

## APPENDIX A

Bill No.  
2021

By-law No.

A by-law to authorize and approve a standard form Loan Contribution Agreement for capital funding under the Community Homelessness Prevention Initiative (CHPI) Program – SSRF 4

WHEREAS The Minister of Municipal Affairs and Housing (the “Minister”) has announced it will provide provincial funding to Service Managers to address housing and homelessness in Ontario by improving access to adequate, suitable and affordable housing that is linked to flexible support services;

AND WHEREAS the Minister has established the Community Homelessness Prevention Initiative (“CHPI”) pursuant to which the Minister will provide Service Managers provincial funds;

AND WHEREAS under the *Housing Services Act, 2011*, the City is designated the Service Manager for the service area “City of London and County of Middlesex” and as such is responsible for the allocation and delivery of the Social Service Relief Fund Phase 4;

AND WHEREAS section 2 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, provides that municipalities are created by the Province of Ontario to be responsible and accountable governments with respect to matters within their jurisdiction and each municipality is given powers and duties under this Act and many other Acts for the purpose of providing good government with respect to those matters;

WHEREAS subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the *Municipal Act, 2001* provides that the City may provide any service or thing that the City considers necessary or desirable for the public, and may pass by-laws respecting same, and respecting economic, social and environmental well-being of the City, and the health, safety and well-being of persons;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The standard form Loan Contribution Agreement, substantially in the form attached as Schedule “1” to this By-law, is approved as the standard form of agreement between the City and organizations to provide capital funding under the CHPI Social Services Relief Fund – Phase 4 to improve, retrofit, upgrade or acquire property for emergency shelters, transitional housing,

congregate living spaces, and supportive housing or other activities approved by the Ministry of Municipal Affairs and Housing.

2. (a) The Deputy City Manager Social and Health Development and their written designates are jointly and severally delegated the discretionary power to insert the applicable required information into the standard form Loan Contribution Agreement approved in paragraph 1.

(b) The Deputy City Manager Social and Health Development is delegated the discretionary power to:

- (i) approve the agreement with the details inserted in subparagraph 2(a); and
- (ii) execute agreements which employ this form,

on the condition that the exercise of such powers is consistent with the CHPI SSRF Program Guidelines and applicable agreements with the Province, and that the exercise of such powers does not require additional funding or is provided for in the City's current budget, and that does not increase the indebtedness or contingent liabilities of The Corporation of the City of London, subject to prior review and approval by the Manager of Risk Management.

3. (a) The Deputy City Manager Social and Health Development and their written designates are jointly and severally delegated the discretionary power to authorize and approve such further and other documents, including amending agreements, that may be required in furtherance of the City of London's agreements with organizations that are consistent with the CHPI SSRF Program Guidelines and applicable agreements with the Province and requirements contained in the standard form Loan Contribution Agreement approved in this by-law, and that do not require additional funding or are provided for in the City's current budget, and that do not increase the indebtedness or contingent liabilities of The Corporation of the City of London, subject to prior review and approval by the Manager of Risk Management.

(b) The Deputy City Manager Social and Health Development is delegated the authority to execute such agreements approved in subparagraph 3(a).

4. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council , 2021.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First reading -  
Second reading -  
Third reading -

Schedule "1"

**LOAN CONTRIBUTION AGREEMENT**

Community Homelessness Prevention Initiative Program  
Social Services Relief Fund - Phase 4

Capital Component

This Agreement made the [day] day of [month] 20[year].

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(the "City")

-and-

[insert legal name of organization]

(the "Proponent")

WHEREAS:

- A. The Minister of Municipal Affairs and Housing (the "Minister") has announced it will provide provincial funding to Service Managers to address housing and homelessness in Ontario by improving access to adequate, suitable and affordable housing that is linked to flexible support services.
- B. The Minister has established the Community Homelessness Prevention Initiative ("CHPI") pursuant to which the Minister will provide Service Managers provincial funds as per said announcement.
- C. Under the *Housing Services Act, 2011*, the City is designated the Service Manager for the service area of "City of London and County of Middlesex" and as such is responsible for the allocation and delivery of the Social Service Relief Fund Phase 4.
- D. Under CHPI - SSRF Phase 4, capital costs are permitted as an area of eligible

expenses. Capital funding would enable the acquisition of new, or modifications to existing facilities such as emergency shelters, supportive housing, transitional housing, and related facilities.

- E. The eligible use of funding falls under two components of major capital funding:
  - a. New Facilities (section 3.5 of the Program Guidelines); and
  - b. Retrofits and Upgrades (section 3.6 of the Program Guidelines).
- F. The Minister and the City have entered into an agreement for the purposes of establishing the City's obligations with respect to the administration of CHPI and the Minister's obligation to provide funding to the City for the administration of CHPI.
- G. The City and the Proponent have entered into this Agreement for the purpose of establishing the City's obligations to provide funding to the Proponent for its Project to [improve a building/retrofit/upgrades/acquisition of emergency shelter/congregate living space/supportive housing] located at [insert address of building, London, Ontario], and the Proponent's obligations with respect to use of such funds under the Social Services Relief Fund Phase 4.
- H. The Proponent is the owner of the lands where the building is located and agrees to provide security for the loan, including registering a mortgage on title.

NOW THEREFORE, in consideration of the sum of TWO DOLLARS (\$2.00) now paid by the Proponent to the City, and such other good and valuable consideration as provided for in this Agreement, the City and the Proponent agree with each other as follows:

## **1. INTERPRETATION**

- 1.1. In this Agreement, including its Schedules, unless the context requires otherwise,
  - "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario.
  - "Capital Component" means the Capital Component under the Program Guidelines and Schedule "A" to the Program Guidelines.
  - "CHPI" means the Community Homelessness Prevention Initiative Program.
  - "Conditional Letter of Commitment" means the letter issued by the Minister of Municipal Affairs and Housing confirming approval of the Project under the Capital Component subject to conditions.
  - "Contribution 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, rehabilitation, conversion, retrofits or upgrades of buildings for residential purposes, including the acquisition of property.
- “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, pandemic, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees.
- “Intended Use” means the definition used in Section 5.1.
- “Intended Use Period” means the definition in Section 5.1.
- “Loan” means an interest-free capital loan as set out in Section 2.2 in accordance with the Program Guidelines.
- “Loan Contribution Agreement” or “Agreement” means this agreement entered into between the City and the Proponent for the construction, acquisition and/or rehabilitation of, or the conversion of a property into a Project and which shall set out the terms and conditions for a forgivable loan, including mortgage security.
- “MMAH” means the Ministry of Municipal Affairs and Housing.
- “Parties” means the City, and the Proponent and "Party" means either of them, as the context may require.
- “Permitted Encumbrances” means the encumbrances listed in Schedule "G", together with such renewals or replacement financing that may be approved by the City, acting reasonably, during the term of this Agreement.
- “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 the Social Services Relief Fund Phase 4 Program set out in the Program Guidelines.
- “Program Guidelines” means the Guidelines for the program and attached to this Agreement as Schedule “A”.
- “Project” means the property and the building(s), as approved by the City, as the context may require on lands described in Schedule “C”.
- “Property” means the lands described in Schedule “C”.

- “Security” means the definition used in Section 6.1 and Schedules “B1” and “B2”.
  - “Service Manager” means The Corporation of the City of London.
- 1.2. All references in this Agreement including without limitation, the Schedules hereto, to “rent” are deemed to include housing charges paid by tenants and “rental” is deemed to have a corresponding meaning.
- 1.3. The following Schedules are attached to and form part of this Agreement:
- |               |                                                                                                    |
|---------------|----------------------------------------------------------------------------------------------------|
| Schedule “A”  | Ministry of Municipal Affairs and Housing Program Guidelines – Social Services Relief Fund Phase 4 |
| Schedule “B1” | Security Document – Promissory Note                                                                |
| Schedule “B2” | Security Document – Charge Terms                                                                   |
| Schedule “C”  | Legal Description of Property                                                                      |
| Schedule “D”  | Project Information Form                                                                           |
| Schedule “E”  | Development Schedule                                                                               |
| Schedule “F”  | Conditional Letter of Commitment from the Province                                                 |
| Schedule “G”  | Permitted Encumbrances                                                                             |
- 1.4. 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.
- 1.5. All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

## 2. FUNDING

- 2.1. Funding under the Capital Component is comprised of provincial funds that will be advanced by the City to the Proponent and secured as an interest-free forgivable capital Loan.
- 2.2. The City conditionally agrees to provide the Proponent, upon the terms and conditions set out in this Agreement, the total Loan amount being [insert amount of loan in words e.g. five thousand] dollars Canadian (\$[insert amount of loan in numbers]) to be applied only towards the payment of Development Activities for the Project that shall consist of [insert basic description of the Project, #units/rooms/beds, etc].

Any commitment of funding by the City is conditional and subject to approval from MMAH.

2.3. The City shall advance the Loan to the Proponent based on the following instalments (Place an X beside applicable instalment):

**A. For New Facilities (acquisition, rehabilitation and/or modular housing) under section 3.5 of the Program Guidelines:**

- (a) Up to ninety percent (90%) following:
- signing of this Agreement;
  - [for acquisition Projects: Proponent's submission of Agreement of Purchase and Sale with a closing date no later than [March 1, 2022]; funding will be advanced within 15 business days of the closing date]; and
  - registration of the Security no later than [December 31, 2021]; and
- (b) The remaining Loan upon confirmation of completion no later than [March 31, 2023].

**B. For New Facilities (conventional and other projects) under section 3.5 of the Program Guidelines:**

- (a) Up to fifty percent (50%) following signing of this Agreement, and submission of [mortgage security registration/alternate form of security acceptable to MMAH], no later than [December 31, 2021];
- (b) Up to forty percent (40%) at confirmation of 50 percent (50%) construction completion; and
- (c) The remaining Loan upon confirmation of completion no later than [March 31, 2023], and submission of required documentation.

**C. For Retrofits and Upgrades under section 3.6 of the Program Guidelines:**

- (a) Up to fifty percent (50%) (or greater if approved by MMAH) following signing of this Agreement, and signed promissory note, and approval by the MMAH, no later than [December 31, 2021];
- (b) Up to forty percent (40%) at confirmation of 50 percent (50%) project completion; and
- (c) The remaining Loan upon confirmation of final project completion and mortgage registered on title no later than [March 31, 2023].

The City may, in its absolute sole discretion, advance a greater percentage of the Loan than provided in the above payment instalments with a corresponding reduction in the percentage of the remaining payment instalments.

2.4. The City shall have the option of withholding from the amount to be disbursed under section 2.2 the amount necessary to complete the construction of the Project and, in such case, the City shall disburse the amount so withheld following its receipt of satisfactory evidence of substantial performance within the meaning of the *Construction Act* and provided that the *Construction Act* is complied with.

2.5. The Proponent shall use the amount of the Loan and Contribution by Others solely for the purpose of its Development Activities in connection with the Project.

- 2.6. No Loan amount shall flow if an order has been issued under subsection 12(2) of the *Building Code Act* and there has been no compliance with the order.
- 2.7. The Proponent may authorize the City to pay a portion of the Loan to a third party and the City shall permit such authorization.
- 2.8. The Proponent shall commence construction, acquisition, rehabilitation, conversion, retrofit, or upgrade activities for the Project within 90 days of the date of this Agreement.

### **3. SPECIAL CONDITIONS**

- 3.1. [Intentionally Left Blank]
- 3.2. The Proponent shall provide the City with a revised construction schedule and construction budget for review [insert timeframe e.g 4 weeks] prior to the start of construction.
- 3.3. The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with the provisions relating to the development of the Project contained in the Program Guidelines, including to complete the construction of the approved Project within construction budgets and financing approved by the City and the timelines indicated under the Development Schedule attached as Schedule "E".
- 3.4. The Proponent shall, subject to Force Majeure, achieve substantial completion in accordance with the Program Guidelines.
- 3.5. Without limiting the condition set out in section 4.1 (c), the Proponent shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under section 2.2.
- 3.6. The Proponent shall not, at any time during the term of this Agreement, breach any agreement respecting the Project that it has entered into by means of a Contribution by Others, including any municipal capital facility agreement made pursuant to section 110 of the *Municipal Act, 2001* and shall not, through any breach on its part, cause such other entity to terminate an agreement for cause. The Proponent agrees that a breach by it of any such agreement, that has not been corrected, shall constitute a breach of this Agreement.

### **4. CONDITIONS, REPRESENTATIONS & WARRANTIES**

- 4.1. The provision of funding by the City pursuant to section 2 is subject to the following conditions precedent, which are also the Proponent's representations and warranties; each condition precedent is for the exclusive benefit of the City, and may be waived in full or in part by the City, by written notice to the Proponent:
  - (a) the Proponent is the registered owner in fee simple of the lands described in Schedule "C";



- (b) any agreement referred to in section 3 remaining in force and the Proponent being in good standing thereunder;
  - (c) there being no Claim for Lien under the *Construction Act* registered against the Project;
  - (d) there being in existence no unregistered lien or statutory claim having priority against the Project;
  - (e) the Proponent's title to the Project being free from any encumbrances other than the Permitted Encumbrances;
  - (f) the Proponent being in good standing under all of the Permitted Encumbrances; and
  - (g) there being no work orders issued against the Project by any governmental entity, agency or official.
- 4.2. If any of the conditions contained in section 4.1 have not been fulfilled on the date for the disbursement of the Loan by the City pursuant to section 2 and are not waived by the City pursuant to section 4.1, the City shall be under no obligation to make any advance of the Loan to the Proponent and the City shall thereupon have the right to terminate this Agreement.

## 5. TERM OF THE LOAN

- 5.1. The advance of the Loan shall have a term of [ten (10) years – New Facilities– s. 3.5 / five (5) years retro/upgrade s. 3.6], commencing as of the Occupancy Date of the Project (the “Intended Use Period”), during which the Project must continue to be used primarily for its intended purpose and use in accordance with the project details contained in Schedule “D” (the “Intended Use”).
- 5.2. The Loan amount shall be fully forgiven on the last day of the month at the end of the Intended Use Period, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.
- 5.3. The Proponent shall provide the City with such information respecting the Proponent's permanent financing obligations for the Project as the City may require from time to time. The Proponent shall not incur any additional construction financing, capital or operating debt related to the Project without the City's prior written consent.

## 6. SECURITY

- 6.1 Prior to the City disbursing the Loan to the Proponent pursuant to section 2, the Proponent shall, as applicable, and completed in accordance with this Agreement:
- (a) **For New Facilities (acquisition, rehabilitation and/or modular housing) under section 3.5 of the Program Guidelines:**

- provide the City a mortgage/charge against the Property securing the Loan, including executed registerable security documents in the form attached hereto as Schedule “B2” (the “Security”).

(b) **For New Facilities (conventional and other projects) under section 3.5 of the Program Guidelines:**

- provide the City a mortgage/charge against the Property securing the Loan, or register security registration/alternate form of security acceptable to MMAH, including executed registerable security documents in the form attached hereto as Schedule “B2” (the “Security”).

(c) **For Retrofits and Upgrades under section 3.6 of the Program Guidelines:**

- provide the City with a promissory note, including executed registerable security documents in the form attached hereto as Schedule “B1” (the “Security”).

6.2 For Projects that are **Retrofits and Upgrades under section 3.6 of the Program Guidelines**, prior to the City disbursing the final Loan instalment to the Proponent, the Proponent shall provide the City a mortgage/charge against the Property securing the entire amount of the Loan, including executed registerable security documents in the form attached hereto as Schedule “B2” (the “Security”). The Security shall be registered, at the Proponent’s cost, after the final project completion date and prior to the final loan advance.

6.3 The Security shall be collateral to this Agreement. The total Loan amount shall be included in the Security documents. The amount of any eligible in-kind contributions from the City shall not be included in the Security documents.

6.4 Without limiting the Proponent's covenants and the remedies of the City under this Agreement and the Security, the Proponent agrees that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.

6.5 The City acknowledges and agrees that notwithstanding the Security provides the principal and interest secured thereunder is payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to the Loan.

6.6 The Security shall rank immediately behind the registered security for the Proponent’s Permitted Encumbrances obligations for the Project unless the City determines that the Security shall have a lesser priority.

## 7. ACCOUNTABILITY FRAMEWORK

7.1. In the event:

- i. the City is advised that the Project will not proceed; or

- ii. the City is of the opinion that the Proponent is not proceeding in an expeditious manner with the Development Activities for which the Funds have been provided; or
- iii. the Proponent is not complying with the requirements set out for the Term of this Agreement;

the Proponent will be in default and shall return all Funds to the City, forthwith upon demand.

- 7.2. For a Project that falls under **section 3.5 of the Guidelines (New Facilities)**, the Proponent shall submit to the City an audited financial statement with respect to the expenditure of the Loan provided pursuant to this Agreement, within six (6) months following the initial occupancy date. In addition, the Proponent shall provide the City with regular milestone update reports, describing Project progress and potential issues of concern that might delay or jeopardize the Project. Where applicable or where requested by the City, the Proponent shall provide the City with Confirmation of Project Start, Confirmation of 50 per cent construction completion, and Confirmation of Project Completion.

For a Project that falls under **section 3.6 of the Guidelines (Retrofits and Upgrades)**, the Proponent shall maintain records of all financial invoices for reporting and auditing purposes. In addition, the Proponent shall provide the City with regular milestone update reports, describing Project progress and potential issues of concern that might delay or jeopardize the Project. The Proponent shall provide the City with confirmation of construction start date and construction completion date.

- 7.3. The Proponent agrees that the City or MMAH may conduct an audit, investigation, or inquiry in relation to the Project and the Proponent shall cooperate with the City or MMAH and provide free access to the Project and to such staff, documents, book, records and accounts as may be determined by the City or MMAH.

## **8. EVENT OF DEFAULT**

- 8.1. Upon the occurrence of any one or more of the following events (each an "Event of Default"):
- (a) the failure of the Proponent to perform, observe or comply with any other term, covenant, condition or provision of this Agreement within 10 days of receipt of written notice of the "failure" from the City provided the Proponent shall not be deemed to be in default if within the said period of ten (10) days, the Proponent commences the necessary action to remove the "failure" and such action is diligently prosecuted;
  - (b) any representation or warranty made by the Proponent in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;
  - (c) any person commences an action, suit or proceeding materially affecting the Project or files a lien against the Property, or any person commences an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponent shall diligently contest such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and

post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably;

- (d) the Proponent ceases to carry on business;
- (e) the Proponent:
  - (i) becomes insolvent or unable to pay its debts as they become due; or
  - (ii) files a petition in bankruptcy or voluntary petition seeking reorganization or effects a plan or other arrangement with creditors; or
  - (iii) makes an assignment for the benefit of creditors under the *Bankruptcy Act* (Canada) or any other insolvent debtors' legislation; or
  - (iv) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or
  - (v) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;
- (f) any of:
  - (i) an involuntary petition seeking the adjudication of the Proponent as bankrupt or insolvent not removed within 30 days; or
  - (ii) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or
  - (iii) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponent to perform its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponent or in respect of its property and assets, and such petition, order, writ or judgment is not vacated or stayed within fifteen (15) days after its date;
- (g) the occurrence of a material adverse change in the financial condition of the Proponent which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponent to meet its obligations to the City;

then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other moneys owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponent, the Property or assets of the Proponent as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponent hereby acknowledges that the City's remedies are cumulative and not mutually exclusive.

- 8.2. Complete Construction: If an Event of Default shall occur, then the City may, at its sole option, in addition to any other remedy available to it, enter upon and take charge of the Project and assume full charge of the Project and may complete the Project or enter into a contract with another to complete the same.
- 8.3. During Intended Use Period: Should the Proponent be in default under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the Loan due and payable immediately.

## **9. PROPONENT'S ADDITIONAL REPRESENTATION AND WARRANTIES**

- 9.1. The Proponent is duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder.
- 9.2. The Proponent has full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.
- 9.3. The Proponent agrees to take any and all actions necessary to complete construction of the Project in a good and workmanlike manner in accordance with the time frames prescribed in Development Schedule and Program Guidelines.
- 9.4. Except as previously disclosed in writing to the City, the Proponent is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Proponent.
- 9.5. None of the information, financial or otherwise, provided by the Proponent to the City and to induce the City to make the Loan and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

## **10. INDEMNIFICATION AND INSURANCE**

- 10.1. The Proponent shall indemnify and save harmless the City from all claims, costs, all matter of actions, cause and causes of action, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of this Agreement and out of the operation of the Project [if applicable, insert "and units",] including claims arising out of negligence of the Proponent and specifically, all claims arising out of the intentional or criminal acts of any officers or directors, employees, agents, volunteers or independent contractors of the Proponent. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this Agreement.
- 10.2. The Proponent agrees to purchase and maintain, during the term of this Agreement third party liability insurance in a limit of not less than five million dollars (\$5,000,000) covering bodily injury, loss or property damage resulting from any activity related in any way to this Agreement. This insurance shall include the City as an additional insured, a cross liability clause, severability of interest clause, non-owned automobile insurance and personal injury liability clause. The Proponent also agrees to use its property insurance proceeds to repair and/or rebuild the Project(s) in the event of damage to all or part of them.

The Proponent further agrees, upon substantial completion and prior to occupancy, to purchase and maintain insurance policies that a prudent manager of similar premises would maintain and, without limiting those types of policies, at least the following:

- i. Broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000);
- ii. All risks property insurance (including flood and earthquake) in an amount equal to the full replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000).

**10.3.** In addition, during the design and construction period of the contract the Proponent will obtain and maintain the following policies of insurance:

10.3.1 All risk builder's risk property insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City and with a deductible of not more than one hundred thousand dollars (\$100,000) and remaining in effect until the completion of construction.

10.3.2 Construction wrap-up liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers' liability, non-owned automobile liability and shoring, blasting, excavating, under-pinning, demolition, pile driving and caisson work, work below and above ground surface, tunneling and grading, and similar operations associated with the construction work, as applicable; to an inclusive limit of not less than \$5,000,000 and in the joint names of the Proponent, City, designated consultants, designated contractors, all other contractors, sub- contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the Project) which the City reasonably may require to be added as insured parties.

10.4 The Proponent shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponent fails to effect and keep such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City shall have the right, upon notice to the Proponent and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponent and all outlays by the City shall be payable by the Proponent to the City forthwith upon demand without prejudice to any other rights and recourses of the City hereunder. No such insurance taken out by the City shall relieve the Proponent of its obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponent.

10.5 Further, the Proponent shall require all professionals involved with the Project to carry professional (errors and omissions) liability insurance in an amount not less than two million (\$2,000,000) dollars and make reasonable efforts to verify such insurance is in force throughout the period of the work.

- 10.6 The Proponent agrees to obtain for its employees and to require all designated consultants, designated contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons Workplace Safety and Insurance Board coverage and to ensure that such coverage continues in effect throughout the period of the work.
- 10.7 The Proponent shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Agreement. Evidence that the insurance required is in force shall be provided to the City prior to commencement of the Agreement and thereafter once annually at least ten (10) clear days prior to the renewal date of the policy, and that the insurance will not be cancelled or permitted to expire unless the Proponent or their insurer notifies the City in writing at least thirty (30) days prior to such cancellation.

## 11. NOTICE

11.1. 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 e-mail 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 City:

The Corporation of the City of London  
P.O. Box 5035 London, ON N6A  
4L9  
E-mail: [housing@london.ca](mailto:housing@london.ca)

(ii) in the case of notice to the Proponent:

[corporate name]  
[address for service of documents]  
City, postal code  
E-mail: [\[insert email address\]](#)

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 (including by E-mail) 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 4:20 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.

## **12. GENERAL**

- 12.1 Any power, right or function of the City contemplated by this Agreement, may be exercised by any employee or agent of the City, who is hereby specifically authorized in this regard.
- 12.2 It is understood that the *Municipal Freedom of Information and Protection of Privacy Act* shall apply to all records submitted to or created by the City pursuant to this Agreement.
- 12.3 The Proponent represents and warrants that:
- a) it shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;
  - b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information 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 City.
- 12.4 The disbursement of the Loan to the Proponent pursuant to section 2 is subject to the necessary appropriations from the Federal Parliament, the Provincial Legislature, and Municipal Council. The City and the Minister shall have no liability to the Proponent in the event the respective appropriations are insufficient to meet the funding obligations.
- 12.5 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 City and the Proponent as partners of each other.
- 12.6 The Proponent acknowledges that CMHC and the Minister are not parties to this Agreement or other agreement relating to any Project.
- 12.7 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 or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any 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 Program.



- 12.8 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 City and the Proponent or their respective solicitors on their behalf, who are hereby expressly authorized in this regard.
- 12.9 Any tender of documents or money hereunder may be made by the City or the Proponent or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.
- 12.10 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. 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.
- 12.11 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.
- 12.12 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.
- 12.13 This Agreement shall be read with all changes of gender and number required by the context.
- 12.14 (a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 12.14(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee and Proponent shall enter into one or more agreements with the City, in a form satisfactory to the City, to assume all of the Proponent's obligations under this Agreement and to provide the City with Security in accordance with this Agreement.
- (b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld.
- (c) For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponent shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.
- 12.15 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 certifying 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.

- 12.16 If more than one entity is a party to this Agreement as a Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.
- 12.17 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 12.14 restricting the Proponent's ability to assign or novate this Agreement.

**IN WITNESS WHEREOF** this Agreement has been executed by the **Parties**.

**THE CORPORATION OF THE CITY OF LONDON**

---

\*[Insert Name]  
[Insert position]

\*I have the authority to bind the Corporation.

**[insert proper corporate name of Proponent]**

---

\*[insert signator's name]  
[insert signator's title]

\*I/We have the authority to bind the Corporation.

---

\*[insert signator's name]  
[insert signator's title]

\*I/We have the authority to bind the Corporation.

## SCHEDULE "A"

# COMMUNITY HOMELESSNESS PREVENTION INITIATIVE PROGRAM GUIDELINES - SOCIAL SERVICES RELIEF FUND PHASE 4

## Addendum D to the Community Homelessness Prevention Initiative Program Guidelines

### Ministry of Municipal Affairs and Housing Program Guidelines – Social Services Relief Fund Phase 4

## 1 Introduction

The housing and homelessness sectors in Ontario have had to alter the ways in which they provide services to vulnerable populations due to the COVID-19 outbreak. Under the three previous phases of the Social Services Relief Fund (SSRF), \$765 million in funding was made available to Service Managers (SMs) and Indigenous Program Administrators (IPAs) to help a diverse range of vulnerable people, create longer-term housing solutions for people in need, and ensure that the housing and homelessness sector has the tools and support that they need to safely and successfully transition to recovery.

Building on these investments, the SSRF Phase 4 will provide \$286.4 million in additional one-time operating and capital funding. This investment will enable SMs and IPAs to continue to fund the vital supports and services that were established to address the impacts of COVID-19 on vulnerable Ontarians from April 1, 2021 to March 31, 2022, while ensuring an orderly winddown of SSRF funding and to support economic recovery as the impacts of the pandemic recede.

The objectives for SSRF Phase 4 are as follows:

1. **Mitigate ongoing risk for vulnerable people, especially in congregate care settings:**
  - Where appropriate, support changes to the physical design of congregate spaces, permit physical distancing and other modifications based on public health guidance; and
  - Provide ongoing services and supports to address immediate pandemic needs of vulnerable people.
2. **Encourage longer-term housing-based solutions to homelessness post-COVID-19:**
  - SMs and IPAs are encouraged to use funding in ways that create longer-term housing solutions, move towards client service models that are innovative, and support client and organizational readiness for potential future outbreaks or emergencies.

3. **Enhance rent assistance provided to households in rent arrears due to COVID-19:**
  - SMs and IPAs are encouraged to consider using funding to support renter households who may be in rental arrears and at a high risk of becoming homeless.
4. **Ensure an orderly wind-down of SSRF-funded supports prior to program expiry on March 31, 2022:**
  - SMs and IPAs must outline a plan for the winddown of SSRF-funded supports and services as part of their Investment and Winddown Plan.

The Ministry of Municipal Affairs and Housing (MMAH) will again be administering this investment to SMs and IPAs through distinct components of the existing Community Homelessness Prevention Initiative (CHPI) and Indigenous Supportive Housing Program (ISHP) Service Agreements.

## **1.1 Allocations**

For SSRF Phase 4, all SMs and IPAs will be provided with an initial planning allocation. The \$286.4 million in new funding is being allocated to SMs and IPAs based on their total share of previous SSRF funding.

Prior to funds being flowed, SMs and IPAs must agree to the terms and conditions of the funding through the execution of a sign-back letter and submission of an Investment and Winddown Plan for ministry approval.

## **1.2 Investment and Winddown Plan**

Prior to receiving their payments under SSRF Phase 4, all SMs and IPAs will be required to submit an Investment and Winddown Plan to demonstrate how their funding allocations would be used to achieve the objectives of the program and to support the winddown of SSRF-funded supports and services.

The purpose of the Investment and Winddown Plan is as follows:

1. To assess proposed uses of SSRF Phase 4 funding, in terms of eligibility under these Program Guidelines and alignment with local needs in their respective communities;
2. To identify projected funding needs by spending category on a quarterly basis to March 31, 2022; and
3. To demonstrate an orderly winddown of the SSRF to ensure that municipal expenditures can support any remaining SSRF-funded activities as provincial SSRF funding ceases in March 2022.

## **1.3 Program Administration and Flexibility**

SMs and IPAs will determine local needs and distribute the funding consistent with their approved Investment and Winddown Plans, ensuring people are receiving the appropriate support they need.

There will be no requirement for a minimum or maximum amount of capital and/or operating expenses from the initial planning allocation – SMs and IPAs are best placed to determine local needs and will be provided the flexibility to determine these amounts in their Investment and Winddown Plans.

However, no changes may be made between capital and operating components after December 31, 2021.

## **1.4 Reallocation**

MMAH reserves the right to reallocate funding at its sole discretion based on: a review and evaluation of Investment and Winddown Plans, consideration of COVID-19 related needs and emerging public health emergencies across the province, and/or the SMs and IPAs progress towards use of the SSRF Phase 4 allocations.

## **1.5 Administration Fees**

SMs and IPAs will be permitted to use up to three (3) per cent of their approved funding allocation for administration costs.

Program administration costs may include costs for staff involved in the planning and administration of the program. It is expected that SMs and IPAs will ensure that program administration funds are used efficiently.

Please note that costs for staff who directly deliver services to clients are not considered administration costs under the Program Guidelines. These costs are instead considered as eligible program operating costs and may be reported as such.

## **1.6 Accountability and Reporting**

SMs and IPAs will be required to report quarterly on actual expenditures for the previous financial quarter and revised projections for subsequent quarters by the relevant spending category. As part of these reporting requirements, it is also expected that SMs and IPAs will be asked to report on the number of households served.

For year-end reports, SMs and IPAs will be required to report on actual expenditures by spending category along with data collected on specific performance indicators.

Reporting under the SSRF Phase 4 will be separate from the reporting on base CHPI and ISHP funding and funding through SSRF Phase 3.

MMAH reserves the right to request additional reporting as required.

## **1.7 Audits and Reviews**

SMs and IPAs shall support MMAH in exercising its rights to audit and inspect SMs and IPAs to ensure program funding is used in compliance with these Program Guidelines as is set out in the SM and IPA CHPI/ISHP Transfer Payment Agreements, with the necessary changes.

## **2 Operating Funding**

### **2.1 Objectives**

The intention of operating funding under SSRF Phase 4 is to continue to help a diverse range of vulnerable people meet their short-term critical needs. This includes people living in community housing, supportive housing, people with low incomes, social assistance recipients, or others who require social services support as well as those that are experiencing homelessness, while ensuring an orderly winddown of SSRF- funded services and supports.

### **2.2 Eligible Use of Funding**

All eligible operating expenses under the existing SSRF Phase 3 will be maintained under SSRF Phase 4. A wide variety of services and supports are eligible for funding.

Consistent with SSRF Phase 2 and Phase 3, SMs and IPAs are required to consider the use of operating funding for rental assistance to support renter households who may be in rental arrears and at a high risk of becoming homeless, and to describe how they intend to support this in their Investment and Winddown Plans.

As well, SMs and IPAs must consider how enhanced supports and services offered through the SSRF will be phased out or continued through other funding sources as the SSRF Phase 4 ends on March 31, 2022.

For SMs, eligible operating expenses refer to the use of funding in any of the four service categories under CHPI: Emergency Shelter Solutions, Housing and Related Supports, Other Services and Supports and Homelessness Prevention.

For IPAs, eligible operating expenses include providing housing assistance such as housing allowances and rent supplements and eligible support services to help eligible Indigenous recipients obtain and retain stable housing during the COVID-19 pandemic. This assistance may be provided under a variety of housing models that best meet recipients' needs, including transitional and/or dedicated supportive housing.

For both SMs and IPAs, the eligible operating expenses include but are not limited to:

- Continued use of motels or hotels as isolation centres or to support social distancing;
- Rental assistance such as funding for rent arrears and short-term housing allowances;
- Transportation costs;
- Food and supplies;
- Enhanced cleaning services;
- Non-medical staffing requirements (e.g., enhanced outreach services);
- Personal protective equipment; and
- Minor retrofits, alterations and repairs under \$50,000.

More broadly, this funding could also be used towards initiatives delivered through local service agencies like:

- Rent bank and emergency energy funds;
- Food banks and grocery gift cards;
- Community outreach to support vulnerable populations in self-isolation;
- Transportation for low-income individuals to get to and from medical appointments; and
- Funding administration needs, including staffing.

In the event of uncertainty regarding the eligibility of a specific expense, SMs and IPAs are encouraged to contact MMAH staff to seek clarification. For contact information, please see the "MMAH Staff Contacts" section.

## **2.3 Operating Payments and Reporting**

Following receipt of an executed sign-back letter, ministry approval of the Investment and Winddown Plan and confirmation of eligibility, MMAH will initiate the first operating payment based on the cash flow outlined in the SM/IPA's Investment and Winddown Plan.



A subsequent operating payment will be made following the submission and approval of the Q3 Report Back and attestation.

SMs will be required to report on the data collected on specific performance indicators in year-end reports. For the operating component, the year-end report will capture information according to the requirements in the existing program agreement (e.g., by service category). Additionally, given the SSRF objectives, year-end reports will require information on the number of vulnerable households assisted by vulnerable population group.

Below are some examples of performance indicators:

- Facilities funded for recovery/isolation or emergency shelter;
- Spaces funded for recovery/isolation or shelter;
- Unique households assisted with emergency shelter, hotel/motel/isolation stays;
- Unique households moved from shelter into longer-term housing;
- Unique unsheltered households moved into longer-term housing;
- Agencies provided with funding for pandemic expenses;
- Agencies provided with funding for services/supports;
- Households assisted with food security;
- Households assisted with medical services;
- Households assisted with personal protective equipment;
- Households assisted with transportation;
- Households assisted with mental health and addictions services;
- Unique households assisted with rent banks;
- Unique households assisted with utility arrears;
- Unique households assisted with support to retain housing;
- Unique households assisted with housing allowances;
- Unique households assisted with rent supplements; and
- Number of agencies receiving funds for minor site readiness.

MMAH reserves the right to request additional reporting as required.

## **2.4 Return of Funding**

All eligible operating expenses must be spent by March 31, 2022.

All funding provided under the operating component that is not spent by March 31, 2022 or that is not used for an eligible expense under these Program Guidelines shall be returned to MMAH on demand.

All remedies under these Program Guidelines shall survive any termination or expiry of the Program.

## **3 Capital Funding**

### **3.1 Objectives**

Similar to SSRF Phase 2, capital costs will be permitted as an eligible expense under SSRF Phase 4. Capital funding would enable the acquisition of new, or modifications to existing facilities such as emergency shelters, supportive housing, transitional housing, and related facilities.

The objectives under this component, which include the attached Schedule “A”, are as follows:

- To provide longer-term housing-based solutions to homelessness post-COVID-19 outbreak;
- To better address need and to encourage movement toward client service models that are innovative, and seek to support client and organizational readiness in preparation for potential future outbreaks or emergencies;
- To change the physical design of congregate care settings such as emergency shelters, to permit elements such as physical distancing and self-contained bedrooms and washrooms; and
- To support jobs and economic recovery coming out of the COVID-19 pandemic.

### **3.2 Eligible Use of Funding**

Similar to SSRF Phase 2, there are two components of major capital funding under SSRF Phase 4:

- New Facilities; and
- Retrofits and Upgrades.

Eligible uses of funding under the two components include:

- Major retrofits and upgrades to an existing emergency shelter, and/or congregate living space to continue to ensure shelter spaces adhere to public health directives (e.g., additions to an existing facility to allow minimum spacing of beds; self-contained bedrooms and washrooms) and support independent units aligned with more permanent forms of housing where possible;
- Acquisitions that would be converted/upgraded to provide longer-term housing solutions; and
- Retrofit of existing transitional or supportive housing facility, and/or creating new innovative models of transitional and supportive housing.

Other eligible costs may include labour, applicable taxes, building permits, legal fees, certificates, signage, appraisal fees, inspection fees, drawing and specification and any

other costs that the Service Manager deems reasonable and that are agreed to by MMAH.

Please note that all ongoing operating costs associated with capital projects funded under SSRF Phase 4 will be the responsibility of the respective SM or IPA.

For-profit proponents may be eligible under the Retrofits and Upgrades component, however for-profit proponents are not eligible under New Facilities component.

### **3.3 Funding Commitment**

Funding under the SSRF Phase 4 capital components must be committed by December 31, 2021 and must be completed by March 31, 2023. Details on commitment and spending requirements are provided under each capital component section.

Any funding remaining to be committed after December 31, 2021 may be reallocated to another SM or IPA.

### **3.4 Return of Funding**

All funding provided under the capital component that is not used for an eligible capital expense under these Guidelines shall be returned to MMAH on demand. All remedies under these Program Guidelines shall survive any termination or expiry of the Program and/or funding for a project.

### **3.5 Capital Funding – New Facilities**

#### **3.5.1 General Eligible Activities and Costs**

Eligible projects must lead to the creation of one or more new units, and be one of the following:

- Acquisition and, where required, rehabilitation of existing buildings to meet program objectives;
- Conversion of an existing property to create transitional housing or permanent supportive housing and/or expanding an existing facility;
- Conventional construction or expansion of a current construction project in-progress to increase capacity; or
- Modular housing.

### **3.5.2 Project Submission Process**

SMs and IPAs will solicit proposals and select projects through appropriate procurement processes to recommend to MMAH for funding approval within their allocations.

Recommended projects shall:

- Be approved by Council and/or Board;
- Be able to sign a Contribution Agreement and registration of mortgage security or an alternate form of security (conversion, conventional, or modular housing projects) no later than December 31, 2021;
- For acquisition projects, the executed Agreement of Purchase and Sale must have a closing date no later than March 1, 2022;
- Commence construction, acquisition, rehabilitation and/or conversion within ninety (90) days of the date of commitment;
- Be completed by March 31, 2023;
- Meet the current Ontario Building Code, public health, and other applicable requirements;
- Include information on how the on-going operating financial requirements for the project will be met; and
- Address local housing/homelessness needs.

All projects must be submitted through the TPON system along with additional project background information such as information contained in Council/Board reports. SMs and IPAs should demonstrate a plan on how the on-going operating financial requirements for the project will be met (e.g., alternate sources of funding).

### **3.5.3 Project Approval Process**

Project approval will be based on alignment with the approved Investment and Winddown Plan, consideration of the information submitted to MMAH and the ability to meet the program's eligibility criteria.

Once approved, a project will receive a Conditional Letter of Commitment from MMAH, which confirms MMAH approval and outlines the steps to take prior to signing a Contribution Agreement.

The Contribution Agreement shall describe legal obligations and reporting requirements for the project. All SMs and IPAs are required to enter into Contribution Agreements directly with proponents and shall require the forgivable loan to be secured through a mortgage or alternate form of security.

The deadline to commit funding – i.e., execute Contribution Agreements and submit executed Agreements of Purchase and Sale (for acquisition projects), registration of mortgage security or an alternate form of security (for modular housing projects) – will

be December 31, 2021, to allow time for reprofiling between operating and capital funding, or reallocation of funds if necessary.

MMAH reserves the right to return a project application for revision and resubmission if it is not consistent with these Program Guidelines.

### **3.5.4 Funding**

Funding under the Capital Funding – New Facilities component must be provided as a secured forgivable capital loan.

SMs and IPAs are required to perform their due diligence to ensure that a project is financially viable from a construction cost and on-going operating perspective, and the program expenditures represent a prudent and best value use of public dollars.

### **3.5.5 Payment Process**

MMAH will advance funding directly to SMs and IPAs, who will be responsible for making project payments to housing proponents.

SMs and IPAs will advance funds to proponents based on the completion of milestones and compliance with the program requirements.

Funding for acquisition, rehabilitation and/or modular housing will be advanced to SMs and IPAs based on the following instalments:

1. Up to 90 per cent following signing of the Contribution Agreement; and
  - a. submission of Agreement of Purchase and Sale for acquisition projects (funding will be advanced within 15 business days of the closing date); or,
  - b. registration of mortgage security or an alternate form of security (modular housing projects) that is acceptable to the ministry.
2. Remaining funding upon confirmation of completion and submission of required documentation including registered security.

Up to 100 per cent of the funding may be provided, if required, to finance the purchase. If the capital funding provided under the SSRF Phase 4 is insufficient to cover the cost of the acquisition of the building and/or any rehabilitation work required, the SM and IPA must demonstrate the additional funding sources being accessed to complete the project.

Funding for conventional and other projects will be based on the following instalments:

1. 50 per cent at signing of the Contribution Agreement and submission of mortgage security registration or alternate form of security that is acceptable to the ministry;
2. 40 per cent at confirmation of 50 per cent construction completion; and

3. Remaining upon confirmation of completion and submission of required documentation.

### 3.5.6 Reporting

SMs and IPAs must complete a Project Information Form through the TPON System supplemented by regular milestone updates in TPON, along with detailed construction/acquisition/rehabilitation progress reports to MMAH contacts describing project progress and potential issues of concern that might delay or jeopardize the project.

SMs and IPAs must also submit signed project checklists and documentation in the TPON System as follows:

- For acquisition projects, registration of mortgage security or an alternate form of security;
- Confirmation of Project Start (for conventional and other projects);
- Confirmation of 50 per cent construction completion (for conventional projects);
- Confirmation of Project Completion; and
- An Audited Financial Statement for the project within six months following project completion **initial occupancy date,** or such additional time acceptable to MMAH.

Project Information Forms will require SMs and IPAs to report on the following information for performance indicators:

- Number of **new** facilities/housing (and number of units) created (i.e. acquisition, conversions, modular units) by type of housing; and
- Vulnerable population group(s) targeted for the housing project.

Housing Type	# facilities	# units
Transitional housing		
Supportive housing		
Permanent, long-term housing		
Other		

SMs and IPAs must confirm that projects funded under the Capital Funding – New Facilities component continue to be used for their intended purpose, or for longer-term housing solutions, for a minimum period of 10 years following completion.

During the minimum 10 year intended use period, proponents may not, without MMAH's consent, dispose of assets acquired with Funds under these Program Guidelines. However, new facilities acquired by the SM and IPA under this component may be sold prior to the expiry of the minimum 10-year the intended-use period, so long as the SM or IPA is of the view that the facility is no longer needed for its intended use, and

ensures that all proceeds are reinvested into the housing and homelessness sector. For details, please see Schedule “A”.

## **3.6 Capital Funding – Retrofits and Upgrades**

### **3.6.1 General Eligible Activities and Costs**

Major eligible retrofits and upgrades over \$50,000 may include the following activities:

- Renovation, retrofitting and upgrading of existing emergency shelters, transitional housing, and permanent supportive housing facilities to meet building code standards and public health requirements (e.g., building self-contained bedrooms, adding walls/partitions, washrooms); and
- Costs for professional services associated with the activities noted above.

Other activities may be considered, with supporting documentation, at the sole discretion of MMAH.

Work must commence within 90 days of the date of the funding agreement and completed by March 31, 2023. Copies of all financial invoices must be kept for reporting and audit purposes.

### **3.6.2 Project Submission and Approval Process**

The SM/IPA is responsible for selecting all eligible projects, monitoring progress, completion of projects, quality of work, and for advancing funds.

Once an eligible project has been approved by the SM/IPA, a completed Project Information Form along with an executed loan agreement and promissory note securing the funding must be entered and submitted in the TPO System for ministry review and approval. Following ministry approval, the funding is committed.

MMAH reserves the right to return a project application for revision and resubmission if it is not consistent with the Program Guidelines.

### **3.6.3 Funding**

Funding must be provided to proponents in the form of a forgivable loan based on the cost of the work items approved by the SM and IPA. Loans are to be secured by a mortgage registered on title upon project completion.

### 3.6.4 Payment Process

Funding will be advanced to SMs and IPAs and based on the following instalments:

1. 50 per cent when a completed Project Information Form along with an executed loan agreement between the SM/IPA and proponent, and signed promissory note are submitted and approved by MMAH in TPON;
2. 40 per cent at confirmation of 50 per cent project completion; and
3. 10 per cent at confirmation of final project completion and mortgage registered on title.

MMAH may consider a higher upfront payment based on local need with supporting documentation.

SMs and IPAs must ensure project status is updated and documents are posted in TPON on an on-going basis. Retrofit and Upgrade activities must start within 90 days of the date of the funding agreement.

SMs and IPAs are responsible for project selection and approval, monitoring progress and completion of projects, quality of work, and for the advancement of funds. Retrofit and Upgrade activities must be completed by March 31, 2023.

### 3.6.5 Reporting

SMs and IPAs are required to report quarterly to MMAH on the status of each project during its retrofit and upgrade activities. SMs and IPAs must regularly update progress on project activities and payments to proponents through the TPON system. Confirmation of construction start and completion for each project must be submitted in TPON.

Project Information Forms will require SMs and IPAs to report on the following information for performance indicators:

- Number of facilities (and number of units) **upgraded/retrofitted** (i.e., physical changes made to facilities in response to the COVID-19 outbreak, such as adding walls) to permit physical distancing, by type of housing; and
- Vulnerable population group(s) targeted for the housing project.

<b>Housing Type</b>	<b># facilities</b>	<b># units</b>
Emergency shelter		
Transitional housing		
Supportive housing		
Permanent, long-term housing		
Other		



SMs and IPAs are required to confirm that projects continue to be used for its intended purposes, or for longer-term housing solutions, for a minimum period of five years following completion of upgrade/retrofit projects.

## 4 Important Dates

SSRF Phase 4 will be delivered according to the following timelines:

Activity	Date
Sign-back letter and completed Investment and Winddown Plan due	September 15, 2021
Initial operating payments initiated	By October 1, 2021
Deadline to commit capital funding	December 31, 2021
Q3 report-back and attestation due	January 15, 2022
Second (final) operating payment initiated	By February 15, 2022
Executed Agreement of Purchase and Sale closing date deadline for acquisition projects	By March 1, 2022
Deadline to spend operating funding	March 31, 2022
Year End Report and Final Attestation due	May 31, 2022
Deadline to complete capital projects	March 31, 2023

## 5 MMAH Staff Contacts

Questions regarding the SSRF Phase 4 may be directed to the respective MMAH Municipal Services Office (MSO) or Housing Programs Branch staff contact, as noted below:

Region & Contact	Contact Information
Toronto and Indigenous Program Administrators: Bailey Anderson <ul style="list-style-type: none"> <li>Serving Toronto, Ontario Aboriginal Housing Services and Miziwe Biik Development Corporation</li> </ul>	<a href="mailto:Bailey.Anderson@ontario.ca">Bailey.Anderson@ontario.ca</a>

<p>MSO Central: Ian Russell</p> <ul style="list-style-type: none"> <li>Serving Durham, Halton, Hamilton, Muskoka, Niagara, Peel, Simcoe, and York</li> </ul>	<p><a href="mailto:Ian.Russell@ontario.ca">Ian.Russell@ontario.ca</a></p>
<p>MSO Eastern: Mila Kolokolnikova</p> <ul style="list-style-type: none"> <li>Serving Cornwall, Hastings, Kawartha Lakes, Kingston, Lanark, Leeds and Grenville, Lennox and Addington, Northumberland, Ottawa, Peterborough, Prescott and Russell, and Renfrew</li> </ul>	<p><a href="mailto:Mila.Kolokolnikova@ontario.ca">Mila.Kolokolnikova@ontario.ca</a></p>
<p>MSO Western: Cindy Couillard</p> <ul style="list-style-type: none"> <li>Serving Brantford, Bruce, Chatham-Kent, Dufferin, Grey, Huron, Lambton, London, Norfolk, Oxford, St. Thomas, Stratford, Waterloo, Wellington, and Windsor</li> </ul>	<p><a href="mailto:Cindy.Couillard@ontario.ca">Cindy.Couillard@ontario.ca</a></p>
<p>MSO Northeastern: Liana Bacon</p> <ul style="list-style-type: none"> <li>Serving Algoma, Cochrane, Greater Sudbury, Manitoulin-Sudbury, Nipissing, Parry Sound, Sault Ste. Marie, and Timiskaming</li> </ul>	<p><a href="mailto:Liana.Bacon@ontario.ca">Liana.Bacon@ontario.ca</a></p>
<p>MSO Northwestern: Jessica Vail</p> <ul style="list-style-type: none"> <li>Serving Kenora, Rainy River, and Thunder Bay</li> </ul>	<p><a href="mailto:Jessica.Vail@ontario.ca">Jessica.Vail@ontario.ca</a></p>

## SCHEDULE "A" CAPITAL COMPONENT

### 1. Interpretation.

- (1) In this Schedule "A", capitalized terms have the meaning given to them herein and the following terms shall have the following meanings:

**"Intended Use"** means the intended use of the Project once it is complete, as set out in the Project Information Form for the Project;

**"Intended Use Period"** means the minimum ten (10) year period following the date of the Project completion for new facilities or conversion Projects;

**"Capital Component"** means the Capital Component under the Program Guidelines and this Schedule "A";

**"Conditional Letter of Commitment"** means a letter issued by the Minister of Municipal Affairs and Housing confirming approval of a Project under the Capital Component subject to conditions;

**"Contribution Agreement"** means an agreement entered into by the Recipient and a Proponent for the construction, acquisition and/or rehabilitation of, or the conversion of a property into a Project and which shall set out the terms for a forgivable loan, including mortgage security;

**"Development Activities"** means those activities which are normally undertaken for the development, construction, rehabilitation or conversion of buildings for residential purposes, including the acquisition of property;

**"Permitted Encumbrances"** means (i) the construction, acquisition, rehabilitation and/or conversion financing in respect of the Project approved by the Recipient, (ii) if the Project is to be added to, or part of, a building with an existing mortgage, the existing mortgage on the building up to the amount owing under it prior to putting the construction, acquisition, rehabilitation and/or conversion financing in place (iii) any necessary easements for the supply of domestic utility or telecommunications services to the Project or adjacent properties, (iv) any necessary easements for drainage, storm or sanitary sewers, public utility lines, or other services which do not materially affect the use of the property as residential dwellings; (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 providing such are complied with;

**"Program"** means the Social Services Relief Fund Phase 4 Program set out in the Program Guidelines, including this Schedule "A";

**“Program Guidelines”** means the Guidelines for the Program forming part of the Recipient’s TPA;

**“Project”** means the construction, acquisition, and/or rehabilitation of, or the conversion of a property into, a facility contemplated by the Program Guidelines, or the resulting facility as the context may require;

**“Project Information Form”** means the project information form submitted by the Recipient to the Province for consideration of the construction, acquisition, and/or rehabilitation of, or the conversion of a property into, a Project;

**“Proponent”** means a Proponent selected by the Recipient to carry out a Project;

**“Recipient”** means the Service Manager, as applicable; and

**“TPA”** means the Recipient’s Transfer Payment Agreement for Community Homelessness Prevention Initiative or Indigenous Supportive Housing Program, as applicable.

- (2) 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.
  - (3) All references in this Schedule to section numbers are references to sections of this Schedule unless stated otherwise.
  - (4) This Schedule does not apply with respect to the Retrofit and Upgrade portion of the Capital Component included in the Program Guidelines.
2. **Proposed Projects.** The Recipient shall submit to the Province a Project Information Form for each Project that it would like funded. The Project Information Form must be approved by the Recipient’s council, through delegated authority or by the Board, as applicable. The Recipient shall update the Project Information Form in accordance with the Program Guidelines, in the event of a project milestone being achieved and/or in the event of any proposed change.
  3. **Project Eligibility.** Each Project must comply with the project eligibility requirements set out in the Program Guidelines, including the following:
    - (a) all acquisitions/purchases must be procured in accordance with procurement policies adopted and maintained under the Municipal Act, 2001;
    - (b) the Project must have all required municipal approvals such as zoning, minor variances, land severances, or site plan approvals in place to permit the proposed development, or be well advanced in the planning approvals process;

- (c) the Project must be financially viable from a construction and operating cost perspective based on Recipient confirmation;
  - (d) the Project must meet current Ontario Building Code requirements;
  - (e) the completed Project must comply with the Program Guidelines; and
  - (f) the Recipient must have a plan in place to ensure that the Project will be used for its Intended Use for the entire Intended Use Period.
4. **Conditional Letter of Commitment.** If the Province approves the Project, the Province shall advise the Recipient of the approval and provide the Recipient with a Conditional Letter of Commitment.
5. **Changes.** The Recipient shall advise and request approval from the Province for any changes to the Project(s) which may affect how the Project will be used.
6. **Contribution Agreement.** Following the approval of each Project by the Province, the Recipient shall, where a Proponent other than the Recipient will own the Project, arrange for an appropriate form of Contribution Agreement with the Proponent to be executed.
7. **Funding Conditions.**
- (1) Before the Recipient enters into a Contribution Agreement with a Proponent for an approved Project, the Recipient shall:
- (a) ensure that the Proponent has disclosed all of its creditors, debt and the proposed construction, acquisition, rehabilitation and/or conversion costs in full; and
  - (b) confirm to the Province the source and availability of adequate ongoing funding for any acquisition of property or Development Activities for the Project and the support services that will be made available to the public through the Project once complete.
- (2) The Recipient shall ensure that the Contribution Agreement with each Proponent requires the Proponent to comply with the requirements of the Capital Component, and, if the Project involves Development Activities, includes obligations to:
- (a) complete the construction of the approved Project within construction budgets and financing approved by the Recipient and required timelines;
  - (b) ensure that until construction of the approved Project is complete (i) all claims for lien registered against the Project(s) are promptly vacated, (ii) the Proponent does not incur any additional construction financing, capital

or operating debt related to the Project without the Recipient's consent (iii) the Project(s) are not encumbered by any registered encumbrances other than Permitted Encumbrances, (iv) the Proponent remains in good standing under the Permitted Encumbrances and (v) any work orders issued against the Project(s) by any governmental entity, agency or official are addressed to the satisfaction of the Recipient;

- (c) obtain all the insurance that a reasonably prudent person carrying out the Project would obtain, including at least \$2,000,000 in commercial general liability insurance, and all other the insurance required by the main body of the TPA read as if it applied to the Proponent and/or the Proponent's Project, and including:
  - (i) Builder's Risk Insurance (property insurance) for the full replacement value of the completed construction projects, including a negotiated sub-limit for earthquake and flood. The policy must include the following:
    1. replacement cost value;
    2. stated amount of co-insurance;
    3. waiver of subrogation; and
    4. loss payable in favour of the Recipient and the Indemnified Parties.
  - (ii) Boiler and Machinery Insurance (including pressure objects, machinery objects and service supply objects) on a comprehensive basis. The policy must include the following:
    1. repair and/or replacement value;
    2. stated amount co-insurance;
    3. waiver of subrogation; and
    4. loss payable in favour of the Recipient and the Indemnified Parties.
  - (iii) Wrap Up Liability Insurance for Third Party Bodily Injury, Personal Injury and Property Damage to an inclusive limit per occurrence and products and completed operations aggregate that a reasonably prudent person undertaking such a Project would obtain. The insurance shall be in the joint names of the Recipient, the Indemnified Parties, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants or other person which the Recipient may

require to be added as insured parties. The policy must include the following:

1. premises and operations;
  2. owner's and contractor's protective liability;
  3. broad form products and completed operations liability;
  4. cross liability;
  5. blanket written and oral contractual liability;
  6. all risks tenant's legal liability;
  7. hoist liability;
  8. firefighting and forest fire fighting expense liability;
  9. employer's liability and voluntary compensation;
  10. non-owned automobile liability;
  11. directors, officers, employees, shareholders, the Recipient and the Indemnified Parties added as insureds and/or additional insureds;
  12. shoring, blasting, excavating, under-pinning, demolition, pile driving and caisson work, work below and above ground surface, work below and above water, tunnelling and grading and similar operations associated with construction work, as applicable;
  13. sudden and accidental pollution liability with a discovery provision of not less than one hundred and twenty (120) hours and a subsequent reporting provision of not less than one hundred and twenty (120) hours; and
  14. thirty (30) days written notice of cancellation.
- (iv) Valid coverage and clearance certificates of coverage under the *Workplace Safety and Insurance Act, 1997, S.O. 1997, c. 16, Schedule A ("WSIA")* for all persons working on the Project(s);
- (d) provide to the Recipient valid insurance and WSIA certificates evidencing the above coverage;
- (e) use its property insurance proceeds to repair or rebuild the Project(s) in the event of damage to all or part of them;
- (f) require the Proponent to use the Funds provided for the Project only for eligible expenses in connection with the Project and use the Project for its Intended Use for the entire Intended Use Period;
- (g) refund to the Recipient any misused funds; and
- (h) provide the reports and other things to the Recipient needed to enable the Recipient to comply with requirements of the Program Guidelines and this Schedule "A", including the reporting requirements.

- (3) The Recipient agrees that, where it is to be the owner of a Project, the provisions of subsection 7(2) apply to it with the necessary changes.
- (4) The Recipient shall ensure that each Contribution Agreement contains provisions to the effect that,
  - (a) the payment of funds is subject to the necessary appropriations from the Provincial Legislature and the Province shall have no liability to the Recipient or the Proponent in case there are insufficient appropriations for the payments, or in case the total appropriations available for the Province's undertakings are insufficient for all of the Province's undertakings; and
  - (b) the provision by the Recipient of Funds to the Proponent in respect of its Project(s) is subject to the terms and conditions for funding under the Program Guidelines, including this Schedule A".
8. **Payments.** Funds shall be paid in accordance with the Program Guidelines.
9. **Acknowledgement.** The Recipient acknowledges that the requirements in this Schedule "A" relating to the Project(s) are not all that is required, advisable and/or prudent in connection with their construction.
10. **Contribution Agreement Deadline.** No Contribution Agreement under this Schedule can be signed after December 31, 2021, or such earlier or later date as may be determined by the Province and communicated by the Province to the Recipient by Notice.
11. **Monitoring.** The Recipient shall monitor the construction of 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 Contributions Agreement and the Program Guidelines, including this Schedule "A".
12. **Construction, Acquisition, Rehabilitation and/or Conversion Budget and Financing.** The Recipient shall ensure that any property for an approved Project is acquired and that approved Project(s) are constructed by Proponents(s) within construction, acquisition, rehabilitation and/or conversion budgets and financing approved by the Recipient.
13. **Construction Start.** The Recipient shall use its best efforts to ensure that construction for each approved Project commences within the timelines contemplated by the Program Guidelines unless such period is extended by the Province. Despite anything to the contrary in this Agreement, if construction for an approved Project has not commenced within those timelines or the end of the



extended period, whichever is applicable, the Recipient or the Province may cancel the Funds for the Project.

14. **Construction, Acquisition, Rehabilitation and/or Conversion Completion.** Construction, acquisition, rehabilitation and/or conversion for each approved Project must be completed by March 31, 2023. Despite anything to the contrary in this Agreement, if construction for an approved Project is not completed by that date, the Province may cancel the Funds for the Project.
15. **Confirmation of Construction Start.** The Recipient shall provide the Province with a completed Confirmation of Construction Start at the start of construction of each Project, within ten (10) days of the start of construction of the Project.
16. **Proof of Completion.** The Recipient shall provide the Province with proof that that the Project is complete and may be used for its Intended Use.
17. **Enforcing Contribution Agreement.** The Recipient shall, after consultation with and if required by the Province, use its best efforts to enforce the terms of all Contribution Agreements and Security.
18. **Notices.** The Recipient shall immediately inform the Province in writing of the following matters as soon as it becomes aware of them:
  - (a) a request by a Proponent to transfer responsibility for an approved Project to another entity;
  - (b) any failure by the Proponent to carry out Development Activities which threatens the completion of an approved Project;
  - (c) if the construction, acquisition, rehabilitation and/or conversion of an approved Project has not commenced within ninety (90) days of the date of the Commitment for the Project;
  - (d) any substantial breach by the Proponent of its Contribution Agreement with the Recipient;
  - (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 an approved Project;
  - (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;

- (h) if the construction, acquisition, rehabilitation and/or conversion, repair and/or upgrade activity has not been or is not likely to be completed by March 31, 2023; and
  - (i) any significant changes to a Proponent's business structure.
- 19. **Intended Use.** The Recipient shall ensure that each completed Project is used for its Intended Use for the entire Intended Use Period.
- 20. **Disposition of Acquired Facilities.** For Projects acquired by the Recipient for the purposes of the Program, the Recipient may dispose of the Project after the expiry of the Intended Use Period, or at an earlier date if the Recipient is of the view that the Project is no longer needed for its Intended Use, provided that the Recipient has complied with the Program Guidelines, including this Schedule "A," and the Recipient reinvests the proceeds of disposition, if any, in the housing and homelessness sector.
- 20. **Additional Events of Default.**
  - (1) If,
    - (a) a Proponent does not complete construction, acquisition, rehabilitation and/or conversion of an approved Project;
    - (b) a Proponent ceases to use the Project for its Intended Use during the Intended Us Period;
    - (c) a Proponent uses the Funds provided to it by the Recipient for a purpose other than that contemplated by the Project Information Form; or
    - (d) one of the events referred to in section 18 has occurred in relation to a Proponent,

the Province may suspend, reduce or cease funding in relation to the Project, shall have no obligation to provide any further Funds in respect of that Proponent and shall have no liability for any consequential or other damages and/or liability incurred by the Recipient or the Proponent as a result of the suspension, reduction and/or cessation of funding.

- (2) For greater certainty, the above rights are in addition to any other rights the Province may have under the TPA and any other rights the Province may have at law.
- 21. **Component Availability.** Subject to the termination rights in the TPA, the Capital Component is available from the Effective Date until, and shall expire on, March 31, 2023 (plus the Intended Use Period). All remedies herein shall indefinitely survive any termination or expiry of the Capital Component.

22. **Signage.** For New Facilities Projects approved or funding of \$100,000 or greater:
- (1) The Recipient must produce and display permanent signs at the Project site indicating the Province's financial contribution to the Project ("Ontario Builds Signage") unless directed otherwise by the Province in writing.
  - (2) A sign must be present at the construction site at all stages including before construction work starts and throughout construction.
  - (3) The Recipient is responsible for removing the signage within six months of the completion of the project.
  - (4) The Province must provide to the Recipient the digital Ontario Builds artwork and the Ontario Builds Visual Identity Guide that the Recipient must use to create the signage.
  - (5) The Recipient must provide the Province with photographs of the Ontario Builds Signage once it is on display.
  - (6) The Province will monitor compliance with the requirements of this section, and may, at its discretion, advise the Recipient of issues and required adjustments.

**SCHEDULE “B1”  
SECURITY DOCUMENT – Form of Promissory Note**

**[attach form of Promissory Note if section 3.6 Guidelines is applicable – upgrades, renovations]**

**SCHEDULE “B2”**  
**SECURITY DOCUMENT - Charge Terms (Mortgage)**

**[ADDITIONAL PROVISIONS: [Insert applicable Charge Terms for Mortgage]**

1. Section [insert # as applicable] of the Standard Charge Terms filed as No. [insert #, as applicable] is deemed to be excluded.
2. This Charge/Mortgage of Land is collateral security for this Loan Contribution Agreement respecting the Social Services Relief Fund Component Phase 4 funding under the Community Homelessness Prevention Initiative Program, made between the Chargor and the Corporation of the City of London (“Chargee”), dated the [insert day] day of [insert month], 20[insert year] (the “Loan Contribution Agreement”) under which the Provincial Government contributed the total amount of [insert amount in words] dollars Canadian (\$[insert amount in numbers]) towards the Project and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
3. In the event of a breach of the terms of the Security Agreement being given by the Chargor to the Chargee simultaneously with this Charge, the principal balance then outstanding, together with any other amounts payable pursuant to the terms of this Charge, shall forthwith become due and payable at the option of the Chargee and all powers conferred by this Charge shall become exercisable by the Chargee.
4. With respect to the portion of the Principal Amount advanced by the Chargee:
  - a. The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Chargor has fulfilled all the requirements of the Program as set out in the Agreement.
  - b. Upon the occurrence of any one or more of the Events of Default described in the Loan Contribution Agreement, the City, at its option, may declare the outstanding principal amount of the Loan then advanced, together with all other moneys owing to the City under the Loan Contribution Agreement, due and payable forthwith.
5. The Chargor covenants with the Chargee that upon request in writing from the Chargee, and where applicable, it will provide the Chargee, within thirty (30) days of receipt of such request, a schedule containing the names of all tenants in the building constructed on the Charged Premises, accompanied by a certificate of an officer of the Chargor confirming the terms of all existing leases, that the same are in full force and effect, that the Chargor has complied with all terms thereof, and that the Chargor will not amend, modify or cancel any lease or receive any prepayment of rent other than the current and last month’s rent without the prior written consent of the Chargee, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Chargor and the tenant, that no money other than a maximum of two (2) months rent has been prepaid by the tenant to the Chargor, and that the tenant is aware of the assignment by the Chargor of all rents and leases affecting the Charged Premises.
6. The Chargor covenants with the Chargee that if the Chargee make any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Charged Premises and shall be added to the debt hereby secured and shall bear interest at the said rate, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall

not become a mortgagee in possession by reason only of exercising any of the rights given to them under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.

7. The Chargor covenants with the Chargee that in the event of the Chargor selling, conveying, transferring or entering into an agreement for the sale or transfer of title of the Charged Premises to a purchaser or transferee not approved in writing by the Chargee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon, at the option of the Chargee, shall forthwith become due and payable.
8. The Chargor shall not further mortgage or encumber the Charged Premises without the prior written approval of the Chargee.
9. The Chargor, at its sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders, with respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment. The Chargor shall pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Charged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Chargor fails to do so, after notice to the Chargor and the expiration of the earlier of:
  - a. any applicable cure period under the Charge, or
  - b. the cure period under the applicable law, rule, regulation or order,

the Chargee at their sole option may declare the Charge to be in default.

The Chargor shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.

10. The Chargee or its agents may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Charged Premises to inspect the lands and buildings thereon. Without limiting the generality of the foregoing, the Chargee or its agents may enter upon the Charged Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall be payable by the Chargor forthwith and shall be a charge upon the said Charged Premises. The exercise of any of the powers enumerated in this paragraph shall not deem the Chargee or its agents to be in possession, management or control of the said lands and buildings.
11. At any time after the security hereby constituted becomes enforceable, or the moneys hereby secured shall have become payable, the Chargee may appoint in writing a receiver or receiver-manager (the "Receiver") of the Charged Premises, with or without bond, and may from time to time remove the Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:
  - a. To take possession of the Charged Premises and to collect the rents and such property, undertaking and assets of the Chargor assigned and/or charged to the Chargee herein and for such purpose to enter into and upon any lands, buildings and premises and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary, specifically

including, but not limited to managing, operating, repairing, altering or extending the Charged Premises or any part thereof;

- b. To employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, to repair and keep in repair the Charged Premises and to do all necessary acts and things for the protection of the said Charged Premises;
- c. To sell or lease or concur in selling or leasing any or all of the Charged Premises, or any part thereof; and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver; and any such sale may be made from time to time as to the whole or any part or parts of the Charged Premises; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which it shall deem proper; and it may buy or rescind or vary any contracts for the sale of any part of the Charged Premises and may resell the same, and it may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in its sole opinion to be most advantageous and at such prices as can reasonably be obtained thereof; and in the event of a sale on credit, neither the Receiver nor the Chargee shall be accountable for or charged with any moneys until actually received;
- d. To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
- e. To borrow money to carry on the operations of the Chargor at the Charged Premises and to charge the whole or any part of the Charged Premises in such amounts as the Receiver may from time to time deem necessary, and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall constitute a Charge against the Charged Premises in priority to this Charge;
- f. To execute and prosecute all suits, proceedings and actions which the Receiver, in its opinion, considers necessary for the proper protection of the Charged Premises, and to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- g. To execute and deliver to the purchaser of any part or parts of the Charged Premises, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;
- h. The net profits of the operations of the Chargor at the Charged Premises and the net proceeds of any sale of the Charged Premises or part thereof shall be applied by the Receiver, subject to the claims of any creditor ranking in priority to this Charge:

1. Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid, including the reasonable remuneration of the Receiver and all amounts properly payable by it;
  2. Secondly, in payment of all costs, charges and expenses payable hereunder;
  3. Thirdly, in payment to the Chargee of the principal sum owing hereunder;
  4. Fourthly, in payment to the Chargee of all interest and arrears of interest, if any, and any other monies remaining unpaid hereunder; and
  5. Fifthly, any surplus shall be paid to the Chargee, provided that in the event any party claims a Charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.
- i. During any period wherein the Chargee or any receiver or receiver and manager appointed by it shall manage the Charged Premises or any part thereof, upon or after entry, as provided herein, the Chargee shall not, nor shall any receiver or receiver and manager, be responsible or liable for any debts contracted by it, for damages to any other property or person, or for salaries or non-fulfilment of any contract, save and except as to claims at law or in equity to an accounting; and the Chargee shall not be bound to do, observe, or perform or to see the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor nor in any other way supervise or interfere with the conduct of the Chargor's operations of the Charged Premises; The Chargee shall not be liable to the Receiver for his remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising, unless the same shall be caused by his own gross negligence or wilful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor, and the Chargor shall be solely responsible for his acts and defaults and for his remuneration;
  - j. Save as to claims for an accounting contained in this paragraph, the Chargor hereby releases and discharges any such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such Receiver, unless such claim be in direct and proximate result of dishonesty or fraud;
  - k. The Chargee may, at any time and from time to time, terminate any Receiver by notice in writing to the Chargor and to the Receiver;
  - l. The statutory declaration of an employee or agent of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the Receiver through its ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual; and
  - m. The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.



## SCHEDULE “C”

### LEGAL DESCRIPTION OF PROPERTY

[if applicable:] Number of Units: [insert # of units]

Property Address: [insert municipal address, London]

PIN: [insert PIN #]

Description:

[insert legal description from Land Titles Office]

SCHEDULE "D"  
**PROJECT INFORMATION FORM**  
**[attach PIF, or insert information from PIF]**

Community Homelessness Prevention Initiative – Social Services Relief Fund Phase 4

**Service Manager** – City of London

**Project Name:** [insert project name]

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Proponent Information

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Project Information

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Approvals

Date of Municipal Council Approval: [insert day, month, year]

Date of MOH Approval: [insert day, month, year]

Total Capital Funding

Operating Budget

...

## **SCHEDULE “E”**

### **DEVELOPMENT SCHEDULE**

Purchase Property	[insert month, year, where applicable]
Site Plan Approval	[insert month, year, where applicable]
Building Permit	[insert month, year, where applicable]
Construction Start	[insert month, year, where applicable]
Structural Framing Completed	[insert month, year, where applicable]
Substantial Completion	[insert month, year, where applicable]
Lien Publication	[insert month, year, where applicable]
Occupancy	[insert month, year, where applicable]
Audited Financial Statement	[insert month, year, where applicable]

SCHEDULE "F"

**CONDITIONAL LETTER OF COMMITMENT**

**[attach letter from MMAH]**

**SCHEDULE “G”  
PERMITTED ENCUMBRANCES**

1. [insert information on permitted encumbrances as applicable]
2. Such easements and restrictive covenants as do not prevent the Project from being constructed.
3. Municipal agreements relating to the Development Activities in connection with the Project.