



BC Housing

UMBRELLA AGREEMENT

DATED FOR REFERENCE JANUARY 1, 2015

BCH FILE #0146-45/241

BETWEEN

CAPITAL REGION HOUSING CORPORATION
631 Fisgard Street, Victoria, British Columbia V8W 1R7

("CRHC")

AND

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Suite #1701 - 4555 Kingsway, Burnaby, British Columbia, V5H 4V8

("BC Housing")

**with respect to 42 housing developments,
as set out in Schedule D**

AGREEMENT SUMMARY

PART 1 - SUMMARY

1. The Capital Region Housing Corporation (CRHC) is a non-profit provider of over 1,200 rental units of affordable housing in the Capital Regional District of Victoria, BC (the "District").
2. BC Housing has responsibility for furthering the objectives of providing affordable, suitable and adequate housing for British Columbians, and supports as well as delivers housing initiatives and housing programs.
3. CRHC operates forty-five (45) non-profit housing developments at various locations throughout the Vancouver Island region of British Columbia under the District and has entered into individual Operating Agreements ("the Original Agreements") which the parties now wish to modify. The parties acknowledge and agree that only forty-two (42) of these housing developments will be governed by this Agreement and that the developments run under the Independent Living British Columbia (ILBC) and Community Partnerships Initiative (CPI) are excluded.
4. These forty-two (42) housing developments are operated under three (3) separate and distinct housing programs (the "Housing Programs") namely, the Non-Profit Regular - Section 95 Post '85 program (the "FP Program"), the Pre '86 Section 95 Non-Profit Housing program (the "2% write-down program"), and the Provincial Housing Program (Homes BC) - (the "Homes BC program"). The housing developments operated under the Housing Programs are hereafter referred to as ("the Projects").
5. Both BC Housing and CRHC wish to amend certain provisions of the Original Agreements and administer all of the Projects as a Portfolio under this new Umbrella Agreement.
6. Among the primary reasons for amending provisions of the Original Agreements and administering all of the Projects as one Portfolio are:
 - i. to increase efficiencies for the parties; and
 - ii. to allow CRHC greater latitude in managing their Tenants, Rents, Subsidies and Capital Funds across the Portfolio.
7. The Key Elements of this consolidation are:
 - a. The pooling of Capital Funds across the Housing Programs to provide the flexibility for funds to be spent on any Project within the Portfolio.
 - b. Comprehensive long term Capital Planning using a Facility Condition Index (FCI) based methodology. Five (5) year Capital Plans will continue to be produced by CRHC and approved by BC Housing. CRHC will be free to complete work in accordance with the approved Capital Plan throughout the five year period with no further approval by BC Housing, provided that annual capital expenditures are within 10% of the approved Capital Plan. .
 - c. Portfolio-wide performance targets for the desired mix of Rent Geared to Income (RGI) and Non-RGI units will replace unit target mixtures based on Housing Programs.
 - d. A Portfolio-wide Monthly Fixed Funding Payment from BC Housing to CRHC will replace the current regime of project-specific subsidy payments.
 - e. Subject to CRHC's compliance with this Agreement, CRHC may retain Operating Surpluses.
 - f. CRHC will be responsible for any Operating Deficits.

PART 2 – AGREEMENT

The parties agree as follows for the Term of this Agreement which is dated for reference January 1, 2015:

1. TERM OF AGREEMENT

- a. The Term of this Agreement shall commence on January 1, 2015 (the "Commencement Date") and will continue for a period of five (5) years, expiring on December 31, 2019 (the "Term"), unless otherwise modified or terminated in accordance with the provisions of this Agreement.
- b. At the end of the Term it is the intention of the parties that they enter into a new five (5) year agreement, subject to final contract.

2. PAYMENT

- a. During the Term of this Agreement BC Housing will pay to CRHC, monthly in advance, the Monthly Fixed Funding Payment as set out in Schedule B, Part A, Clause 6.a, subject to the adjustments described in Schedule B, Part A, Clause 6.b.

3. PROVISIONS OF THE ORIGINAL AGREEMENTS

- a. Except as modified by this Agreement, all provisions of the Original Agreements will continue to apply to each Project in the Portfolio. Should a conflict between this Agreement and the Original Agreements arise, this Agreement will prevail. If there is any confusion as to the provisions that should be applied, such matters may be dealt with under the Intervention Procedures set out in Schedule A.

PART 3 – SERVICE DESCRIPTION

1. In addition to administering the Projects as one Portfolio, certain provisions in the Original Agreements are modified under this Agreement, namely:
 - a. CRHC will receive one subsidy payment for the Portfolio (the Monthly Fixed Funding Payment) per month. The total annual subsidy will be fixed at the amount outlined in Schedule B, Part A, Clause 6.a, subject to any adjustments outlined in Schedule B, Part A, Clause 6.b.
 - b. CRHC may elect to increase or decrease the proportion of RGI Tenants in any one Project, provided that;
 - i. at least 68 % of all units in the Portfolio are rented to RGI Tenants;
 - ii. a minimum RGI level of 15% is maintained in any one Project within the Portfolio; and
 - iii. all tenants in units under the FP Program must pay rent geared to income.
 - c. Within the HOMES BC Program;
 - i. Repayable Assistance provisions will no longer apply. Repayable Assistance will no longer be calculated or collected by BC Housing and the accrued amount of Repayable Assistance owing to BC Housing will be forgiven 1/5 each year, from the Commencement Date.
 - ii. The upper income limit that was established for Non-RGI Tenants in the HOMES BC Program and set the allowable annual income at equal or less than five (5) times the rent for the unit occupied by a Non-RGI Tenant multiplied by twelve (12) will be removed and replaced with a Low and Moderate Income threshold.
 - iii. The "Deep" vs. "Shallow" core need distinction among RGI Tenants under the HOMES BC program will be eliminated.
 - d. Within the FP Program, rents for new tenants may be capped at the Market Rent.
 - e. Resource allocations and practices regarding the protection of the Portfolio's housing stock throughout the Term are guided by the Capital Plan. Capital Plans are

**BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Agreement Summary**

established by CRHC, approved by BC Housing and updated at least every five (5) years. CRHC will establish Capital Plans geared to the expected life cycle of each of the Projects in the Portfolio, which anticipate all likely capital maintenance, repair and replacement requirements within the Portfolio throughout the Term. Portfolio-wide FCI results will be outcomes of the Capital Plan.

- f. CRHC will select all RGI Tenants from the Housing Registry.

This Agreement constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement. All of the Schedules attached to this Agreement are an integral part of this Agreement.

No amendment or modification to this Agreement will be effective unless it is in writing and duly executed by the parties except where this Agreement allows for otherwise.

IN WITNESS of which the duly authorized signatories of each of CRHC and BC Housing have executed this Agreement effective as of the Commencement Date of this Agreement:

CAPITAL REGION HOUSING CORPORATION

Per its authorized signatories

 December 16, 2014
Signature Dated

Mike Miller, President
Print Name and Title

 DECEMBER 17, 2014
Signature Dated

BEN ISITT, SECRETARY-TREASURER
Print Name and Title

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Per its authorized signatories

 Dec 19/2014
Signature Dated

Roger Butcher, Director Regional Operations
Print Name and Title

 Jan 6/2015
Signature Dated

CRAIG CRAWFORD, Vice President, Operations
Print Name and Title

SCHEDULE A – GENERAL PROVISIONS AND SCHEDULES

A. DEFINITIONS

1. **"Below Market Rent"** means 85% to 90% of the amount a unit could be rented for on a monthly basis in the private market based on a local market survey.
2. **"Capital Fund"** means the amounts CRHC is required to hold in reserve for capital replacements and repairs in accordance with the Capital Plan.
3. **"Capital Plan"** means the five year comprehensive Capital Plan approved by BC Housing, as amended by BC Housing and CRHC from time to time, and at a minimum updated every five (5) years.
4. **"Declaration of Income"** means the declaration to be completed by a Tenant as evidence of the Income of that Tenant.
5. **"Default"** means default by CRHC as defined in Schedule A, Part H.
6. **"Fiscal Year"** means the fiscal year of CRHC as of the reference date of this Agreement, or as revised after agreement between BC Housing and CRHC.
7. **"Housing Income Limits"** (HILs) represents the maximum income for eligibility to be a Rent Geared to Income (RGI) Tenant. This maximum is based on the cost of housing in the local community such that the Tenant cannot obtain rental housing in good condition without paying more than 30% of Income. This maximum will be established by BC Housing from time to time.
8. **"Housing Registry"** means a partnership between BC Housing and other affiliated housing organizations to provide a centralized database with current application information.
9. **"Income"** of a Tenant means the total Income before income tax from all sources of the Tenant, in accordance with BC Housing's Asset Policy.
10. **"Intervention Procedure"** means the intervention procedure in the event of a Default by CRHC as set out in Schedule A, Part I.1.
11. **"Loan"** means a mortgage loan insured pursuant to the *National Housing Act* of Canada, obtained by or on behalf of CRHC from time to time, with BC Housing's prior written approval, to finance the capital cost of acquiring, developing or renovating each Project listed in Schedule D.
12. **"Low Income Households"** means those persons who are on, or are eligible to be on, a waiting list for social housing. Eligibility is determined by the HILs as determined by BC Housing from time to time.
13. **"Low and Moderate Income"** means a gross household income that does not exceed the top of the second quintile of household incomes (two persons or more) for British Columbia households, based on Statistics Canada "Survey of Labour and Income Dynamics" reports, as determined by BC Housing from time to time. For 2011, this figure is \$64,999. If BC Housing ceases to determine this amount annually, the amount may be increased January 1 of each year according to increases in the Consumer Price Index for all items for Canada as published by Statistics Canada and measured from October 1, of the year preceding the last year BC Housing provided the amount to October 1 of each subsequent year. For example, if the last year BC Housing provided the amount was for 2011, then for 2012 the amount would be based on the amount for 2011, multiplied by one (1) plus the change in the Consumer Price Index from October 1, 2010 to October 1, 2011.
14. **"Market Rent"** means the amount a unit could be rented for on a monthly basis in the private market based on a market appraisal or similar survey acceptable to BC Housing.
15. **"Maximum Market Rent"** means the maximum a Tenant will pay for Rent where BC Housing has approved the establishment of a market rent cap.

**BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule A**

16. **"Monthly Fixed Funding Payment"** means the subsidy payment paid by BC Housing to CRHC in accordance with Schedule B, Part A, Clause 7.
17. **"Non-RGI Tenant"** means a Tenant who has Low and Moderate Income at the time of initial occupancy and pays an affordable market rent for a unit and for which no rent subsidy is paid.
18. **"Operating Deficit"** means any shortfall in operating revenue required to meet expenditures or liabilities across the Portfolio.
19. **"Operating Surplus"** means the balance of retained funds from operating surplus for the Portfolio.
20. **"Portfolio"** means all of the Projects described in Schedule D.
21. **"Project"** means the housing developments set out in Schedule D.
22. **"RGI Tenant"** means a Tenant who pays rent geared to income (currently no more than 30% of their household income for shelter, based on application of the BC Rent Scale, and has an income that is at or below the Housing Income Limits (HILs). The tenant rent contribution will be calculated by applying the BC Rent Scale, as provided by BC Housing from time to time.
23. **"Subsidy End Date"** means the date upon which subsidy ends for a Project, as outlined in Schedule D.
24. **"Tenant"** means the person or persons legally entitled to reside in a residential unit pursuant to a tenancy agreement.
25. **"Term"** means the period for which this Agreement is in effect, as outlined in the Agreement Summary, Part 2, Clause 1.

B. RESPONSIBILITY OF CRHC

1. CRHC:
 - a. will assign a person to liaise with BC Housing;
 - b. will operate, maintain and manage the Projects in the Portfolio in a proper, efficient and timely manner as would a prudent owner of similar property, and in accordance with this Agreement;
 - c. agrees and understands that it is solely responsible for all aspects of operating the Projects. This includes all legal relationships between CRHC and the applicants, Tenants and other occupants of the Projects, and any and all contractual relationships with third parties, volunteers, or other invitees. Such relationships are subject to the *Residential Tenancy Act*, *Human Rights Code*, *Builder's Lien Act*, *Workers Compensation Act*, *Society Act*, *Employment Standards Act*, *Personal Information Protection Act*, other applicable Acts, applicable tax laws, laws of contract, the common law in general and any successor legislation;
 - d. work with BC Housing to allow their portfolio information to be housed within BC Housing's Asset Planner database; and
 - e. permit BC Housing real-time access to portfolio building condition information recorded in CRHC's Asset Planner software.

C. RESPONSIBILITY OF BC HOUSING

1. BC Housing will:
 - a. assign a person to liaise with CRHC;
 - b. provide advice and direction to CRHC in managing the Portfolio to meet the objectives and provisions in this Agreement. To this end BC Housing will work

BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule A

cooperatively with CRHC, taking into account its operational realities and recognizing the CRHC's need for adequate financial and organizational resources to meet its obligation of providing housing to the Tenants; and

- c. monitor the operation of the Portfolio and the use by CRHC of revenues in accordance with this Agreement, to ensure that the standards, objectives and expectations in this Agreement are met.

D. ASSIGNMENT AND SUB-CONTRACTING

1. CRHC will not without the prior written consent of BC Housing:
 - a. assign, either directly or indirectly, any right or obligation under this Agreement; or
 - b. subcontract any of their obligations under this Agreement.

E. HOUSING REGISTRY

1. CRHC will join and maintain membership in the Housing Registry. Applicants may be referred to CRHC from a variety of sources and CRHC will ensure such applicants are recorded in the Housing Registry. Tenants for all RGI units will only be selected from the Housing Registry in accordance with membership rules.

F. ASSET MANAGEMENT

1. CRHC will create a Capital Plan which is geared to the expected life cycle of each of the Projects in the Portfolio.
2. The parties agree that CRHC will be permitted to maintain one Capital Fund and to draw down on that fund for any capital replacements or repairs required to a Project within the Portfolio based on the approved Capital Plan.

G. REMOVAL OF PROJECTS

1. Both parties confirm their intention to manage all Projects in accordance with this Agreement for the duration of the Term, regardless of expiry of the Original Agreement. BC Housing acknowledges that upon expiry of the Original Agreements, CRHC has full autonomy in making operational decisions for those projects so long as they do not conflict with the terms of this Agreement, including the ability to secure mortgage financing.
2. During the Term of this Agreement, CRHC may make an application to BC Housing for the removal of a Project from the Portfolio. BC Housing will not unreasonably withhold approval to remove a Project from the Portfolio.
3. Removal of a Project from the Portfolio will result in a corresponding reduction in the Monthly Fixed Funding Payment, as outlined in Schedule B, Part A, Clause 7.b.
3. The removal of a Project from the Portfolio will not reduce the parties' ongoing obligations and rights pursuant to any Original Agreement entered into regarding the Project.

H. INFORMATION MANAGEMENT

1. The information management provisions described below apply to all records and information that are relevant to CRHC operations and services under this agreement.
2. CRHC will:
 - a. collect, create and maintain accurate and complete records and information of all aspects of its services and operations under this Agreement;
 - b. provide and maintain reasonable security arrangements to prevent unauthorized access, collection, use, disclosure, copying, modification or disposal or similar

BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule A

risks with respect to personal information in either paper or electronic form in relation to the Services, and comply with the obligations in the *Personal Information Protection Act*, as amended from time to time;

- c. if applicable under this Agreement, use any database or system provided or approved by BC Housing to collect information and report on the operations and services, and use any such database in accordance with the terms of use for the database;
- d. ensure that appropriate information management policies, procedures or practices are documented and communicated to and consistently practiced by all staff to ensure the protection of the records and information;
- e. notify BC Housing immediately upon becoming aware of a privacy breach involving the unauthorized creation, access, collection, use, disclosure or disposal of personal information by contacting the non-profit portfolio manager;
- f. treat as confidential all records and information provided to CRHC, or any of its subcontractors, by BC Housing, clients, tenants, applicants or third parties, as the case may be;
- g. keep all records and information produced or received by CRHC or any of its subcontractors segregated from other CRHC information to the extent it is practical to do so. Safeguard such information and not permit its disposal without the prior written consent of BC Housing. Ensure that any disposal of information is carried out as follows:
 - i. records pertaining to children and youth must be retained for seven (7) years after the child or youth reaches the age of majority. In British Columbia, the age of majority is nineteen (19) years old. This will ensure the rights of a minor to access their records or to initiate a legal action in accordance with the *Limitation Act*, as amended from time to time.
 - ii. retain all other records for seven (7) years before disposal;
 - iii. paper records must be disposed of in a manner that ensures the information is unreadable; and
 - iv. where applicable, electronic records must be deleted using appropriate software that ensures permanent deletion of the record's data;
- h. not permit the disclosure of records and information, including personal information, except to the extent that such disclosure;
 - i. is necessary to enable CRHC to fulfill its obligations under this Agreement;
 - ii. is required or permitted in the *Personal Information Protection Act*, as amended from time to time;
 - iii. is required or permitted in the *Freedom of Information and Protection of Privacy Act*, as amended from time to time, or;
 - iv. on request, and as directed by BC Housing, make available to BC Housing any records and information that are subject to an access to information request made under the *Freedom of Information and Protection of Privacy Act*;
- i. permit BC Housing, at any reasonable time and on reasonable notice to the CRHC, entry to CRHC premises to inspect any personal information in the possession of the Society or any of CRHC information management policies, procedures or practices relevant to its management of such personal information

BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule A

- or its compliance with this Schedule A, Part H and CRHC must permit, and provide reasonable assistance to, any such inspection;
- j. ensure that any personal information that is subject to the *Freedom of Information and Protection of Privacy Act*, as amended from time to time, is not stored or disclosed outside Canada, or accessed from outside Canada;
 - k. store and manage any records transferred from BC Housing CRHC under a Records Transfer Agreement separately from records created or collected by CRHC;
 - l. immediately consult with BC Housing when an access for information request or a request to correct personal information is received by CRHC that could or does involve records transferred to the Society under a Records Transfer Agreement, and comply with any direction given by BC Housing; and
 - m. continue to comply with these Information Management obligations after the termination of this Agreement.

I. DEFAULT

1. Events of Default

The following events shall constitute default by CRHC under this Agreement:

- a. breach of any covenant on the part of CRHC under this Agreement and in particular consistent failure to operate, maintain and manage the Portfolio in accordance with this Agreement;
- b. if CRHC fails to pay its debts as they become due or becomes insolvent or commits an act of bankruptcy or if a receiver should be appointed to manage any of the assets of CRHC;
- c. if CRHC fails to adhere to its Articles of Incorporation and remain in good standing under the *Business Corporations Act*;
- d. if CRHC is in default under any Loan;
- e. if CRHC is in default under the lease for a Project, if any; or
- f. if CRHC is in breach of or fails to comply with any applicable law, or regulation.

J. INTERVENTION PROCEDURE

1. Intervention Procedure for Default

The following is the procedure for intervention by BC Housing in the event of default by CRHC:

- a. Communication. BC Housing will give CRHC written notice of the default, which notice will provide for a reasonable time for CRHC to respond to the notice of Default by providing further information concerning the Default.
- b. Action Plan. BC Housing and CRHC will agree on an action plan to cure the Default, including a schedule for implementation of the action plan, identification of the resources available to CRHC to implement the action plan, and the dates on which BC Housing will review progress on implementation of the action plan.
- c. On Watch. If CRHC does not cure the Default within a reasonable time, BC Housing may place CRHC "On Watch," which means that:

**BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule A**

- i. this is a warning that BC Housing will intervene further if the Default is not cured;
 - ii. BC Housing will monitor the operation of the Project by CRHC more often and in more depth, including a management audit; and
 - iii. if CRHC makes progress in curing the Default, BC Housing will lessen the monitoring of CRHC and the On Watch status may be withdrawn.
- d. Co-management. BC Housing may appoint a manager to work with and supervise CRHC in operating the Project and in curing the Default, in order to:
- i. improve CRHC's management of the Project and return operation of the Project to CRHC at some future date; and
 - ii. provide education, training and other necessary resources to CRHC to cure the Default.

2. Extraordinary Circumstances

Although the steps of the Intervention Procedure will normally be taken in sequence, BC Housing, at its sole discretion, may intervene at any level of the Intervention Procedure in Extraordinary Circumstances, which are:

- a. fraud or criminal behaviour of a representative of CRHC affecting the Projects;
- b. danger to the health and safety of the Tenants;
- c. default under a Loan or on a charge in favour of BC Housing or the Provincial Rental Housing Corporation registered on title of a Project and CRHC fails to remedy such default on the terms and within the time allowed as set out in the conditions of a Loan or the conditions in the charge, as the case may be; or
- d. consistent failure to participate in the Intervention Procedure.

The determination by BC Housing of an Extraordinary Circumstance is conclusive and binds CRHC.

K. REMEDIES

1. Other Rights and Remedies

- a. If BC Housing elects to proceed under Schedule A, Part H, Clause 2 then, in addition to any other rights or remedies available to BC Housing at law or at equity, BC Housing may exercise any one or more of the following rights or remedies, singly or in combination:
 - i. terminate this Agreement, in which case BC Housing will deliver to CRHC written notice of termination;
 - ii. cease paying subsidy or reduce the amounts thereof, either permanently or for such period as BC Housing may determine;
 - iii. take an assignment of CRHC's rights in every tenancy agreement and in all amounts payable to CRHC as rent or otherwise pursuant to a tenancy agreement, subject to any prior assignment to a mortgagee for a mortgage securing a Loan; and
 - iv. take whatever steps BC Housing deems necessary to rectify any Default by the CRHC.
- b. The remedies set out in this Schedule A, Part I survive termination of this Agreement by BC Housing.
- c. BC Housing may recover from CRHC on demand all its costs of exercising its rights or remedies under this Agreement.

L. DISPUTE RESOLUTION

1. If a dispute arises between the parties out of or in connection with this Agreement the parties agree that the following dispute resolution process will be used:
 - a. A meeting will be held promptly between the parties, attended by individuals with decision making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
 - b. If, within fourteen (14) days after such meeting or such further period agreed to by the parties in writing, the parties have not succeeded in negotiating a resolution of the dispute, the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing agreement, under the Commercial Mediation Rules of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre.
 - c. After dispute resolution attempts have been made under *Schedule A, Part L, Clause 1.a-b*, any remaining issues in dispute will be determined by arbitration under the *Commercial Arbitration Act*, and the decision of the Arbitrator will be final and binding and will not be subject to appeal on a question of fact, law, or mixed fact and law.

SCHEDULE B – FINANCIAL

A. FINANCIAL OPERATIONS

1. **Income Mix.** CRHC is to use the principle of income blending when selecting Tenants across the Portfolio. The targets for RGI Tenants outlined in the Agreement Summary, Part 3, Clause 1.b must also be met.
2. **Proof of Income.** CRHC will obtain a declaration ("Declaration of Income") and supporting documentation as evidence of the Income of each Tenant at the time of the initial occupancy and for RGI Tenants, annually thereafter. CRHC will maintain a copy of each Tenant's proof of Income (and assets as the case may be) in a file available to BC Housing on request.
3. **RGI Tenants.** CRHC will continue to apply BC Housing's Asset Policy as required under individual programs. The RGI Tenant rent contribution will be calculated by applying the BC Rent Scale, as provided by BC Housing from time to time. The RGI Tenant's rent will be adjusted at least annually based on;
 - a. the Tenant's Income and if applicable, assets; or
 - b. in Projects where BC Housing has approved the establishment of a market rent cap and the Tenant is capped at market, the increase allowed under the *Residential Tenancy Act* may apply to the Maximum Market Rent.
4. **Non-RGI Tenants.**
 - a. Non-RGI Tenants (2% Write-Down and HOMES BC programs only) will pay Below Market Rent as set from time to time by CRHC for that unit type (as measured by number of bedrooms) in the community.
 - b. Annually, CRHC will determine the Market Rents for the units in the Portfolio and will set the rents in the Projects at a minimum of 85% of the Market Rent and no more than 90% of the Market Rent. CRHC will review the Market Rents annually and where appropriate, will pass on annual rent increases subject to the rent increase provisions of the *Residential Tenancy Act*. Every five (5) years, CRHC will, at its own expense, complete a Market Rent appraisal.
 - c. Rents will normally be set at the same amount for units of a similar type. However, CRHC may charge different rents for similar unit types where variables such as square footage, amenities or location would affect the rental price in the market.
5. **Maximum Market Rent.**
 - a. In FP Program Projects, Tenants will pay a rent contribution equal to the lesser of 30% of Income or the Maximum Market Rent. The tenant rent contribution will be calculated by applying the BC Rent Scale, or such other rent scale as BC Housing may determine from time to time.
6. **Fixed Subsidy.**
 - a. During the Term of this Agreement, BC Housing will pay to CRHC, monthly in advance, the Monthly Fixed Funding Payment in the amount of \$296,246.73.
 - b. The Monthly Fixed Funding Payment will remain the same for the Term of this Agreement and will only change in the following circumstances;
 - i. the operating expenses of the Projects increase or decrease as a result of changes in the Loan payments when a Loan is renewed;
 - ii. upon expiration of a Loan;
 - iii. the Subsidy End Date is reached for a Project;

BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule B

- iv. the removal of a Project from the Portfolio; and
 - iii. by mutual agreement between the parties.
- 7. **Operating Surplus.** CRHC may retain the Operating Surplus of a Project for each Fiscal Year, and the following will apply:
 - a. CRHC will first pay from the Operating Surplus an amount to remedy any Operating Deficit for a previous Fiscal Year;
 - b. CRHC may make other payments out of the Operating Surplus in order of priority as follows:
 - i. contributions to the Capital Fund, or for payments for capital renovations or improvements as required under the Capital Plan;
 - ii. costs relating directly to a Project; or
 - iii. in any other way CRHC chooses to advance the management and development of affordable housing.
- 8. **Operating Deficit.** CRHC will be responsible for any operating shortfalls or extraordinary expenses. Any Operating Deficit will not be the responsibility of BC Housing.
- 9. **Loans.**
 - a. CRHC will make payments on all Loans on the due dates and notify BC Housing immediately if CRHC cannot make any payment;
 - b. CRHC will not reduce the amortization period of any Loan or prepay a Loan without BC Housing approval; and
 - c. CRHC will, on the expiry of the term of a Loan, enter into further security agreements required to secure the outstanding balance of the Loan in accordance with BC Housing's requirements.

SCHEDULE C – MONITORING AND REPORTING

A. GENERAL OPERATIONS

1. CRHC will, on a regular basis, monitor its compliance with the requirements of this Agreement.

B. ANNUAL REVIEW

1. Annually, CRHC will forward to BC Housing:
 - a. a copy of its Audited Financial Statements from the preceding Fiscal Year;
 - b. a report setting out the number of RGI Units and Below Market Units for each Project in the Portfolio; and
 - c. a report setting out the repairs carried out pursuant to the Capital Plan for that year.
2. BC Housing will:
 - a. review CRHC's submitted materials and Tenant data obtained through Housing Connections;
 - b. review CRHC's expenditures against the Capital Plan;
 - c. review any Portfolio Operating Surplus or Operating Deficit; and
 - d. review Portfolio Capital Fund levels.
3. A meeting may be convened between the parties to discuss progress, learning and issues arising from the annual review.

C. OPERATIONAL REVIEW

1. At least once every five (5) years BC Housing will conduct an operational review of CRHC's compliance with the terms of this Agreement and in particular;
 - a. the RGI levels in the Portfolio; and
 - b. CRHC's compliance with the Capital Plan.
2. BC Housing will provide CRHC with at least thirty (30) days' written notice of such an operational review and will provide CRHC with the requirements for such review (e.g., collecting relevant written policies and procedures, and collecting licenses and inspection reports). In preparation for this review CRHC will:
 - a. collect all policies, procedures and financial information related to this Agreement;
 - b. collect all licenses and inspection reports required by statute and/or this Agreement;
 - c. prepare an explanation for any variances against the targets or Standards outlined in this Agreement; and
 - d. develop a plan to reach the targets or standards outlined in this Agreement for any targets or standards that were not achieved.
3. A written report including observations and recommendations will be provided by BC Housing following completion of the Operational Review.

BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule D

SCHEDULE D – PROJECTS

Project Name	Address	Funding Program	Units	Agreement End Date	Lease End Date
Kings Place	1070 Kings Rd, Victoria, BC V8T 1X1	Homes BC	35	31-Jul-2057	
Cairns Park	9882 Seventh St, Sidney, BC V8L 2V7	Homes BC	6	30-Nov-2056	
Brock Place	882 Brock Ave, Langford, BC V9B 3C6	Homes BC	30	31-Dec-2059	14-Apr-2059
Tillicum Station	285 Hampton Rd, Saanich, BC V8Z 1H3	Homes BC	40	30-Jun-2062	
Harbour Lane	515 Pendray St, Victoria, BC V8V 2A3	Homes BC	28	30-Sep-2061	28-Dec-2060
Carillon Place	625 Superior St, Victoria, BC V8V 1V1	Homes BC	15	30-Jun-2058	01-Sep-2057
The Birches	1466 Hillside Ave, Victoria, BC V8T 5H5	FP	56	31-Jul-2027	21-Aug-2051
Greenlea	788 Shawnee Rd, Saanich, BC V8Z 6M9	FP	21	28-Feb-2025	12-Sep-2049
Arbutus View	2964 Harriet Rd, Saanich, BC V9A 1T3	FP	23	30-Jun-2025	22-Aug-2049
LeBlond Place	2980 Jutland Rd, Victoria, BC V8T 5K2	FP	45	31-Aug-2031	31-Oct-2054
Carey Lane	3910 Carey Rd, Saanich, BC V8Z 4E2	FP	22	31-Jul-2024	03-Oct-2048
Cloverhurst	955 Cloverdale Ave, Saanich, BC V8X 2T4	FP	10	30-Apr-2025	30-Jul-2049
The Hamlet	2620 Shakespeare St, Victoria, BC V8R 4G7	FP	10	30-Sep-2025	15-Oct-2049
Springtide	270 Russell St, Victoria, BC V9A 3X2	FP	48	30-Apr-2025	30-Apr-2049
Camosun Place	1530 Camosun St, Victoria, BC V8T 3E4	FP	8	28-Feb-2024	15-Sep-2048
Colquitz Green	945 Portage Rd, Saanich, BC V8Z 1K9	FP	20	31-Oct-2024	12-Feb-2049
Creekside	4288 Carey Rd, Saanich, BC V8Z 4H2	FP	24	31-Mar-2027	29-Nov-2050
Parkview	825 Lodi Ave, Saanich, BC V8Z 6T3	FP	26	30-Apr-2024	25-Sep-2048
Amberlea	3330 Glasgow Ave, Saanich, BC V8X 1M6	FP	44	30-Apr-2025	30-Jul-2049
Viewmont Gardens	4450 Viewmont Ave, Saanich, BC V8Z 5L1	FP	36	31-Jul-2026	28-Feb-2051
Willowdene	1821 Mckenzie Ave, Saanich, BC V8N 6H4	FP	15	31-Aug-2022	30-Mar-2047

BC Housing – Capital Region Housing Corporation
Umbrella Agreement – Schedule D

Project Name	Address	Funding Program	Units	Agreement End Date	Lease End Date
Heron Cove	10542 McDonald Park Rd, North Saanich, BC V8L 3J1	FP	24	30-Sep-2028	27-Jan-2053
Caledonia	1211 Gladstone Ave, Victoria, BC V8T 1G5	FP	18	31-Mar-2028	30-Sep-2052
Rosewood	1827 McKenzie Ave, Saanich, BC V8N 1A6	FP	44	31-Oct-2023	29-Nov-2047
Castanea Place	2840 Gillie Pl, Victoria, BC V8T 5J5	FP	61	31-Jan-2030	31-Jul-2054
Gladstone	1320 Gladstone Ave, Victoria, BC V8R 1S1	FP	14	31-Dec-2023	15-Sep-2048
The Heathers	3169 Tillicum Rd, Saanich, BC V9A 2B4	FP	26	31-Mar-2028	31-Aug-2052
Oakwinds	1311 Hillside Ave, Victoria, BC V8T 2B3	Pre-'86 S. 95 Public	50	09-Apr-2019	
Campus View	2249 McCoy Rd, Saanich, BC V8N 5Z3	Pre-'86 S. 95 Public	12	06-Jul-2018	
Pinehurst	617 Battery St, Victoria, BC V8V 1E6	Pre-'86 S. 95 Public	20	02-Aug-2019	
Royal Oak Square	819 Lodi Ave, Saanich, BC V8Z 6T3	Pre-'86 S. 95 Public	38	07-Sep-2018	
The Brambles	750 Miller Ave, Saanich, BC V8Z 3C8	Pre-'86 S. 95 Public	18	05-Feb-2020	
Michigan Square	330-336 Michigan St, Victoria, BC V8V 1R5	Pre-'86 S. 95 Public	62	04-Mar-2020	
Portage Place	210 Island Hwy, View Royal, BC V9B 1G2	Pre-'86 S. 95 Public	17	06-Jul-2018	
Beechwood Park	3936 Gordon Head Rd, Saanich, BC V8P 4X3	Pre-'86 S. 95 Public	48	31-Aug-2020	
Olympic View	4511 Chatterton Way, Saanich, BC V8X 5L7	Pre-'86 S. 95 Public	60	30-Jul-2020	
Firgrove	741 Lampson St, Esquimalt, BC V9A 6A7	Pre-'86 S. 95 Public	32	30-Jul-2020	
Grey Oak Square	4021 Saanich Rd, Saanich, BC V8X 1Z2	Pre-'86 S. 95 Public	24	31-Jul-2020	
James Yates Gardens	1150 Yates St, Victoria, BC V8V 3M8	Pre-'86 S. 95 Public	8	29-May-2019	
Swanlea	898 Sevenoaks Rd, Saanich, BC V8X 3E7	Pre-'86 S. 95 Public	14	01-Aug-2020	
The Terraces	1635 Oak Bay Ave, Victoria, BC V8R 1B3	Pre-'86 S. 95 Public	20	05-Feb-2020	
Rotary House	1855 Quadra St, Victoria, BC V8T 4B8	Pre-'86 S. 95 Private	41	01-Mar-2028	