



SUPPLEMENTARY AGREEMENT NO. 1

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

Dear Mr. Ramsay:

Re: Federal Funding for 2014 - 2019 Extension of the Investment in Affordable Housing

I am pleased to provide this Supplementary Agreement No. 1 to enable British Columbia to access funding for the 2014-2019 extension of the Agreement for Investment in Affordable Housing 2011 – 2014 (“2014 Extension”).

CMHC and British Columbia Housing Management Commission (“BCHMC”) agree that this Supplementary Agreement No. 1 enables BCHMC to receive further CMHC Funding in the maximum amount of \$150.100 million for the 2014 Extension. This is in addition to the CMHC Funding provided for the Fiscal Years 2011 – 2014 under the Agreement for Investment in Affordable Housing 2011-2014, including any and all amendments and supplements to it preceding this letter (the “Original Agreement”).

PART A: PROVISIONS APPLICABLE TO THE 2014 EXTENSION

The following terms apply only to the 2014 Extension:

1. All provisions of the Original Agreement apply to the 2014 Extension, except where they are not consistent with this Supplementary Agreement No. 1.
2. All references to “2011 – 2014” or more generally to the 2011 - 2014 time period in the Original Agreement will be read to apply to the 2014 Extension. For greater certainty, all schedules of the Original Agreement continue to apply to the 2014 Extension, except as amended herein.
3. This Supplementary Agreement No. 1 applies only to the CMHC Funding and Contributions by Others for the purposes of the 2014 Extension, pursuant to Commitments made by BCHMC only from and after April 1, 2014 to not later than March 31, 2019, except that Commitments of Contributions by Others may be made to not later than March 31, 2020. Contributions by Others for the 2014 Extension are in addition to the Contributions by Others pursuant to the Original Agreement.
4. CMHC Funding under this Supplementary Agreement No. 1 is for the period from April 1, 2014 to March 31, 2019. BCHMC will provide to CMHC a proposed completed Annual Plan in the form attached as Schedule C – 2014 Extension for the Fiscal Years 2014 - 2019. Payment of CMHC Funding for each Fiscal Year is conditional on having in place a completed and agreed-to Annual Plan for that Fiscal Year. All references in the Original Agreement to Schedule C are deemed to be references to Schedule C – 2014 Extension.
5. The maximum CMHC Funding under this Supplementary Agreement No. 1 is \$150.100 million. This maximum CMHC Funding is available by Fiscal Year in the following amounts: 2014 – 2015: \$30.020 million; 2015 – 2016: \$30.020 million; 2016-2017: \$30.020 million; 2017 – 2018: \$30.020 million; 2018 – 2019: \$30.020 million. At least \$0.230 million in CMHC Funding must be claimed in each Fiscal Year and used under this Supplementary Agreement No. 1 for victims of family violence.
6. Recommitments of CMHC Funding under this Supplementary Agreement No. 1 (in accordance with subparagraph 6.9(a) or (b) of the Original Agreement) must occur not later than March 31, 2020.
7. For the purposes of the 2014 Extension, BCHMC will use the Quarterly Claims form Schedule D to identify only CMHC Funding and Contributions by Others under this Supplementary Agreement No. 1, as set out in section 7 of the Original Agreement. Under this Supplementary Agreement No. 1, the final Quarterly Claim request for CMHC Funding must be received by CMHC not later than March 29, 2019, though BCHMC will continue through March 31, 2020 to use the Quarterly Claims form Schedule D to identify Contributions by Others.

8. Under this Supplementary Agreement No. 1: By March 31, 2016 the total Commitments of Contributions by Others must be at least equal to the total of CMHC Funding paid (pursuant to paragraph 7.2 of the Original Agreement) for the Fiscal Year ending March 31, 2015. By March 31, 2017 the total Commitments of Contributions by Others must be at least equal to the total of CMHC Funding paid (pursuant to paragraph 7.2 of the Original Agreement) for the Fiscal Years ending March 31, 2015 and March 31, 2016. By March 31, 2018, the total Commitments of Contributions by Others must be at least equal to the total CMHC Funding paid (pursuant to paragraph 7.2 of the Original Agreement) for the Fiscal Years ending March 31, 2015, 2016 and 2017. By March 31, 2019, the total Commitments of Contributions by Others must be at least equal to the total CMHC Funding paid (pursuant to paragraph 7.2 of the Original Agreement) for the Fiscal Years ending March 31, 2015, 2016, 2017 and 2018. By March 31, 2020, the total Commitments of Contributions by Others must be at least equal to the total CMHC Funding paid (pursuant to paragraph 7.2 of the Original Agreement) for the Fiscal Years ending March 31, 2015, 2016, 2017, 2018 and 2019.
9. For the purposes of CMHC Funding and Contributions by Others under this Supplementary Agreement No. 1, the maximum period for the present valuing of ongoing CMHC Funding and Contributions by Others referenced in paragraph 8.3 of the Original Agreement is twenty years but not beyond March 31, 2040.
10. CMHC Funding and Contributions by Others under this Supplementary Agreement No. 1 must be disbursed to Projects and Recipients in accordance with this Agreement not later than four years following the date of Commitment, but in any event not later than March 31, 2024 or, in the case of ongoing contributions, within twenty years following the date of Commitment but not later than March 31, 2040.
11. CMHC and BCHMC agree on the value of apprenticeships in the residential housing sector which support training of skilled labour. Under this Supplementary Agreement No. 1, through appropriate initiatives as determined by BCHMC or British Columbia, BCHMC will ensure support for the use of apprentices under Programs, where feasible and will use the outcome and related indicators identified in the attached Addendum to Schedule E, for the purposes of annual reporting set out in paragraphs 9.2 and 9.3 of the Original Agreement.

PART B: PROVISIONS APPLICABLE TO CMHC FUNDING AND CONTRIBUTIONS BY OTHERS UNDER THE ORIGINAL AGREEMENT AND THE 2014 EXTENSION


1. Effective for Fiscal Years starting after March 31, 2014, Schedule F to the Original Agreement is hereby replaced with revised Schedule F appended to this Supplementary Agreement No. 1.

If you agree, please confirm your agreement by signing this Supplementary Agreement No. 1 in duplicate and return one original agreement to me.

Please ensure that copies of this Supplementary Agreement No. 1 are attached to all copies of the Original Agreement.

Sincerely,

DEC / 6 2013

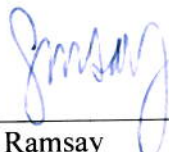


Douglas A. Stewart
Interim President

BCHMC agrees

British Columbia Housing
Management Commission

March 3, 2014



Shayne Ramsay
Chief Executive Officer

CMHC-BRITISH COLUMBIA
AGREEMENT FOR INVESTMENT IN AFFORDABLE HOUSING
ADDENDUM* TO SCHEDULE E - ANNUAL PUBLIC REPORTING ON OUTCOMES
(Supplementary Agreement No. 1 paragraph 11)

Apprenticeship Outcome: Foster training of skilled labour by supporting apprenticeships in the residential housing sector.

Related Indicator(s):

- Description of activities / initiatives to promote or support apprenticeships in IAH Projects.
- Number of IAH Projects employing apprentices.
- Number of apprentices employed under IAH Projects.

***For greater certainty, under this Supplementary Agreement No. 1, Schedule E and all Schedule B Distinguishing Program Summaries that relate to construction and major renovation are deemed to include the outcome and related indicator(s) identified in this Addendum to Schedule E.**

Schedule F
as per Part B, paragraph 1 of Supplementary Agreement No. 1 effective April 1, 2014

CMHC - BRITISH COLUMBIA
AGREEMENT FOR INVESTMENT IN AFFORDABLE HOUSING
ANNUAL AUDITED STATEMENT OF DISBURSEMENTS
For the Fiscal Year Ended March 31, 20____ (\$ dollars)

Part A: (Paragraph 8.4 of the Original Agreement and Part B, paragraph 1 of Supplementary Agreement No. 1) Disbursements Current Fiscal Year	2011-2014 ORIGINAL AGREEMENT Disbursements to Projects and Recipients		2014 EXTENSION AGREEMENT Disbursements to Projects and Recipients	
	CMHC Funding	Contributions by Others	CMHC Funding	Contributions by Others
	Total			
Programs (Schedule B)				
Program 1				
Program 2				
Subtotal Programs				
Program Management and Administrative Costs				
Total Disbursed				
Victims of Family Violence (included in above)				
Part B: (Paragraph 8.4 of the Original Agreement and Part B, paragraph 1 of Supplementary Agreement No. 1) Cumulative Funding and Contributions	2011-2014 ORIGINAL AGREEMENT Beginning Balance Disbursed		2014 EXTENSION AGREEMENT Beginning Balance Disbursed	
Cumulative Funding - Disbursed to Projects and Recipients				
Program 1				
Program 2				
Total CMHC Funding Disbursed				
Total Contributions by Others - Disbursed to Projects and Recipients				
Program Management and Administrative Costs				
Cumulative Grand Total of Disbursed CMHC Funding and CBO				
Victims of Family Violence (included in above CMHC Funding Disbursed)				
BC/HMC and BC Share of Contributions - Disbursed to Projects and Recipients (included in CBO above)				
Part C: Reconciliation (Paragraphs 6.6, 6.6, and 6.7 of the Original Agreement and Part A, paragraph 10 of Supplementary Agreement No. 1, as applicable)	2011-2014 ORIGINAL AGREEMENT Beginning Balance		2014 EXTENSION AGREEMENT Beginning Balance	
Reconciliation of Disbursement of CMHC Funding and Disbursement of Contributions by Others				
CMHC Funding Received minus Returns to CMHC				
Net CMHC Funding Disbursed and to be Disbursed				
Excess				
Deficiency** In net* Contributions by Others Disbursed and to be Disbursed				
Amount to Return to CMHC**				
Victims of Family Violence Included in CMHC Funding Received/ Re funded above				
*net of amounts recovered or to be recovered for project or recipient non-compliance (paragraph 6.8 of the Original Agreement) and net of shortfall for victims of family violence (paragraph 6.1 of the Original Agreement and Part A, paragraph 5 of Supplementary Agreement No. 1, as applicable)				
**deficiencies in matching CBO (paragraph 6.6 of the Original Agreement and Part A, paragraph 10 of Supplementary Agreement No. 1, as applicable); deficiencies in BC/HMC and BC 50% share of required CBO (Paragraph 6.7 of the Original Agreement)				
*** sum of "Excess" and "Deficiency"				