

CMHC – ONTARIO
AFFORDABLE HOUSING PROGRAM AGREEMENT
(NEW AGREEMENT)

AGREEMENT effective April 1, 2003

Between CANADA MORTGAGE AND HOUSING
CORPORATION ("CMHC")

and HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF ONTARIO as represented by the Minister
of Public Infrastructure Renewal ("Ontario");

WHEREAS CMHC and Ontario agree on the importance of increasing the supply of Affordable Housing for agreed upon target groups;

AND WHEREAS CMHC is an agent of Her Majesty in right of Canada pursuant to the Canada Mortgage and Housing Corporation Act, R.S.C. 1985, c. C-7 as amended ("CMHC Act") and the National Housing Act, R.S.C. 1985, c. N-11 as amended ("NHA"), and is entering into this Agreement as such an agent;

AND WHEREAS the Minister of Public Infrastructure Renewal has the authority to enter into this Agreement pursuant to an Order In Council dated March 26, 2004, on behalf of her Majesty the Queen in right of Ontario, and is entering into this Agreement in that capacity;

AND WHEREAS the Parties wish to amend the Affordable Housing Program Agreement made the 30th day of May 2002 between CMHC and Her Majesty the Queen in Right of Ontario as represented by the Minister of Municipal Affairs and Housing ('Original Agreement') and also wish to enter into a new agreement in relation to additional funding and to the balance of the uncommitted CMHC Funding and Contributions by Others for which no claim is being made under the Original Agreement;

AND WHEREAS within the Government of Ontario the Minister of Public Infrastructure Renewal has succeeded to the responsibilities of the Minister of Municipal Affairs and Housing in relation to the Original Agreement and its subject matter;

NOW THEREFORE, CMHC and Ontario hereby agree as follows:

1. INTERPRETATION

Definitions

1.1 In this Agreement, unless the context requires otherwise,

“Affordable Housing” means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, and is priced at or below average market housing rents or selling prices for comparable housing in a community or area at levels affordable to agreed upon target groups who are on or are eligible to be on social housing waiting lists and are further described in paragraph 2.1, and includes but is not limited to the acquisition, construction, development, operation, rehabilitation or renovation of such Housing;

“Affordable Housing Program” or **“Program”** means a program in Schedule A or E;

“Capital Costs” means the costs, or forgiveness of the costs, to acquire, construct, rehabilitate or renovate a fixed capital asset, including material, labour, land and soft costs;

“CMHC Funding” means the amount specified in paragraph 4.1, but subject to change in accordance with this agreement;

“Contributions by Others” means cash or in-kind eligible contributions from the Government of Ontario, municipalities, the private sector, the voluntary sector, charities and individual donors used in accordance with a Program or Programs. It includes, but is not limited to: cash or in-kind contributions for capital and operating support to Affordable Housing, including: land; grants, including affordability payments over time to support capital costs for Affordable Housing; payments to individuals or housing providers to create Affordable Housing for those individuals such as rent supplements, housing allowances, and shelter allowances; waivers or reductions in taxes, fees and charges including Provincial Land Transfer Taxes and municipal property taxes, development charges and other municipal fees and charges; reductions in project costs such as mortgage insurance premiums resulting from the actions of the Government of Ontario, a municipality or other donor; reductions in on-going costs such as reductions in monthly carrying costs, and reductions in operating costs resulting from the actions of the Government of Ontario, a municipality or other donor; and any other cost reduction or subsidy for the creation of Affordable Housing that would not otherwise occur in the absence of the action of the Government of Ontario, a municipality or other donor. It does not include contributions from any other Government of Canada sources including but not limited to the CMHC-Ontario Social Housing Agreement dated November 15, 1999, nor

contributions which receive credit under any agreement with CMHC outside this Agreement;

“Effective Date” means April 1, 2003;

“Fiscal Year” means twelve-month period ending on March 31;

“Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

“Program Management and Administration Costs” means the cost of performing tasks under this Agreement including costs for communications and agents used in the delivery of the Affordable Housing Programs;

“Project” means Affordable Housing proposed or approved for a Program under this Agreement;

“Project Development Funding (PDF)” means CMHC Funding and Contributions by Others advanced to Project proponents for Projects under Program A1, A2, A3 or A4 of Schedule A of this Agreement subject to the following:

- (i) Notwithstanding Paragraph 3.4, PDF may be paid prior to the signing of an agreement made pursuant to Paragraph 3.4;
- (ii) PDF shall be advanced after the Project has been selected and a conditional letter of commitment or equivalent has been issued in accordance with the Program; and
- (iii) PDF shall be used for technical pre-development activities for the Project, including but not limited to planning, legal, engineering and architectural studies.

“Remote” means Ontario north of the French River, including Nipissing District, excluding Indian Reserves.

“Unit” means a self-contained residential dwelling or as may be otherwise defined in Schedule A or E for particular Programs.

1.2 All Schedules to this Agreement form part of this Agreement. In case of inconsistency between a paragraph or paragraphs of this Agreement and a Schedule, the paragraph or paragraphs prevail.

1.3 Ontario may act in this Agreement through the Ministry of Public Infrastructure Renewal.

2 OBJECTIVE AND SCOPE

- 2.1 The objective of the Parties is to increase the off-reserve supply of Affordable Housing in Ontario for agreed upon target groups that are on or are eligible to be on social housing waiting lists by establishing and implementing Affordable Housing Programs under this Agreement. Priority will be given to, but not limited to, Aboriginal peoples, recent immigrants, persons with disabilities, persons suffering from mental illness, victims of domestic violence and the working poor.
- 2.2 CMHC Funding shall only be used for the Capital Costs of Housing within, and Management and Administration Costs for, Affordable Housing Programs in Schedule A or for housing allowances/rent supplements in accordance with paragraph 4.1.1 and further described in Program A5 of Schedule A.
- 2.3 Ontario shall impose and enforce a requirement that the Housing under each Program be and remain Affordable Housing for not less than 20 years, except for:
- a) Program A5 of Schedule A for which the requirement that the Housing be and remain Affordable Housing shall be imposed and enforced by Ontario for 5 years; and,
 - b) Programs under Schedule E for which the requirement that the Housing be and remain Affordable Housing shall be imposed and enforced by Ontario for not less than 10 years.
- 2.4 Ontario may modify the key elements of Programs with the prior concurrence of CMHC.
- 2.5 Ontario may add programs to or remove Programs from Schedules A and E with the prior concurrence of CMHC.
- 2.6 The terms of this Agreement apply to any CMHC Funding and Contributions by Others under the Original Agreement that have not been committed as of the date this Agreement is signed by the Parties, save and except for the monies set out in clauses 4.1(a) (i) and (ii) of this Agreement, and subject to the following requirements:
- a) Ontario shall have the option of determining whether such uncommitted CMHC Funding under the Original Agreement shall be used in accordance with the definition of Affordable Housing in paragraph 1.1 of this Agreement or in accordance with the definition of Affordable Housing in paragraph 1.1 of the Original Agreement.

b) The overall average amount of such uncommitted CMHC Funding under the Original Agreement that is committed pursuant to this Agreement shall not exceed \$25,000 per unit for Programs as identified in Schedule A.

2.7 Notwithstanding paragraph 2.6 of this Agreement, paragraphs 4.8, 4.9 and 5.3 of this Agreement apply to Program A1, A2 or A3 of Schedule A of the Original Agreement and CMHC Funding and/or Contributions by Others thereunder.

2.8 The Original Agreement is hereby amended by deleting Parts One, Two and Three of Schedule B and replacing them with Parts One, Two, Three and Four of Schedule B of this Agreement.

3 DELIVERY AND ADMINISTRATION OF PROGRAMS

3.1 Ontario is responsible for setting additional criteria for the Programs that are consistent with the key elements in Schedules A and E and the requirements of this Agreement.

3.2 Ontario is responsible for Project commitment based on an identified need for Affordable Housing.

3.3 Ontario is responsible for evaluating and approving or otherwise disposing of Project applications.

3.4 Ontario is responsible for ensuring that there is an agreement for each approved Project which will specify the terms and conditions for the payment of any CMHC Funding and for any Contributions by Others for the Project.

3.5 Ontario is responsible for verifying that each approved Project has been completed according to the terms of this Agreement prior to claiming final payment of CMHC Funding and Contributions by Others for the Project.

3.6 Ontario is responsible for monitoring and ensuring compliance with this Agreement after Project completion.

3.7 Ontario may enter into arrangements under which municipalities, Service Managers under the Social Housing Reform Act, 2000 or other persons or bodies perform functions that are the responsibility of Ontario under this section. Notwithstanding any such arrangements, Ontario remains directly responsible and CMHC will relate and look to Ontario alone in regard to these functions.

4 FINANCIAL PROVISIONS

4.1 CMHC Funding under this Agreement represents CMHC's contribution to the Programs in Schedule A. CMHC Funding under this Agreement consists of:

(a) The \$244,710,000 of CMHC Funding under the Original Agreement not committed under the Original Agreement as of the date this Agreement is signed by the Parties, minus the sum of:

- (i) any amounts for which a progress claim is made by Ontario pursuant to commitments made by Ontario under any Program in Schedule A of the Original Agreement;
- (ii) any eligible Program Management and Administration Costs claimed by Ontario under the Original Agreement.

(b) \$121,580,000 of CMHC Funding under this Agreement.

CMHC Funding by Schedule A Program and by Fiscal Year is specified in Schedule B.

4.1.1 CMHC and Ontario agree that CMHC shall designate \$80,000,000 of CMHC Funding for a housing allowance/rent supplement program, described as Program A5 of Schedule A, subject to the following requirement:

- a) Any CMHC Funding under this paragraph for the housing allowance/rent supplement program that is not used for housing allowances/rent supplements in accordance with that program shall, with prior CMHC approval, be used only for the Capital Costs of Housing within, and Management and Administration Costs for, Affordable Housing Programs in Schedule A.

4.2 The overall average amount of CMHC Funding shall not exceed the limits per Unit for Programs as identified in Schedule A.

4.3 CMHC Funding may be reallocated among Programs in Schedule A and Fiscal Years with prior CMHC approval, but all CMHC Funding for Remote Programs in Part Two of Schedule B must be spent for those Programs in Remote communities and areas.

4.4 No more than 25% of the total CMHC Funding for Urban Programs in Part Two of Schedule B may be allocated to homeownership, lease-to-own or life-tenancy Projects.

4.5 Contributions by Others (Part Three of Schedule B) may be reallocated among Programs by Ontario who will inform CMHC of the changes.

- 4.6. By March 31, 2009, the actual cumulative total of Contributions by Others for all Programs shall be at least equal to the total CMHC Funding. For cost matching purposes, Ontario's share of the Contributions by Others under this Agreement shall be at least 85% of the CMHC Funding.
- 4.7. For Contributions by Others the value of in-kind contributions will be the fair market value of the contributions. The value of ongoing contributions will be the present value of the projected annual contributions for up to 10 years under the Original Agreement and up to 20 years under this Agreement, determined in a manner acceptable to CMHC. The value of ongoing contributions other than cash will be deemed as expensed and actually contributed to an approved Project on the date the agreement for the Project is executed.
- 4.8. Not later than seven months after the end of each of 2005/06, 2006/07 and 2007/08 Fiscal Years, Ontario 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.
- 4.9. For the 2008/2009 Fiscal Year, Ontario shall provide CMHC with a summary of commitments of CMHC Funding to March 31, 2009 not later than April 30, 2009. CMHC may cancel any CMHC Funding which has not been committed in accordance with Schedule B by March 31, 2009.
- 4.10. In the event that the cumulative total of Contributions by Others exceeds the cumulative total of CMHC Funding in relation to programs under Schedule A of this Agreement, CMHC and Ontario agree that the excess Contributions by Others may be considered for cost matching any future federal housing investments or programs in the Province of Ontario.

5. PAYMENT PROCEDURES

- 5.1. CMHC shall make periodic payments of CMHC Funding to Ontario based on progress claims submitted by Ontario in a form acceptable to CMHC and according to a mutually agreed-upon time frame. The claims will be for Capital Costs and Program Management and Administration Costs incurred, and for housing allowances/rent supplements in accordance with Program A5 of Schedule A.
- 5.2. CMHC Funding payments to Ontario will be adjusted annually based on the audited Annual Statement of Expenditures referred to in Schedule C of this Agreement.
- 5.3. 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 March 31, 2010. For the housing allowance/rent supplement program described as Program A5 of Schedule A, claims will be paid not later than March 31, 2013.

6 ACCOUNTABILITY FRAMEWORK

- 6.1 CMHC and Ontario agree that governments must be accountable to their constituents for the use of public funds through an open and transparent process which identifies expected results, measures performance, reports results to the public and provides for follow-up. The Parties therefore agree to implement the Affordable Housing Program Accountability Framework in Schedule C.
- 6.2 Ontario shall on reasonable grounds and reasonable notice give CMHC access to its documents, books, records and accounts to verify compliance with this Agreement.

7. COMMUNICATIONS PROTOCOL

- 7.1 CMHC and Ontario agree on the need for open, transparent, effective and pro-active communications with citizens through ongoing public information activities that recognize the contributions of each Party. For the purpose of the Original Agreement and this Agreement, effective the date of an agreement to replace Schedule D to the Original Agreement, Schedule D will hereby be replaced with a revised Schedule D, which the Parties agree to make best efforts to finalize within 30 days following the execution of this Agreement. This includes all activities covered by this Agreement and including joint recognition for any and all Housing funded through CMHC Funding or Contributions by Others for Programs in Schedules A and E representing the amounts in Parts Two and Three of Schedule B.
- 7.2 There shall be a Joint Committee to administer the Communications Protocol in Schedule D.
- 7.3 In areas of significant demand, Ontario agrees to provide all information and services pertaining to the Affordable Housing Programs in both French and English. Ontario will use the criteria for information and services in the Official Languages Regulations made pursuant to Canada's Official Languages Act as a guideline to determine "significant demand". Ontario will also apply any criteria under Ontario's French Language Services Act and its Regulations, that would further enhance service to French language groups. Ontario will consult with representatives of local minority language (French or English) groups.

8. GENERAL

(a) CMHC Funding is subject to the necessary appropriations from Parliament. CMHC has no liability in case there are no or insufficient appropriations for CMHC Funding or the total appropriations available for CMHC undertakings are insufficient for all of CMHC's undertakings.

(b) Contributions by Others from the Government of Ontario are subject to the necessary appropriations from the Legislature. Ontario has no liability in case there are no or insufficient appropriations for Contribution by Others from the Government of Ontario or the total appropriations available for Ontario undertakings are insufficient for all of Ontario's undertakings.

8.2 This Agreement may be amended by written agreement of CMHC and Ontario.

8.3 No member of the House of Commons or Senate of Canada or Legislative Assembly of Ontario shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising there from.

8.4 (a) Subject to clauses (b), (c), (d), (e), (f) and (g), Ontario agrees to indemnify CMHC and save it harmless from all costs, damages, expenses, injury and liability whatsoever which CMHC may suffer as a result of claims of any sort (collectively, "Claims" and individually, a "Claim"), arising out of the implementation of this Agreement, but this indemnity does not apply with respect to Claims:

- (i) arising from any circumstances for which coverage is provided under an insurance policy or claims fund to the extent that CMHC is indemnified or covered under such policy or fund; or
- (iii) to the extent such Claims are in any way, directly or indirectly, attributable to the negligence, bad faith or willful misconduct of CMHC.

(b) Ontario's maximum liability to CMHC under its indemnity in clause (a) shall be limited in the aggregate to the amount of CMHC Funding claimed under this Agreement by Ontario and paid by CMHC to Ontario in the aggregate less any CMHC Funding refunded by Ontario to CMHC in accordance with Paragraph C.1.9 of Schedule C of this Agreement.

(c) In order to be entitled to indemnification under clause (a), CMHC shall comply with the following terms and conditions:

- (i) CMHC shall give prompt notice to Ontario, with all available particulars, of any proceeding whether actual or threatened, in respect of which indemnity may be sought under this Agreement and of all claims made in it;
- (ii) upon the written request of Ontario, CMHC shall furnish to Ontario copies of all documents and provide any other information relating to the Claim(s) that is in the possession or under the control of CMHC;
- (iii) CMHC shall take all reasonable steps necessary to secure and preserve its rights in respect of the Claim(s) and, to the extent that CMHC has a right to commence a proceeding against another person (whether for damages or indemnification or otherwise) in respect of a matter for which CMHC claims indemnification from Ontario hereunder, CMHC shall assign that right to Ontario and subrogate Ontario to that right to the extent of the amounts paid by Ontario or for which Ontario is liable hereunder;
- (iv) CMHC shall not voluntarily assume any liability in respect of or settle or compromise a Claim or any proceeding relating thereto without obtaining Ontario's prior written consent;
- (v) Ontario shall have the right to participate in or assume control of the negotiation, settlement or defense of the Claim(s) and any proceedings relating thereto or appeal thereof, but Ontario may not settle any action commenced against CMHC without the written consent of CMHC.
- (vi) if Ontario elects to participate in or assume control of the negotiation, settlement or defense of the Claim(s) and any proceedings relating thereto or appeal thereof, CMHC shall aid Ontario in securing information and evidence and the attendance of any witnesses and cooperate fully with Ontario (except in a pecuniary way) in such negotiation, settlement or defense, and shall agree to be represented by legal counsel chosen by Ontario, unless, in the opinion of such legal counsel, there would arise a conflict of interest preventing such legal counsel from representing CMHC, and, where it is such legal counsel's opinion that a conflict of interest prevents their representing CMHC, CMHC shall be entitled, subject to Ontario's prior written approval, to retain legal counsel of its choice (it being understood that Ontario may withhold its approval in relation to any counsel proposed by CMHC who does not agree to retainer terms, including fees, consistent with the policies of the Ministry of the Attorney General of Ontario), and the fees and expenses of

CMHC's counsel incurred in its representation shall be costs to which this indemnity extends;

- (vii) if Ontario is not also a party to the Claim, CMHC shall consent to any order or leave that may be applied for by Ontario to be added as a party or to be allowed to make representations on its own behalf without being a party;
- (viii) the expenses incurred by CMHC in investigating, defending or appealing any Claim(s) shall, at CMHC's request, be paid by Ontario as may be appropriate to enable CMHC to properly investigate, defend or appeal such Claims(s), with the understanding that if it is ultimately determined that CMHC is not entitled to be indemnified hereunder, CMHC shall immediately repay such amount(s) so paid, which shall become payable as a debt due to the Crown of Ontario.

(d) CMHC and Ontario agree to share on a 50/50 basis all costs and expenses in relation to losses for Project Development Funding for Projects under an Affordable Housing Program pursuant to this Agreement, and clause (a) does not apply to costs and expenses in relation to such losses.

(e) CMHC and Ontario agree on a case-by-case basis to share on a 50/50 basis all losses, costs, damages, expenses, injury and liability whatsoever which either CMHC or Ontario may suffer as a result of any environmental or pollution claims of any sort arising out of the implementation of this Agreement except as caused or contributed to by CMHC or Ontario other than by entering into or fulfilling this Agreement, and clause (a) does not apply to such losses, costs, damages, expenses, injury and liability.

(f) For the purposes of clause (e), "agree on a case-by-case basis" shall mean that CMHC and Ontario, on or about the time of Project commitment, have each determined in writing that there are or may be environmental or pollution claims in relation to that Project and agree that all losses, costs, damages, expenses, injury and liability in relation to those claims are to be shared by CMHC and Ontario on a 50/50 basis.

(g) This paragraph does not require Ontario to indemnify CMHC or save it harmless from direct loan losses or from liability to pay lenders their losses and incidental amounts in respect of loans that are insured by CMHC, nor against any claim or legal proceedings against CMHC with respect to any obligations to Aboriginals regarding matters outside this Agreement.

- 8.5 Neither Party may assign this Agreement without the consent of the other, such consent not to be unreasonably withheld.
- 8.6 Where CMHC concludes an agreement for purposes similar to the purposes of this Agreement with any other province of Canada, and that agreement taken as a whole is materially different from this Agreement, then Ontario may require CMHC to agree to amend this Agreement so that taken as a whole it affords similar treatment to Ontario as the other agreement affords to the other province.
- 8.7 Within 120 days following the execution of this Agreement by the Parties and prior to making the first claim for payment of CMHC Funding, Ontario shall provide CMHC with a plan. The plan shall be in a format agreed to by the Parties and shall set out by municipality (i) the intended number of qualifying units under Programs and (ii) the intended amount of CMHC Funding to be used. The plan shall ensure that CMHC Funding is used in accordance with this Agreement. Ontario shall not permit any contents of the plan to be made public until at least 30 days after it has been provided to CMHC. For the purposes of this paragraph, CMHC Funding shall mean the \$121,580,00.00 referred to in clause 4.1(b) of this Agreement.

9. CONTACTS

Any notice pursuant to this Agreement shall be in writing and delivered by hand to the Parties at the following coordinates:

CMHC at: Canada Mortgage and Housing Corporation
Attention: Vice-President, Policy and Planning
700 Montreal Road
Ottawa, Ontario
K1A 0P7
Fax: (613) 748-4793

Ontario at: Ministry of Public Infrastructure Renewal
Attention: Assistant Deputy Minister, Housing
777 Bay Street, 16th Floor
Toronto, Ontario
M5G 2E5
Fax: (416) 585-6800

or at such other coordinates in Canada as either Party may stipulate for itself in writing to the other.

This Agreement is executed on behalf of the Parties by their duly authorized officers:

Canada Mortgage and Housing Corporation

The Honourable Joseph Frank Fontana
Minister of Labour
Minister for Canada Mortgage and
Housing Corporation and the *National
Housing Act*

Date: _____

Per: _____
Karen Kinsley, President

Date: _____

**HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF ONTARIO as
represented by the Minister of Public
Infrastructure Renewal**

The Honourable David Caplan
Minister of Public Infrastructure Renewal

Date: _____

Geoffrey C. Hare
Deputy Minister of Public Infrastructure
Renewal

Date: _____

SCHEDULE A

Program A1 – Round 1 – RENTAL COMPONENT

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	To create Affordable rental Housing in Ontario by private sector and not-for-profit corporations for agreed upon target groups.
2) DEFINITION OF HOUSING AFFORDABILITY	Affordable rent is defined as: 1) at or below average rent in a community. Average rent is as determined annually in the CMHC rental market survey or 2) levels affordable to agreed upon target groups who are on or eligible to be on social housing waiting lists.
3) GEOGRAPHIC AREA	In areas that have a significant need for housing
4) USE OF CMHC FUNDING Eligibility Level of Assistance Other	<p>Eligible projects will create:</p> <ul style="list-style-type: none"> new rental Units (new construction, conversion of non-residential and residential buildings, addition of Units within existing buildings including mixed use buildings, direct acquisition of residential buildings and renovations to rental buildings); <p>These new Units may include:</p> <ul style="list-style-type: none"> supportive rental Housing where service funding is secured from sources other than under this Agreement; unilateral social housing; multi-bedroom Units which are used for congregate living; and, disabled/accessible Units <p>Excluded projects:</p> <ul style="list-style-type: none"> nursing and retirement homes; federal social housing in receipt of ongoing federal subsidies, save and except for Rural and Native Homeownership (RNH) units; shelters and crisis care facilities; and ownership Housing. <p>The methodology to be used to determine the amount of CMHC Funding to be provided to an applicant will be determined by Ontario or the Service Manager.</p> <p>The maximum level of CMHC Funding per Unit will not exceed \$25,000 per Unit created on average under Programs A1, A2 and A3.</p>

5) CONTRIBUTION BY OTHERS	Will match federal contributions
6) AFFORDABILITY ASSURANCE	<p>Agreement with owner requiring affordability for a minimum of twenty years.</p> <p>The agreement is to be binding and enforceable, even in case of change of ownership.</p> <p>The agreement may have a provision forgiving up to the full amount of the principal during the term of the agreement.</p>
7) MODESTY ASSURANCE	Housing will be modest relative to community norms in terms of floor area and amenities as determined by Ontario or the Service Manager.

SCHEDULE A (continued)

Program A2 - AFFORDABLE HOME OWNERSHIP PROGRAM

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	To ease the demand for rental Housing by assisting rental households to purchase affordable homes.
2) DEFINITION OF HOUSING AFFORDABILITY	Affordable selling price is defined as: 1) at or below the average market selling price for the housing market area, and not more than what is affordable to households at the 60 th percentile of income or 2) levels affordable to agreed upon target groups who are on or are eligible to be on social housing waiting lists.
3) GEOGRAPHIC AREA	Homes located in urban areas designated by the province or municipality (e.g. Community Improvement Project Areas in the Planning Act, Business Improvement Area in the Municipal Act).
4) USE OF CMHC FUNDING	<ul style="list-style-type: none"> ○ Eligibility Eligible projects are homes built in neighbourhood revitalization areas. Eligible applicants are those who are moving from rental and buying sole and principal residences which are newly built homes. ○ Level of Assistance No more than 25% all CMHC Funding used for Urban programs will be available for this Program. The maximum level of CMHC Funding per unit will not exceed \$25,000 per unit created on average under Programs A1, A2 and A3. ○ Others
5) CONTRIBUTION BY OTHERS	Will match federal contributions.
6) AFFORDABILITY ASSURANCE	<p>Agreement with owner requiring affordability for a minimum of twenty years.</p> <p>The agreement is to be binding and enforceable, even in case of change of ownership.</p> <p>The agreement may have a provision forgiving up to the full amount of the principal during the term of the agreement.</p>
7) MODESTY ASSURANCE	Housing will be modest relative to community norms in terms of floor area and amenities as determined by Ontario or the Service Manager.

SCHEDULE A (continued)

Program A3 - AFFORDABLE REMOTE HOUSING PROGRAM

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	To create, acquire or rehabilitate through renovation, Affordable rental or ownership Housing in Remote areas.
2) DEFINITION OF HOUSING AFFORDABILITY	Affordable is defined as 1) Housing costs at or below the average market selling price or rent (as determined in the CMHC annual rental market survey) for the housing market area, and not more than what is affordable to households at the 60 th percentile of income or 2) levels affordable to agreed upon target groups who are on or are eligible to be on social housing waiting lists.
3) GEOGRAPHIC AREA	Remote areas.
4) USE OF CMHC FUNDING	
<ul style="list-style-type: none"> o Eligibility 	<p>Eligible projects include:</p> <ul style="list-style-type: none"> • ownership Housing which is the sole and principal residence and requires renovation or rehabilitation, replacement (i.e. condition too poor to warrant repairs), additional square footage to accommodate the current household; • unilateral social housing; • new sole and principal residence ownership; • new rental Housing; • Repairs to existing social housing; • Transitional housing; • Secondary suites; and • Acquisition and rehabilitation of existing rental housing. <p>Excluded projects:</p> <ul style="list-style-type: none"> • secondary residences; • federal social housing in receipt of ongoing federal subsidies, save and except for Rural and Native Homeownership (RNH) units; • nursing and retirement homes; and • shelters and crisis care facilities. <p>The methodology to be used to determine the amount of CMHC Funding to be provided to an applicant will be determined by Ontario.</p>
<ul style="list-style-type: none"> o Level of Assistance 	The maximum level of CMHC funding is \$25,000 per Unit created on average under Programs A1, A2 and A3.
<ul style="list-style-type: none"> o Other 	

5) CONTRIBUTIONS BY OTHERS	Will match federal contributions
6) AFFORDABILITY ASSURANCE	<p>Agreement with owner requiring affordability for a minimum of twenty years.</p> <p>The agreement is to be binding and enforceable, even in case of change of ownership</p> <p>The agreement may have a provision forgiving up to the full amount of the principal during the term of the agreement.</p>
7) MODESTY ASSURANCE	Housing will be modest relative to community norms in terms of floor area and amenities as determined by Ontario.

SCHEDULE A (continued)

Program A4 – ROUND 2 – RENTAL COMPONENT

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	To increase the supply of affordable housing for agreed upon target groups that are on or are eligible to be on social housing waiting lists. Priority will be given to, but not limited to: <ul style="list-style-type: none"> • Aboriginal peoples; • Recent immigrants; • Persons with disabilities; • Persons suffering from mental illness; • Victims of domestic violence; and • The working poor.
2) DEFINITION OF HOUSING AFFORDABILITY	Affordable is defined as levels affordable to agreed upon target populations.
3) GEOGRAPHIC AREA	In areas that have a significant need for housing.
4) USE OF CMHC FUNDING	<p>Eligibility</p> <p>RENTAL UNITS:</p> <ul style="list-style-type: none"> • New rental Units including new construction, acquisition, conversion, addition of units and repairs and renovations; • Supportive rental Housing where service funding is secured from sources other than under this Agreement; • Multi-bedroom Units which are used for congregate living; • Disabled/accessible Units; • Unilateral social housing; • Transitional housing; • Repairs to existing housing stock that meets/will meet affordability requirements, including social housing; • Secondary suites in ownership housing; <p>EXCLUDED RENTAL PROJECTS:</p> <ul style="list-style-type: none"> • Nursing and retirement homes; • federal social housing in receipt of ongoing federal subsidies, save and except for Rural and Native Homeownership (RNH) units; • Shelters and crisis care facilities; and • Ownership Housing. <p>Level of Assistance</p> <p>The maximum level of federal assistance will be 50% of Capital Cost to a maximum of \$75,000 per Unit.</p> <p>Other</p>
5) CONTRIBUTION BY OTHERS	Will match federal funding

6) AFFORDABILITY ASSURANCE	Agreement with owner requiring affordability for a minimum of twenty years. The agreement is to be binding and enforceable, even in case of change of ownership. The agreement may have a provision forgiving up to the full amount of the principal during the term of the agreement.
7) MODESTY ASSURANCE	Housing will be modest relative to community norms in terms of floor area and amenities.

SCHEDULE A (continued)

Program A5 - HOUSING ALLOWANCE/RENT SUPPLEMENT PROGRAM

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	As an exceptional interim measure, to create rental Affordable Housing for low-income households on or eligible to be on social housing waiting lists in rental markets with high vacancy rates, through housing allowances/rent supplements on existing vacant Units.
2) DEFINITION OF HOUSING AFFORDABILITY	Monthly cost to household ("net monthly rent") must be affordable for targeted eligible households.
3) GEOGRAPHIC AREA	In areas that have a significant need for housing.
4) ELIGIBILITY	
o Eligible Units	<p>Only rental Units that are vacant at the time of their approval for this Program are eligible. There may be substitution of Units within a commitment.</p> <p>Eligible Units must be modest in terms of size and amenities based on household needs and community norms. Units must meet applicable minimum health and safety standards.</p> <p>Units shall be selected through open, competitive public process using best-buy principles. Service managers will encourage landlords to offer incentives that effectively reduce gross monthly rents.</p> <p>A Unit that receives any amount of CMHC Funding under this Program must be fully targeted.</p>
o Eligible Rent Levels	Monthly rent (comprising payment for fully-serviced accommodation supplied with heat, water, hot water, stove and refrigerator) before deduction of CMHC Funding and Contributions by Others ("gross monthly rent") shall not exceed average market rents for the applicable area. Adjustments will be made where Units are not fully serviced.
o Targeted Households	Eligible households are low-income households who are in agreed upon target groups that are on or eligible to be on social housing waiting lists. Some priority will be given to, but not limited to, Aboriginal peoples, recent immigrants, persons with disabilities, persons suffering from mental illness, victims of domestic violence and the working poor.
o Type of assistance	Unit-oriented housing allowances/rent supplements

<p>5) USE OF CMHC FUNDING</p> <ul style="list-style-type: none"> o Level of Assistance o Maximum CMHC Funding o Duration of Assistance 	<p>CMHC Funding will be used to bridge all or a portion of the gap between gross and net monthly rents.</p> <p>The maximum CMHC Funding for all Programs under Schedule A combined for any one Unit (including substitutes) in any event is \$75,000. Not more than \$25,000 for any one Unit may come out of the CMHC Funding described in clause 4.1 (a) of the New Agreement.</p> <p>(a) No commitment of CMHC Funding may be made under this Program after March 31, 2008.</p> <p>(b) CMHC Funding may not be committed for nor expended for a Unit and any substitute(s) for it for more than five years, commencing from the commitment date.</p>
<p>6) CONTRIBUTIONS BY OTHERS</p>	<p>There may be Contributions by Others under this Program, but they are not required. Commitments of Contributions by Others for cost-matching purposes may be made until March 31, 2009.</p>
<p>7) AFFORDABILITY ASSURANCE</p>	<p>Each Unit (or substitute) must remain Affordable for targeted households as long as it receives CMHC Funding or Contributions by Others for cost-matching purposes.</p>
<p>8) EXIT STRATEGY</p>	<p>Municipal service managers will determine and implement appropriate transition strategies for Units (or substitutes) whose commitments have expired under the Program with the support of CMHC and Ontario.</p>
<p>9) DELIVERY/ADMINISTRATION</p>	<p>Service managers will deliver and administer the ongoing Program through agreements with landlords and will ensure the Program Objective is being achieved.</p>
<p>10) FINANCIAL AND CLAIMS</p>	<p>For clarification purposes, CMHC and Ontario confirm that any progress claim by Ontario for CMHC Funding under this Program will be paid by CMHC according to a mutually agreed upon time frame, provided it is received by CMHC 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 March 31, 2013.</p>

SCHEDULE B

**CMHC FUNDING ALLOCATIONS AND EXPENDITURES,
AND CONTRIBUTIONS BY OTHERS**

Part One - CMHC Funding Allocations

	CMHC Funding (millions of dollars)							
	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	Total
Original Agreement	1.16	5.98	31.65	68.92				107.71
New Agreement				11.84	44.00	39.00	83.74	178.58
New Agreement – Housing Allowance\ Rent Supplement Program				1.83	73.41	4.76		80.00
Total Allocation	1.16	5.98	31.65	82.59	117.41	43.76	83.74	366.29

Part Two - Planned CMHC Funding Expenditures

Program	CMHC Funding (millions of dollars)											
	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	TOTAL
A1 – Round 1 – Rental Component	0.00	1.96	26.02	63.02	5.41	5.72	6.05	3.26				111.44
A2 – Affordable Home Ownership Program	0.00	0.00	1.53	1.00	7.39	0.00	0.00	8.08				18.00
A3 – Affordable Remote Housing Program	1.00	1.00	1.03	1.00	6.71	0.00	0.00	5.26				16.00
A4 – Round 2 – Rental Component	0.00	0.00	0.00	10.29	20.58	32.46	36.1	22.15				121.58
Administration	0.16	3.02	3.07	5.45	3.91	0.82	1.85	0.99				19.27
A5 – Housing Allowance/Rent Supplement Program				0.13	9.48	15.99	15.99	15.99	15.88	6.54	0.00	80.00
Total	1.16	5.98	31.65	80.89	53.48	54.99	59.99	55.73	15.88	6.54	0.00	366.29

Part Three – Planned Contributions by Others

Program or Additional Affordable Housing	Total Amount of Expenditure (\$ millions)	Contributing Party	Nature of Contributions*	
Original Agreement				
A1 – Round 1 – Rental Component	123.10	Province, municipalities, others	Cash, land, other	
A2 – Affordable Home Ownership Program	1.52	Province	Cash, other	
Schedule E Contributions	25.04	Province	Cash, other	
Subtotal	149.66			
New Agreement				
		Contributing Party	Share (\$ millions)	Nature of* Contributions
A1 – Round 1 – Rental Component	26.15	Province	22.31	Cash, land, other
		Municipalities and others	3.84	Reduced property tax rates, cash, other
A2 – Affordable Home Ownership Program	25.44	Province	25.44	Cash, land, other
		Municipalities and others	Additional	Reduced property tax rates, cash, other
A3 – Affordable Remote Housing Program	14.00	Province	14.00	Cash, land, other
		Municipalities and others	Additional	Reduced property tax rates, cash, other
A4 – Round 2 – Rental Component	211.41	Province	176.47	Cash, land, other
		Municipalities and others	34.94	Reduced property tax rates, cash, other
A5 – Housing Allowance/Rent Supplement Program	0.00	Not Applicable	Not Applicable	Not Applicable
Schedule E Contributions	12.30	Province	12.30	Cash, other
Subtotal (New Agreement)	289.30			
Total (Both Agreements)	438.96			

* May include cash, appraised value of land, present value of up to a 20-year stream of payments (e.g. Affordability Payment) calculated in a manner acceptable to CMHC, under this agreement. Under the original agreement, present value of contributions is over a period of up to 10 years.

Part Four - Planned Eligible Unit Commitments

Program or Additional Affordable Housing	Estimated Number of Units					
	2002/2005*	2005/2006**	2006/2007**	2007/2008**	2008/2009**	Total
A1 – Round 1 – Rental Component	3,600*	700	334	226	342	5,202
A2 – Affordable Home Ownership Program	382*	503	1,215	329	2,071	4,500
A3 – Affordable Remote Housing Program	150*	181	453	82	634	1,500
A4 – Round 2 – Rental Component			1,507	1,018	1,550	4,075
A5 – Housing Allowance/Rent Supplement Program		100	4,464	436	0	5,000
Schedule E Programs	283*	TBD	TBD	TBD	TBD	283*
Total	4,415*	1,484	7,973	2,091	4,597	20,560

* Actual Unit Commitments.

** Planned Unit commitments are based on average capital cost contributions and contributions from other sources that may be achieved to reduce development costs or cost of repairs. For Housing Allowance/Rent Supplement Program estimated number of Units is based on the number of housing allowances/rent supplements under contract with landlords.

SCHEDULE C

ACCOUNTABILITY FRAMEWORK

C.1 Audit

- C.1.1 Ontario will prepare an Annual Statement of Expenditures in the format set out in Schedule C.5.
- C.1.2 The Annual Statement of Expenditures must be audited by an auditor licensed to practice in Ontario.
- C.1.3 The audit is to be conducted in accordance with generally accepted auditing standards and may rely on the audit work of other professionals.
- C.1.4 The auditor is to provide an opinion as to whether or not the Annual Statement of Expenditures presents the data fairly and whether or not Ontario has complied with the terms of the Affordable Housing Program Agreement (New Agreement) of April 29, 2005.
- C.1.5 The auditor is to provide details on any irregularities and non-compliance and state or estimate (when it cannot be stated) the dollar amounts involved.
- C.1.6 Ontario will provide the Annual Statement of Expenditures and auditor's opinion to CMHC within six months after the end of the Fiscal Year.
- C.1.7 Ontario will correct any deficiencies noted by the auditor within a reasonable period of time.
- C.1.8 CMHC Funding may be withheld if the deficiencies are not corrected within a reasonable period of time.
- C.1.9 Ontario shall refund to CMHC any CMHC Funding which has not been expended for Affordable Housing in accordance with the New Agreement.
- C.1.10 CMHC is not responsible for the cost of the audit.

C.2 Reporting

- C.2.1 Ontario will report publicly on projects completed during the Fiscal Year. The Parties mutually agree that the report will be in a format consistent with and containing the information set out in Schedule C.6. Ontario will provide a copy of this report to CMHC. If there is any inconsistency with the Annual Statement of Expenditures Ontario will provide a reconciliation.

C.3 Program Evaluation

- C.3.1 CMHC will lead a Canada-wide evaluation of the Affordable Housing Programs in 2006 and Ontario will be invited to participate in the design and conduct of the evaluation.
- C.3.2 Ontario will provide financial and client information for the Programs in Schedules A and E in support of the evaluation. Ontario is not responsible for the cost of the evaluation, but may choose to participate in supplemental surveys or studies.

C.4 First Fiscal Year

- C.4.1 For this Accountability Framework the first Fiscal Year is 2005/06.

SCHEDULE C.5

**ANNUAL STATEMENT OF EXPENDITURES
FOR THE FISCAL YEAR ENDED MARCH 31, 20__ (\$ THOUSANDS)**

Expenditures Current Fiscal Year	New Agreement		
	CMHC Funding Used	Contributions by Others Used	Schedule B Part Two
Cost-Shared Programs (Schedule A Programs)			
A1 - Round 1 – Rental Component			
A2 - Affordable Home Ownership Program			
A3 - Affordable Remote Housing Program			
A4 - Round 2 – Rental Component			
A5 - Housing Allowance/Rent Supplement Program			
Subtotal			
Cost-Matched Programs (Schedule E Programs)			
E1 - New Affordable Housing Program for Persons with Mental or Developmental Disabilities			
E2 - Special Affordable Housing Projects			
Subtotal			
I Subtotal Project Contributions			
Administration Expenses			
Delivery and Administration Costs			
Agent Fees			
Communications			
II Subtotal Administration Expenses			
III Total Funding Used (I + II)			

Note:

CMHC Funding Used is based on the accrual method of accounting

Reconciliation of CMHC Funding	Beginning Balance	Current Year	Total
IV Total CMHC Funding Received (including A/R)			
V Total CMHC Funding Used			
Underpayment or overpayment in Total CMHC Funding (IV-V)			
VI Amount Payable by CMHC			
Amount Refundable to CMHC			

Notes:

IV+VI must be less than or equal to CMHC Funding contained in signed agreements and PDF Funding

IV+VI must be less than or equal to the actual cumulative total of Contributions by Others by March 31, 2009 (A/R - Accounts Receivable)

Cumulative Funding and Contributions	\$ Thousands Total Planned 2003/04— 2009/2010*	\$ Thousands Beginning Balance Used	\$ Thousands Used This Year	\$ Thousands Used To Date
CMHC Funding Programs A1 to A4				
CMHC Funding Program A5	80,000			
CMHC Funding Used in Homeownership				
Contributions by Others (excluding Municipalities and Province)				
Contributions by Municipalities (eligible only)				
Contributions by Province				

The following section shall appear on the reports provided after March 31, 2009:

Amount Refundable to CMHC

Note:

A refund will be due to CMHC if, after March 31, 2009, the Cumulative Total of CMHC Funding Used exceeds Cumulative Total Contributions by Others Used; or if Total CMHC Funding Received is more than the Total of CMHC Funding in Signed Contribution Agreements; or if Cumulative Total CMHC Funding Used for Homeownership exceeds quota as set out in this Agreement; or if contributions by municipalities exceed quota as set out in this Agreement.

* 2005/2006 - 2012/2013 for Program A5

**SCHEDULE C.6
PERFORMANCE REPORT TEMPLATE**

For Projects Completed and Housing Allowance/Rent Supplement Commitments * Between April 1, 200__ and March 31, 20__**

Commitment Number	Location	Name of Contribution Recipient	Program Name, Number and Agreement	Total Units	Number of Units Receiving CMHC Funding*			Average Rent or Price of Unit Created** or Renovated or H.A./R.S.		Clientele and Number of Units	Average Client Income (\$)	Total CMHC Funding (\$)	Total Contributions by Others (\$)	Total Contributions by Others (\$) Note 13		
					Housing Supply	Major Renovation	Housing All./Rent Supp.	Average Rent of Unit (\$)	Average Price of Unit (\$)					Province	Municipality	Others
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6		Note 7	Note 8	Note 9	Note 10	Note 11	Note 12			

Notes on Schedule C.6

Note 1 - Name of municipality (or group of municipalities if scattered Units)

Note 2 - Name of organization or individuals receiving CMHC Funding or Contributions by Others

Note 3 - Program name, number and Agreement

Note 4 - Total Units whether within Program or not

Note 5 - *Number of Units created** with CMHC Funding

Note 6 - *Number of Units renovated with CMHC Funding

Note 7 - Average rent of Unit created** or renovated or receiving H.A./R.S., net to occupants after all subsidies. Includes all Program Units, whether CMHC Funding or Contributions by Others

Note 8 - Average sale price of Unit created** or renovated, net to occupants after all subsidies. Includes all Program and additional Units, whether CMHC Funding or Contributions by Others

Note 9 - Family, senior, single, Aboriginal, disabled, recent immigrant or non-specific clientele. Show breakdown as applicable.

Note 10 - Average household income per Unit. Includes all Program Units.

Note 11 - Total CMHC Funding claimed or to be claimed for Project

Note 12 - Total Contributions by Others

Note 13 - Total qualifying Provincial and eligible municipal and others' contributions

* Exclude from these numbers Units counted under any other federal or federal-provincial shelter funding program. Include these Units in the calculation of Average Rent or Price, and in all the other columns.

** Created includes converted from non-residential and acquired.

*** Include a H.A./R.S. commitment only in the Fiscal Year in which the CMHC Funding starts flowing under it.

SCHEDULE D

COMMUNICATIONS PROTOCOL AFFORDABLE HOUSING PROGRAMS

D.1 GENERAL

- D.1.1 CMHC and Ontario agree to undertake joint communications activities and products that will enhance opportunities for open, transparent, effective and pro-active communications with citizens through appropriate, continuous and consistent public information activities that recognize the contributions of the Parties and the applicant. This protocol applies to communications on Projects receiving CMHC Funding or Contributions by Others under Programs in Schedules A and E.
- D.1.2 All public information material in relation to this Agreement shall be prepared jointly and shall equitably reflect the contributions of the Parties.

D.2 JOINT COMMITTEE

- D.2.1 The Joint Committee is a forum for sharing information on Affordable Housing Program Projects, planning and approving communications plans, materials and activities, but may elect to address other Program issues by mutual agreement.
- D.2.2 The Joint Committee will continue to exist and operate for as long as is necessary to meet the requirements of this Agreement.
- D.2.3 The Joint Committee will consist of two members appointed by the CMHC Minister and two members appointed by the Minister of Public Infrastructure Renewal.
- D.2.4 The Joint Committee will be headed by two Co-chairs. The CMHC Minister will appoint one of his or her two members as the CMHC Co-chair and the Minister of Public Infrastructure Renewal will appoint one of his or her two members as the Ontario Co-chair.
- D.2.5 The Joint Committee will meet at least twice each year.
- D.2.6 The Joint Committee shall approve an annual communications plan and budget.

D.3 COMMUNICATING WITH APPLICANTS

- D.3.1 The Ontario Co-chair will ensure that the CMHC Co-chair is provided with information on each Project application which has been approved five business days before any communication of the approval to the applicant.
- D.3.2 Project approval notifications in a form acceptable to both Parties shall identify the CMHC–Ontario Affordable Housing Program as a source of funding.
- D.3.3 All public information material related to calls for tendering shall clearly and prominently indicate that the Project is funded pursuant to this Agreement.

D.4 COMMUNICATING WITH THE PUBLIC

Public Information Products

- D.4.1 The Parties may develop information kits, brochures, public reports, and web site material to inform potential applicants and the public about the Affordable Housing Programs.

News Releases

- D.4.2 A joint news release shall be issued when this Agreement is signed. Unless the Parties decide otherwise, there shall be a joint news release for each approved Project or group of Projects, in which each Party will have equal importance. A news release may include quotations from a federal, provincial and municipal elected official and the applicant. The Parties must agree on these quotations. The Parties shall agree on the timing of the news release. Press conferences, public announcements and other joint events
- D.4.3 The Parties shall co-operate in organizing press conferences, announcements and official ceremonies. The Parties should also agree on the messages and public statements at such events. The Parties may agree that special ceremonies and events be held at an appropriate location and time. Neither Party nor any municipality, applicant or contributor, shall make any public announcement for a Project under this Agreement unless the other Party has been informed of it at least seven days in advance.
- D.4.4 Either Party may organize a joint press conference. The requester shall give the other Party notice of at least seven days of such a press conference, public announcement or joint event. The federal and Ontario 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.

- D.4.5 The signing of this Agreement shall be the subject of an official ceremony.
- D.4.6 The Parties shall work together to organize such announcements or official ceremonies, and shall follow a mutually agreed-upon order of precedence. The Parties should jointly agree on the messages and public statements at such events.

Signage

- D.4.7 Where applicable, the Joint Committee shall ensure that the applicant provides and installs temporary signage at a prominent location where there is visible activity related to an approved Project. The signage shall indicate that it is a CMHC - Ontario - municipal (as applicable) Affordable Housing Program Project, bear a message approved by the Joint Committee, and remain in place throughout the construction period.
- D.4.8 Design, wording and specifications of joint signs shall reflect the participation of CMHC and Ontario and must be approved by both Parties. Signs shall have appropriate spaces indicating participation by the municipality and the applicant, if requested.
- D.4.9 The Parties shall issue specifications for signs and time frames for their installation. Temporary signs must be removed within 90 days of Project completion.
- D.4.10 CMHC and Ontario may provide and install, where appropriate, a plaque or permanent sign bearing an appropriate inscription. The design, wording and specifications of such permanent signs shall be in accordance with this Schedule and must be approved by both Parties.

Advertising

- D.4.11 Either Party may organize an advertising or public information campaign related to the Affordable Housing Programs. However, it must inform the other Party of the contents of the campaign's messages at least 30 days before it is launched.

Payments

- D.4.12 Payments to approved applicants under the Affordable Housing Programs will identify the Government of Canada as a source of funding.

D.5 COST SHARING

- D.5.1 Unless otherwise agreed by the Joint Committee, CMHC and Ontario will determine equitable cost-sharing arrangements for the costs associated with the development and delivery of communications products and activities in the approved communications plan and budget. This would apply to literature, media distribution, organization of joint special events, as established by both Parties.
- D.5.2 Costs associated with any public announcement and official ceremony shall be eligible costs. Other costs of the Parties to organize such events would be borne by the Parties using an equitable cost-sharing formula.
- D.5.3 Costs associated with any temporary or permanent signage incurred shall be eligible costs. Such costs of the Parties would be borne by the Parties using an equitable cost-sharing formula.
- D.6.1 “Municipal” and “municipality” include public bodies designated by Ontario as the local functionary for Programs.

SCHEDULE E

**Program E1 - NEW AFFORDABLE HOUSING PROGRAM FOR PERSONS
WITH DEVELOPMENTAL DISABILITIES OR PERSONS WITH
MENTAL ILLNESS**

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	To provide housing for: A. adults with developmental disabilities in community settings; B. people with chronic mental illness who are currently or may be at risk of becoming homeless, or who may be inappropriately housed in shelters, psychiatric hospitals, or correctional facilities.
2) DEFINITION OF HOUSING AFFORDABILITY	Shelter costs for clients are based on Ontario Works and Ontario Disability Support Program established rates.
3) FORM OF HOUSING	Supportive Housing.
4) FORM OF CONTRIBUTIONS BY OTHERS	A. Multi-year capital funding for persons with developmental disabilities. B. Housing Allowances/Rent Supplements for supportive housing units under the community mental health strategy.
5) SOURCE OF FUNDS	Provincial funds.
6) AFFORDABILITY ASSURANCE	A. Agreements with owners which may be secured by mortgage or other lien registered on land title until repaid or discharged after a minimum of ten years, and binding and enforceable even in case of change of ownership. B. For duration of MOHLTC funding.
7) MODESTY ASSURANCE	Housing will be modest relative to community norms in terms of floor area and amenities as determined by Ontario.

SCHEDULE E (continued)**Program E2 - SPECIAL AFFORDABLE HOUSING PROJECTS**

KEY ELEMENTS	
1) PROGRAM OBJECTIVE	To develop a limited number of special Projects of shared, supportive or self-contained new Affordable Housing.
2) DEFINITION OF HOUSING AFFORDABILITY	Definition of affordable rental on a site-by-site basis. Affordable Housing has rent or selling price at or below average rent or selling price in the community.
3) FORM OF HOUSING	Shared, supportive and self-contained housing.
4) FORM OF CONTRIBUTIONS BY OTHERS	Land, capital funding, operating subsidies for Housing only.
5) SOURCE OF FUNDS	Province of Ontario or municipalities.
6) AFFORDABILITY ASSURANCE	Agreements with owners which may be secured by mortgage or other lien registered on land title until repaid or discharged after a minimum of ten years, and binding and enforceable even in case of change of ownership.
7) MODESTY ASSURANCE	Housing will be modest relative to community norms in terms of floor area and amenities as determined by Ontario.