

SCHEDULE D

INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO (2014 Extension)

Operating 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;
- **“Average Market Rents” (“AMRs”)** 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;
- **“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;
- **“Household Eligibility Criteria”** means the criteria set out in Appendix B;
- **“Household Income Limits” (“HILs”)** means the highest incomes that renter households can have and still remain eligible for the program, based on geographical areas and classified by bedroom count, in accordance with the annually updated HILs in Ontario Regulation 370/11, made under the *Housing Services Act, 2011*;
- **“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;

- **“Housing Allowance”** is a monthly subsidy paid directly to an Eligible Renter Household. Under the Housing Allowance Shared Delivery Stream, at the discretion of the Service Manager, and upon request from the Eligible Renter Household, the Housing Allowance may be paid to the landlord on behalf of the Eligible Renter Household.
- **“Housing Allowance Application Form”** means an application form designed by the Service Manager or another delivery agent that meets the criteria described in Appendix C, and that a Program applicant must submit to the Service Manager or another delivery agent to be considered for a monthly subsidy (“Housing Allowance”) under the Program;
- **“Housing Allowance Direct Delivery Stream”** means the Housing Allowance Direct Delivery Stream described in the Program Guidelines as one (1) of the three (3) streams of the Operating Component;
- **“Housing Allowance Shared Delivery Stream”** means the Housing Allowance Shared Delivery Stream described in the Program Guidelines as one (1) of the three (3) streams of the Operating Component;
- **“IAH (2014 Extension) 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 Program Guidelines;
- **“Operating Component”** means the Operating Component described in the Program Guidelines and consisting of three (3) streams: Rent Supplement Stream, Housing Allowance Direct Delivery Stream, and Housing Allowance Shared Delivery Stream;
- **“Program”** means the Operating Component, as set out in the Program Guidelines;
- **“Program Guidelines”** means the Program Guidelines for the IAH (2014 Extension) Components;
- **“Rent Supplement”** is a subsidy paid to the Landlord on behalf of an Eligible Renter Household;
- **“Rent Supplement Stream”** means the Rent Supplement Stream described in the Program Guidelines as one (1) of the three (3) streams of the Operating Component;

- **“Unit”** means a self-contained residential dwelling that meets the eligibility criteria outlined in the Program Guidelines and in Appendix A; 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 - Housing Allowance Application Process and Form

Appendix D – Contribution Agreement

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 Operating Component in accordance with the Agreement and the Program Guidelines.

3. PROVISION OF FUNDS BY THE MINISTER

3.1 Subject to sections 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 “Rent Supplement Stream Funding” and “Housing Allowance Direct Delivery Stream Funding”) indicated in the approved cash-flow documentation, based on the Service Manager’s approved PDFP (“PDFP”). The Service Manager shall update the PDFP on a quarterly basis.

3.2 Subject to section 3.5, in the case of the Housing Allowance Shared Delivery Stream, the Minister shall hold back from the Service Manager’s annual allocation the amount of funding (the “Housing Allowance Shared Delivery Stream Funding”) requested in the approved Service Manager’s PDFP, to be used by the Minister of Finance for paying clients.

3.3 The Minister shall transfer Operating Funding that is Rent Supplement and/or Housing Allowance Direct Delivery Funding to the Service Manager on April 1, July 1, October 1 and January 20 of each fiscal year. Fourth quarter payments by the Minister will be made on January 20, instead of January 1, to allow for any

payment adjustments based on discrepancies between the Service Manager's planned and actual spending.

- 3.4 Subject to section 3.3, the transfer of all Operating Funding, that is Rent Supplement and/or Housing Allowance Direct Delivery Funding will be made by electronic funds transfer, based on the Service Manager's entitlement for the period, as indicated in the PDFP.
- 3.5 The Service Manager shall use the Operating Funding transferred to it by the Minister in respect of an Eligible Unit solely for the purpose of providing a Rent Supplement to an Eligible Landlord of the Eligible Unit and/or a Housing Allowance 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 Operating 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 3.6, the Minister may refuse to provide Funding under section 3.1 or section 3.2.

4. PROVISION OF IAH (2014 EXTENSION) RENT SUPPLEMENTS AND/OR IAH (2014 EXTENSION) HOUSING ALLOWANCES BY THE SERVICE MANAGER

- 4.1 In order to receive quarterly Operating Funding, the Service Manager shall update the PDFP quarterly. The PDFP shall include, for the previous quarter, the actual number of Landlord Agreements and occupied rental units and/or Eligible Renter Households meeting the criteria described in Appendix C and Program Funding expended.
- 4.2 The Service Manager shall not expend Funding under the Program for a Unit or any Unit substituted for a Unit and/or an Eligible Renter Household for longer than ten (10) years, commencing from the date the Unit was initially committed, and in any event, shall not expend Funding after March 31, 2024.
- 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. In the case of the Housing Allowance streams, the Service Manager and/or its authorized delivery agent shall develop a client application process and use an Application Form that meets the criteria described in Appendix C. The Service Manager or its authorized delivery agent shall provide a monthly subsidy (Housing Allowance), in the amount determined by the Service Manager and indicated in the PDFP, to the Eligible Renter Household.
- 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 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 and/or Housing Allowance subsidy to be paid to each Eligible Renter Household.
- 4.7 The Service Manager shall establish rules to determine whether the Household's income is at or below the local Household Income Limits (HILs), in accordance with the annually updated HILs in Ontario Regulation 370/11, made under the *Housing Services Act, 2011*. The Service Manager shall put these rules in writing and make them available to the general public. If the Service Manager is of the opinion that HILs are too low and do not correlate with the CMHC market rents for its area, it can request in writing that the Minister make modifications to its HILs.
- 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 During the period following the date of execution of this Agreement and the end of the Program, the Service Manager shall provide the Minister, by July 15, October 15, December 15 and March 15 of each year, with a quarterly updated PDFP, indicating the number of Landlord Agreements executed and Units occupied, the number of Eligible Renter Households assisted, target client groups assisted and Program funding expended.
- 5.2 The Service Manager shall provide documentation of Landlord Agreements and/or agreements with delivery agencies, and/or evidence of successful Housing Allowance Applications.
- 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, 2024, 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,
- (a) terminate this Schedule;
 - (b) demand repayment of any Operating Funding in the possession or control of the Service Manager which has not been advanced to an Eligible Landlord and/or an Eligible Renter Household;
 - (c) 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;
 - (d) demand repayment of all or part of the aggregate of all monies advanced to the Service Manager under this Schedule;
 - (e) cancel all further payments of Operating Funding; and/or
 - (f) suspend further payments of Operating 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(c) and (d), irrespective of whether it has transferred any of the relevant amounts to an Eligible Landlord and/or an Eligible Renter Household.
- 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, 2020, or a date after that, but no later than March 31, 2024, 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 the Rent Supplements to Eligible Landlords and/or Housing Allowances 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 Rent Supplement and/or Housing Allowance 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/or Housing Allowances to Eligible Renter Households, 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 Operating Funding by the Minister to the Service Manager under section 3.1 and/or 3.2 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.
- 8.6 Subject to the existence of a Memorandum of Understanding between the Minister and the Minister of Finance, if the Service Manager wishes to deliver the Housing Allowance Shared Delivery Stream of the Operating Component, the Service Manager shall enter into a form of agreement with the Minister and the Minister of Finance as the Minister may require.

8.7 If the Service Manager enters into an agreement with the Minister to have the Minister provide it with administration and delivery services for the Housing Allowance Shared Delivery Stream and wishes to contribute its own dollars, the Service Manager shall enter into a Contribution Agreement with the Minister substantially in the form of Appendix D, subject to such changes as the Minister and the Service Manager may agree.

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, that is, have its own bathroom and kitchen facilities;
 - (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.

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 sixteen (16) years old;
 - (b) Neither own a home, nor have an ownership interest in a home, other than a contingent interest;
 - (c) Not 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) Have a household income that does not exceed the Household Income Limits (HILs) for the Service Manager area. If the Service Manager is of the opinion that HILs are too low and do not correlate with the CMHC market rents for its area, it can request in writing that the Minister make modifications to its HILs;
 - (e) Not be in a close familial relationship with the person who owns the Unit or who has an ownership interest in the Unit, that is, not be the parent, grandparent, child, grandchild or sibling of the owner or co-owner of the Unit;
 - (f) Not be in receipt of any other housing allowance or rent supplement; and
 - (g) Not be in receipt of funding under another IAH (2014 Extension) Operating Component stream.
2. The Service Manager shall define “household income”.
3. The Service Manager may establish such additional criteria as may be required to administer this Program, provided they are not inconsistent with the requirements of this Program.

APPENDIX C

HOUSING ALLOWANCE APPLICATION PROCESS AND FORM

1. The Service Manager and/or its delivery agent shall develop the application process that suits its local needs and make it available to the public.
2. The Service Manager and/or its delivery agent may select households from social housing waiting lists.
3. The Service Manager and/or its delivery agent shall design an Application Form that 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) Applicant signature and date; and
 - (f) Such other requirements as are set out in the Program Guidelines or as the Minister may advise from time to time, and/or as the Service Manager and/or its delivery agent may establish.

APPENDIX D

CONTRIBUTION AGREEMENT

This Contribution Agreement is entered into as of the **[INSERT DATE]**

BETWEEN

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

- and -

[SERVICE MANAGER]
("Service Manager")

RECITALS

- A. Canada Mortgage and Housing Corporation ("CMHC") and MMAH entered into a bi-lateral agreement to provide for the Investment in Affordable Housing for Ontario program from 2011-2014, effective April 1, 2011.
- B. By Supplementary Agreement No. 1, dated August 11, 2014, (the "SA"), CMHC and MMAH have amended and extended this program for 2014-2020 (the Program), known as the Investment in Affordable Housing for Ontario (2014 Extension).
- C. MMAH has established, as part of the Operating Component of the Program, a Housing Allowance Shared Delivery Stream pursuant to which the MMAH provides CMHC funding and provincial funding.
- D. The SA contemplates that other parties, including municipalities, may also contribute funding to the Program.
- E. The Service Manager would like to contribute **[INSERT AMOUNT]** Canadian Dollars per Benefit Year (the "Funds") to the Program for use by MMAH under the Housing Allowance Shared Delivery Stream, in accordance with an Agreement for Services, dated **[INSERT DATE]**, between MMAH and the Service Manager (the "Agreement for Services").
- F. All capitalized terms not defined herein shall have the meanings given to them in the Agreement for Services.

NOW THEREFORE the parties agree as follows:

1. Subject to section 3, the Service Manager agrees to provide MMAH with the Funds as a contribution under the Program in equal quarterly instalments commencing on **[INSERT DATE]**.
2. The Service Manager directs MMAH to use the Funds for the Program's Housing Allowance Shared Delivery Stream in accordance with the Agreement for Services.
3. Subject to section 4, all Service Manager funding contemplated under this Agreement is subject to Service Manager Council's annual approval of the annual budget, and the Service Manager shall not be required to participate in future Benefit Years with such funding should the approval of municipal contribution be insufficient to meet the funding obligations of the Service Manager.
4. Despite section 3, where the Service Manager is already participating in the Program in a Benefit Year, the Service Manager agrees to ensure that sufficient funding is provided for its participants for the entire Benefit Year notwithstanding a failure to approve sufficient funding.
5. MMAH agrees to use the Funds solely for the Program's Housing Allowance Shared Delivery Stream in accordance with the Agreement for Services.
6. Subject to any necessary appropriations, any unused Funds shall be returned to the Service Manager following termination or expiry of the Agreement for Services.

IN WITNESS WHEREOF the parties have executed this Agreement.

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

Signature: _____
Name:
Title:
Date of
Signature:

[SERVICE MANAGER]

Signature: _____
Name:
Title:
Date of
Signature: