

*Signed version*



**SUPPLEMENTARY AGREEMENT NO. 2**

APR - 8 2009 , 2009

Mr. Shayne Ramsay  
Chief Executive Officer  
British Columbia Housing  
Management Commission,  
4555 Kingsway, Suite 1701  
Burnaby, BC V5H 4V8

Dear Mr. Ramsay:

**Re: Federal Funding for 2009 Extension of Affordable Housing Initiative  
Federal Funding for Economic Stimulus under the Affordable Housing  
Initiative**

I am pleased to provide this Supplementary Agreement No. 2 to enable British Columbia to access funding for the 2009 extension of the Affordable Housing Initiative ("2009 Extension"), and for economic stimulus measures under Canada's Economic Action Plan through the Affordable Housing Initiative ("Economic Stimulus").

CMHC and British Columbia Housing Management Commission (BCHMC) agree that this Supplementary Agreement No. 2 enables BCHMC to receive further CMHC Funding in the maximum amount of \$31.66 million for the 2009 Extension, in addition to the Phase I and Phase II CMHC Funding pursuant to the CMHC - British Columbia Affordable Housing Program Agreement dated December 13, 2001 (the "Original Agreement"), the Supplementary Agreement dated September 9, 2004 (the "Supplementary Agreement") and all amendments and supplements to them preceding this letter (all together the "Existing Agreements").

CMHC and BCHMC agree as well that this Supplementary Agreement No. 2 enables BCHMC to receive still further CMHC Funding in the maximum amount of \$150.61 million for the Economic Stimulus.

Part A of this Supplementary Agreement No. 2 applies to the 2009 Extension of the Affordable Housing Initiative, Part B applies to Phase I, Phase II and the 2009 Extension, Part C applies to the Economic Stimulus, and Part D applies to Phase I, Phase II, the 2009 Extension and the Economic Stimulus.

**PART A: PROVISIONS APPLICABLE ONLY TO THE 2009 EXTENSION**

1. All provisions of the Existing Agreements that apply to Phase II apply equally to the 2009 Extension, insofar as they are not inconsistent with this Supplementary Agreement No. 2. All references to Schedule B are deemed to be references to Schedule B - 2009 Extension referred to in paragraph 5 below.
2. This Part A of this Supplementary Agreement No. 2 applies only to the CMHC Funding and Contributions by Others for the purposes of the 2009 Extension, pursuant to commitments made by BCHMC only from and after April 1, 2009 to not later than March 31, 2012.
3. CMHC agrees to contribute a maximum amount of \$31.66 million in CMHC Funding.
4. Between April 1, 2009 and March 31, 2013, for the 2009 Extension the actual cumulative total of Contributions by Others shall be at least equal to the actual cumulative total of CMHC Funding. The Contributions by Others for the 2009 Extension are in addition to the Contributions by Others pursuant to the Existing Agreements.
5. BCHMC agrees to provide to CMHC a proposed completed Schedule B - 2009 Extension that complies with all the requirements of this Part A within one month of the date that the signing of this Supplementary Agreement No. 2 is completed. CMHC will review it and the Parties will seek to reach agreement on it promptly. The format for this schedule is appended to this Supplementary Agreement No. 2 and will be replaced by the completed and agreed-to version. CMHC Funding is conditional on first having in place a completed Schedule B - 2009 Extension that is agreed to by both BCHMC and CMHC. Schedule B - 2009 Extension applies separately to the 2009 Extension.
6. CMHC Funding is subject to compliance with the environmental assessment and mitigation requirements as set out in the Canadian Environmental Assessment Act, S.C. 1992, c. 37 and its regulations, as amended from time to time (collectively, the "CEAA"). CMHC will supply to BCHMC a current guideline (including any updates, as necessary) that BCHMC will apply. In requesting CMHC Funding for any commitment, BCHMC will confirm to CMHC that it has ensured that the use of CMHC Funding by BCHMC will comply with the CEAA guideline.
7. Not later than seven months after each of the 2009-2010 and 2010-2011 Fiscal Years, BCHMC shall provide CMHC with a summary of commitments of CMHC Funding for that Fiscal Year as of six months after the end of that Fiscal Year. CMHC may cancel any CMHC Funding for that Fiscal Year which has not been so committed in accordance with Schedule B - 2009 Extension.

8. For the 2011-2012 Fiscal Year, BCHMC shall provide CMHC with a summary of commitments of CMHC Funding to March 31, 2012 not later than April 30, 2012. CMHC may cancel any CMHC Funding which has not been so committed in accordance with Schedule B - 2009 Extension.

9. No claim will be paid by CMHC unless it is received not later than 90 days after the end of the Fiscal Year in which its Costs were incurred, but in any event not later than June 30, 2012.

10. CMHC may lead a Canada-wide evaluation of the Affordable Housing Programs under the 2009 Extension and BCHMC will be invited to participate in the design and conduct of the evaluation. BCHMC will provide financial and client information for the Programs in support of the evaluation. BCHMC is not responsible for the cost of the evaluation, but may choose to participate in supplemental surveys or studies.

11. Notwithstanding paragraph 4.3 of the Original Agreement, no minimum amount of CMHC Funding for the 2009 Extension need be spent in Remote communities and areas.

12. The words "urban centres" in the first sentence of paragraph 4.1 of the Supplementary Agreement do not apply to the 2009 Extension, so that the following applies:

"CMHC Funding shall be used only in respect of Projects of Affordable Housing for the benefit of low-income households who are on, or are eligible to be on, a waiting list for social housing, in a manner approved by BCHMC, and who reside in an area with considerable housing need. The Housing must be affordable to these targeted households on the basis of geared-to-income rent levels that would not exceed 30% of total household income, or for those targeted households in receipt of Income Assistance the rent charged will not exceed the Shelter Component of Income Assistance."

#### **PART B: PROVISIONS APPLICABLE TO PHASE I, PHASE II AND THE 2009 EXTENSION**

1. Effective for Fiscal Years starting after March 31, 2009, Schedules C.1 and C.2 to the Original Agreement as replaced by the Supplementary Agreement are hereby replaced respectively with revised Schedules C.1 and C.2 appended to this Supplementary Agreement No. 2.

#### **PART C: PROVISIONS APPLICABLE TO THE ECONOMIC STIMULUS**

1. CMHC agrees to contribute a maximum amount of \$150.61 million in CMHC Funding for the Economic Stimulus. BCHMC may use this amount only for Programs in Schedule G, appended to this Supplementary Agreement No. 2, only for commitments made by BCHMC from and after January 27, 2009 to not later than March 31, 2011, and only in accordance with Schedule B - Economic Stimulus referred to in paragraph 3 below, including the Plan set out in Part One of Schedule B - Economic Stimulus. All changes to the agreed-to Schedule B - Economic Stimulus will require the agreement of CMHC and BCHMC.

2. Between January 27, 2009 and March 31, 2012, for the Economic Stimulus the actual cumulative total of Contributions by Others to Programs in Schedule G shall be at least equal to the actual cumulative total of CMHC Funding. The Contributions by Others for this Economic Stimulus are in addition to the Contributions by Others pursuant to the Existing Agreements and for the 2009 Extension.
3. BCHMC agrees to provide to CMHC a proposed completed Schedule B - Economic Stimulus that complies with all the requirements of this Part C within one month of the date that the signing of this Supplementary Agreement No. 2 is completed. CMHC will review it and the Parties will seek to reach agreement on it promptly. The format for this schedule with Part One completed is appended to this Supplementary Agreement No. 2 and will be replaced by the completed and agreed-to version. CMHC Funding is conditional on first having in place a completed Schedule B - Economic Stimulus that is agreed to by both BCHMC and CMHC. Schedule B - Economic Stimulus applies separately to the Economic Stimulus. For greater certainty the Parties confirm that they have already agreed on Part One and that Part Five is included as an advisory only.
4. BCHMC shall provide to CMHC within one month after the end of each calendar quarter a completed report for that quarter of information as called for in Schedule C.3 appended to this Supplementary Agreement No. 2.
5. BCHMC shall ensure that commitments are implemented promptly. If construction has not begun within 3 months of the date of a commitment, CMHC may in its discretion, after discussion with BCHMC, cancel CMHC Funding for that commitment.
6. BCHMC shall submit claims for payments of CMHC Funding no less frequently than in each calendar quarter. No claim will be paid by CMHC unless it is received not later than 90 days after the end of the Fiscal Year in which its Costs were incurred, but in any event not later than June 30, 2011.
7. Where not all of the CMHC Funding is committed as set out in Part One of Schedule B - Economic Stimulus as of the end of the Fiscal Year indicated, the uncommitted CMHC Funding for that Fiscal Year shall be automatically cancelled.
8. CMHC may periodically review the progress in fulfilling the Plans set out in Schedule B - Economic Stimulus. Where CMHC or BCHMC considers that there may be some doubt that the Plans will be fully and timely realized, CMHC and BCHMC shall consult together. If CMHC concludes, based on performance compared to the Plans originally agreed to under this Part C, paragraph 3, that the Plans may not be fully and timely realized, CMHC may reduce, to the extent that CMHC considers reasonable, one or more amounts of CMHC Funding that are uncommitted. CMHC will discuss with BCHMC prior to proceeding with a reduction.
9. For Program G3 – Economic Stimulus: Renovation and Retrofit of Social Housing, paragraphs 4.1 and 4.2 of the Supplementary Agreement do not apply.

10. For the Economic Stimulus, in Schedule C of the Existing Agreements, reference to Schedule C.1 shall be read as reference to Schedule C.4 and reference to Schedule C.2 shall be read as reference to Schedule C.5. Schedules C.4 and C.5 are appended to this Supplementary Agreement No. 2.

11. Paragraphs 6, 10 and 11 of Part A of this Supplementary Agreement No. 2 apply to the Economic Stimulus. Paragraph 12 of Part A of this Supplementary Agreement No. 2 applies to Programs G1 and G2 of Schedule G. All other provisions of the Existing Agreements that apply to Phase II apply to the Economic Stimulus, except where they are not consistent with this Part C or Part D below.

**PART D: PROVISIONS APPLICABLE TO PHASE I, PHASE II, THE 2009 EXTENSION AND THE ECONOMIC STIMULUS**

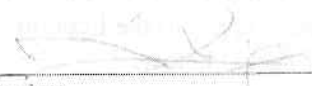
1. No Unit may receive an aggregate combined total of more than \$75,000 of CMHC Funding under all Programs, including the Schedule G Programs, and including Program Management and Administration Costs. For Phase II, the 2009 Extension and the Economic Stimulus, for each Unit, the maximum combined amount of CMHC Funding shall not exceed the lesser of (i) \$75,000 and (ii) 50% of the Capital Costs for that Unit, including Program Management and Administration Costs. This is subject to any restrictions or lower limits indicated in the key elements of any Program. For Phase I the overall average maximum of \$25,000 remains.

2. CMHC and BCHMC agree that, notwithstanding anything in Schedule D in the Existing Agreements, effective April 1, 2009:

- a) The Parties shall co-operate in organizing press conferences, announcements and official ceremonies. The Parties will agree on the messages and public statements at such events. The Parties shall agree if, when and where special ceremonies and events will be held. Neither Party nor any municipality, applicant or contributor shall make any public announcement for a project, without first securing the agreement of the other Party. A Party must be informed of a proposed joint event at least 20 working days prior to the planned date of the event. No arrangements shall be made for events until the other Party agrees to the event.
- b) Either Party may organize a joint press conference. The requester shall give the other Party notice of at least 20 working days of such a press conference, public announcement or joint event, which shall not be presented by one Party to another as final. The federal and British Columbia Ministers, or the designated representative for each Party, may participate in these press conferences, which shall be held on a date and at a location that are agreed upon.
- c) BCHMC agrees to adhere to federal government visibility requirements for the Economic Stimulus as will be provided by CMHC. Federal visibility requirements may include, but are not limited to, items such as branding (e.g. Canada's Economic Action Plan) and signage.

If you agree, please confirm your agreement by signing this Supplementary Agreement No. 2 in duplicate and return one original to me.


Yours truly,

  
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Karen Kinsley  
President

BCHMC agrees

BRITISH COLUMBIA HOUSING  
MANAGEMENT COMMISSION

Date: APR - 8 2009, 2009

  
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per: Shayne Ramsay  
Chief Executive Officer