

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 11.1.8**  
**Halifax Regional Council**  
**November 17, 2020**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
Jacques Dubé, Chief Administrative Officer

**DATE:** November 11, 2020

**SUBJECT:** **Rapid Housing Initiative Agreement**

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## **ORIGIN**

On October 27, 2020 the Federal Government launched a new Rapid Housing Initiative (RHI) that invests \$1 billion dollars to create up to 3,000 new permanent, affordable housing units across Canada. The RHI allocates \$8,659,527 to HRM through the Municipal Funding Stream.

## **LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter (HRM Charter), Part III – Powers*

73(b) *The Municipality may enter into and carry out agreements with*  
*(i) the Minister of Community Services or Canada Mortgage and Housing Corporation with respect to housing projects, or*  
*(ii) any body corporate or agency having similar objects to Canada Mortgage and Housing Corporation with respect to projects pursuant to the National Housing Act (Canada);*

## **RECOMMENDATION**

It is recommended that Halifax Regional Council direct the Chief Administrative Officer to enter into the Rapid Housing Initiative Agreement with Canada Mortgage and Housing Corporation ("CMHC"), as provided in Attachment A, to accept \$8,659,527 for the creation of a minimum of 28 affordable housing units.

## **BACKGROUND**

On October 26, 2020, the Federal Government launched a new Rapid Housing Initiative (RHI) that invests \$1 billion to create up to 3,000 new permanent, affordable housing units across the country. This is much needed funding that will help the Municipality to address urgent housing needs of people and populations who are vulnerable.

This initiative will be delivered through two funding streams:

- **Major Cities Stream:** will flow directly to municipalities to ensure funds are directed to areas where chronic homelessness is most prevalent and;
- **Projects Stream:** will prioritize applications received from Provinces, Territories, municipalities, Indigenous governing bodies and organizations and non-profits based on the overall strength of the application.

To be eligible for funding, costs must be associated with:

- Construction of modular housing including acquisition of land;
- Conversion of a non-residential building to a residential building including acquisition of land; or
- Renovation of existing housing that is currently uninhabitable, including acquisition of land.

Projects funded under the RHI must:

- be constructed within 12 months of the investment plan being agreed to;
- operate for a minimum of 20 years;
- if the units are modular housing, exceed provincial building code accessibility and energy efficiency requirements by five percent; and
- serve and be affordable (household is paying less than 30 per cent of gross income on housing costs) to targeted people and populations who are vulnerable and:
  - who are also, or otherwise would be, in severe housing need (households that pays 50% or more for their current accommodations), or
  - people at high risk of homelessness (an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it).

The Municipality is further encouraged to prioritize projects targeted to women (30%) and Urban Indigenous peoples (15%) and projects that will create a positive impact to employment within the community.

## **Service Exchange**

On April 1, 1995, the Province began Service Exchange, which transferred various roles and responsibilities between municipalities and the Province. These were implemented through the *Municipal Reform (1994) Act*, a 1996 road transfer agreement called HRM-01, and a 1996 social services transfer agreement. Through these mechanisms, the Province took over numerous services from municipalities across the Province, such as social services including affordable housing and child welfare, nursing homes, and homes for the elderly. The Province also stopped certain payments to the municipalities, such as eliminating grants in lieu of taxes respecting health care facilities, museums, galleries, and sewer and water systems. Municipalities, in turn, were required to make contributions to the Province for education, social housing, and corrections. In addition to these requirements, a major component of Service Exchange for Halifax Regional Municipality saw HRM assume ownership and responsibility of approximately 546 km of road.

## **DISCUSSION**

As a beneficiary of the Major Cities Stream, HRM has been identified for immediate funding of \$8,659,527 to create a minimum of 28 units of new permanent affordable housing. To secure this funding, the Municipality must enter into the RHI Agreement with CMHC, as provided in Attachment A, and submit an

investment plan before November 27, 2020. CMHC advises that the RHI Agreement can be signed before submitting the investment plan. Due to the short time lines, this is the recommended course of action as it will allow time for Council to understand what will be required as part of the RHI Agreement before considering Third Party partnerships. As soon as the agreement is signed, the funds will be provided to HRM.

### **Rapid Housing Initiative (RHI) Agreement**

The RHI Agreement, outlines the purpose and conditions of the funding as well as required reporting. As HRM is not a provider of housing to utilize the funds, it will be required to enter into individual contribution agreements with non-profit housing providers.

### **Investment Plan**

An investment plan must be submitted to CMHC prior to November 27, 2020. As a response to the announcement of the RHI, HRM reached out to non-profit housing providers requesting an expression of interest to understand what affordable housing projects may be eligible for the RHI to meet the strict timelines. In collaboration with the Province and CMHC, staff are reviewing potential projects and will return to Council with a supplemental staff report prior to November 27, 2020 seeking Council approval of the proposed investment plan and the recommended Third Party partnerships.

### **Conclusion/Next Steps**

Should Council approve the staff recommendation, HRM will enter into the RHI Agreement with CMHC. It is expected that HRM will receive the full funds within a week of executing the RHI Agreement. Prior to November 27, 2020, staff will return to Council with an investment plan and pending approval, will submit the plan to CMHC for consideration. Should CMHC agree to the investment plan, HRM will enter into individual Third Party agreements which will include conditions of funding and reporting requirements.

## **FINANCIAL IMPLICATIONS**

The funds from CMHC will be placed into a reserve and remain there until they are disbursed to a third party according to a future agreement between HRM and the third party. If all parties can meet their obligations in the specified time periods, the HRM costs associated with administering the contribution agreements can be accommodated within the approved 2020/21 operating budget using existing resources. If the requirements cannot be met within the timeframes, HRM may be responsible to return most or all of the funds and may be responsible to reimburse third party costs pending the structure of a future agreement. More details will be known as subsequent reports come to council and staff will attempt to mitigate the risks detailed below.

## **RISK CONSIDERATION**

There are significant risks related to the recommendation in this report. While this federal initiative is extremely welcome and will have a positive impact on housing in HRM, it is important to highlight potential risks in entering to the RHI Agreement as HRM does not provide housing services. The only way the RHI Agreement can be implemented by the Municipality is to enter into one or more contracts with one or more reputable Third Party housing providers.

### **Third Party Agreements**

The conditions of the RHI Agreement provides very little flexibility and, as such, HRM not only needs to be confident that a Third Party non-profit can develop units within the 12 month allotted timeframe, but that they can also provide affordable housing for at least 20 years.

While Third Party agreements can include the majority of the requirements outlined in the RHI Agreement, including the required reporting, it is important to note this can still place HRM in significant risk should the Third Party fail to uphold any of the covenants in a Third Party Agreement. HRM will be the recipient of the

original agreement and as such are liable for all the terms and conditions of the agreement, including operating costs. Any failure from Third Party organizations will put HRM in default of the RHI Agreement and allow CMHC the option to require all of the \$8.6 million in funding be returned to it.

#### Additional Conditions of Funding

As noted above, conditions of the funding further require housing to target specific vulnerable populations and that any new development of modular units exceed the requirements of the provincial Building Code. For example, the units must be targeted to people who are vulnerable and, where possible, provided to females (30% of the Units) and urban Indigenous peoples (15% of the Units). As well, the RHI Agreement requires that the modular units exceed the National Building Code requirements for local accessibility and energy efficiency by 5%. The Municipality cannot regulate tenancies and the Province, rather than the Municipality, has the ability to amend the Building Code. HRM can only add these requirements as terms of any Third Party agreement. HRM cannot require them as part of our permit application process.

#### Timing

While already noted above, it is important to appreciate the significant risk as a result of the tight timelines for the RHI. CHMC has indicated there is no flexibility in extending the 12 month deadline for buildings to be developed and ready for occupancy. As such, HRM will need to be extremely confident that Third Party developments can meet this deadline. Consideration of risk associated with the firm timelines will be further discussed with the proposed investment plan in a subsequent report.

### **COMMUNITY ENGAGEMENT**

Staff reached out directly to approximately 40 non-profit housing providers and numerous housing advocates seeking expressions of interest to understand if there were potential developments that could be eligible for the RHI funding. Staff also launched a [website](#) providing more information regarding eligibility for funding through the municipal stream. Sixteen submissions were received, and staff are currently assessing each project.

### **ENVIRONMENTAL IMPLICATIONS**

Not applicable.

### **ALTERNATIVES**

1. Regional Council may direct the CAO to defer entering into the Rapid Housing Initiative Agreement until an investment plan is prepared.
2. Regional Council may direct the CAO not to enter into the Rapid Housing Initiative Agreement.

### **ATTACHMENTS**

Attachment A: Rapid Housing Initiative Agreement

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Jillian MacLellan, Planner III, Regional Planning, Planning and Development  
902.717.3167

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## RAPID HOUSING INITIATIVE AGREEMENT

THIS AGREEMENT is made as of the \_\_\_ day of \_\_\_\_\_, 202\_\_ (the "**Effective Date**") between **CANADA MORTGAGE AND HOUSING CORPORATION** ("**CMHC**") and **[NAME OF CITY/MUNICIPALITY]** ("**Recipient**").

(collectively the "**Parties**" and individually a "**Party**")

**WHEREAS** the COVID-19 crisis has exacerbated existing housing affordability and homelessness issues particularly for the most vulnerable Canadians;

**WHEREAS** the Parties wish to implement the Rapid Housing Initiative ("**RHI**") to rapidly house some of the most vulnerable Canadians; and

**WHEREAS** in connection with the RHI, CMHC is authorized under the *National Housing Act* to make contributions to the Recipient for the purposes of developing, in conformity with an investment plan to be approved by CMHC and attached as **Schedule B** (the "**Investment Plan**"), at least **[number of units]** affordable housing units in **[Municipality / Region]** (the "**Units**");

**NOW THEREFORE** for value received, the Parties agree as follows:

### **1. Contribution and Purposes**

The contribution by CMHC under this Agreement is \$**[●]** (the "**Contribution**") and will be advanced to the Recipient following signature of this Agreement, subject to the terms and conditions herein and for only to be used for the following purposes (as will be further specified by the Recipient in the Investment Plan):

- (i) acquisition of land and the construction of affordable multi-residential Modular Housing Units (as defined in **Schedule A**);
- (ii) acquisition of land and buildings for the purpose of conversion of non-residential into affordable multi-residential housing Units; or
- (iii) acquisition of land and buildings In Disrepair or abandoned for the rehabilitation<sup>1</sup> into affordable multi-residential housing Units;

and all of the eligible costs associated with the foregoing including pre-development, pre-construction (e.g. environmental site assessments, cost consultant reports, architectural or engineering reports, legal/closing costs related to acquisition of land and buildings) for the development of permanent affordable housing Units.

For greater certainty, costs must be incurred on or after October 27, 2020 and do not include operational expenses. Furthermore, the Recipient is solely responsible for any cost overruns due to change in scope, design, time to complete, site conditions or otherwise and CMHC will not increase the Contribution in such circumstances.

### **2. Conditions to Funding**

The Recipient agrees it will:

- (a) perform all of its obligations under the Investment Plan and use the Contribution only for the purposes specified in the Investment Plan (and no other purpose) to create affordable Units for People And Populations

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<sup>1</sup> The land and buildings to be rehabilitated must have been in disrepair and/or abandoned and in both cases uninhabitable and lost to the housing stock.

Who Are Vulnerable (as defined in **Schedule A**) who are targeted by the Affordability Criteria (as defined in **Schedule A**);

(b) ensure, for a minimum period of 20 years (or for such longer period as agreed to in the Investment Plan) commencing on March 31, 2022, or on another date as may be set by CMHC at this discretion (the "**Term**"), the Units meet the Affordability Criteria (as defined in **Schedule A**) and are for People And Populations Who Are Vulnerable;

(c) ensure the Modular Units, and the newly constructed building(s) where the Modular Units are situated, will exceed by at least 5 percent the local accessibility requirements in its jurisdiction during the Term;

(d) ensure the Modular Units, and the newly constructed building(s) where the Modular Units are situated, will exceed by at least 5 percent the energy efficiency standards, as set out in the 2015 National Energy Code for Buildings (NECB), or as set out in the local/regional standard, whichever is higher;

(e) deliver within 30 days of receipt of the notice of the Recipient's allocation,<sup>2</sup> for CMHC's review and approval, the Investment Plan in the form and content attached as **Schedule B**, which will among other elements (1) show that the Units can be available for occupancy within twelve months of its approval by CMHC;<sup>3</sup> (2) indicate how the Recipient is considering community benefits in the development of the Units; (3) indicate how the development of the Units by the Recipient is targeting, where possible, women and girls (30% of the Units) and urban Indigenous peoples<sup>4</sup> (15% of the Units); and (4) confirm (i) how the full Contribution will be committed by the Recipient; (ii) how the Recipient will construct and operate the Units in accordance with this Agreement; and (iii) how the Recipient will, throughout the Term, comply with the covenants of affordability, accessibility and energy efficiency set out in this Agreement;

(f) where it intends to engage a third party intermediary (the "**Intermediary**") to construct, operate, and/or own the Units: (i) exercise appropriate care in selecting an Intermediary who is a reputable entity that meets the Recipient's integrity regime and Know-Your-Client requirements; (ii) enter with the Intermediary into agreements as may be needed, setting out terms and conditions reflecting the requirements of this Agreement; and (iii) take all necessary actions to cause the Intermediary to comply with the obligations under this Agreement, noting however that the Recipient shall remain at all times primarily liable to CMHC for the fulfillment of all obligations under this Agreement; and

(g) be, and cause the Units and any property on which the Units will be constructed and operated to be, at all times in compliance with all applicable laws including environmental laws and municipal zoning, in all material respects.

### **3. Return of Contribution**

In support of the implementation of the RHI to rapidly house some of the most vulnerable Canadians affected by the COVID-19 crisis, the Recipient will select projects that can be implemented within the short period of time specified in the Investment Plan. As a consequence, the Recipient agrees to the following:

(a) CMHC may periodically review the progress in fulfilling the Investment Plan. Where CMHC or the Recipient considers that there may be reasonable doubt any part of the Investment Plan will be fully and timely

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<sup>2</sup>The 30 days period starts as of the date the Recipient receives its notice of allocation, notwithstanding whether or not the Recipient already signed this Agreement.

<sup>3</sup> If the Recipient has projects in excess of their initial allocation for consideration for future contributions that may be available, the Recipient should provide additional information (e.g. expediency of project completion; evidence of long-term viability), which may be considered by CMHC in connection with any future funding under the RHI.

<sup>4</sup> The Recipient should, where possible, select and engage Indigenous governing bodies or organizations with the necessary experience and capacity as their intermediaries to construct, operate and deliver housing targeted at Indigenous peoples under this Agreement.

delivered as expected, or where the Recipient has not started a project within 3 months of the approved Investment Plan, the Parties shall consult together and make all efforts to find an acceptable solution that minimizes impacts on the projects and that is in the best interest of the RHI implementation, following which CMHC may reduce or cancel the Contribution to the extent that CMHC considers reasonable. In that case, the Recipient shall return any such reduced or cancelled Contribution within 30 days of being notified in writing by CMHC.

(b) The Recipient shall return to CMHC any undisbursed funds within 30 days of the Quarterly Attestation (as defined below) for the quarter in which all projects set out in the Investment Plan are completed, and in all cases no later than May 30, 2022, unless otherwise agreed by CMHC.

#### **4. Disposition, Conversion, and Encumbrance of Units**

(a) The Recipient shall not make any Disposition or conversion, or permit any Disposition or conversion to be made, of the Units or any lands acquired with the Contribution, without the prior written consent of CMHC, who may impose any conditions its deems necessary and appropriate, acting reasonably.

(b) The Recipient may not encumber the Units or any lands acquired with the Contribution without CMHC's prior written consent, acting reasonably.

#### **5. Reporting**

The Recipient agrees it will:

(a) deliver an attestation to CMHC within 30 days of each of March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022, unless directed otherwise by CMHC, and in accordance with **Schedule C** (the "**Quarterly Attestation**"); and

(b) deliver an attestation to CMHC within 60 days of the Recipient's fiscal year end, commencing in the first fiscal year ending after March 31, 2022 and on each fiscal year thereafter, until the completion of the Term and in accordance with **Schedule C** (the "**Yearly Attestation**").

#### **6. Projects Stream**

The Recipient may, as part of the Investment Plan submitted under this Agreement for RHI funding pursuant to the *Major Cities Stream*, ask CMHC to be also considered for RHI funding pursuant to the *Projects Stream*. To do so, the Recipient must provide and include in the Investment Plan in the form and content attached as **Schedule B**, all additional information that is necessary for the *Projects Stream*, for CMHC's review and approval. In this scenario, the Investment Plan will serve for both RHI streams.

#### **7. Schedules**

Schedules attached hereto, including the Investment Plan (**Schedule B**) and the Additional Terms (**Schedule D**), form a part of this Agreement.

**[Signature pages follow]**

**IN WITNESS WHEREOF** the Parties hereto have duly executed this Agreement as of the date first written above.

**CANADA MORTGAGE AND HOUSING CORPORATION**

700 Montreal Rd  
Ottawa, Ontario  
K1A 0P7

\_\_\_\_\_  
**Name:**  
**Title:**

\_\_\_\_\_  
**Name:**  
**Title:**

*[Signature page for the Rapid Housing Initiative Agreement  
between Canada Mortgage and Housing Corporation and [Recipient]]*



**[RECIPIENT]**

**[Address]**

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**Name:**

**Title:**

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**Name:**

**Title:**

*[Signature page for the Rapid Housing Initiative Agreement  
between Canada Mortgage and Housing Corporation and **[Recipient]**]*

## SCHEDULE A

### Definitions

"**Affordability Criteria**" means:

All units must serve and be affordable (household is paying less than 30% of gross income on housing costs) to targeted People and Populations Who Are Vulnerable and who are also, or otherwise would be, in severe housing need or people experiencing or at high risk of homelessness as described below. Affordability must be maintained for a minimum of 20 years. The Recipient will be required to confirm, through an attestation, that all units serve the intended targeted population. CMHC may require incremental validation throughout the 20-year affordability period as needed.

A household in severe housing need is a subset of core housing need households that pays 50% or more for their current dwelling. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

Homelessness is described as the situation of an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. Populations at imminent risk of homelessness are defined as individuals or families whose current housing situation will end in the near future (for example, within 2 months) and for whom no subsequent residence has been established.

A Recipient who has already adopted its own definitions for 'severe core housing need', 'homelessness' or at 'risk of homelessness' may, with approval of CMHC, apply such definitions to the Affordability Criteria. Otherwise, the definitions for these terms indicated herein apply.

"**Disposition**" means, with respect to a Recipient, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any property or of any right, title or interest in or to any property.

"**In Disrepair**" means Units which are abandoned and/or in disrepair and no longer adequate for occupancy would be eligible for acquisition and rehabilitation if, in the opinion of a qualified expert (including a structural engineer, architect, and building inspector) they cannot be made safe and adequate for occupancy without undertaking a substantial or complete renovation of the entire existing building(s) including dwelling units.

"**Modular Housing Units**" means housing units which are partially or fully built in off-site (e.g. a factory, warehouse, or similar facility) by a qualified manufacturer and delivered to the site in whole or in parts and installed on an appropriately zoned and serviced lot. This may range between single, scattered units up to larger multi-unit housing projects.

"**People and Populations Who Are Vulnerable**" means the following groups and the individuals belonging to these groups:

- Women and children fleeing domestic violence;
- Seniors;
- Young adults;
- Indigenous peoples;
- People with disabilities;

- People dealing with mental health and addiction issues;
- Veterans;
- LGBTQ2+;
- Racialized groups;
- Black Canadians;
- Recent immigrants or refugees; and
- Homeless people or those at risk of homelessness.

**SCHEDULE B**

**Investment Plan**

[see attached]

**SCHEDULE C**

**Reporting**

**Quarterly Attestation**

[see attached]

**Yearly Attestation**

[see attached]

## SCHEDULE D

### Additional Terms

Parties agree to the following additional terms and conditions:

#### 1. Termination

In the event that the Recipient (or a representative thereof) does not adhere to the terms and conditions of this Agreement, or commits fraud, misconduct, criminal acts, gross negligence or willful misconduct, CMHC may immediately terminate this Agreement and declare the Contribution to be repayable to CMHC in whole or in part, and may exercise any other rights and remedies it has by operation of law or equity. Sections 2, 3 and 4 of this **Schedule D** shall survive the expiry or termination of this Agreement.

#### 2. Indemnification

The Recipient agrees to indemnify and save harmless the Government of Canada, CMHC, its officers, directors and employees against all claims, demands, actions, suits or other proceedings (including but not limited to environmental claims) of any nature whatsoever arising from or as consequence of or relating to (a) any breach by the Recipient of its obligations, or any misrepresentation by the Recipient under this Agreement, (b) the construction or operation of the Units, (c) the failure of the Recipient to comply with all environmental laws or losses suffered in connection with the presence of any hazardous material on the land upon which Units are situated; or (d) any act or failure to act on the part of the Recipient in connection with the Contribution or the Units, whether or not CMHC is named as a party.

#### 3. Liability

CMHC shall not be liable to the Recipient or any other party in relation to the Contribution. To the extent the Recipient engages or retains any third party in respect of its obligations under this Agreement, the Recipient shall remain primarily liable to CMHC for the fulfillment of its obligations under this Agreement. For the purposes of this Agreement, CMHC will only deal with the Recipient, and not with third parties retained by the Recipient including the Intermediary.

#### 4. Recipient's Representations and Warranties

(a) The Recipient has the requisite power, authority and capacity to execute, deliver and perform its obligations under this Agreement, which has been duly authorized, executed, and delivered by the Recipient and constitutes a legal, valid, and binding obligation of the Recipient.

(b) The Recipient and any property on which the Units are situated are in compliance with all applicable laws, including all environmental laws and municipal zoning, in all material respects.

(c) It is a condition of this Agreement that all representations and warranties made in this Agreement or any other document or reporting by the Recipient are true, complete and correct.

#### 5. Official Languages

In areas of significant demand, the Recipient agrees to provide all information and services pertaining to the RHI in both French and English. The Recipient will use the criteria for communications and services in the *Official Languages Regulations* made pursuant to Canada's *Official Languages Act* as a guideline to determine "significant demand". The Recipient will consult with representatives of local minority language groups.

## **6. Information and Communications**

(a) Subject to the *Access to Information Act* (Canada), the *Privacy Act* (Canada), and the applicable provincial, territorial or municipal freedom of information and privacy legislation, the Parties shall hold confidential any information clearly identified and marked as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Nothing in this Agreement shall be construed in a manner that would contravene the access to information and privacy legislation that applies to the Parties.

(b) The Recipient consents to the collection, use and disclosure of information submitted to CMHC by the Recipient for the following purposes: (i) to assess the Recipient's eligibility under the RHI; (ii) for analytics, policy analysis, auditing and research by CMHC; (iii) to communicate to the Recipient possible opportunities under other CMHC programs, or possible collaboration opportunities with third parties; (iv) for evaluation of the RHI; (v) for use by CMHC in and the Government of Canada for purposes related to the *National Housing Act* (Canada); and (vi) for information verification and due diligence purposes, including to detect and protect CMHC from errors and fraud. The Recipient shall obtain the foregoing consents from any third party intermediary engaged by the Recipient to construct and/or operate the Units.

(c) CMHC and its representatives are authorized to use and disclose the information, on a need to know basis, to CMHC employees, officers and directors, the office of the Minister responsible for CMHC and provincial/territorial/municipal entities collaborating with CMHC for the purposes outlined in Section 6(b) of this **Schedule D**.

(d) Any public communications related to projects under this Agreement must be approved in advance by CMHC. Notwithstanding the preceding, each Party retains the right to communicate information to Canadians about the projects to meet its respective legislated and regulatory obligations, with prior notice to the other Party.

(e) If requested by CMHC, the Recipient shall publicly acknowledge CMHC's and the Government of Canada's Contribution under this Agreement in a manner acceptable to CMHC, acting reasonably, including through use of signage at the project (at the costs of CMHC).

## **7. Audit**

(a) CMHC and any of its officers, employees and agents shall have the right to inspect, audit and make extracts from the Recipient's books and records in relation to the Contribution upon its request, acting reasonably, until the completion of the Term.

(b) CMHC or a third party representative may conduct onsite visits to inspect and monitor the construction and operation of the Units and compliance with the terms and conditions of this Agreement. All site visits are for CMHC's program and risk management purposes only and are not to be considered a technical inspection to confirm the quality of the work or the Recipient's compliance with applicable laws, including building codes.

## **8. Notice**

Delivery of notice under this Agreement shall be effective three days after posting by regular mail, or on the day following transmission by e-mail, to the Parties at addresses set out on the signature pages of this Agreement.

## **9. Independent Recipient**

The Parties agree that under this Agreement CMHC is solely a financial contributor in respect of the Units and there shall be no legal partnership or joint venture between CMHC and the Recipient or the Intermediary. No

Party will use the name, logo or marks of the other party without the prior express written consent of that other party.

**10. Costs**

The Recipient is responsible for its own costs and expenses incurred in connection with the preparation, execution, enforcement and implementation of this Agreement.

**11. Conflict of Interest**

The Recipient shall avoid any conflict of interest during the Term of this Agreement and shall immediately declare any existing, potential or apparent conflict and shall, upon direction of CMHC, take steps to eliminate any conflict, or perception that a conflict of interest exists.

**12. House of Commons/Senate**

No member of the House of Commons or the Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

**13. Assignment and Amendment**

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their successors and assigns. This Agreement may not be assigned by a Party without the prior written consent of the other Party. Any amendment to this Agreement must be approved by both Parties in writing.

**14. Counterparts**

This Agreement may be executed in any number of counterparts, which taken together will be deemed to constitute one and the same instrument. This Agreement may be executed by electronic signature and such electronic signature shall be deemed to be an original signature for the purpose of this Agreement with the same legal effect as a manual signature.

**15. Waiver**

The failure of CMHC to insist on strict compliance with one or more of the terms of this Agreement shall not constitute a waiver of its right to enforce those terms at a later date. No provision of this Agreement shall be deemed to have been waived as a result of a breach by either Party of the provisions of this Agreement, unless such waiver is in writing and signed by CMHC. Any such waiver shall not be deemed a waiver for a subsequent breach of the same or any other provision of this Agreement.

**16. Governing Law and Jurisdiction**

This Agreement will be governed by and construed in accordance with the laws of the province or territory where the Units are situated, and the federal laws of Canada applicable therein. The courts of such jurisdiction shall exclusively hear any dispute related to this Agreement. Funding under this Agreement is at all times subject to appropriations by the Parliament of Canada.

**17. Entire Agreement**

This Agreement contains all of the agreements and understandings between the Parties and no other representations or warranties, verbal or otherwise, exist between the Parties. If any provision of this Agreement



is held by a competent authority to be invalid, illegal or unenforceable for any reason, the remaining provisions of this Agreement and any schedules attached hereto, will continue to be in full force and effect.

**18. Additional Funds**

Notwithstanding Section 17 of this **Schedule D**, if following the Effective Date, the Recipient is allocated - under either RHI streams - additional RHI funds that are separate and in addition to what is provided in the initial Investment Plan<sup>5</sup> under this Agreement (the "**Additional Funds**"), CMHC may use this Agreement as a basis for its agreement with the Recipient in relation to the Additional Funds. If the Recipient accepts such allocation, and unless directed otherwise by CMHC, it shall deliver an additional investment plan substantially in the form of the Investment Plan attached as **Schedule B** (the "**Additional Investment Plan**") in respect of the Additional Funds (including the additional contribution, units and applicable term) within 30 days of receiving notice of the additional allocation, for CMHC's review and approval at its sole discretion. The terms and conditions of this Agreement, as varied by the Additional Investment Plan, shall apply to the Additional Funds mutatis mutandis unless otherwise agreed by the Parties.

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<sup>5</sup> For the avoidance of doubt, as per section 6 of the Agreement, the initial Investment Plan may itself comprise RHI funds pursuant to both RHI streams, without the need for an Additional Investment Plan for the *Project Stream* at that initial stage. Additional Funds are separate and in addition to the initial Investment Plan, and require an Additional Investment Plan.