

Federal Community Housing Initiative Phase II (“FCHI-2”) Agreement

AGREEMENT made in duplicate this [BLANK] day of [BLANK], 20__ (“Effective Date”).

BETWEEN:

Canada Mortgage and Housing Corporation

("CMHC")

OF THE FIRST PART

– and –

[BLANK]

(the "Housing Provider")

OF THE SECOND PART

(hereinafter collectively called the "Parties")

WHEREAS CMHC, on behalf of the Government of Canada, wishes to assist Housing Providers (as defined herein) through the Federal Community Housing Initiative Phase II (“FCHI-2”) Agreement by providing rental assistance to Low-Income Households and, where applicable, transitional funding to assist Housing Providers temporarily.

WHEREAS the Housing Provider has developed, constructed, acquired or improved a housing Project hereinafter called the “**Project**”, as defined in Schedule “B” of this Agreement, with a view of providing accommodation for low-income families and individuals.

AND WHEREAS the Housing Provider has or has previously had an agreement with CMHC wherein CMHC made payments to or provided other supports to the Housing Provider pursuant to the *National Housing Act* for the purpose of assisting with the cost of operating the Project and providing affordable accommodation to persons and families of low-income.

NOW THEREFORE THIS AGREEMENT WITNESSES that CMHC wishes to further support the Housing Provider’s Project through this Agreement, and in consideration of the mutual covenants herein contained the Parties undertake and agree as follows:

1. Definitions:

- a) “**Action Plan**” shall mean a plan submitted to CMHC or its representative by the Housing Provider in accordance with Schedule “C” of this Agreement, which plan demonstrates how the Housing Provider will progress and strengthen in four areas, over the Term of this Agreement: Social Inclusion, Financial Viability, Governance, and Asset Management.
- b) “**Assisted Household**” shall mean a Low-Income Household who occupies an Assisted Housing Unit in the Project.
- c) “**Assisted Housing Unit(s)**” shall mean a minimum of one (1) unit described as subsidized in the Project under Schedule “B”, which is occupied or is to be occupied by an Assisted Household eligible for assistance under this Agreement.
- d) “**Gross Household Income**” shall have the meaning given in Schedule “E” of this Agreement.

- e) **“Household”** shall mean a person or a group of persons who occupy the same private dwelling and do not have a usual place of residence elsewhere in Canada.
- f) **“Housing Provider”** shall mean the recipient of funding under this Agreement who meets the eligible Housing Providers criteria described in Schedule “A” of this Agreement.
- g) **“Low-Income Household”** shall mean a Household for whom the Occupancy Charge exceeds thirty percent (30%) of its Gross Household Income.
- h) **“Occupancy Charge”** shall mean the monthly housing charge paid by non-Assisted Households.
- i) **“Over-Housing Charge”** shall have the meaning described in Schedule “D” of this Agreement.
- j) **“National Occupancy Standards”** shall mean those occupancy standards determined from time to time by CMHC and set out in the Reference Guide
- k) **“Reference Guide”** shall mean the FCHI-2 program guidelines, as amended from time to time by CMHC, provided to Housing Providers by CMHC to help the Housing Providers administer the funding under this Agreement.
- l) **“Rent-Geared-to-Income Housing Charge”** means the amount each Assisted Household is required to contribute towards the Occupancy Charge as determined by the Housing Provider and calculated in accordance with Schedule “D”.
- m) **“Rental Assistance”** shall mean the FCHI-2 rental assistance as outlined under Schedules “B” and “D” of this Agreement, which corresponds to the difference between the Occupancy Charge and the Rent-Geared-to-Income charged to the Assisted Household.
- n) **“Term”** shall mean the duration of the Agreement, commencing with the Effective Date and ending on March 31, 2028, or such earlier date as the Agreement may be terminated in accordance with its terms, including but not limited to Section 13 (Termination and Breach).
- o) **“Total Loss”** shall mean where a unit in the Project becomes indefinitely uninhabitable due to fire, explosion, flood or any other unavoidable catastrophe.
- p) **“Transitional Funding”** shall mean assistance paid under Schedule “F”, if applicable.

2. Management and Administration of Funding Under this Agreement

- (a) The Housing Provider will transfer Rental Assistance under this Agreement to Low-Income Households occupying Assisted Housing Units who meet the eligibility criteria set out in Schedule “D” of this Agreement.
- (b) The Housing Provider is required to adopt formal and consistent procedures of selecting Low-Income Households. The Housing Provider shall ensure that its application form for Rental Assistance will contain sufficient information for CMHC or its representative to confirm that the Housing Provider is operating in accordance with this Agreement and the Reference Guide.
- (c) The Housing Provider undertakes and agrees that its financial statements will clearly identify that Rental Assistance under this Agreement is enabling or/ has enabled access to accommodation in the Project by the Assisted Households.
- (d) The Housing Provider will ensure that Assisted Households are fully informed of the FCHI-2 federal investment in their housing and of the Assisted Households’ responsibilities related to the FCHI-2 funding under this Agreement.
- (e) Subject to applicable legislation on access to information and protection of privacy, the Housing Provider shall

- (i) obtain the written consent of the Assisted Households for the Housing Provider to give CMHC or its representative any and all information required to be collected or received by the Housing Provider for the purposes of providing Rental Assistance under this Agreement; and
- (ii) permit CMHC to; (A) use any information submitted or provided in connection with the Project in CMHC's media releases, publications or other venues and events as deemed appropriate by CMHC, and (B) make public its financial assistance to the Project in a manner as determined by CMHC.

The Housing Provider shall comply with federal or provincial human rights legislation, as applicable and as amended from time to time.

3. Rent-Geared-to-Income Housing Charges for Assisted Households

The monthly Rent-Geared-to-Income Housing Charges payable by the Assisted Households to the Housing Provider shall be in accordance with the guidelines set out in Schedule "D" to this Agreement provided, however, that the monthly amount charged to any Assisted Household does not exceed the Occupancy Charge as established from time to time by the Housing Provider. The monthly charge so determined shall be subject to change to reflect increases or decreases in the Household's Gross Household Income and composition, as reported to the Housing Provider in accordance with this Agreement.

4. Leasing / Occupancy of Assisted Housing Units

(a) The Housing Provider shall enter into a written lease or occupancy agreement with each Assisted Household, lasting a minimum of a year or as otherwise agreed by CMHC, in its sole discretion, and in a form acceptable to CMHC or its representative. In addition, the Housing Provider shall ensure that each Assisted Household (i) provides a signed declaration of its Gross Household Income as defined in Schedule "D" on an annual basis, and (ii) signs a written agreement providing that the Rent-Geared-to-Income Housing Charge payable to the Housing Provider will be increased or decreased in accordance with income and that retroactive adjustments will be made if income is misrepresented or not reported. Where prohibited by law, the Housing Provider shall not require payment in advance of the last month's rent or a security deposit under the lease or occupancy agreement.

(b) Every lease or occupancy agreement signed with an Assisted Household shall contain a provision making it a requirement for the Assisted Housing Unit to be occupied only by the Assisted Household named in such lease or occupancy agreement. Further, the Housing Provider shall stipulate, as applicable, in writing, with the Assisted Household, that Assisted Households may be offered another unit of a more appropriate size if such Households' composition changes and a unit of more appropriate size becomes available. In the event that the Assisted Household enters into an assignment or subletting agreement and moves to a separate Assisted Housing Unit, then only the Assisted Housing Unit occupied by the Assisted Household will be eligible for Rental Assistance. The determination of whether or what other units may be offered is at the sole discretion and responsibility of the Housing Provider. If the Assisted Household refuses to move, the Housing Provider is required to apply an Over-Housing Charge, calculated using the difference between the Occupancy Charge for the current unit and the Occupancy Charge for the unit they are eligible for under the National Occupancy Standards.

(c) The Housing Provider shall make available to the Assisted Household the same facilities and privileges as are available to all of its other tenants, except as required to comply with this Agreement. The Housing Provider will not discriminate against the Assisted Household on the basis that it is paying a Rent-Geared-to-Income Housing Charge and will set the Occupancy Charge at the same level for comparable non-Assisted Units and Assisted Units.

5. Payment of Rental Assistance

(a) CMHC will provide monthly disbursements of the Rental Assistance to the Housing Provider for the term of this Agreement, and any extension thereof, equal to the difference between the Rent-Geared-to-Income Housing Charge payable by Assisted Households to the Housing Provider in accordance with this Agreement, and the Occupancy Charge.

Notwithstanding the Rental Assistance amount set out in Schedule “B” of this Agreement, the Rental Assistance may be subject to adjustment in accordance with the terms of this Agreement.

(b) In any given year, should the sum of Rental Assistance actually paid to the Housing Provider exceed the Rental Assistance required to be provided to Assisted Households during that year, the Housing Provider shall promptly refund all excess amounts to CMHC through the reconciliation activity outlined in Section 9(d).

(c) The Housing Provider shall adjust annually the Rent-Geared-to-Income Housing Charge payable by an Assisted Household occupying an Assisted Housing Unit in accordance with the twelve (12) month verification of the income and Household composition of the said Assisted Household and the calculations described in Schedule “D”.

(d) No payments shall be paid by CMHC with respect to an Assisted Housing Unit for any period of time during which it was not occupied by an Assisted Household, except as otherwise provided under this Agreement.

(e) Notwithstanding any other provisions of this Agreement, payment of the funding under this Agreement is subject to the necessary appropriations from Parliament. No liability will attach CMHC in the case of no or insufficient appropriations.

(f) It is understood and agreed by the Parties hereto that the calculations of Rental Assistance and Transitional Funding, where applicable, rendered by CMHC under this Agreement may not be definitive and are subject to review by CMHC at its sole discretion. This includes, but is not limited to, any errors, discrepancies and/or omissions in the information provided by the Housing Provider to CMHC. In such event, the Housing Provider agrees that any surplus in the Rental Assistance that has been disbursed by CMHC based on any discrepancies in the original calculations will be promptly refunded to CMHC through the reconciliation activity as outlined in Section 9(d).

(g) CMHC may increase the Rental Assistance provided under Schedule “B” as a result of the Housing Provider’s increase in the Occupancy Charge, provided that such increase be comparable to market rent increases or supported by other relevant financial data.

6. Transitional Funding

Should a Housing Provider be eligible for Transitional Funding, Schedule “F” of this Agreement shall be applicable, and the requirements of Schedule “F” shall apply to the provision by CMHC of such Transitional Funding. Should the transitional funding paid in any fiscal year exceed the actual funding required as established by CMHC, the Housing Provider shall promptly refund all excess amounts to CMHC through the reconciliation activity outlined in Section 9(d).

7. Final Reconciliation

At the end of the Term or upon termination of this Agreement, the Housing Provider shall promptly complete and submit a final reconciliation to CMHC or its representative for review and approval. Following the review and approval of the reconciliation: (i) any surplus of funding received under this Agreement will be reimbursed to CMHC within thirty (30) calendar days from the approval of the reconciliation and, (ii) on condition that the Housing Provider is not in breach of this Agreement, any deficiency in funding under this Agreement will be made to the Housing Provider within thirty (30) calendar days from the approval of the reconciliation, upon which CMHC will have no further liability of any kind to the Housing Provider.

8. Vacancies

Where an Assisted Housing Unit has been vacated or abandoned by an Assisted Household, no further payments from CMHC of the funding under this Agreement shall be made until it is again occupied by an Assisted Household. However, the Housing Provider may apply the funding to assist another Low-Income Household in the Assisted Unit or in another Assisted Unit of the Project. Should no other Low-Income Household exist at the time of the vacancy, then the Housing Provider will reconcile the funding provided by CMHC under this Agreement at the end of its fiscal year and return the excess funding to CMHC.

9. Books, Accounts, Audit and Reporting Requirements

(a) The Housing Provider shall meet all reporting requirements outlined under this Section 9 and under this Agreement, including provision of the Action Plan in accordance with Schedule “C”.

(b) The Housing Provider shall, not less frequently than every twelve (12) months, or such other period as CMHC or its representative may reasonably require, in respect of each Assisted Household-

- (i) document the income and Household composition of the Assisted Household by obtaining declarations in the form established by CMHC or its representative; and
- (ii) take reasonable steps to obtain verification of the said income and Household composition to the satisfaction of CMHC or its representative.

(c) If, following a period specified by the Housing Provider, the Assisted Household refuses to provide information allowing verification of the said income and Household composition, the Housing Provider shall provide written notice to the Assisted Household indicating that the Household’s Rental Assistance will be terminated within four (4) calendar months, unless documentation in the required form is provided prior to the end of this grace period. Should the Assisted Household not provide the requested documentation within the grace period, then the Housing Provider will return to CMHC any Rental Assistance provided to the Assisted Household for this period of non-compliance through the reconciliation activity outlined in Section 9(d), or may apply the Rental Assistance to another Low-Income Household in the Project, if applicable.

(d) On an annual basis, the Housing Provider will submit financial statements and a reconciliation of the funding under the Agreement to CMHC or its representative within four (4) months following the end of the Housing Provider’s fiscal year. The financial statements and the reconciliation of the funding under this Agreement will be subject to an audit engagement performed in accordance with Canadian Auditing Standards. The financial statements and the reconciliation of the funding under this Agreement must be presented in the form established by CMHC or its representative.

(e) The Housing Provider will submit its most recent calculation worksheets for each Assisted Household, concurrently with the submission of the financial statements to CMHC or its representative within four (4) months following the end of the Housing Provider’s first fiscal year following the Effective Date of this Agreement, as per the format established by CMHC as elaborated on in the Reference Guide.

(f) CMHC or its representative may inspect and audit all books, documents, invoices, records and accounts pertaining to the operation and the administration of the housing Project. The Housing Provider shall retain in its possession for not less than seven (7) years all such books, documents, invoices, records and accounts.

(g) Should the Housing Provider receive Transitional Funding, the Housing Provider will submit, on an annual basis and no later than four (4) months prior to the end of its fiscal year, its annual projected budget. The submitted documentation will be subject to CMHC or its representative’s review and must be presented in the form established by CMHC or its representative

10. Sale, Lease and Consent

In the event of any sale, transfer, lease (except any lease on the basis of an individual rental unit to tenants or members) or proposed disposition of all or part of the Project, the Housing Provider undertakes to inform CMHC or its representative in writing at least sixty (60) days prior to the intended transaction. Should the Project be sold or leased to another entity, CMHC may, at its sole discretion, provide written consent to the assignment of this Agreement to such entity.

11. Third Party Funding

The Parties hereto agree that should any Assisted Household receive funding from any municipal, provincial or federal government source or any other source for substantially the same purpose as the Rental Assistance funding provided under this Agreement, then the Assisted Household in question will not be eligible to receive Rental Assistance provided under this Agreement, unless otherwise agreed to in writing by CMHC.

Notwithstanding, should any Assisted Household in the Project be in receipt of Third Party Funding, then the Housing Provider must immediately cease the Rental Assistance to this Assisted Household. The amount of Rental Assistance may be offered to another Household eligible for assistance under this Agreement.

The Parties hereto agree that, should the Housing Provider receive funding from any municipal, provincial or federal government source or any other source for substantially the same purpose as the Transitional Funding provided under this Agreement, then the Housing Provider will no longer be eligible to receive Transitional Funding provided under this Agreement, unless otherwise agreed to in writing by CMHC.

The Housing Provider agrees to inform CMHC before applying for and upon receipt of any Third Party Funding.

12. Conflict of Interest

The Housing Provider shall ensure that its directors, employees, agents and representatives avoid actual or potential conflicts of interest during the Term of this Agreement. Should an actual or potential conflict of interest arise, the Housing Provider shall ensure that its directors, employees, agents and representatives take appropriate steps to resolve the conflict or potential conflict.

13. Termination and Breach

(a) Where the Housing Provider commits a breach of any Section under this Agreement, or where the funding under this Agreement is used for a purpose other than permitted under this Agreement, and the Housing Provider fails to take remedial action as requested by CMHC within thirty (30) days of having received written notice thereof, then CMHC may, at its option

- (i) suspend funding under this Agreement until the requested remedial action is taken;
- (ii) discontinue the Rental Assistance payments with respect to the particular Assisted Housing Units involved in the default; or,
- (iii) terminate this Agreement upon further thirty (30) days' written notice

(b) CMHC, may at its option, terminate immediately in the case of fraud, gross negligence, misappropriation of funds or gross misconduct on the part of the Housing Provider.

(c) The Housing Provider may terminate this Agreement prior to the end of the Term by providing sixty (60) days' written notice thereof.

(d) Should the Housing Provider cease to meet the eligibility criteria established under Schedule "A" of this Agreement, or dispose of, other than as described in Section 10, or discontinue the provision of all of its Assisted Housing Units, CMHC may terminate this Agreement upon thirty (30) days' written notice.

(e) The failure of the Housing Provider to adequately manage or maintain any of the Assisted Housing Units or the Project in which they are located, as required under Section 16, shall constitute a breach of this Agreement.

(f) The insolvency or bankruptcy of the Housing Providers or the appointment of a receiver to manage any of the assets of the Housing Provider shall constitute a breach of this Agreement.

(g) It is understood that a Total Loss which renders one or more Assisted Housing Units uninhabitable shall not constitute grounds for the termination under this Agreement, provided that the Housing Provider proceeds diligently to repair, restore and make the damaged unit/units habitable. This is provided, however, that the funding under this Agreement shall cease with respect

to such unit or units until they can again be occupied. The Parties hereto agree that in the event of a Total Loss of all housing units in the Project, then this Agreement shall terminate once such Total Loss is established by CMHC.

(h) In the event that an Assisted Household is in breach of any requirement under this Agreement, including any false submission and/or omission of information, CMHC's obligations to provide funding under this Agreement to the Assisted Household shall be void.

(i) If the Housing Provider eligible under this Agreement has not received funding of Rental Assistance for a period exceeding twenty-four (24) months due to the real assistance need being confirmed as nil pursuant to Schedule "D" of this Agreement, CMHC may terminate this Agreement providing sixty (60) days' written notice thereof.

(j) In the event that the Housing Provider is a leaseholder of an emphyteutic lease (ground lease) which is being either (i) terminated or (ii) not being renewed at the end of its Term, then this Agreement will immediately be terminated on the same day as the termination of such emphyteutic lease (ground lease) and any funding under this Agreement not allocated by the Housing Provider at such date shall be returned to CMHC within thirty (30) business days of such termination.

(k) In compliance with CMHC's authorities, the use of the Rental Assistance or Transitional Funding as security to secure other funding is not permitted under this Agreement.

(l) Notwithstanding any other terms or condition of this Agreement to the contrary, Section 9 (Books, Accounts, Audit and Reporting Requirements), Section 14 (Confidentiality), Section 15 (Relationship of the Parties), Section 17 (No Waiver), Section 18 (Severability), and Section 21 (Entire Agreement) of this Agreement, and all other provisions of this Agreement necessary to give effect thereto, shall survive any expiry or termination of this Agreement.

14. Confidentiality

(a) All personal information collected or received by the Housing Provider in the context of this Agreement for purposes of administering the funding under this Agreement shall be considered confidential ("**Confidential Information**").

(b) The Housing Provider shall hold all Confidential Information in the strictest confidence, using efforts and a standard of care and employing such precautions as are necessary to prevent unauthorized use, access to and disclosure of Confidential Information. The Housing Provider agrees to use the Confidential Information solely for the purpose of administering the funding under this Agreement and not for any other purpose or for the benefit of any third party.

(c) The Housing Provider shall comply with all applicable legal requirements and, without limiting the generality of the foregoing, nothing in this Agreement shall be construed in a manner that would contravene the *Access to Information Act* (Canada) or the *Privacy Act* (Canada).

15. Relationship of the Parties

Other than for the payment of funding under this Agreement by CMHC as herein set forth, the full normal relationship between the Housing Provider and a tenant or member of the Housing Provider will exist between the Housing Provider and the Assisted Households. It is understood that CMHC will not be responsible to the Housing Provider for any breach or failure of an Assisted Household to observe any of the terms of its lease or occupancy agreement with the Housing Provider including the covenant to pay the Rent-Geared-to-Income Housing Charge and that the only financial responsibility of CMHC to the Housing Provider is to pay the funding under this Agreement. Further, the Housing Provider agrees that CMHC is not a party to lease or occupancy agreements and that CMHC therefore has no obligations under such agreements to the Housing Provider, tenant or member. In the event of a claim made by the tenant or member under such agreements, the Housing Provider shall hold CMHC harmless from any liability of any nature and shall be solely responsible for any indemnifications owing under such agreements.

16. Project Management

The Housing Provider shall furnish efficient management of the Assisted Housing Units, maintain the housing Project in which they are situated in a good state of repair and cleanliness and fit for

occupancy and will comply with health and safety standards including any housing standards established by law. The Housing Provider will permit CMHC or its representative to inspect the Assisted Housing Units and the Project upon forty-eight (48) hours' notice, or a mutually agreed upon time if the notice is less than forty-eight (48) hours.

17. No Waiver

Failure on the part of CMHC to assert any of its rights under the Agreement or to abide by the processes described in this Agreement for any period of time shall not constitute a waiver of its rights under the Agreement. Failure on the part of CMHC to vary the content of any Agreement Documents for any period of time shall not constitute a waiver of its right to do so in the future.

18. Severability

In the event that any provision of the Agreement shall be held to be unenforceable by an authority of competent jurisdiction, the provision shall be severed from the Agreement and the Agreement shall be read so as to give effect, as nearly as possible, to the intent of the severed provision.

19. English Language

The Parties hereto agree that this Agreement and all documents related thereto will be in the English language. Les Parties aux présentes conviennent que cette Entente ainsi que tous les documents qui s'y rapportent seront rédigés en anglais.¹

20. Governing Law

(a) This Agreement is made under and will be governed by and construed in accordance with the laws of the province or territory in which the Project is located. The courts of such jurisdiction shall exclusively hear any dispute related to the validity, interpretation or performance of this Agreement.

(b) In all respects, the Housing Provider must also comply with the applicable legislation of the province or territory where the Project is located.

21. Entire Agreement

This Agreement shall be the sole agreement in respect of Rental Assistance or Transitional Funding and shall replace any prior legacy program agreements as outlined under Schedule "A" between the Housing Provider and CMHC, except as otherwise provided under this Agreement. For greater clarity, the federal Rent Supplement Agreements that are tied to Index-Linked-Mortgage Agreements shall not be terminated by this Section 21.

This Agreement and the Agreement Schedules attached hereto (the "**Agreement Documents**"), as amended, shall collectively form this Agreement and shall extend to, be binding upon, and enure to the benefit of CMHC and the Housing Provider and their respective permitted successors and assigns. The Housing Provider will not, without the prior written consent of CMHC, assign this Agreement in whole or in part.

Each document that forms part of the Agreement Documents is complementary to the other and what is called for in any one shall be binding as if called for by all. The Agreement Documents shall be interpreted as a whole and the intent of the whole rather than the interpretation of any particular part shall govern. In the event of a conflict between the Agreement Documents, the Agreement Documents shall have precedence in the following order:

- (1) the Agreement; and
- (2) the Agreement Schedules.

Unless otherwise specified herein, the Agreement, and any part thereof, shall only be amended where the Parties have agreed to an amendment in writing. Notwithstanding the foregoing, the

¹ Only applicable to agreements drafted in English with Housing Providers in QC. Due to CCQ requirement.

Parties hereto agree that the Reference Guide may be amended from time to time by CMHC. Any updates to the Reference Guide will be made available within a reasonable time by CMHC at the following: www.cmhc.ca/fchi. The Parties agree that it is the Housing Provider's responsibility to periodically review the above link and become familiar with any amendments to the Reference Guide.

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and all of which together shall constitute one and the same Agreement. The Parties hereto agree that the execution and delivery of this Agreement, by electronic mail or other electronic transmission, including portable document format ("pdf"), shall have the same legal effect as physical delivery of this Agreement bearing original signatures and any signature on a pdf form of this Agreement shall be deemed to be equivalent to an original signature for all purposes.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement under their respective authorities, the day and year above written.

[INSERT NAME OF HOUSING PROVIDER]

Per:

Name:
Title:

Per:

Name:
Title:

I/We have authority to bind

CANADA MORTGAGE AND
HOUSING CORPORATION

Per:

Name:
Title:

Per:

Name:
Title:

SCHEDULE “A”
ELIGIBLE HOUSING PROVIDERS

The “**Eligible Housing Providers**” that are eligible for funding under this Agreement are the following:

- (1) Housing Providers (Non-profit Corporations, Urban Indigenous, Co-operatives, and Index-Linked-Mortgage² (“ILM”) Co-operatives) with federal operating agreements that naturally expire between April 1, 2016 and March 31, 2028.
- (2) Housing Providers with Project operating agreements falling under one of the following legacy programs:
 - Section 95 (Pre-86) non-profit, co-operative, urban indigenous
 - Section 95 (Post-85) non-profit, co-operative, urban indigenous
 - Section 95 (Post-85) ILM co-operatives
 - Section 27, 61 non-profit and co-operatives
 - Section 26 non-profit
 - Section 95 Rent Supplement (units currently leased from a private landlord and rented to those in need)

² An exception exists for ILM cooperatives. The latter are eligible for FCHI-2 as soon as the first mortgage has been repaid and the federal assistance (for operating expenses) has ceased to be paid.

**SCHEDULE “B”
RENTAL ASSISTANCE**

**Modified:
Available as of:**

Part I

- A. PROJECT ADDRESS AND LEGAL DESCRIPTION: [description of Project including civic address and total number of units in Project]
- B. THE INITIAL AMOUNT OF RENTAL ASSISTANCE: [blank] annually based on the INITIAL NUMBER OF ASSISTED HOUSEHOLDS of: [x no.] Households.

Part II

A. DEFINITIONS THAT APPLY TO SCHEDULE “B”

“Annex” shall mean the annex attached to the enrolment form, which is completed upon joining the program. This outlines current need for Rental Assistance.

“Base Number of Assisted Households” shall mean the number of Households, as confirmed after the Housing Provider’s first annual review, that will receive Rental Assistance under this Agreement during its Term, provided that the terms and conditions of the Agreement are respected and the Rental Assistance is required. This number will be the basis of future reviews of Guaranteed Rental Assistance Amounts.

“Guaranteed Rental Assistance Amount” shall mean the annual amount of Rental Assistance, as confirmed through review and acceptance of the first reconciliation submitted by the Housing Provider under this Agreement, that the Housing Provider will receive under this Agreement during its Term, provided that the terms and conditions of the Agreement are respected and the Rental Assistance is required.

“Initial Number of Assisted Households” shall mean the number of Households that initially qualify for Rental Assistance based on a review of the Annex and based on a needs assessment and a prioritization assessment completed by CMHC. This number shall be equal to or less than the number of Assisted Households the Housing Provider indicated in the Annex.

“Initial Amount of Rental Assistance” shall mean the initial amount of Rental Assistance that the Housing Provider will receive based on a review of the Annex and based on a needs assessment and a prioritization assessment completed by CMHC.

B. INITIAL AMOUNT OF RENTAL ASSISTANCE AND INITIAL NUMBER OF ASSISTED HOUSEHOLDS

The calculation of the Initial Amount of Rental Assistance is based on information provided in the Annex and takes into account the Gross Household Income. Service charges are added to or removed from the Rent-Geared-to Income based on the utility allowances determined by CMHC. Finally, this amount is compared to the minimum Occupancy Charge to determine the amount of Rental Assistance. The minimum Occupancy Charge used is twenty-five percent (25%) of the Occupancy Charge for the purposes of this calculation.

The Initial Amount of Rental Assistance and the Initial Number of Assisted Households are effective between the execution of the Agreement and the end of the Housing Provider’s first annual review by CMHC or its representative of the Housing Provider’s financial statements and reconciliation of funding under this Agreement.

C. GUARANTEED RENTAL ASSISTANCE AMOUNT AND BASE NUMBER OF ASSISTED HOUSEHOLDS

As stipulated in Section 9 (d), on an annual basis, the Housing Provider will submit financial statements and a reconciliation of Rental Assistance within four (4) months following the end of the Housing Provider's fiscal year.

After the first annual review by CMHC or its representative of the Housing Provider's financial statements and reconciliation of funding received under this Agreement, the Guaranteed Rental Assistance Amount and the Base Number of Assisted Households will be determined by CMHC.

The Guaranteed Rental Assistance Amount will be determined using a similar calculation approach as the Initial Amount of Rental Assistance, as outlined in Part II (B) of this Schedule "B". The Base Number of Assisted Households cannot be greater than the Initial Number of Assisted Households.

To obtain confirmation of the Guaranteed Rental Assistance Amount and Base Number of Assisted Households, the Housing Provider will submit to CMHC or its representative the most recent calculation worksheet for each Assisted Household as outlined in section 9 (e).

Based on this information, the Base Number of Assisted Households and the Guaranteed Rental Assistance Amount will be confirmed by CMHC and will be fixed for the Term of the Agreement, except as provided in Schedule "B" Part II (D) and Part II (E) below.

D. REVIEW OF RENTAL ASSISTANCE

CMHC shall provide an amount of Rental Assistance that meets the needs of the Base Number of Assisted Households.

CMHC or its representative will review the adequacy of the Housing Providers' Guaranteed Rental Assistance Amount on an annual basis, at the time of the review of the Housing Provider's financial statement and annual reconciliation of Rental Assistance.

If the Guaranteed Rental Assistance Amount is insufficient to bridge the gap between the applicable Occupancy Charges and the charges payable by Assisted Households, assuming a Rent-Geared-to-Income ratio of thirty per cent (30%) of Gross Household Income, the Guaranteed Rental Assistance Amount will be revised based on recent calculation worksheets submitted by the Housing Provider and based on a review by CMHC or its representative of the calculation worksheets submitted by the Housing Providers.

Notwithstanding the above, as soon as the Guaranteed Rental Assistance Amount is insufficient to apply a Rent-Geared-to-Income level of thirty percent (30%) to the Base Number of Assisted Households, the Housing Provider may request a revision of the Guaranteed Rental Assistance Amount. The Guaranteed Rental Assistance Amount will be revised based on recent calculation worksheets submitted by the Housing Provider and based on a review by CMHC or its representative of the calculation worksheets submitted by the Housing Providers.

Any revised Guaranteed Rental Assistance Amount will be communicated with an amended Schedule "B" of this Agreement and this will apply for the remaining Term of the Agreement. The number of requests for revisions of the Guaranteed Rental Assistance Amount is not limited and requests for revisions are to be submitted based on need.

The Guaranteed Rental Assistance Amount is still subject to Section 5, where any Rental Assistance paid which exceeds the Rental Assistance required during that year shall be promptly refunded by the Housing Provider to CMHC through the annual reconciliation activity, as outlined in Section 9(d).

Where the need for Rental Assistance decreases significantly during the life of the Agreement, CMHC and the Housing Provider may mutually agree to revise the Guaranteed Rental Assistance Amount.

E. INCREASE TO THE BASE NUMBER OF ASSISTED HOUSEHOLDS

In order to assist more Low-Income Households, CMHC may from time to time, subject to the availability of program budget, invite eligible Housing Providers to submit an application to

increase the Base Number of Assisted Households in situations where there is a greater need for Rental Assistance.

CMHC reserves the right and absolute discretion to modify or replace the content of this Schedule “B” at any time during the Term of the Agreement. In accordance with the terms of the Agreement, failure by CMHC to enforce this right for any period shall not constitute a waiver thereof. For greater clarity regarding Part II of this Schedule “B”, please consult the Reference Guide.

**SCHEDULE “C”
ACTION PLAN AND REPORTING REQUIREMENTS**

A. ANNUAL REPORTING AND PERFORMANCE MEASUREMENTS - ACTION PLAN REQUIREMENTS

Housing Providers will have twelve (12) months from the execution of this Agreement to develop and submit an Action Plan to CMHC or its representative, as defined in this Schedule “C”. Every three (3) years the Housing Provider will be required to update this Action Plan. That Action Plan will demonstrate how the Housing Provider will progress and strengthen in these four areas: (i) Governance, (ii) Social Inclusion, (iii) Financial Viability, and (iv) Asset Management.

Housing Providers are expected to participate actively and in good faith to improve their long-term operating performance. While the funding under this Agreement is not conditional on the progress demonstrated in the Action Plan, it is required that this Action Plan be kept up-to-date throughout the Term of the Agreement. The Housing Provider shall report annually on its achievement of the milestones set out in the Action Plan, in order to allow CMHC or its representative to review its progress.

B. DEFINITIONS

(i) Governance:

Governance refers to the oversight provided by a Housing Provider’s board of directors with the aim of ensuring that the organization remains economically viable and achieves its social mission. A Housing Provider is well governed when its board fulfils its fiduciary duties, operates in a transparent and accountable manner and sees to it that effective management is in place.

This can include such things as effective decision-making practices, prudent and efficient management of resources and regular updates to procedures (non-exhaustive list).

(ii) Social Inclusion:

Social inclusion refers to process of improving the terms on which individuals and groups engage in the community improving the ability, opportunity, and dignity of those disadvantaged on the basis of their identity. It is a situation in which individuals have the resources and opportunities to be involved in society to an extent that is satisfactory to them. Working towards social inclusion means finding and using measures to reduce barriers that restrict the resources and opportunities of disadvantaged groups.

This can include barrier-free design, inclusivity to vulnerable groups, mixed income/tenure models and a dynamic community life (non-exhaustive list).

(iii) Financial Viability:

Financial viability refers to the ability for the Housing Provider to generate sufficient income to meet its operating expenses and debt commitments and saving for future capital needs to maintain housing in good condition.

This can include activities such as adequate rent revenues and financial planning and operating cost control (non-exhaustive list).

(iv) Asset Management:

Asset management refers to the sound practices in place to manage the assets from which the Housing Provider derives its income.

This can include activities such as member or tenant relations, budgeting, rent setting, filling units in the property, collecting rents and other income, systematic building

condition assessments and maintenance programs to ensure units conform to minimum health and safety standards and that the housing units and Project are in a satisfactory state of repair; planning for and carrying out capital repairs and replacements; and protecting the Housing Provider's assets against financial loss (non-exhaustive list).

For greater clarity regarding these Schedule "C" definitions or the Action Plan requirements, please consult the Reference Guide.

SCHEDULE “D”
CALCULATION OF RENT-GEARED-TO-INCOME HOUSING CHARGES

A. DEFINITION OF OCCUPANTS

Any person aged eighteen (18) years or older or otherwise emancipated in accordance with applicable laws, is considered an adult, and a child ceases to be considered as such upon reaching the age of eighteen (18) years. All household members must be entitled to reside in Canada, and the dwelling must be the primary residence of all the occupants (except for children in shared custody situations).

For the purposes of this schedule, Occupants shall be defined as follows:

- A person living alone;
- A person and spouse (of each family in the Household, if the Household is formed by more than one family);
- Any parent residing with a child or person legally responsible for a child;
- Any relatives sharing a housing unit;
- Any unrelated persons sharing a housing unit; and
- Any current signatories to the lease or occupancy agreement.

Financially dependent relatives are not considered Occupants. These include:

- an individual who is attending a recognized learning institution on a full-time basis and under the age of twenty-six (26);
- a child (under the age of 18), without dependants, who is not attending a primary, secondary or post-secondary institution as a full-time student; and
- an adult or child with a severe and permanent recognized disability who requires constant and daily care.

B. CALCULATION METHOD – RENTAL ASSISTANCE

This section describes how to calculate the “Rent-Geared-to-Income Housing Charges” for Assisted Households.

Occupants (defined above) pay Rent-Geared-to-Income (RGI) Housing Charges based on a range of twenty-five percent (25%) to thirty percent (30%) of their total Gross Household Income (as defined in Schedule “E”). Housing Providers will determine the RGI percentage used, based on the Housing Provider’s individual needs.

A Housing Provider must ensure that they consistently apply the same RGI percentage for all applicable Assisted Households in the Project.

To calculate the Rental Assistance, Housing Providers will apply the following calculation:

- Calculate the total Gross Household Income of all occupants (defined above);
- Apply a twenty-five percent (25%) to thirty percent (30%) ratio (as determined by the Housing Provider) to the total Gross Household Income amount;
- Determine whether to apply an adjustment for services;
- Determine whether an Over-Housing Charge needs to be applied;
- Deduct this adjusted Rent-Geared-to-Income Housing Charge from the Occupancy Charge to determine the Rental Assistance amount to be allocated to the Assisted Household.

C. UTILITY CHARGES AND ALLOWANCES

The Rent-Geared-to-Income Housing Charge for Assisted Households is based on a fully serviced unit. A fully serviced unit means that the rent includes (i) heat and (ii) hot water. Utility charges

and allowances will be as provided by CMHC from time to time for different unit sizes and different geographic locations.

D. MINIMUM OCCUPANCY CHARGE

A Minimum Occupancy Charge must be factored into the Rental Assistance calculation. The minimum Occupancy Charge used is twenty-five percent (25%) of the Occupancy Charge.

E. OVER-HOUSING CHARGE

Over-Housing is the term used for an Assisted Household residing in a unit where the number of bedrooms is greater than the number of persons as established under the National Occupancy Standards (NOS). Over-Housing Charge means the difference between the Occupancy Charge for their current unit and the Occupancy Charge for the unit for which they are eligible per the NOS.

Assisted Households are required to immediately report any household composition changes to the Housing Provider.

For greater clarity regarding this Schedule “D”, please consult the Reference Guide.

**SCHEDULE “E”
GROSS HOUSEHOLD INCOME**

For the purposes of this Schedule “E”, the following definitions shall apply:

“**Gross Household Income**” means the combined Income, as defined in this Schedule “E”, of every Occupant residing in an Assisted Housing Unit.

“**Income**” means all income, benefits and gains, of every kind and from every source, as outlined in the Reference Guide.

A. MONITORING OF GROSS HOUSEHOLD INCOME – RENTAL ASSISTANCE

To ensure Rental Assistance funding is targeted to Low-Income Households, CMHC or its representative will conduct an annual monitoring control and analysis to confirm that Rental Assistance under this Agreement remains targeted to Low-Income Households.

Monitoring and analysis of the Gross Household Income of the Housing Providers' Assisted Households will be completed annually and may include, but may not be limited to, the use of *CMHC's Housing Income Limits*³. Upon review and analysis, if it is noted that the Rental Assistance provided under this Agreement is not targeting Low-Income Households, CMHC may implement an income qualification criterion and adjust the amount of Rental Assistance available to the Housing Provider.

For greater clarity regarding Schedule “E”, please consult the Reference Guide.

³ NOTE: Housing Income Limits represent the income required to pay the average market rent for an appropriately sized unit in the private market. Average rents are derived from CMHC's annual Rental Market Survey. The size of unit required by a household is governed by the National Occupancy Standards.

**SCHEDULE “F”
TRANSITIONAL FUNDING**

**Modified:
Available as of:**

Part I

A. PROJECT ADDRESS AND LEGAL DESCRIPTION: [description of Project including civic address and number of units in Project]

[To be changed to Non Applicable for groups that do not receive funding]

B. TRANSITIONAL FUNDING: [blank\$].

[To be changed to Non Applicable for groups that do not receive funding]

Part II

A. ELIGIBLE HOUSING PROVIDERS – TRANSITIONAL FUNDING

Housing Providers who have qualified for Rental Assistance and are experiencing challenges as they shift their operations to align with the new program model may qualify for Transitional Funding. Housing Providers **are not eligible** for Transitional Funding where:

- The Housing Provider is an on-reserve provider;
- The Housing Provider was never under a federally administered operating agreement; and
- The Housing Provider is still under a federally administered operating agreement, except in the case of multiple-phased Projects where one or more phase(s) is/are no longer under a federally administered operating agreement.

Please refer to the Reference Guide for greater detail.

B. ELIGIBLE AND NON-ELIGIBLE COSTS

Transitional Funding will only be used to cover operational costs only. Eligible Transitional Funding costs will include, but may not be limited to, the following eligible costs:

- Maintenance costs;
- Utility costs;
- Insurance;
- Special client needs; and
- Legal and professional fees.

This list is not exhaustive and other eligible costs may be funded, at CMHC’s sole discretion. Transitional Funding will be made payable to Housing Providers for activities and costs identified under this Agreement and in accordance with the Reference Guide.

Transitional Funding does not include the following costs:

- Expenses related to “hard” Project development activities, such as site preparation, lot servicing, construction, renovation, etc.;
- Retainer fees paid to consultants or any other professionals for work to be completed in the future; and
- Project marketing/promotion/fundraising expenses.

C. ALLOCATION AND TRANSITIONAL FUNDING AMOUNT

Allocation of Transitional Funding will be based on the Housing Provider's needs and the following criteria:

1. The date of the expiring operating agreement, if they are experiencing challenges transitioning to the new program model, and if the Housing Provider is identified by CMHC as one of the providers most in need, based on
 - inclusion of vulnerable populations (e.g. Urban Indigenous and "Deep Subsidy" providers);
 - percentage of Assisted Housing Units in the Project; and
 - average income level of tenants or members.
2. Transitional Funding amounts will be based on the needs and operating deficits of the Housing Provider as they transition to this Agreement and begin to administer Rental Assistance to their Households.
3. Transitional Funding would be available for up to two (2) years from the Effective Date of this Agreement.
4. The amount of Transitional Funding paid to the Housing Provider will be annually assessed based on operating costs and operating deficit amounts and based on the needs of the Housing Provider over the applicable period for the Transition Funding.

D. FREQUENCY OF PAYMENTS

Transitional Funding payment frequency will be determined by CMHC, in its sole discretion. Unless determined and confirmed in writing by CMHC, Transitional Funding will be payable for a period not exceeding twenty-four (24) months following the Effective Date of this Agreement.

For greater clarity regarding the scope of this Schedule "F", please consult the Reference Guide.

CMHC reserves the right and absolute discretion to modify or replace the content of the context of Part I of this Schedule "F" at any time during the Term of the Agreement. This includes the right to modify or replace references to provincial programs, guidelines or standards. In accordance with the terms of the Agreement, failure by CMHC to enforce this right for any period shall not constitute a waiver thereof.