

ANNEX A-1 – SOCIAL HOUSING AGREEMENT TERM SHEET

Below are the key terms and conditions to be addressed in the Social Housing Agreement; additional terms and conditions may be introduced at the discretion of the City and as needed to accommodate any unique features of the proposal submitted by the selected proponent and accepted by the City.

1. Social Housing Program

Pursuant to subsection 453.1(16.1) of the *City of Toronto Act, 2006* (“COTA”) the City may enter into an agreement with the owner of land that contains housing accommodation to be used for the purposes of a social housing program.

Under COTA, a “social housing program” means, inter alia, a program or housing facilities that are entirely owned or operated by a non-profit corporation as defined in the *National Housing Act (Canada)* and that, in the opinion of the City, are designed to provide housing accommodation primarily for persons with low to moderate incomes, at a charge not exceeding the amount required to finance, operate, and maintain such accommodation without profit. The Social Housing Agreement is intended to articulate the obligations of the selected proponent to operate the acquired housing as a social housing program.

2. Parties

- Housing Provider
- City of Toronto

3. Term

- Continuous throughout the lifecycle of the asset

4. Housing Provider Represents and Warrants

The housing provider:

- incorporated as a non-profit corporation or holds a charitable status under the laws of Ontario or Canada;
- will not alter, supersede, or cancel its articles of incorporation, letters patent, or other constating document without the consent of the City;
- has the authority to execute, deliver, and perform the agreement(s) herein referenced in the RFP; and
- will comply with the City’s *Code of Conduct for Members of Council*, the City’s *Re-Employment of Former City Employees’ Policy*, and the *Employee Conflict of Interest Policy*.

5. Housing Provider Covenants

The housing provider will:

- operate on a non-profit basis;

- will maintain its non-profit or charitable status while operating under the Social Housing Agreement with the City;
- comply with specified rules under the *Housing Services Act, 2011* (“HSA”), which will apply by virtue of entering into the Social Housing Agreement;
- make commercially reasonable efforts to participate in future City housing programs;
- manage the housing facilities in a fiscally responsible manner;
- maintain the asset as affordable housing made available to low- to moderate-income households that do not exceed a defined household income limit;
- maintain the current number of Rent Geared to Income (“RGI”) units in the housing facilities;
- manage the housing facilities so that aggregate monthly occupancy charges for a house (including heat, water, and hydro) shall not exceed one hundred percent (100%) of Canadian Mortgage and Housing Corporation (“CMHC”) average monthly rent for the unit size, and manage the housing facilities so that occupancy is maximized;
- agree to registered restrictions on title that will require the housing to continue to be used for affordable housing;
- maintain the affordable housing project(s) in a good state of repair and fit for occupancy;
- establish a capital asset replacement reserve fund for the housing and pay into the reserve fund each year an amount to fund the capital repairs of the housing facilities required to maintain a Facility Condition Index (“FCI”) of ten percent (10%); and
- provide the City with an Access Plan for approval which specifies any targeted groups and describes how households are to be selected to occupy the housing units; any approved access plan must comply with the City’s Housing Access System in force at the relevant time.

Without the consent of the City, the housing provider will not:

- convey any interest in the housing by way of deed, transfer, grant, or assignment;
- mortgage or charge the housing or enter into agreement of purchase and sale;
- enter into any agreement which grants the use of right of the housing for a term exceeding one (1) year; nor
- redevelop.

6. Accountability and Reporting

- The housing provider will be required to provide evidence of compliance under the Social Housing Agreement, including but not limited to:
 - a management representation report, in a form designated by the City including management declarations and a report on compliance with the provisions of this Agreement, which may include:
 - targeting report in a form designated by the City describing compliance with the approved access plan;
 - Occupancy Report in the form of a report designated by the City reporting on vacancies and turnovers; and

- information on household income and household composition, arrears reporting and other information or reports as directed by the City;
- audited financial statements;
- evidence to satisfy that the housing continues to be used for the purpose of a social housing program as defined in the *City of Toronto Act, 2006*;
- proper books of account and records in accordance with generally accepted business and accounting practices;
- access to the housing provider's books and records, with respect to the housing; and
- all the housing facilities for audits and inspections as required.

7. Events of Default Under the Agreement

- Non-compliance with the agreement
- Winding up or dissolution of the corporation whether voluntarily or by court order
- Bankruptcy or insolvency
- Breach of covenants
- Cease to carry on business on a non-profit basis
- Material misrepresentation
- Material adverse change in risk in the housing provider's ability to carry out its roles and responsibilities under the Social Housing Agreement with respect to the operation of housing
- A receiver or receiver manager is appointed

8. Remedies of Default

- Implementation of a plan approved by the City to remedy the default

9. Remedies

In the event of a default that is not remedied, the City may exercise any remedies including:

- Appointment of receiver or receiver manager
- Acquisition of housing project
- Recovery of overpayment of rents
- Seeking any additional remedy available to it under law or equity

ANNEX A-2 – RENT SUPPLEMENT FUNDING AGREEMENT TERM SHEET

RENT SUPPLEMENT FUNDING AGREEMENT AND ADMINISTRATION

The City of Toronto as Service Manager has assumed, among other things, the responsibility for administering and providing funds for social housing programs within the service area in which the housing project of the housing provider is located.

In certain circumstances, the Operator of the housing, if not the owner, will be required to sign this Agreement.

Below are the key terms and conditions to be addressed in the Rent Supplement Funding Agreement; additional terms and conditions may be introduced at the discretion of the City and as needed.

1. Parties

- Operator
- City of Toronto

2. Term

From and after the effective date and thereafter year to year subject to the availability of funding with the option to terminate by either party on prior written notice.

3. Operator's Responsibilities

The Operator shall:

- collect from Rent Supplement Households only the geared-to-income rent as determined by the rules prescribed under the *Housing Services Act, 2011* ("HAS") and the Regulations and any additional charges permitted under Section 97 of O. Reg. 367/11;
- provide the Service Manager with current rent rolls, when requested, for the building(s) in which the Rent Supplement Units are located;
- furnish efficient management of the Rent Supplement Units and the Housing Project and shall maintain the Rent Supplement Units and the Housing Project in a good state of repair and fit for habitation; and
- permit representatives of the Service Manager to inspect the Rent Supplement Units and the Housing Project at any time.

4. Leasing of Units

The Operator shall:

- make all the current RGI units in the Housing Project available as Rent Supplement Units;
- only select eligible households in accordance with the Access Plan approved by the City; this may in certain circumstances require participation in the City's system for selecting households from those waiting for rent-geared-to-income assistance;

- assume the full normal relationship between landlord and tenant for each Rent Supplement Household;
- only collect the geared-to-income rent from a Rent Supplement Household as determined under the rules prescribed under the *HSA*, its regulations, and local rules established by the City as Service Manager;
- enter into a written lease with each Rent Supplement Household;
- remain solely responsible for any breach of or failure by a Rent Supplement Household to observe any terms of the lease including the covenant to pay rent;
- establish rules for the temporary accommodation of guests and an internal transfer policy for its Rent Supplement Units; and
- submit to the Service Manager its requests for Rent Supplement funding, together with all required supporting reconciliation statements, in a form satisfactory to the Service Manager and at regular intervals established by the Service Manager, which intervals shall not be more often than monthly and not less often than annually.

5. Payments

The Service Manager shall:

- pay to the Operator, during the term of this Agreement, an estimate of the Rent Supplement for each Rent Supplement Unit on the first (1st) day of each month following the month in which the term of the lease for such Rent Supplement Unit commences; such payment will reflect the aggregate amount for each month of each separate Lease Agreement for Rent Supplement Units that are leased and occupied by Rent Supplement Households;
- following its review and approval of the Operator's Rent Supplement requests and supporting statements, make any necessary adjustments to its applicable regular Rent Supplement payments to the Operator; and
- reconcile the actual Rent Supplement costs at the end of each fiscal year.

6. Audited Financial Statements

The Operator shall:

- submit to the Service Manager within five (5) months following the end of each fiscal year of the Operator, an Annual Information Return in the form established by the Service Manager and the audited statement consisting of a balance sheet and a statement of revenue and expenditures for the year; and
- ensure the Housing Provider shall retain all books, documents, vouchers, records, and accounts pertaining to the operation and the administration of the Housing Project for not less than seven (7) years, such records the City as Service Manager including its representatives or delegates may inspect and audit at its discretion in accordance with the Terms set out in the Rent Supplement Agreement.

ANNEX A-3 – RENT GEARED TO INCOME SERVICES AGREEMENT TERM SHEET

RGI SERVICES AGREEMENT AND ADMINISTRATION

The City has been designated the Service Manager for the City of Toronto for the purposes of the *Housing Services Act, 2011* ("HSA") and regulations thereunder.

A Service Manager is permitted to enter into an Agreement with another Party with respect to delegating all or some of the duties and/or powers of the Service Manager under the HSA and its regulations.

In certain circumstances the Operator of the housing, if not the Owner, will be required to sign this Agreement.

Below are the key terms and conditions to be addressed in the RGI Services Agreement; additional terms and conditions may be introduced at the discretion of the City and as needed.

1. Parties

- Operator
- City of Toronto

2. Term

For so long as tenants receive RGI assistance.

3. Operator Represents and Warrants:

The Operator shall:

- be deemed to be acting on the City's behalf in fulfilling its obligations under this Agreement; and
- represent and warrant that it has experience, skilled personnel and Management, and the necessary knowledge to administer its obligations under this Agreement with due diligence and in a professional and competent manner.

4. Operator's Obligations:

The Operator shall:

- determine whether persons on the Operator's waiting list are eligible tenants;
- determine, upon the commencement of a tenancy and at least once per year thereafter, the size and type of unit for which eligible tenants are eligible;
- determine the RGI rent payable by eligible tenants;
- receive and review information provided by eligible tenants from time to time to determine if they remain eligible to receive RGI assistance, and, if so, the amount of RGI assistance for which they are eligible;

- review, at least once per year, the eligibility of all eligible tenants to determine if they remain eligible to receive RGI assistance, and, if a finding of eligibility is made, the amount of RGI for which they are eligible;
- provide any and all notices to eligible tenants, as required by the *HSA*;
- take reasonable steps to ensure that eligible tenants are advised of, and comply with, relevant provisions of the *HSA* and the regulations thereunder, as well as all City guidelines, which can be accessed here: <https://www.toronto.ca/community-people/community-partners/social-housing-providers/city-guidelines-for-social-housing-providers/>;
- implement all requirements related to RGI administration contained in the City guidelines, and any amendments thereto, and in any local eligibility rules established by the City;
- assign a representative of the Operator to act as a liaison with City staff for the purposes of the RGI Service Agreement;
- co-operate and work with City staff to evaluate the services the Operator provides pursuant to the RGI Service Agreement;
- maintain an adequate and appropriate administrative organizational structure sufficient to comply with the applicable obligations pursuant to an RGI Service Agreement;
- advise the City on a timely basis of any changes to the RGI rent amounts for eligible tenants; and,
- supply, provide, and perform any other services required to comply with the applicable obligations under the RGI Service Agreement.

Note: The above list of services is not exhaustive and is only meant to provide an indication of some of the types of services to be provided by the Operator. The Operator will be required to provide all required services, including the above-listed services, with all due diligence, in a professional and competent manner, and in accordance with the *HSA*, City guidelines and any local eligibility rules established by the City. The Operator will also be required to comply with the prescribed standards under the *HSA* for the collection, use, disclosure, and safeguarding of the privacy of personal information and access to personal information.

5. Training

The Operator shall:

- ensure that all current staff who are involved in the provision of services under this Agreement complete the applicable training programs required by the City.

6. Reports

The Operator shall:

- maintain full and complete records of all applications, reviews, notices, agreements, undertakings, documents, and information related to the services provided under this Agreement; and
- provide such reports as required in the form and frequency prescribed by the City.