMINISTRATION AGREEMENT

Investment in Affordable Housing for Ontario

This Agreement made the day of **[insert year]**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

AS REPRESENTED BY

THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

(hereinafter called the "Minister")

- and -

[INSERT NAME OF SERVICE MANAGER]

(hereinafter called the "Service Manager")

RECITALS:

- A. Canada Mortgage and Housing Corporation ("**CMHC**") and Her Majesty the Queen in Right of Ontario, as represented by the Minister of Municipal Affairs and Housing entered into a bi-lateral agreement to provide for the Investment in Affordable Housing program from 2011-2014, effective April 1, 2011 (the "**CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014**").
- B. The Minister has established a Rental Housing Component, a Homeownership Component, a Northern Repair Component, a Rent Supplement Component, a Housing Allowance Component and an Ontario Renovates Component (the "**IAH Components**"), pursuant to which the Minister will provide the CMHC funding and provincial funding for the Investment in Affordable Housing Program.
- C. The Minister and the Service Manager have entered into this Agreement for the purpose of establishing the Service Manager's obligations with respect to the administration of the IAH Components and the Minister's obligation to provide funding to the Service Manager for the administrative costs of participating in the IAH Components.

NOW THEREFORE, the Minister and the Service Manager agree with each other as follows:

1. INTERPRETATION

- 1.1 In this Agreement, unless the context requires otherwise, the following terms have the meanings set out in this Section:

- **“Administration Fee”** means the amount paid by the Minister to offset the Service Manager’s cost of performing tasks under this Agreement;
- **“Affordability Period”** means the period during which a Project is required to be affordable, as determined in accordance with the Program Guidelines for the IAH Components or as otherwise established by the Minister;
- **“Business Day”** means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
- **“CMHC”** has the meaning given to it in the recitals;
- **“CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014”** has the meaning given to it in the recitals;
- **“Funding”** means funding provided under a Program, as set out in the Program Guidelines for the IAH Components;
- **“IAH Components”** has the meaning given to it in the recitals;
- **“Ministry Notification”** means a notice in writing from the Minister to a Service Manager regarding an IAH Component;
- **“Parties”** means the Minister and the Service Manager and “Party” means either of them, as the context may require;
- **“PIPEDA”** means the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, including any amendments thereto;
- **“PIPEDA Protected Information”** means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;
- **“Program”** means any of the IAH Components;
- **“Program Delivery and Fiscal Plan”** means the plan developed by the Service Manager that sets out how the Service Manager will use the funding allocations, which is found in the Program Guidelines for the IAH Components, and which plan is also referred to as **“PDFP”**.
- **“Program Guidelines for the IAH Components”** means the guidelines annexed to this Agreement as Appendix “H”, as amended by the Minister from time to time;
- **“Project”** means affordable housing proposed or approved for a Program;
- **“Proponent”** means a person or other legal entity that has submitted a Proposal;

- “**Year 1**” means the period from the date of this Agreement to March 31, 2012;
- “**Year 2**” means the period from April 1, 2012 to March 31, 2013;
- “**Year 3**” means the period from April 1, 2013 to March 31, 2014;
- “**Year 4**” means the period from April 1, 2014 to March 31, 2015.

1.2 The following Schedules are attached to and form part of this Agreement:

Schedule A - Rental Housing Component

Schedule B - Homeownership Component

Schedule C - Northern Repair Component

Schedule D - Rent Supplement Component

Schedule E - Housing Allowance Component

Schedule F - Ontario Renovates Component

Schedule G - Communications Protocol Requirements

Schedule H - IAH Program Guidelines

1.3 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.4 All references in this Agreement to section numbers are references to sections of this Agreement unless stated otherwise.

2. COMPLIANCE WITH SCHEDULES

2.1 The Parties agree to comply with and abide by the terms and conditions set out in those Schedules to this Agreement relevant to the Programs in which the Service Manager participates. The Service Manager agrees to administer such Programs in accordance with those Schedules.

3. REPORTING REQUIREMENTS

3.1 The Service Manager agrees to comply with the reporting requirements set out in those Schedules relevant to the Programs in which the Service Manager participates.

4. USE OF FUNDING

- 4.1 The Minister shall make a notional allocation of funding to each Service Manager. Each Service Manager's notional allocation shall be broken down by fiscal year. Funding must be committed by December 31 of each year and cannot be relocated between fiscal years. The Minister may re-allocate funding that has not been committed by December 31 of each year.
- 4.2 Notwithstanding the provisions of paragraph 4.1, the following provisions apply for Year 1:
- Service Managers may request that the Minister bring forward funding from their overall notional allocation to be committed in Year 1;
 - Service Managers shall provide a business case outlining the amount of the funding they would like brought forward and how it will be used, in accordance with criteria established by the Minister;
 - Service Managers who receive approval for funding to be brought forward will have their annual allocations for Year 2 to Year 4 adjusted to reflect their remaining balance;
 - Once funding available for Year 1 has been maximized, the Minister has no obligation to fund any further requests until the commencement of Year 2.
 - The Minister reserves the right to adjust each Service Manager's annual funding allocation if the maximum Year 1 funding amount is not reached by December 31, 2011.
 - Any remaining Year 1 balance will be pooled together and distributed to Service Managers starting in January 2012 to construction-ready projects or other available IAH Components to ensure that all Year 1 funds are fully utilized.
- 4.3 The Minister will advance funding to Service Managers based on project milestones, as set out in the Program Guidelines. For the Rental Housing Component, the Homeownership Component, and the Ontario Renovates Component, the Minister will advance funding only up to March 31, 2019. For the Rent Supplement Component and the Housing Allowance Component, the Minister will advance funding only up to March 31, 2023. Funding will not be advanced by the Minister to Service Managers after the above dates.

5. PROGRAM DELIVERY AND FISCAL PLAN

- 5.1 The Service Manager shall develop and submit to the Minister a Program Delivery and Fiscal Plan, prior to the commencement of Year 2.
- 5.2 The Program Delivery and Fiscal Plan must be approved by the Municipal Council or delegated authority for the Service Manager.

- 5.3 The Program Delivery and Fiscal Plan must be approved by the Minister before the Service Manager receives any IAH program funding for Years 2 to 4.
- 5.4 The Program Delivery and Fiscal Plan shall contain the following information:
- The IAH components that the Service Manager will deliver in each year of the program;
 - The number of units that are expected to be developed under the selected components in each year of the program;
 - The number of households that are expected to be assisted under the selected components in each year of the program;
 - The amount of funding from each year's funding allocation that will be used for the selected components;
 - The amount of funding from each year's funding allocation that will be used for administration fees and the rationale for the amount that will be used for administration fees.
- 5.5 The Service Manager acknowledges that the Ministry will use the Program Delivery and Fiscal Plan to track the Service Manager's progress against the Service Manager's allocation of funding.
- 5.6 Project proposals and/or household take-up for each year will be recommended by the Service Manager, based on the Program Delivery and Fiscal Plan.
- 5.7 Service Managers are required to update their Program Delivery and Fiscal Plans on a quarterly basis. Updates will include the Service Manager's progress against their annual funding allocation and planned commitments.
- 5.8 In cases where a Service Manager's original planned commitment for funding falls through, a Service Manager may move funding within their notional allocation to other IAH Components within the same fiscal year in order to ensure that all funds are committed by December 31 of each year.
- 5.9 Funding originally planned for the Rental Housing, Homeownership and the Ontario Renovates Components can be re-allocated within these Components.
- 5.10 Funding originally planned for the Rent Supplement and Housing Allowance Components can be re-allocated within these Components
- 5.11 If a Service Manager wishes to reallocate funding from the Rental Housing, Homeownership, Northern Repairs or Ontario Renovates Components to the Rent Supplement or Housing Allowance Components, or vice versa, a request for reallocation must be submitted to the Ministry prior to December 31 of the applicable year for which the reallocation is requested. The Ministry will attempt

to accommodate such requests on a best efforts basis, but cannot guarantee approval of such requests.

6. MINISTER'S RIGHT TO WITHDRAW FUNDING

- 6.1 The Service Manager acknowledges that the Minister has the right to withdraw, demand repayment of and reallocate funding in accordance with the Schedules.

7. ADMINISTRATION FEE

- 7.1 For Year 1, the Minister shall provide the Service Manager with an Administration Fee of One Hundred Thousand Dollars (Cdn. \$100,000) to encourage and enable the Service Manager to engage in planning and pre-development activities. The Minister shall pay the Administration Fee upon the signing of this Agreement. The Administration Fee for Year 1 is in addition to the funding allocation for the Service Manager for the term of this Agreement.
- 7.2 For Years 2 - 4, the Service Manager may use up to five per cent (5%) of their total funding allocation for those years to assist with the administration of the IAH.

8. COMMUNICATIONS PROTOCOL

- 8.1 The Service Manager acknowledges that the terms of the CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014 require the Minister to co-ordinate with CMHC and/or obtain CMHC's approval with respect to publicity relating to projects funded in accordance with this Agreement, including advertising, written materials and signs; messages; public statements; press conferences; news releases; announcements; official ceremonies; and special events, in each case, for projects funded in accordance with this Agreement. The Service Manager shall ensure that there will be no such publicity, advertising, signs, messages, public statements, press conferences, new releases, announcements, official ceremonies or special events, without the prior written consent of the Minister. A copy of the requirements of the CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014 is attached as Schedule G. The Service Manager agrees that it shall not do or omit to do any act which will cause the Minister to be in breach of these requirements.

9. NOTICE

- 9.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:
- (a) delivered personally;
 - (b) sent by prepaid courier service; or
 - (c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

- (i) in the case of notice to the Minister:

Ministry of Municipal Affairs and Housing
Attention: Director, Housing Programs Branch
777 Bay Street, 2nd Floor
Toronto, ON
M5G 2E5

Fax: (416) 585-7003

- (ii) in the case of notice to the Service Manager:

[insert relevant information]

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

10. REMEDIES AND INDEMNIFICATION

- 10.1 The Service Manager shall indemnify the Minister for all costs, damages, expenses, injury and liability whatsoever which the Minister may suffer as a result of claims of any sort arising out of the implementation of this Agreement.
- 10.2 When the Service Manager becomes aware of a failure by a party who has received funding to observe or perform a material condition relevant to the receipt of funding, the Service Manager shall notify the Minister. The Minister and the Service Manager shall each appoint one person to an ad hoc committee for the purpose of assembling information relating to the failure and determining a course of action for rectifying the failure. Terms of reference for the ad hoc committee shall be developed and agreed to by the Minister and the Service Manager
- 10.3 Where applicable, in determining what course of action may be undertaken to remedy the failure, the parties shall use their best efforts to work together co-operatively with a view to maintaining, to the greatest extent possible in the

circumstances, the affordability of the rents for the project, as determined by the Contribution Agreement. The parties acknowledge that the interests of the tenants shall be considered in determining what course of action may be most suitable to remedy the failure.

- 10.4 The obligation to indemnify or the distribution of a recovery of funding as a result of a failure will require the Service Manager and/or the party in receipt of funding to exhaust all reasonable opportunities to seek recovery, which efforts shall include but shall not be limited to resorting to legal action to defend third party claims, seeking indemnification from insurance policies, if any, that may afford coverage for a particular loss and/or recovering funding from bonding companies or other third parties who, at law, may be responsible for the losses as a result of a failure.

10.5

- (a) Where there is a direct relationship between the Minister and a party in receipt of funding, the party in receipt of funding shall indemnify the Minister for all funding paid in the event of a claim against the Minister.
- (b) Indemnification of the Minister will be required throughout the Affordability Period.

10.6

- (a) In situations of non-compliance due to misuse or negligence, the party in receipt of funding shall repay the Minister all funding.
- (b) If a project ceases to operate as an IAH project, the Proponent shall repay the Minister all funding, subject to the discretion of the Minister to reduce the amount to be repaid at the rate specified in the Program Guidelines, provided that the party in receipt of funding has fulfilled all the requirements of the Program.

- 10.7 All of the remedies in this Agreement and any security in respect of the funding are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.

- 10.8 Notwithstanding any of the terms of this Agreement or of any security in respect of the funding, the Minister shall have the option of waiving any or all of his remedies under this Agreement and the security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver unless otherwise provided.

11. GENERAL

- 11.1 The Service Manager shall comply with all Ministry Notifications

- 11.2 The Service Manager shall maintain all records and documentation pertaining to each Program in which it participates and each project funded by it under a Program for two years following the life of that Program.
- 11.3 The Service Manager shall, on forty-eight (48) hours prior written notice, give the Minister, his or her representatives and/or auditors free access to such staff, documents, books, records and accounts as may be determined by the Minister, his or her representatives and/or auditors, for the purpose of verifying compliance with the Programs and this Agreement. The Service Manager shall ensure that the same obligation is imposed on any subcontractor engaged to assist the Service Manager in the performance of this Agreement. The Service Manager acknowledges that the Ministry may conduct a random audit of a sampling of Service Managers and their subcontractors in any year. No provision of the Agreement shall be construed so as to give the Minister any control whatsoever over the Service Manager's records. For greater certainty, the Minister's rights under this section are in additions to any rights provided to the Auditor General pursuant to section 9 (1) of the *Auditor General Act* (Ontario). This section shall survive any expiry or termination of this Agreement.
- 11.4 The Service Manager represents that it has not knowingly provided the Minister with any false or misleading information respecting the subject matter of this Agreement and agrees that it shall not knowingly provide any false or misleading information to the Minister in the performance of its obligations under this Agreement.
- 11.5 Any power, right or function of the Minister, contemplated by this Agreement, may be exercised by any employee or agent of the Ministry of Municipal Affairs and Housing.
- 11.6 It is understood that the *Freedom of Information and Protection of Privacy Act* shall apply to all records submitted to or created by the Minister pursuant to this Agreement.
- 11.7 The Service Manager represents and warrants that:
- (a) it shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the Minister;
 - (b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it collects in the course of performing its contractual obligations; and
 - (c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the Minister.
- 11.8 Each disbursement of funding by the Minister to the Service Manager and/or payment of an administration fee under this Agreement is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event

the respective appropriations are insufficient to meet the funding obligations of the Minister.

11.9 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the Minister and the Service Manager as partners of each other.

11.10 The Service Manager acknowledges that CMHC is not a party to this Agreement.

11.11 No member of:

- (a) the House of Commons or Senate of Canada; or
- (b) the Legislative Assembly of Ontario; or
- (c) the Municipal Council constituting the Service Manager herein or the Municipal Council of any local municipality of such Service Manager or the governing body of any Municipal Agency, Board or Commission of any of such municipalities;

shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the IAH Components.

11.12 All of the remedies available to the Minister under this Agreement, at equity and/or at law are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.

11.13 Notwithstanding any of the terms of this Agreement, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

11.14 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the Minister and the Service Manager or their respective solicitors on their behalf, who are hereby expressly appointed in this regard.

11.15 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario.

11.16 Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which

may be passed and which has the effect of supplementing or superseding such statute or regulations.

- 11.17 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.
- 11.18 The parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting this Agreement other than as expressed in writing in this Agreement.
- 11.19 This Agreement shall be read with all changes of gender and number required by the context.
- 11.20 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing confirming that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.
- 11.21 If the Service Manager owes any money to the Minister, whether or not their return or repayment has been demanded by the Minister, such monies shall be deemed to be a debt due and owing to the Minister by the Service Manager and the Service Manager shall pay or return the amount to the Minister unless the Minister otherwise directs. The Minister may charge the Service Manager interest on any monies owing by the Service Manager at the then current interest rate charged by the Province of Ontario on accounts receivable.
- 11.22 The Minister may set off any debt owing by the Service Manager to the Minister under this Agreement against any amount payable by the Minister to the Service Manager.
- 11.23 The Service Manager shall not assign this Agreement without the prior written consent of the Minister, which consent may be withheld, acting in his sole discretion.
- 11.24 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 11.23 restricting the Service Manager's ability to assign this Agreement.
- 11.25 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Any invalid or unenforceable provision shall be deemed to be severed.

IN WITNESS THEREOF this Agreement has been executed by the Parties.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF MUNICIPAL
AFFAIRS AND HOUSING**

Janet Hope
Assistant Deputy Minister

Date:

[Insert name of SERVICE MANAGER]

Per: _____
Name: _____
Title: _____
Date: _____ c/s

Per: _____
Name: _____
Title: _____
Date: _____ c/s

I/We have the authority to bind the Service
Manager

SCHEDULE A

INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO

Rental Housing Component

1. INTERPRETATION

1.1 In this Schedule, unless the context requires otherwise,

- **“Administration Agreement”** means the Administration Agreement between the Minister and the Service Manager to which this Schedule forms a part;
- **“Affordability Period”** means the period during which the average rent in a Project is required to be maintained at an affordable level, as determined in accordance with the Program Guidelines or as otherwise established by the Minister;
- **“Affordable Housing”** means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels in accordance with the Program Guidelines, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility;
- **“Average Market Rents”** means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the Minister, based on available data, in areas where there is no or insufficient information from the CMHC Average Market Rent Survey;
- **“Conditional Letter of Commitment”** means the letter issued by the Minister confirming approval of the Project and setting out the amount, terms and conditions of Funding allocated to the Proponent;
- **“Contribution Agreement”** means an agreement entered into by the Service Manager or another party contributing to the Project and an approved Proponent for contributions under the Program;
- **“Contributions by Others”** means cash or in-kind eligible contributions from Service Managers, municipalities, housing providers, the private sector, the voluntary sector, charities and

individual donors, to be used in accordance with a Program or Programs under this Agreement. Contributions by Others does not include: contributions from any Government of Canada sources, including, but not limited to arrangements with CMHC; nor contributions under any program wholly or partially funded from Government of Canada sources; nor contributions which receive credit under any arrangement with CMHC or the Government of Canada outside this Agreement;

- **“Development Activities”** means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes, including the acquisition of property;
- **“Funding”** means funding provided under the Program, as set out in the Program Guidelines;
- **“Funding Schedule”** means the schedule of funding setting out progress payments for the type of Project to be undertaken by a Proponent, in the form determined by the Minister;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;
- **“Occupancy Date”** means the date on which occupancy of all Units in a Project is permitted;
- **“Phase-out Period”** means the last five (5) year period of the Affordability Period;
- **“Program”** means the Rental Housing Component described in the Program Guidelines;
- **“Program Guidelines”** means the Program Guidelines for the IAH Components;
- **“Project”** means Affordable Housing proposed or approved for the Program, as the context may require;
- **“Project Information Form”** means the form submitted by the Service Manager to the Minister for consideration of a Project;

- **“Proponent”** means a person or other legal entity that has submitted a Proposal;
- **“Proposal”** means the proposal to participate in the Program, submitted to the Service Manager;
- **“Rental Component”** means the Rental Housing Component described in the Program Guidelines;
- **“Unit”** means a self-contained residential dwelling, including, without limiting the generality of the foregoing, (i) supportive rental Housing where service funding is secured from sources other than Funding provided under the Program; (ii) multi-bedroom units which are used for congregate living; and (iii) disabled/accessible units.

1.2 The following Appendices are attached to and form part of this Schedule:

Appendix “A” - Project Initial Occupancy Report;
Appendix “B” - Project Annual Occupancy Report;
Appendix “C” - Service Manager’s Annual Report;
Appendix “D” - Rental Protocol;
Appendix “E” - Confirmation of Construction Start.

1.3 In the event of a conflict or inconsistency between the provisions of this Schedule and the provisions of an Appendix, the provisions of this Schedule shall prevail.

1.4 All references in this Schedule to section numbers are references to sections of this Schedule unless stated otherwise.

2. REQUIREMENTS FOR SIGNING THE ADMINISTRATION AGREEMENT

2.1 Prior to the Service Manager signing this Agreement:

- (a) the Service Manager, in its capacity as a municipality, by Council action, resolution or by-law, shall ensure that the general property tax applicable to Units built under the Program is in accordance with the criteria set out in the Program Guidelines;
- (b) the Service Manager shall establish initial income limits, at levels which it considers appropriate, which it shall apply as a requirement for all applicants for tenancies of Units. The Service Manager may apply annual income testing as a requirement for tenants during the term of their tenancies or upon any lease renewal or extension. The Service Manager shall periodically

review such income limits and, if it considers it necessary, revise them to levels which it considers appropriate.

3. PROJECT SELECTION

- 3.1 The Service Manager shall evaluate, or shall have evaluated, each Project in accordance with the requirements of the Program Guidelines.
- 3.2 The Service Manager shall submit to the Minister a list of Council or delegated authority approved Projects with recommended funding requirements based on the submitted Program Delivery and Fiscal Plan and within the Service Manager's notional allocation.
- 3.3 In respect of each Project, the Service Manager shall submit a Project Information Form and the appropriate Funding Schedule to the Minister for approval.
- 3.4 If the Minister approves the Project, the Minister shall issue a Conditional Letter of Commitment to the Proponent and shall advise the Service Manager of the approval of the Project.
- 3.5 The Funding shall be allocated to the Projects at the discretion of the Minister.
- 3.6 The Service Manager shall advise and request approval from the Minister for any changes to the Projects which may affect the number of Units or the funding requirements for the Service Manager and the Project.
- 3.7 The Minister may change the allocation of Funding to a Project in response to a change in the Project.
- 3.8 The Service Manager shall approve projects in accordance with policies it has adopted respecting the procurement of goods and services, as required by the *Municipal Act, 2001*.
- 3.9 A Service Manager who utilizes the municipality or a municipal non-profit housing corporation to deliver Units under the Program is not required to use a procurement process to solicit the municipality or the municipal non-profit housing corporation as a Proponent, but the municipality or municipal non-profit housing corporation shall award contracts to build Units using procurement practices authorized by the Service Manager.

4. PAYMENTS BY THE MINISTER

- 4.1 In respect of all Projects:

- (a) The Minister shall pay the Service Manager the Funding within fifteen (15) Business Days following the Minister receiving written confirmation from the Service Manager that:
 - (i) the Service Manager and the Proponent have signed a Contribution Agreement;
 - (ii) the Proponent is in compliance with the Contribution Agreement; and
 - (iii) the Proponent has satisfied the criteria for the payment to be made pursuant to the Funding Schedule;
 - (b) The Service Manager shall pay the Proponent the Funding within fifteen (15) Business Days of receiving the Funding from the Minister, provided that:
 - (i) the Proponent is in compliance with the Contribution Agreement;
 - (ii) the Proponent has satisfied the criteria for payments to be made pursuant to the Funding Schedule; and
 - (iii) the Proponent has complied with the requirements of the Program;
- 4.2 Notwithstanding section 4.1, no Funding shall be paid to the Service Manager in respect of a Project unless the Service Manager has advised the Minister that the Service Manager has entered into a Contribution Agreement with the Proponent for the Project that provides for the use, accountability and security of the Funding, and the Proponent is not in breach of the Contribution Agreement.
- 4.3 Notwithstanding sections 4.1 and 4.2, the Service Manager may authorize the Minister to pay Funding to a third party and the Minister shall permit such authorization.
- 4.4 Notwithstanding sections 4.1 and 4.2, the Proponent may authorize the Service Manager to pay Funding to a third party and the Service Manager shall permit such authorization.
- 4.5 In no event shall Funding under this Schedule be advanced to Service Managers after March 31, 2019.

5. ADMINISTRATION

- 5.1 Following the approval of each Project by the Minister, the Service Manager shall arrange for an appropriate form of Contribution Agreement to be executed, and shall register appropriate security documents, prior to requesting Funding from the Minister or forwarding Funding to the Proponent.
- 5.2 On or before the date the Service Manager signs a Contribution Agreement with a Proponent, the Service Manager shall provide written confirmation to the Minister regarding the source and availability of adequate ongoing funding for the support services required by tenants of the supportive housing units in the Project.
- 5.3 A Contribution Agreement under this Schedule cannot be signed after March 31, 2015, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 5.4 The Service Manager shall monitor all Projects which have received a funding allocation to determine whether the Proponents carry out all Development Activities in such manner and within such time periods as are set out in the Program Guidelines or as may be determined by the Minister.
- 5.5 The Service Manager shall use its best efforts to ensure that construction for each Project commences within one hundred and twenty (120) days of the date of the Contribution Agreement for the Project. If construction for a Project has not commenced within one hundred and twenty (120) days of such date, the Minister may cancel the Funding for the Project, demand repayment of Funding for the Project and reallocate such Funding as the Minister deems appropriate.
- 5.6 The Service Manager shall provide the Minister with a completed Confirmation of Construction Start, in the form attached to this Schedule as Appendix "E", at the start of construction of each Project, within ten (10) days of the start of construction of the Project.
- 5.7 The Service Manager shall obtain from the Proponent and shall forward to the Minister, an audited financial statement respecting the expenditure of the Funding provided to the Proponent, within ninety (90) days or such additional time as may be determined by the Minister, following the date on which the Minister is advised by the Service Manager that the Project will not proceed or that the Development Activities related to the Project have been fully completed.
- 5.8 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall, at the end of each

quarter in each fiscal year (April 1 – March 31), provide the Minister with an updated Program Delivery and Fiscal Plan, indicating the amount of Program funding approved and the number of Program units committed.

- 5.9 During the period between the date of execution of this Agreement and the Occupancy Date of all of the Projects, the Minister and the Service Manager shall collaboratively review annually during the month of April the progress of utilization of the Funding by the Proponents at their respective Projects on the basis of the reports submitted pursuant to Appendix “C”.
- 5.10 The Service Manager acknowledges that the Minister is required to report to CMHC under the CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014 and that, in order to fulfill the said reporting requirements, it will be relying on the materials provided to it pursuant to sections 5.8, 5.12 and 5.13, and on the collaborative review of these materials pursuant to section 5.9.
- 5.11 The Service Manager shall, at the request of the Minister, provide the Minister with proof that occupancy of all Units in the Project is permitted.
- 5.12 Upon initial occupancy of a Project, the Service Manager shall obtain and validate from each Proponent, the Project Initial Occupancy Report, in the form attached to this Schedule as Appendix “A”, and submit it to the Minister.
- 5.13 During the period between the Occupancy Date of each Project and the end of the Phase-out Period, the Service Manager shall:
 - (a) obtain annually from each Proponent a completed information report, in the form attached to this Schedule as Appendix “B” and submit them to the Minister; and
 - (b) complete and submit to the Minister, on or before the last day of March subsequent to each reporting calendar year, a report on all of the said funded Projects, in the form attached to this Schedule as Appendix “C”.
- 5.14 The Service Manager shall immediately inform the Minister in writing of the following matters as soon as it becomes aware of them:
 - (a) a request by a Proponent to transfer responsibility for a Project to another entity;
 - (b) any failure by the Proponent to carry out all the Development Activities required in the Program Guidelines or any failure to carry out such Development Activities in such manner and within such

time periods as are set out in the Program Guidelines or as may be determined by the Minister;

- (c) if construction for a Project has not commenced within one hundred and twenty (120) days of the date of the Contribution Agreement;
- (d) any breach by the Proponent of its Contribution Agreement with the Service Manager;
- (e) the Proponent becoming bankrupt or insolvent or taking the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or filing any proposal or making any assignment for the benefit of creditors or any arrangement or compromise;
- (f) the appointment of a receiver or a receiver and manager for all or a portion of a Project; and
- (g) the taking of any steps or any action or the institution of any proceedings by a Proponent or by any other party, including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding up or liquidation of the Proponent or its assets.

6. REMEDIES

6.1 If the Service Manager breaches any one or more of the provisions of this Schedule, and the breach is not corrected within a reasonable period of time after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,

- (a) terminate this Schedule;
- (b) demand immediate repayment of all or any portion of the Administration Fees paid by the Minister to the Service Manager;
- (c) demand immediate repayment of all or part of any Funding in the possession or control of the Service Manager that has not been used for a Project;
- (d) demand immediate repayment of all or any part of the monies paid by the Minister to the Service Manager under this Schedule;
- (e) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Schedule that relate to the Project in respect of which the breach occurred;
- (f) cancel all further instalments of Funding; and/or

- (g) suspend further instalments of Funding for such period as the Minister may determine appropriate.

The Service Manager shall comply with a demand referred to in clause (d) and/or (e), irrespective of whether it has used any of the relevant amounts for a Project.

- 6.2 All of the remedies available to the Minister under this Schedule, at equity and/or at law, are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.
- 6.3 Notwithstanding any of the terms of this Schedule, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

7. GENERAL

- 7.1 The Rental Housing Component is available from the date of the Service Manager Administration Agreement until March 31, 2015.
- 7.2 The Service Manager shall enter into a Contribution Agreement with the Proponent which requires the Proponent to comply with the requirements of the Program.
- 7.3 The Service Manager acknowledges and agrees that the Rental Protocol set out in Appendix "D" applies to all Projects by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to Projects under the *Residential Tenancies Act, 2006*, and shall ensure that the Proponent agrees in writing that Appendix "D" applies to its Project.
- 7.4 The headings and subheadings contained in this Schedule are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Schedule or form part of this Schedule.
- 7.5 If the Parties have previously entered into administration agreement(s) respecting prior Rental Housing Component(s) of the Affordable Housing Program, the Parties acknowledge and agree that the provisions of such agreement continue in full force and effect notwithstanding that no further funding is being provided by the Minister to the Service Manager under that agreement and notwithstanding that the Parties have entered into the Administration Agreement in respect of new funding.

APPENDIX "A"

PROJECT INITIAL OCCUPANCY REPORT IAH - Rental Housing Component

A. Project Information

Reference No.	
Project Name	
Project Address	
Occupancy Date	
Contribution Agreement Expiry Date	

B. Number of Units in Project

Unit Type	Total IAH Units (A)	Units not Receiving IAH Funding (B)	Total Number of Units (A+B)
Bachelor			
1 BR			
2 BR			
3 BR			
Others (specify)			
Total			

C. Depth of Affordability: Rents at Occupancy (IAH Funded Units)

Unit Type	Unit Size	Number of Units (A)	Actual Rent to be charged per month (B)	CMHC Average Market Rent (AMR – 20XX) or Alternate AMR (C)	Actual Project Rents (D)=(A)X(B)	Project Rents as per CMHC AMR or Alternate (E)=(A)X(C)
Bachelor						
1 BR						
2 BR						
3 BR						
Others (specify)						
TOTAL						

Notes:

1. For Column (B), actual rent is the net to occupants after all subsidies
2. For Column (C), Alternate e.g. modified Ontario Works Shelter Allowance, ODSP (in the event CMHC AMR does not apply)

Weighted Average Rents	Project Weighted Average Rent Total of (D)÷Total of (A) =	CMHC or Alternate Weighted Average Rent Total of (E)÷Total of (A) =
Depth of Affordability	(Project Weighted Average Rent ÷ CMHC (or Alternate) Weighted Average Rent) x100 =	

D. Source of Alternate AMR (if an alternate AMR is being used)

E. Rationale (if Depth of Affordability is greater than 80% of CMHC AMR (or Alternate))

F. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and C above is true and correct. I hereby authorize the Minister to review the rent roll from appropriate sources(s) if deemed necessary.

Signed by Proponent

Date: _____

[Print Name of Proponent]

I am *[please check on the appropriate line below]*

____ Owner of the Project

____ Chairperson of the Board of Directors of the Project

Signed by Service Manager

Date: _____

[Print Name of Service Manager]

APPENDIX “B”

PROJECT ANNUAL OCCUPANCY REPORT

IAH - Rental Housing Component
For the Year Ended December 31, 20XX

A. Project Information

Reference No.	
Project Name	
Project Address	
Occupancy Date	
Contribution Agreement Expiry Date	

B. Actual Rents at Year End

Unit Type	IAH Funded Units	Previous Year 20XX		Current Year 20XX			Rationale (If D>B)
		Actual Rent per Unit per Month (A)	RTA Permitted Increase per Unit per Month X % (specify) (B)	Actual Rent per Unit per Month (C)	Rent Increase (D) = (A)-(C)	(E) CMHC or Alternate AMR	
Bachelor							
1 BR							
2 BR							
3 BR							
4 BR							
Other (specify)							
TOTAL							

C. Depth of Affordability: Rents during year of reporting (IAH Funded Units)

Unit Type	Unit Size	Number of Units (A)	Actual Rent to be charged per month (B)	CMHC Average Market Rent (AMR – 20XX) or Alternate AMR (C)	Actual Project Rents (D)=(A)X(B)	Project Rents as per CMHC AMR or Alternate (E)=(A)X(C)
Bachelor						
1 BR						
2 BR						
3 BR						
Others (specify)						
TOTAL						

Notes:

1. For Column (B), actual rent is the net to occupants after all subsidies
2. For Column (C), Alternate e.g. modified Ontario Works Shelter Allowance, ODSP (in the event CMHC AMR does not apply)

Weighted Average Rents	Project Weighted Average Rent Total of (D)÷Total of (A) =	CMHC or Alternate Weighted Average Rent Total of (E)÷Total of (A) =
Depth of Affordability	(Project Weighted Average Rent ÷ CMHC (or Alternate) Weighted Average Rent) x100 =	

Note: Depth of Affordability cannot be greater than 80% of CMHC AMR or Alternate without the approval of the Service Manager.

D. Rationale (if Depth of Affordability is greater than 80% of CMHC AMR (or Alternate))

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E. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and C above is true and correct. I hereby authorize the _____ **(Insert SM)** to review the rent roll from appropriate sources(s) if deemed necessary.

Signed by Proponent

Date: _____

[Print Name of Proponent]

I am *[please check on the appropriate line below]*

_____ Owner of the Project

_____ Chairperson of the Board of Directors of the Project

Signed by Service Manager

Date: _____

[Print Name of Service Manager]

APPENDIX “C” SERVICE MANAGER’S ANNUAL REPORT

IAH - Rental Housing Component

For Completed Projects between January 1, _____, and December 31, _____
in _____ (insert name of Service Manager)

Weighted Average Rents

Reference No.	Name Of Project & Location	Total Number of Units (#)	IAH Funded Units (#)	Type of Development		Weighted Average Rent of Project per Month	% of CMHC AMR Achieved for Overall Project
				New Construction	Acquisition/ Rehabilitation & Conversion		
	TOTAL						

Note:

1. Refer to Appendix “B” for calculation of weighted average rents.
2. Percentage of CMHC AMR achieved. This percentage cannot be greater than 80% of CMHC AMR, without the approval of the Minister.

APPENDIX “D”

RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Appendix “D”, unless the context requires otherwise,

- “Affordability Period” means the [*insert “twenty (20) year period” or “details in words (and numbers) of such longer period” as may be established in the Procurement Process*] following the date of the first (1st) occupancy of a Unit in the Project;
- “Agreement” means the Agreement to which this Appendix “D” is attached;
- “Phase-out Period” means the last five (5) year period of the “Affordability Period”, and

when used in this Appendix “D”, the term “rent” includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent’s agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing.

1.2 The definitions in the Agreement shall apply to this Appendix “D”, in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Appendix are references to sections of the Appendix, unless otherwise explicitly stated.

2. AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Appendix “D” nor increase any rent charged for a Unit except as permitted in this Appendix “D”.

3. RENTS

3.1 The weighted average rent of all Units in a Project for which Program Funding has been utilized shall not exceed eighty per cent (80%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey.

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- 3.2 The maximum rent for any Unit shall not exceed one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program, provided that the amount so calculated does not exceed the CMHC Average Market Rent for units of a similar type in the geographical area.

4. RENT INCREASES

- 4.1 The Proponent may increase the rent charged under section 3.1 with respect to a Unit only if at least twelve (12) months have elapsed,
- (a) since the day of the last rent increase respecting the Unit, if there has been an increase, or
 - (b) since the day the Unit was first rented for the first (1st) rental period following the completion of the Development Activities in connection with the Project.
- 4.2 Subject to section 4.3, the Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the *Residential Tenancies Act, 2006* or any successor legislation. The Proponent acknowledges that the rent increase guideline of the *Residential Tenancies Act, 2006* or any successor legislation, does not apply to the Project and agrees that the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Appendix "D".
- 4.3 From the beginning of the eleventh (11th) year of the Affordability Period until the end of the Affordability Period, in addition to the increase permitted by section 4.2, the Proponent may apply to the Service Manager to increase Unit rents to an amount not to exceed CMHC Average Market Rent for units of a similar type in the geographical area.

5. PHASE-OUT PERIOD

- 5.1 During the Phase-out Period, the Proponent shall not increase the rent charged to *in-situ* tenants of Units by more than the rent guideline increase permitted under section 4.2 and any additional increase that may be approved under section 4.3.
- 5.2 Upon a Unit becoming vacant during the Phase-out Period, the Proponent may rent the Unit to a new tenant at any rent agreed to by the Proponent and the new tenant.

6. EXCEPTION

- 6.1 Subject to the provisions of the *Residential Tenancies Act, 2006* or any successor legislation, and notwithstanding the provisions of this Appendix

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“D” respecting rent increases prior to and during the Phase-out Period, where a Service Manager implements income verification of tenants following the initial occupancy of a Unit, a Service Manager may increase the rent for a Unit by more than the rent increase guideline under the *Residential Tenancies Act, 2006* or any successor legislation, provided that the rent for the Unit does not exceed the CMHC Average Market Rent for units of a similar type for that year and provided that the weighted average rent for the funded Units in a Project does not exceed the permitted rents for the Project.

7. AFTER PHASE-OUT PERIOD

- 7.1 After the end of the Phase-out Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.

APPENDIX “E”
CONFIRMATION OF CONSTRUCTION START

IAH - Rental Housing Component

This is to confirm that the _____ project in the _____ [SM name]
has commenced construction on _____ [date].

The start of construction for this project is within one hundred twenty (120) days of the date of the
project’s Contribution Agreement, which was signed on _____ [CA date].

I declare that the above information is true and complete.

Signature

Dated at _____ this _____ day of _____, 20____

Name and Title of Service Manager / Authorized Signing Officer

SCHEDULE B

INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO

Homeownership Component

INTERPRETATION

1.1 In this Schedule, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **“Administration Agreement”** means the Administration Agreement between the Minister and the Service Manager to which this Schedule forms a part;
- **“Affordable Housing”** means Housing that is affordable to individuals and households with an income at or below the sixtieth (60th) percentile of income for the Service Manager’s area or Ontario, whichever is lower;
- **“Affordability Period”**, with respect to each Eligible Purchaser that receives an IAH Loan, means the minimum twenty (20) year period commencing on the date of the IAH Loan advance to such Eligible Purchaser;
- **“APS”** has the meaning given to it in Section 3.1;
- **“APS Funding”** has the meaning given to it in Section 3.1;
- **“Eligible Purchaser”** means a Purchaser that satisfies the Purchaser Eligibility Criteria;
- **“Eligible Unit”** means a Unit that meets the Unit Eligibility Criteria;
- **“Federal Funds”** means funding from CMHC with respect to an Eligible Unit;
- **“Homeownership Component”** means the Homeownership Component described in the Program Guidelines;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;
- **“IAH Components”** has the meaning given to it in the main body of the Administration Agreement;

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- **“IAH Loan”** has the meaning given to it in Section 4.1;
- **“IAH Mortgage”** has the meaning given to it in Section 5.1;
- **“Permitted Encumbrances”** means (i) a mortgage securing primary financing solely for the acquisition of the relevant Eligible Unit, (ii) a declaration and description under the *Condominium Act* where the Eligible Unit is a condominium, (iii) any minor easements for the supply of domestic utility or telephone services to the Eligible Unit or adjacent properties, (iv) any minor easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property as a residential dwelling; (v) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with; and (vi) any registered restrictions that run with the land provided such have been complied with;
- **“Program”** means the Homeownership Component as set out in the Program Guidelines;
- **“Program Guidelines”** means the Program Guidelines for the IAH Components;
- **“Provincial Funds”** means funding from Ontario with respect to an Eligible Unit;
- **“Purchaser”** means a person that has entered into an agreement of purchase and sale for the purchase of an Eligible Unit;
- **“Purchaser Eligibility Criteria”** means the criteria set out in Appendix “A”;
- **“Revolving Loan Fund”** means a fund established by the Service Manager, or a third party subcontractor as permitted under section 10.2, in a segregated bank account for the sole purpose of providing moderate and low-income individuals and households with down payment assistance to purchase Affordable Housing on the same terms and conditions as are set out in Sections 4 and 5 of this Schedule but at such level of assistance as is determined by the Service Manager;
- **“Unit”** means a self-contained residential dwelling;
- **“Unit Eligibility Criteria”** means the criteria set out in Appendix “B”.

1.2 The following Appendices are attached to and form part of this Schedule:

Appendix “A” - Purchaser Eligibility Criteria;
Appendix “B” - Unit Eligibility Criteria;

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Appendix "C" - IAH Loan Request by Service Manager;
Appendix "D" - IAH Homeownership Annual Report.

- 1.3 In the event of a conflict or inconsistency between the provisions of this Schedule and the provisions of an Appendix, the provisions of this Schedule shall prevail.
- 1.4 All references in this Schedule to section numbers are references to sections of this Schedule unless stated otherwise.

2. PROGRAM GUIDELINES

- 2.1 The Service Manager agrees to administer the Homeownership Component in accordance with the Program Guidelines.

3. PROVISION OF FUNDS BY THE MINISTER

- 3.1 Subject to Sections 3.4, 3.5, 3.6 and 3.9, upon receipt by the Minister from the Service Manager of a copy of the first page and the signature page of a fully executed agreement of purchase and sale (an "**APS**"), for the purchase of an Eligible Unit by an Eligible Purchaser, together with a written report in the form of Appendix "C", the Minister will transfer to the Service Manager in trust, within fifteen (15) business days or within 15 days of the closing date of the Eligible Unit, whichever is later, the amount of funding that is requested by the Service Manager for use as down payment assistance for the Eligible Purchaser (the "**APS Funding**").
- 3.2 The transfer of all APS Funding will be made by electronic funds transfer.
- 3.3 The APS Funding provided by the Minister in respect of each Eligible Unit shall be comprised of one half Federal Funds and one half Provincial Funds.
- 3.4 In no event shall the APS Funding for an Eligible Unit exceed \$50,000.
- 3.5 In no event shall the aggregate of all APS Funding received by the Service Manager under this Schedule and advanced by the Service Manager to Eligible Purchasers as of March 31, 2015 exceed ten percent (10%) of the sum of the purchase prices for all of the Eligible Units acquired by such Purchasers other than Eligible Units acquired from affiliates of Habitat for Humanity.
- 3.6 In no event may any APS be submitted for funding under this Schedule after March 31, 2015 or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 3.7 The Service Manager shall use the APS Funding transferred to it by the Minister in respect of an Eligible Unit solely (i) for the purpose of providing an IAH Loan to an Eligible Purchaser of the Eligible Unit in accordance with this Schedule, or (ii) as the Minister may in writing direct.

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- 3.8 All interest that accrues on APS Funding while held by the Service Manager may be used by the Service Manager for the purpose of administering and delivering Affordable Housing.
- 3.9 In no event shall funding under this Schedule be advanced to the Service Manager after March 31, 2019.
- 3.10 For greater certainty, should the Minister in his or her sole discretion believe at any point in time that the Service Manager is not likely to comply with Section 3.5, the Minister may refuse to provide funding under Section 3.1.

4. PROVISION OF IAH LOANS BY SERVICE MANAGER

- 4.1 Subject to Section 4.4, on the closing of the purchase of an Eligible Unit in respect of which APS Funding was transferred to the Service Manager, the Service Manager shall loan such transferred APS Funding to the relevant Eligible Purchaser for the sole purpose of financing the acquisition of the Eligible Unit (an **"IAH Loan"**).
- 4.2 The following terms shall be set out in the loan agreement between the Service Manager and the Eligible Purchaser with respect to each IAH Loan:
 - (a) Each IAH Loan shall be for a term equal to the Affordability Period and shall not bear interest other than as contemplated below;
 - (b) On the twentieth anniversary date of the date of the IAH Loan advance, provided the debtor is not in default under the terms of the loan, the principal under the IAH Loan shall automatically be forgiven;
 - (c) Upon an event of default under the IAH Loan, including the insolvency or bankruptcy of the debtor, a writ of execution against the debtor is or becomes binding against the Eligible Unit, the death of the debtor, a lease of the IAH Unit, the debtor ceasing to occupy the Eligible Unit as the debtor's sole and principal residence, a misrepresentation by the debtor relating to his or her eligibility, or the use of the proceeds of the IAH Loan for a purpose other than the acquisition of the Eligible Unit, the principal shall be repayable;
 - (d) If, during the period in which the IAH Loan is outstanding, the Eligible Unit is resold for more than the price at which it was acquired by the debtor, the principal shall be repayable. In addition, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the IAH Loan is of the original purchase price of the Eligible Unit as applied to the differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager, based on (i) the price at which the Eligible Unit was resold, if such transaction was an arm's length

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transaction or (ii) an independent appraisal commissioned by the Service Manager, if such transaction was not an arm's length transaction;

- (e) If, during the period in which the IAH Loan is outstanding, the Eligible Unit is resold for less than the price at which it was acquired by the debtor and the sale of the Eligible Unit was an arm's length transaction, the difference between the IAH Loan amount and the depreciated amount shall be repayable. If the depreciated amount is greater than the IAH Loan amount, the principal shall be forgiven;
- (f) If, during the period in which the IAH Loan is outstanding, the Eligible Unit is resold for less than the price at which it was acquired by the debtor and the sale of the Eligible Unit was not an arm's length transaction, the principal shall be repayable. In addition, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the IAH Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on an independent appraisal commissioned by the Service Manager;
- (g) If, during the period in which the IAH Loan is outstanding, the debtor leases the Eligible Unit, ceases to occupy the Eligible Unit as the debtor's sole and principal residence, a writ of execution against the debtor is or becomes binding against the Eligible Unit, the debtor becomes bankrupt or insolvent, the debtor misrepresents his or her eligibility, or the debtor uses the proceeds of the IAH Loan for a purpose other than the acquisition of the Eligible Unit, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the IAH Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on an independent appraisal commissioned by the Service Manager;
- (h) The debtor may repay all of the IAH Loan upon payment of an amount that is equal to the percentage that the IAH Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on an independent appraisal commissioned by the Service Manager. The debtor shall not be permitted to prepay only part of the IAH Loan;
- (i) Notwithstanding anything to the contrary contained in the IAH Loan agreement, amounts payable under the IAH Loan agreement with respect to capital appreciation shall be considered to be accrued interest for the

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purposes of section 18 of the *Mortgages Act* and section 10 of the *Interest Act*, or any successor provisions, and shall not exceed the maximum amount of interest that does not violate applicable laws;

- (j) The debtor shall be responsible for any processing charges associated with the discharge of an IAH Mortgage;
 - (k) Notwithstanding 4.2 (a) and (b), the Service Manager may set an Affordability Period greater than twenty (20) years, at the Service Manager's discretion.
- 4.3 If the Service Manager's contribution with respect to an Eligible Unit is equal to or greater than the amount of the Federal Funds provided by the Minister to the Service Manager in respect of the Eligible Unit, the Service Manager may require the debtor to provide it with a right of first refusal to acquire the Eligible Unit in the event that the owner of the Eligible Unit receives a bona fide offer to purchase the Eligible Unit from a third party. Any such right to acquire shall be for the fair market value of the Eligible Unit. Fair market value shall be determined by an independent appraisal commissioned by the Service Manager.
- 4.4 The provision of each IAH Loan shall be subject to the conditions precedent that:
- (a) title to the relevant Eligible Unit is encumbered by no registered restrictions, charges, liens and encumbrances other than Permitted Encumbrances;
 - (b) the relevant Eligible Purchaser has entered into a loan agreement with the Service Manager and provided the Service Manager with the registered mortgage documents contemplated by Section 5.1; and
 - (c) each representation, statement, declaration and all information provided to the Service Manager by the Eligible Purchaser regarding his or her eligibility and the eligibility of the relevant Unit is true and accurate as at the time it was given or made.
- If any of these conditions precedent have not been fulfilled on the date the IAH Loan is to be advanced, the Service Manager shall not make the IAH Loan.
- 4.5 Before the Service Manager advances the proceeds of an IAH Loan, the Service Manager shall have a title search conducted against the relevant Eligible Unit and obtain a legal opinion as to whether all conditions precedent to the advance of the IAH Loan have been satisfied.
- 4.6 The Service Manager shall ensure that each Unit in respect of which an IAH Loan is made is an Eligible Unit, and that each Purchaser to whom an IAH Loan is made is an Eligible Purchaser at the time the Service Manager enters into the loan agreement with the Purchaser.

5. SECURITY FOR IAH LOANS

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- 5.1 Each IAH Loan shall be secured by a mortgage registered against title to the relevant Eligible Unit. Prior to the advance of the IAH Loan by the Service Manager, the Eligible Purchaser will be required to provide the Service Manager with an executed registerable mortgage document in a form acceptable to the Service Manager and the Minister (an **"IAH Mortgage"**). Each IAH Mortgage shall incorporate the terms of the IAH Loan as stated in Section 4.2, shall include a clause that provides that all monies that the Service Manager spends in recovering mortgage monies shall be added to the amount secured, and shall be registered against title to the relevant Eligible Unit immediately after registration of any mortgage securing the primary financing for the acquisition of the Eligible Unit.
- 5.2 The Service Manager shall, at its own expense, use commercially reasonable efforts to recover all monies owing to it under each IAH Mortgage. The Service Manager shall co-operate with the Minister with respect to pursuing the remedies available to the Service Manager under IAH Mortgages.

6. REVOLVING LOAN FUND

- 6.1 If the Service Manager has not already established a Revolving Loan Fund, the Service Manager agrees to do so and maintain the Revolving Loan Fund for the period of twenty years from the date of this Administration Agreement. All monies received by the Service Manager as a result of (i) a resale of an Eligible Unit prior to the end of the term of the IAH Loan, (ii) a default under the IAH Loan or IAH Mortgage, or (iii) the repayment of the principal of an IAH Loan prior to the end of its term, shall be transferred to the Revolving Loan Fund and used in accordance with the purposes of the Revolving Loan Fund.
- 6.2 All interest accrued on amounts held in the Revolving Loan Fund shall be used by the Service Manager for the purposes of administering and delivering Affordable Housing.
- 6.3 If the Service Manager establishes a Revolving Loan Fund in accordance with this Schedule, and the Service Manager wishes to terminate the Revolving Loan Fund after the fifteenth annual anniversary of the date of the Administration Agreement, the Service Manager shall submit to the Minister a plan pertaining to the phasing out of the Revolving Loan Fund. The Revolving Loan Fund shall be terminated only in accordance with a phase out plan that has been approved by the Minister. At the end of the phase out period, all amounts in the Revolving Loan Fund shall be paid to the Minister or, upon agreement by the Minister, allocated by the Service Manager to financing acquisitions of Affordable Housing.

7. REPORTING REQUIREMENTS

- 7.1 For the twenty year period following the date of the Administration Agreement or for the period in which any IAH Loans are still outstanding, which ever is longer,

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the Service Manager shall, between April 1 and April 15 in each year, provide the Minister with the following:

- (a) a report in the form of Appendix "D" confirming (i) how the APS Funding was used; (ii) any resale of an Eligible Unit funded pursuant to this Schedule; (iii) any default under an IAH Loan or IAH Mortgage; (iv) any repayment of an IAH Loan prior to the end of its term; and (v) all contributions and withdrawals from the Revolving Loan Fund.
- (b) copies of any IAH Loan agreements and IAH Mortgages relating to loans referred to in the above report.

7.2 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall, at the end of each quarter in each fiscal year (April 1 – March 31), provide the Minister with an updated Program Delivery and Fiscal Plan, indicating the amount of Program funding approved and the number of Program units committed.

7.3 Sections 7.1 and 7.2 shall survive any termination of this Schedule.

8. MARKETING

8.1 Subject to section 8 of the Administration Agreement, the Service Manager shall promote and advertise the Program in the Service Manager's area as the Service Manager deems appropriate.

9. REMEDIES

9.1 If the Service Manager breaches any one or more of the provisions of this Schedule, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,

- (a) terminate this Schedule;
- (b) demand immediate repayment of all or a portion of the Administration Fees paid by the Minister to the Service Manager;
- (c) demand repayment of any APS Funding in the possession or control of the Service Manager which have not been advanced to an Eligible Purchaser;
- (d) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Schedule that relate to the Eligible Unit in respect of which the breach occurred;
- (e) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Schedule;

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- (f) cancel all further payments of APS Funding; and/or
- (g) suspend further payments of APS Funding for such period as the Minister may determine.

The Service Manager shall comply with a demand referred to in clause (d) and (e) irrespective of whether it has loaned any of the relevant amounts to an Eligible Purchaser.

10. GENERAL

- 10.1 The Homeownership Component is available from the date of the Service Manager Administration Agreement until March 31, 2015.
- 10.2 The Service Manager may engage a third party subcontractor to assist it in the performance of this Agreement. Such assistance shall be limited to but may include the provision of the IAH Loans to Eligible Purchasers, the taking of IAH Mortgages and the establishment and administration of the Revolving Loan Fund, in each case, by the third party subcontractor but otherwise in accordance with this Schedule. Notwithstanding any such arrangement, the Service Manager shall remain in possession and control of all APS Funding until such funds are advanced to or on behalf of an Eligible Purchaser in connection with the purchase of an Eligible Unit, and shall remain directly responsible to the Minister under and for the performance of this Schedule. The Service Manager shall also ensure that any third party subcontractor is bound by the same terms and conditions relating to the assistance to be provided by it as are binding on the Service Manager under this Schedule. The procurement of any such third party subcontractor shall be done in accordance with the procurement policies of the Service Manager.
- 10.3 The Service Manager may enter into an agreement with a private or non-profit developer pursuant to which (i) the developer agrees to make a certain number of Units in a development owned by the developer available to the public as Eligible Units and to market such Units as Units available under the Program, subject to the requirements of section 8 of the Administration Agreement, and (ii) the Service Manager agrees to make IAH Loans available to Eligible Purchasers of such Eligible Units.
- 10.4 The disbursement of APS Funding by the Minister to the Service Manager under Section 3.1 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.
- 10.5 The Service Manager agrees to maintain the records and documentation that it is required to maintain under the Program Guidelines for the time period set out in the Program Guidelines.

APPENDIX “A” PURCHASER ELIGIBILITY CRITERIA

Each person seeking to be approved as an Eligible Purchaser must meet each of the following criteria at the time he or she applies for such approval:

- (a) The individual must be at least eighteen (18) years old;
- (b) The individual can neither own a home nor have an ownership interest in a home other than a contingent interest;
- (c) The individual cannot be living in a spousal relationship (including a same-sex spousal relationship) with a person who owns a home or who has an ownership interest in a home other than a contingent interest;
- (d) The individual must be vacating a residential tenancy and must agree not to lease the Eligible Unit for the duration of the IAH Mortgage;
- (e) Subject to clause f below, the total income of all members of the individual's household can not exceed the 60th percentile of income for the Service Manager area (as set out in Appendix “E” of the Program Guidelines) or for Ontario, whichever is lower. For the purposes of this Agreement, the household of an individual shall be deemed to include and be limited to (i) the individual; (ii) any person with whom the individual is living in a spousal relationship (including a same-sex spousal relationship); and (iii) any person over the age of eighteen expected to be normally resident with the individual at the time of first occupancy of the Unit;
- (f) The income limits set out in clause e. may be adjusted annually by the Minister based on census data indexed on the Consumer Price Index as published by Statistics Canada from time to time or for other reasons as the Minister may determine but in any event shall not exceed the sixtieth (60th) income percentile for all households in Ontario;
- (g) The individual's application for financial assistance must be supported by (i) two pieces of original photo identification, (ii) an original notice of income tax assessment or other equally reliable evidence of income and (iii) a declaration that all information provided in the application is true and correct;
- (h) The individual agrees to secure his or her own primary financing for the purchase of the Eligible Unit;
- (i) Such other criteria as the Service Manager may establish.

APPENDIX “B”

UNIT ELIGIBILITY CRITERIA

To be an Eligible Unit (within the meaning of this Schedule and the CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014), a Unit must satisfy each of the following requirements:

- (a) It must be a Unit that either has not been previously occupied and to which the *Ontario New Home Warranties Plan Act* applies, including a Unit that has been converted from non-residential to residential use, or a Unit that is offered for resale, provided a home inspection is undertaken by a qualified inspector agreed to by the Purchaser and the Service Manager, at the Purchaser's expense. The results of the inspection must be wholly satisfactory to the Purchaser and the Service Manager;
- (b) The selling price of the Unit must be at or below the average resale price for the Service Manager area (as set out in Appendix G of the Program Guidelines);
- (c) The Unit may be detached, semi-detached, town (condominium and freehold), a duplex, a stacked home, a row house, an apartment or such other forms as may be approved by the Minister. The Unit must be modest in size, relative to community norms, in terms of floor area and amenities, as determined by the Service Manager;
- (d) Such other requirements as are set out in the Program Guidelines and/or as the Service Manager may establish.

APPENDIX “C”
IAH LOAN REQUEST BY SERVICE MANAGER

AIMS Reference No.	Purchaser Name	Client Type & Target Group ¹	Number of Occupants	Household Income	Eligible Unit Address	Type of Unit ²	Purchase Price	IAH Loan Amount	Other Funding	Closing Date

Total (\$) requested in this report:_____

Total (\$) IAH Loans advanced to date:_____

Service Manager Region:_____

Date of Report:_____

Legend for Reporting Requirements

1. Client Type
Family, Single

Target Group
Senior, Aboriginal, Person with Disability,
Recent Immigrant, Working Poor, First Time
Home Buyer

2. Type of Unit
Singe, Semi-detached, condo town, freehold town, row house, duplex, condo
apartment

I hereby confirm that the above mentioned Purchasers and Units comply with all provisions and eligibility requirements set out in the Homeownership Component of the Service Manager Administration Agreement and the Program Guidelines.

Name_____

Title_____

Signature_____

Date_____

APPENDIX “D”

IAH HOMEOWNERSHIP ANNUAL REPORT

Cumulative Report On Homeownership Loans Advanced by the Service Manager

AIMS Reference No.	Purchaser Name	IAH Loan Amount	Mortgage Registration No.	Date Security Registered on Title	Closing Date	Project Status
TOTAL						

With respect to any sale of an Eligible Unit, cessation of occupancy by debtor or repayment of an IAH Loan

AIMS Reference No.	Eligible Unit Address	Original Purchase Price	Resale / Fair Market Value	IAH Loan Amount	Total Amount Repaid	Date Repayment Received	Date of Closing	Reason for Repayment
TOTAL								

With respect to withdrawals from the Revolving Loan Fund and redeployment of Revolving Loan Funds

Period								
AIMS Reference No	Purchaser Name	Client Type	Eligible Unit Address	Type of Unit	Purchase Price	Loan Amount	Closing Date	Date Security Registered on Title
TOTAL								

Balance (\$) of the RLF as of Last Report [date]: _____
Balance (\$) of the RLF as of Current Report [date]: _____

Service Manager Region: _____
Date of Report: _____

Legend for Reporting Requirements

1. Client Type
Family,
Single
Target Group
Senior, Aboriginal, Person with Disability, Recent Immigrant,
Working Poor, First Time Home Buyers
2. Type of Unit
Single, Semi-detached, Condo Town, Freehold Town, Row
House, Duplex, Condo

Name

Title

Signature

SCHEDULE D

INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO

Rent Supplement Component

1. INTERPRETATION

1.1 In this Schedule, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **“Administration Agreement”** means the Administration Agreement between the Minister and the Service Manager to which this Schedule forms a part;
- **“Eligible Landlord”** means a Private Landlord, Non-Profit Landlord, or Cooperative Housing Landlord that owns the Unit to which the rent supplement is applied;
- **“Eligible Renter Household”** means a household that either is on or is eligible to be on a social housing waiting list; that is leasing a Unit; that does not own a home suitable for year-round occupancy; and that meets the criteria in the Program Guidelines and in Appendix “B”;
- **“Eligible Unit”** means a Unit that meets the Unit Eligibility criteria in the Program Guidelines and in Appendix “A”;
- **“Housing”** means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;
- **“IAH Components”** has the meaning given to it in the main body of the Administration Agreement;
- **“Landlord”** means one of the following: Private Landlord; Non-Profit Landlord; or Cooperative Housing Landlord;
- **“Landlord Agreement”** means one of the following agreements: Private Landlord Agreement; Non-Profit Landlord Agreement; Cooperative Housing Landlord Agreement; and includes any other Agreement between the Service Manager and the Landlord that meets the Guidelines;
- **“Program”** means the Rent Supplement Component, as set out in the Program Guidelines;

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- **“Program Guidelines”** means the Program Guidelines for the IAH Components;
- **“Rent Supplement”** is a subsidy paid to the Landlord on behalf of a household in need of rental assistance;
- **“Rent Supplement Component”** means the Rent Supplement Component described in the Program Guidelines;
- **“Unit”** means a self-contained residential dwelling that meets the eligibility criteria outlined in the Program Guidelines and in Appendix “A”, and is subject to a Landlord Agreement; and
- **“Unit Eligibility Criteria”** means the criteria set out in Appendix “A”.

1.2 The following Appendices are attached to and form part of this Schedule:

Appendix “A” - Unit Eligibility Criteria

Appendix “B” - Household Eligibility Criteria

Appendix “C” - Annual Funding Adjustments

1.3 In the event of a conflict or inconsistency between the provisions of this Schedule and the provisions of an Appendix, the provisions of this Schedule shall prevail.

1.4 All references in this Schedule to section numbers are references to sections of this Schedule unless stated otherwise.

1.5 All references in this Schedule to Appendices are references to Appendices in this Schedule, unless stated otherwise.

2. PROGRAM GUIDELINES

2.1 The Service Manager agrees to administer the Rent Supplement Component in accordance with the Agreement and the Program Guidelines.

3. PROVISION OF FUNDS BY THE MINISTER

3.1 Subject to Sections 3.4, 3.5 and 3.7, upon approval by the Minister of the Service Manager's updated Program Delivery and Fiscal Plan, the Minister shall transfer to the Service Manager on a quarterly basis, the amount of funding (the “Rent Supplement Funding”) requested in the Service Manager's Program Delivery and Fiscal Plan, based on the number of signed Landlord Agreements and occupied rental units.

3.2 The Minister shall transfer Rent Supplement Funding to the Service Manager on April 1, July 1, October 1 and January 20 of each fiscal year. Fourth quarter

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payments will be made on January 20, instead of January 1, to allow for any annual adjustments to Service Manager Payments, as outlined in Appendix "C".

- 3.3 The transfer of all Rent Supplement Funding will be made by electronic funds transfer, based on the Service Manager's entitlement for the period, as indicated in the Program Delivery and Fiscal Plan.
- 3.4 In no event may any request for Rent Supplement Funding be submitted under this Schedule after March 31, 2015, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 3.5 The Service Manager shall use the Rent Supplement Funding transferred to it by the Minister in respect of an Eligible Unit solely for the purpose of providing an IAH Rent Supplement to an Eligible Landlord of the Eligible Unit in accordance with this Schedule, or as the Minister may direct, in writing.
- 3.6 All interest that accrues on Rent Supplement Funding while held by the Service Manager shall be used by the Service Manager for the purpose of administering and delivering Affordable Housing.
- 3.7 For greater certainty, should the Minister, in his or her sole discretion, believe at any point in time that the Service Manager is not likely to comply with section 3.5, the Minister may refuse to provide funding under section 3.1.

4. PROVISION OF IAH RENT SUPPLEMENTS BY SERVICE MANAGER

- 4.1 In order to receive Rent Supplement Funding, the Service Manager shall update the PDFP quarterly for the Minister's approval. The PDFP shall include the number of Landlord Agreements and occupied rental units receiving funding under the Program.
- 4.2 The Service Manager shall not expend funding under the Program for a Unit or any Unit substituted for a Unit for longer than ten (10) years, commencing from the date the Unit was initially committed, and in any event, no funding shall be expended after March 31, 2023.
- 4.3 The Service Manager or its authorized agency shall enter into a Landlord Agreement with each Landlord, in respect of all commitments of Units made on or after the date this Agreement is executed by the Parties.
- 4.4 A Landlord Agreement shall not be entered into or continued respecting a Unit, where a renter is related to the Landlord.
- 4.5 The Service Manager shall ensure that all Units that are subject to a Landlord Agreement are clean, fit for habitation, in satisfactory state of repair, meet applicable minimum health and safety standards and that the Landlord has confirmed that the Units are in compliance with applicable Building Code and Fire

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Code requirements.

- 4.6 The Service Manager shall determine the monthly Rent Supplement funding to be paid to Landlords on behalf of each Eligible Renter Household.
- 4.7 The Service Manager shall establish rules to determine whether the Household's income falls below the local Household Income Limits (HILs), as published annually by CMHC. Service Managers shall put these rules in writing and make them available to the general public.
- 4.8 The Service Manager shall conduct annual (or more frequent if required) income testing of Eligible Renter Households to ensure their continued eligibility for the Program.

5. REPORTING REQUIREMENTS

- 5.1 For the period - up to ten (10) years - following the date of the Administration Agreement indicated in the Service Manager's Program Delivery and Fiscal Plan, the Service Manager shall, between April 1 and April 15; between July 1 and July 15; between October 1 and October 15, and between January 1 and January 15, in each fiscal year (April 1 – March 31), provide the Minister with an updated Program Delivery and Fiscal Plan, indicating the number of Landlord Agreements signed and units occupied.
- 5.2 The Service Manager may be asked to provide documentation of Landlord Agreements and/or agreements with delivery agencies.
- 5.3 The Service Manager shall provide the Minister with such additional reports as the Minister may require.
- 5.4 The Service Manager shall keep and maintain for a period of seven (7) years following March 31, 2023, all financial records (including invoices) and all-non-financial documents and records relating to the Funds or otherwise to the Program.

6. MARKETING

- 6.1 Subject to section 8 of the Administration Agreement, the Service Manager shall promote and advertise the Program in the Service Manager's area as the Service Manager deems appropriate.

7. REMEDIES

- 7.1 If the Service Manager breaches any one or more of the provisions of this Schedule, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,

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- (a) terminate this Schedule;
- (b) demand immediate repayment of all or a portion of the Administration Fees paid by the Minister to the Service Manager;
- (c) demand repayment of any Rent Supplement Funding in the possession or control of the Service Manager which has not been advanced to an Eligible Landlord;
- (d) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Schedule that relate to the Eligible Unit in respect of which the breach occurred;
- (e) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Schedule;
- (f) cancel all further payments of Rent Supplement Funding; and/or
- (g) suspend further payments of Rent Supplement Funding for such period as the Minister may determine.

7.2 The Service Manager shall comply with a demand referred to in clauses 7.1(d) and (e), irrespective of whether it has transferred any of the relevant amounts to an Eligible Landlord.

7.3 All of the remedies available to the Minister under this Schedule, at equity and/or at law are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.

7.4 Notwithstanding any of the terms of this Schedule, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

8. GENERAL

8.1 The Program is available from the date of the Service Manager Administration Agreement until March 31, 2015, or a date after that, but no later than March 31, 2023, as reported in the Service Manager's Program Delivery and Fiscal Plan.

8.2 The Service Manager may engage a third party subcontractor (delivery agency) to assist it in the performance of this Agreement. Such assistance shall be limited to but may include the provision of the IAH Rent Supplements to Eligible Landlords, in each case, by the third party subcontractor but otherwise in accordance with this Schedule. Notwithstanding any such arrangement, the Service Manager shall remain in possession and control of all Rent Supplement

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Funding until such funds are advanced to or on behalf of an Eligible Landlord in connection with the provision of Rent Supplements for an Eligible Unit, and shall remain directly responsible to the Minister under and for the performance of this Schedule. The Service Manager shall also ensure that any third party subcontractor is bound by the same terms and conditions relating to the assistance to be provided by it as are binding on the Service Manager under this Schedule. The procurement of any such third party subcontractor shall be done in accordance with the procurement policies of the Service Manager.

- 8.3 The Service Manager may enter into a Landlord Agreement with a Landlord pursuant to which (i) the Landlord agrees to rent a certain number of Units in a development owned by the Landlord available to the public as Eligible Units and to market such Units as Units available under the Program, subject to the requirements of section 8 of the Administration Agreement, and (ii) the Service Manager agrees to make Rent Supplement Funding available to Eligible Households of such Eligible Units.
- 8.4 The disbursement of Rent Supplement Funding by the Minister to the Service Manager under section 3.1 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.
- 8.5 The Service Manager agrees to maintain the records and documentation that it is required to maintain under the Program Guidelines for the time period set out in the Program Guidelines.

**APPENDIX “A”
UNIT ELIGIBILITY CRITERIA**

1. To be an Eligible Unit (within the meaning of this Schedule and the CMHC-Ontario Investment in Affordable Housing Program Agreement) a Unit must satisfy each of the following requirements:
 - (a) Be modest, that is not exceed Average Market Rent (AMR) for the area, as updated by the Minister annually;
 - (b) Be self-contained;
 - (c) Meet local occupancy standards, included in program information available to the public;
 - (d) Such other requirements as are set out in the Program Guidelines and/or as the Service Manager may establish.
2. An Eligible Unit may be occupied by the applicant household. In-situ arrangements are permitted.
3. Only market units in social housing developments are eligible.
4. The following do **not** fit the definition of Eligible Unit:
 - (a) Hostel units, group home or congregate living arrangements, nursing and retirement homes;
 - (b) Non-market units in social housing developments.

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**APPENDIX “B”
HOUSEHOLD ELIGIBILITY CRITERIA**

1. Each household seeking to be approved as an Eligible Household must meet each of the following criteria at the time the primary applicant submits an application:
 - (a) The primary applicant must be at least 18 years old;
 - (b) Be renting a unit and not own a home suitable for year-round occupancy;
 - (c) Have a household income that does not exceed the Household Income Limits (HILs) for the Service Manager area, as published annually by CMHC;
 - (d) Not be living in a spousal relationship (including a common-law or same-sex spousal relationship) with a person who owns the unit or who has an ownership interest in a unit;
 - (e) Not be in receipt of rent-geared-to-income (RGI) assistance or reside in an RGI rental unit; and
 - (f) Not be in receipt of funding under the IAH Housing Allowance Component.
2. The Service Manager shall define “household income”.
3. The Service Manager may establish such additional criteria as may be required to administer this component, provided they are not inconsistent with the requirements of this component.

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**APPENDIX “C”
ANNUAL FUNDING ADJUSTMENTS**

1. The Minister shall review the Service Manager’s progress under the Program at the end of the third quarter of each fiscal year, that is the period ending on December 31.
2. The Minister shall expect a larger Service Manager (fifty (50) or more rent supplement Units), to achieve a ninety per cent (90%) take-up of its planned annual allocation, as indicated in the PDPF.
3. The Minister shall expect a smaller Service Manager (forty-nine (49) or fewer rent supplement Units), to achieve an eighty per cent (80%) take-up of its planned annual allocation, as indicated in the PDPF.
4. Should a Service Manager not meet the above targets, its payment may be adjusted in the fourth quarter of each fiscal year, beginning January 1 of the fiscal year in which the target was not met.

SCHEDULE E

INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO

Housing Allowance Component

1. INTERPRETATION

1.1 In this Schedule, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- **“Administration Agreement”** means the Administration Agreement between the Minister and the Service Manager to which this Schedule forms a part;
- **“Eligible Renter Household”** means a household that either is on or is eligible to be on a social housing waiting list; that is leasing a Unit; that does not own a home suitable for year-round occupancy; and that meets the criteria in the Program Guidelines and in Appendix “B”;
- **“Housing Allowance”** is a monthly subsidy paid directly to an Eligible Renter Household;
- **“Housing Allowance Application Form”** means an application form designed by the Service Manager that meets the criteria described in Appendix “A”, and that a Program applicant must submit to the Service Manager to be considered for a monthly subsidy (“Housing Allowance”) under the Program;
- **“Housing Allowance Component”** means the Housing Allowance Component described in the Program Guidelines;
- **“IAH Components”** has the meaning given to it in the main body of the Administration Agreement;
- **“Program”** means the Housing Allowance Component, as set out in the Program Guidelines;
- **“Program Guidelines”** means the Program Guidelines for the IAH Components;
- **“Unit”** means a self-contained residential dwelling that meets the eligibility criteria outlined in the Program Guidelines.

1.2 The following Appendices are attached to and form part of this Schedule:

Appendix “A” - Housing Allowance Application Process and Form

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Appendix "B" - Household Eligibility Criteria

Appendix "C" - Annual Funding Adjustments

- 1.3 In the event of a conflict or inconsistency between the provisions of this Schedule and the provisions of an Appendix, the provisions of this Schedule shall prevail.
- 1.4 All references in this Schedule to section numbers are references to sections of this Schedule, unless stated otherwise.
- 1.5 All references in this Schedule to Appendices are references to Appendices in this Schedule, unless stated otherwise.

2. PROGRAM GUIDELINES

- 2.1 The Service Manager agrees to administer the Housing Allowance Component in accordance with the Agreement and the Program Guidelines.

3. PROVISION OF FUNDS BY THE MINISTER

- 3.1 Subject to Sections 3.4, 3.5 and 3.7, upon approval by the Minister of the Service Manager's updated PDFP, the Minister shall transfer to the Service Manager on a quarterly basis, the amount of funding (the "**Housing Allowance Funding**") requested in the Service Manager's PDFP, based on the number of approved and signed Program applications.
- 3.2 The Minister shall transfer Housing Allowance Funding to the Service Manager on April 1, July 1, October 1 and January 20 of each fiscal year. Fourth quarter payments will be made on January 20, instead of January 1, to allow for any annual adjustments to Service Manager Payments, as outlined in Appendix "C".
- 3.3 The transfer of all Housing Allowance Funding will be made by electronic funds transfer, based on the Service Manager's entitlement for the period, as indicated in the PDFP.
- 3.4 In no event may any request for Housing Allowance Funding be submitted under this Schedule after March 31, 2015, or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing.
- 3.5 The Service Manager shall use the Housing Allowance Funding transferred to it by the Minister solely for the purpose of providing Housing Allowance Funding to an Eligible Renter Household in accordance with this Schedule, or as the Minister may direct, in writing.
- 3.6 All interest that accrues on Housing Allowance Funding while held by the Service Manager shall be used by the Service Manager for the purpose of administering and delivering Affordable Housing.

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- 3.7 For greater certainty, should the Minister, in his or her sole discretion, believe at any point in time that the Service Manager is not likely to comply with section 3.5, the Minister may refuse to provide funding under section 3.1.

4. PROVISION OF IAH HOUSING ALLOWANCES BY SERVICE MANAGER

- 4.1 In order to receive Housing Allowance Funding, the Service Manager shall update the PDFP quarterly for the Minister's approval. The PDFP shall include the number of Eligible Renter Households receiving funding under the Program, based on approved Housing Allowance Applications meeting the criteria described in Appendix "A".
- 4.2 The Service Manager shall not expend funding under the Program for an Eligible Renter Household for longer than ten (10) years, commencing from the date of the Eligible Renter Household's Housing Allowance Application, and in any event, no funding shall be expended after March 31, 2023.
- 4.3 The Service Manager or its authorized agency shall develop a client application process and use an Application Form that meets the criteria described in Appendix "A".
- 4.4 The Service Manager shall provide a monthly subsidy (Housing Allowance) in the amount indicated in the PDFP to the Eligible Renter Household.
- 4.5 The Service Manager shall determine the monthly Housing Allowance to be paid to each Eligible Renter Household.
- 4.6 The Service Manager may select Households from social housing waiting lists.
- 4.7 The Service Manager shall establish a clear set of rules to determine whether the Household's income falls below the local Household Income Limits (HILs), as published annually by CMHC. Service Managers shall put these rules in writing and make them available to the general public.
- 4.8 The Service Manager shall conduct annual (or more frequent if required) income testing of Eligible Renter Households to ensure their continued eligibility for the Program.

5. REPORTING REQUIREMENTS

- 5.1 For the period - up to ten (10) years - following the date of the Administration Agreement indicated in the Service Manager's PDFP, the Service Manager shall, between April 1 and April 15; between July 1 and July 15; between October 1 and October 15, and between January 1 and January 15, in each fiscal year (April 1 – March 31), provide the Minister with an updated PDFP indicating the number of Eligible Renter Households receiving a Housing Allowance under the Program.
- 5.2 The Service Manager may be asked to provide documentation of completed, i.e.

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signed and approved, client Application Forms and/or agreements with delivery agencies.

- 5.3 The Service Manager shall provide the Minister with such additional reports as the Minister may require.
- 5.4 The Service Manager shall keep and maintain for a period of seven (7) years following March 31, 2023, all financial records (including invoices) and all non-financial documents and records relating to the Fund or otherwise to the Program.

6. MARKETING

- 6.1 Subject to section 8 of the Administration Agreement, the Service Manager shall promote and advertise the Program in the Service Manager's area as the Service Manager deems appropriate.

7. REMEDIES

- 7.1 If the Service Manager breaches any one or more of the provisions of this Schedule, and the breach is not corrected within a reasonable period of time (as determined by the Minister) after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,
 - (a) terminate this Schedule;
 - (b) demand immediate repayment of all or a portion of the Administration Fees paid by the Minister to the Service Manager;
 - (c) demand repayment of any Housing Allowance Funding in the possession or control of the Service Manager which has not been advanced to an Eligible Renter Household;
 - (d) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Schedule that relate to the Eligible Unit in respect of which the breach occurred;
 - (e) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Schedule;
 - (f) cancel all further payments of Housing Allowance Funding; and/or
 - (g) suspend further payments of Housing Allowance Funding for such period as the Minister may determine.
- 7.2 The Service Manager shall comply with a demand referred to in clauses 7.1(d) and (e), irrespective of whether it has transferred any of the relevant amounts to Eligible Renter Households.

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7.3 All of the remedies available to the Minister under this Schedule, at equity and/or at law are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.

7.4 Notwithstanding any of the terms of this Schedule, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

8. GENERAL

8.1 The Program is available from the date of the Service Manager Administration Agreement until March 31, 2015, or a date after that, but no later than March 31, 2023, as reported in the Service Manager's PDFP.

8.2 The Service Manager may engage a third party subcontractor (delivery agency) to assist it in the performance of this Agreement. Such assistance shall be limited to but may include the provision of Housing Allowance Funding to Eligible Renter Households, in each case, by the third party subcontractor but otherwise in accordance with this Schedule. Notwithstanding any such arrangement, the Service Manager shall remain in possession and control of all Housing Allowance Funding until such funds are advanced to an Eligible Renter Household, and shall remain directly responsible to the Minister under and for the performance of this Schedule. The Service Manager shall also ensure that any third party subcontractor is bound by the same terms and conditions relating to the assistance to be provided by it as are binding on the Service Manager under this Schedule. The procurement of any such third party subcontractor shall be done in accordance with the procurement policies of the Service Manager.

8.3 The disbursement of Housing Allowance Funding by the Minister to the Service Manager under section 3.1 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.

8.4 The Service Manager agrees to maintain the records and documentation that it is required to maintain under the Program Guidelines for the time period set out in the Program Guidelines.

APPENDIX “A”
HOUSING ALLOWANCE APPLICATION PROCESS AND FORM

1. The Service Manager shall develop the application process that suits its local needs and make it available to the public.
2. The Service Manager shall design the Application Form. The Application Form shall include, but not be limited to, the following sections:
 - (a) A definition of “Household Income”;
 - (b) Household Income declaration;
 - (c) Explicit list of eligibility criteria;
 - (d) Consent regarding personal information sharing;
 - (e) Monthly Housing Allowance subsidy amount;
 - (f) Dates for disbursement of Housing Allowance subsidy to Eligible Renter Household;
 - (g) Applicant signature and date; and
 - (h) Such other requirements as are set out in the Program Guidelines and/or as the Service Manager may establish.

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**APPENDIX “B”
HOUSEHOLD ELIGIBILITY CRITERIA**

1. Each household seeking to be approved as an Eligible Household must meet each of the following criteria at the time the primary applicant submits an application:
 - (a) The primary applicant must be at least 18 years old;
 - (b) Be renting a Unit and not own a home suitable for year-round occupancy;
 - (c) The primary applicant cannot be living in a spousal relationship (including a common-law or same-sex spousal relationship) with a person who owns the Unit or who has an ownership interest in a unit;
 - (d) Have a household income that does not exceed the Household Income Limits (HILs) for the Service Manager area, as published annually by CMHC;
 - (e) Not be in receipt of rent-geared-to-income (RGI) assistance or reside in an RGI rental unit; and
 - (f) Not reside in a unit in receipt of funding under the IAH Rent Supplement Component.
2. The Service Manager shall define “household income”.
3. The Service Manager may establish such additional criteria as may be required to administer this component, provided they are not inconsistent with the requirements of this component.

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**APPENDIX “C”
ANNUAL FUNDING ADJUSTMENTS**

1. The Minister shall review the Service Manager’s progress under the Program at the end of the third quarter of each fiscal year, that is the period ending December 31.
2. The Minister shall expect a larger Service Manager (fifty (50) or more Housing Allowance clients, i.e. Eligible Renter Households), to achieve a ninety per cent (90%) take-up of its planned annual allocation, as indicated in the PDPF.
3. The Minister shall expect a smaller Service Manager (forty-nine (49) or fewer Housing Allowance clients i.e. Eligible Renter Households), to achieve an eighty per cent (80%) take-up of its planned annual allocation, as indicated in the PDPF.
4. Should a Service Manager not meet the above targets, its payment may be adjusted in the fourth quarter of each fiscal year, beginning January 1 of the fiscal year in which the target was not met.

SCHEDULE G
COMMUNICATIONS PROTOCOL REQUIREMENTS

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CMHC – ONTARIO
AGREEMENT FOR INVESTMENT IN AFFORDABLE HOUSING 2011-2014

SCHEDULE G
COMMUNICATIONS PROTOCOL
(Paragraph 11.1 of the Agreement)

G.1 GENERAL

- G.1.1 CMHC and MMAH (the "Parties") agree to undertake joint communications activities and products that will enhance opportunities for open, transparent, effective and timely communications with the public through appropriate, continuous and consistent public information activities that recognize the contributions of the Parties and the applicant.
- G.1.2 CMHC and MMAH agree that all communications activities and products related to this Agreement, any Programs and any Projects shall recognize equally, refer to equally and give equal prominence and priority to the "Government of Canada" including "Canada Mortgage and Housing Corporation" and the "Government of Ontario" including "the Ministry of Municipal Affairs and Housing". Without limiting the generality of the preceding sentence, this paragraph applies to all provisions of this Schedule.
- G.1.3 All public information material in relation to this Agreement shall be prepared jointly.
- G.1.4 Subject to G.1.2, both Parties agree to adhere to government visibility requirements. They will be provided by CMHC and MMAH Communications Branch as issued from time to time. Visibility requirements may include, but are not limited to, items such as branding and signage.

G.2 JOINT COMMITTEE

- G.2.1 There shall be a Joint Committee of senior CMHC and MMAH officials responsible for the implementation of the Communications Protocol. The Joint Committee is a forum for sharing information on Investment in Affordable Housing 2011-2014 Projects and Programs, planning and approving communications plans, materials and activities, but may elect to address other Program issues by mutual agreement.
- G.2.2 The Joint Committee will continue to exist and operate for as long as necessary to meet the requirements of this Agreement.
- G.2.3 The Joint Committee will consist of two members appointed by CMHC and two members appointed by MMAH.
- G.2.4 The Joint Committee will be headed by two Co-chairs. CMHC will appoint one of its two members as the CMHC Co-chair and MMAH will appoint one of its two members as the MMAH Co-chair.
- G.2.5 The Joint Committee will meet at least twice a year.

G.3 COMMUNICATION WITH APPLICANTS AND OTHERS

- G.3.1 MMAH will provide the CMHC co-chair with information on each Project application which has been approved five business days before any communication of the approval to the applicant or others.
- G.3.2 All Project and Recipient approval notifications in a form acceptable to both parties shall identify the "Government of Canada" including "Canada Mortgage and Housing Corporation" and the "Government of Ontario" including "the Ministry of Municipal Affairs and Housing" as sources of funding, under the "Investment in Affordable Housing 2011-2014".
- G.3.3 All public information material related to calls for tendering shall clearly and prominently indicate that the Project is funded by the "Government of Canada" including "Canada Mortgage and Housing Corporation" and the "Government of Ontario" including "the Ministry of Municipal Affairs and Housing" pursuant to this Agreement.

G.4 COMMUNICATION WITH THE PUBLIC

Public Information Products

- G.4.1 The Parties may develop information kits, brochures, public reports, and web site material, recognizing the joint funding, to inform potential applicants and the public about the Investment in Affordable Housing 2011-2014 and the Programs.

News Releases

- G.4.2 A joint news release shall be issued when this Agreement is signed. Unless the Parties decide otherwise, there shall be a joint news release for each approved Project or group of Projects or Recipients (without disclosing personal information), in which each Party will have equal importance. A news release may include quotations from a federal and a provincial official, other contributors and the applicant. The Parties must agree on these quotations. The Parties shall agree on the timing of the news release.
- G.4.3 The Parties shall co-operate in organizing press conferences, announcements and official ceremonies. The Parties will agree on the messages and public statements at such events. The Parties shall agree if, when and where special ceremonies and events will be held. Neither Party nor any municipality, applicant or contributor shall make any public announcement for a Project or Recipients, without first securing the agreement of the other Party. A Party must be informed of a proposed joint event at least 20 working days prior to the planned date of the event. No arrangements shall be made for events until the other Party agrees to the event.
- G.4.4 Either Party may organize a joint press conference. The requester shall give the other Party notice of at least 20 working days of such a press conference, public announcement or joint event, which shall not be presented by one Party to another as final. The CMHC and Ontario Ministers or their designated representatives and each Party may participate in these press conferences, which shall be held on a date and at a location that are agreed upon.

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- G.4.5 The signing of this Agreement shall be the subject of an official ceremony.
- G.4.6 The Parties shall work together to organize such announcements and official ceremonies, and shall follow a mutually agreed-upon order of precedence. The Parties should jointly agree on the messages and public statements at such events.

Signage

- G.4.7 MMAH shall ensure that the applicant provides and installs temporary signage at a prominent location where there is visible activity related to an approved Project. The signage shall indicate that it is a Government of Canada - CMHC and Government of Ontario - MMAH (and municipal as applicable) Investment in Affordable Housing 2011-2014 Project, bear a message approved by each Party, and remain in place throughout the construction period.
- G.4.8 MMAH shall provide and install, where appropriate, a plaque or permanent sign bearing an appropriate inscription.
- G.4.9 Design, wording and specifications of signs and plaques shall reflect the equal participation of the "Government of Canada" including "Canada Mortgage and Housing Corporation" and the "Government of Ontario" including "the Ministry of Municipal Affairs and Housing" and must be approved by both Parties. Signs and plaques shall have appropriate spaces indicating participation by the municipality and the applicant, if requested.
- G.4.10 The Parties shall issue specifications for signs and plaques and time frames for their installation. Temporary signs must be removed within 90 days of Project completion.

Advertising

- G.4.11 Either Party may organize an advertising or public information campaign, recognizing the joint funding, related to the Investment in Affordable Housing 2011-2014 and the Programs. However, it must inform the other Party of the contents of the campaign's messages at least 30 days before it is launched.

Payments

- G.4.12 All payments to approved applicants or others pursuant to or related to this Agreement will identify the "Government of Canada" including "Canada Mortgage and Housing Corporation" and the "Government of Ontario" including "the Ministry of Municipal Affairs and Housing" as sources of funding, under the "Investment in Affordable Housing 2011-2014".

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G.5 COSTS

- G.5.1 The Joint Committee shall approve an annual communications plan and budget.
- G.5.2 Costs associated with the development and delivery of communications products and activities in the approved communications plan and budget are eligible costs under this Agreement. This would apply to costs incurred by either party associated with any public announcement and official ceremony, temporary or permanent signage and plaques, advertising, literature, media distribution, organization of special events, as established by both Parties.

G.6 MUNICIPALITIES

- G.6.1 "Municipal" and "municipality" include public bodies designated by MMAH as the local functionary for Programs.

SCHEDULE H

IAH PROGRAM GUIDELINES