



BC Housing

UMBRELLA AGREEMENT

DATED FOR REFERENCE **[Reference Date]**

BETWEEN

[REGISTERED SOCIETY NAME]
[Society Mailing Address]

(“[Abbreviated Society Name]”)

AND

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

(“BC Housing”)

with respect to **[Number of Projects]** housing developments,
as set out in Schedule D

(“The Projects”)

AGREEMENT SUMMARY

PART 1 - SUMMARY

1. [Registered Society Name] ([Abbreviated Society Name]) is a [Entity Type] who provides [Relevant Society Mandate] including [Total Number of Units Managed by Society] units of housing across [Society Service Region].
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. [Abbreviated Society Name] operates [Total Number of Developments Operated by Society] housing developments at various locations throughout the [Society Service Region] and has entered into individual operating agreements with BC Housing for some of these housing developments. The parties acknowledge and agree that only those operating agreements pertaining to the [Number of Included Projects] ([Numeral]) housing developments listed in Schedule D (the “Original Agreements”) will be modified by this Agreement. Any other agreements or housing developments not listed in Schedule D are expressly excluded.
4. These [Number of Included Projects] ([Numeral]) housing developments, listed in Schedule D and hereafter referred to as “the Projects”, are operated under [Number of Included Programs] ([Numeral]) separate and distinct housing programs (the “Housing Programs”) namely, the [Add or Delete Program Names as Necessary: Pre ‘86 Section 95 Non-Profit Housing program (the “2% Write-Down Program”), the Post ‘85 Section 95 Non-Profit Federal-Provincial Cost-Shared Housing Program (the “F/P Program”), the Wholly Provincial Housing Program (HOMES BC) - Regular (the “HOMES BC Regular Program”), the Provincial Housing Program (HOMES BC) - Homeless at Risk (the “HAR Program”), the Section 82.1(a) Non-Profit Disabled Housing Program (the “82.1(a) Disabled Program”), the Community Partnership Initiative (the “CPI Program”)].
5. Both BC Housing and [Abbreviated Society Name] wish to amend certain provisions of the Original Agreements and to administer all the Projects as one Portfolio pursuant to 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 reduce administrative burden or costs for the parties; and
 - ii. to allow [Abbreviated Society Name] greater latitude in managing their Rents, Unit Mix, Subsidies and Capital Funds across the Portfolio;
 - iii. [Add Additional Reasons for Consolidation as Necessary].
7. The Key Elements of this consolidation are:
8. The pooling of Capital Funds across the Housing Programs to provide the flexibility for funds to be spent on any Project within the Portfolio;
9. Comprehensive long term capital planning using a Facility Condition Index (FCI) based methodology. Five (5) year capital plans will continue to be produced by [Abbreviated Society Name] and approved by BC Housing. [Abbreviated Society Name] 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 agreed targets. [Consider Modifying this Provision for Interim Agreements]
10. 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 [Detail any fully targeted /100% RGI projects or programs].

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11. A Portfolio-wide Monthly Fixed Funding Payment from BC Housing to [Abbreviated Society Name] will replace the current regime of project-specific subsidy payments.
12. Subject to [Abbreviated Society Name]'s compliance with this Agreement, [Abbreviated Society Name] may retain Operating Surpluses.
13. [Abbreviated Society Name] 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 [Reference Date]:

1. TERM OF AGREEMENT

- a. This Agreement shall commence on [Commencement Date] (the “Commencement Date”) and shall remain in effect for a period of [Number of Years in Term] ([Numeral]) years until [Expiry Date] (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 [Anticipated Term of New Agreement] ([Numeral]) year agreement, subject to final contract.

14. PAYMENT

- a. During the Term of this Agreement BC Housing will pay to [Abbreviated Society Name], monthly in advance, the Monthly Fixed Funding Payment as set out in Schedule B, Part A Clause 5.a, subject to any adjustments described in Schedule B, Part A, Clause 5.b.

15. 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

16. In addition to administering the Projects as one Portfolio, certain provisions in the Original Agreements are modified under this Agreement, namely:
 - a. [Abbreviated Society Name] will receive one subsidy payment for the Portfolio (the Monthly Fixed Funding Payment) per month. The total annual subsidy will be fixed at the amounts set out in Schedule B, Part A, Clause 5.a, subject to any adjustments described in Schedule B, Part A, Clause 5.b;
 - b. [Abbreviated Society Name] may elect to increase or decrease the proportion of RGI Tenants in any one Project, provided that;
 - i. at least [Minimum RGI Percentage] % 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 [List any 100% RGI Programs or Projects] must pay rent geared to income.
 - c. Within the HOMES BC program [Only if HOMES BC Included in Portfolio]:
 - 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

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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 [If Approved]; and
 - iii. The “Deep” vs. “Shallow” core need distinction among RGI Tenants under the HOMES BC program may be eliminated.
- d. Within the F/P Program, rents for new tenants may be capped at the Market Rent [If F/P Included in Portfolio].
 - e. Resource allocations and practices regarding the protection of the Portfolio’s housing stock throughout the Term are guided by long term capital plans established by [Abbreviated Society Name], approved by BC Housing and updated at least every five (5) years. [Abbreviated Society Name] will establish capital plans geared to the expected life cycle of each of the Projects in the Portfolio, which anticipate all likely capital, repair and replacement requirements within the Portfolio throughout the Term, in accordance with the capital plan. Portfolio-wide FCI results will be outcomes of this plan;
 - f. [Abbreviated Society Name] will select all RGI Tenants from the Housing Registry;
 - g. [Abbreviated Society Name] will use BC Housing’s On-Line Rent Calculation system to enter the information from the Rent Form, directly into the online system; and
 - h. [Add Any Additional Modifications as Approved].

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**BC Housing – [Registered Society Name]
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This Agreement constitutes the entire Agreement between the parties with respect to the subject matter 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 [Abbreviated Society Name] and BC Housing have executed this Agreement effective as of the Commencement Date of this Agreement:

[REGISTERED SOCIETY NAME]

Per its authorized signatories

Signature Dated

Print Name and Title

Signature Dated

Print Name and Title

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Per its authorized signatories

Signature Dated

Print Name and Title

Signature Dated

Print Name and Title

SCHEDULE A – GENERAL PROVISIONS AND SCHEDULES

A. DEFINITIONS

1. **"Capital Fund"** means the amounts [Abbreviated Society Name] holds in reserve to fund capital replacement and repairs in accordance with the Capital Plan.
2. **"Capital Plan"** means the Capital Plan as amended by BC Housing and [Abbreviated Society Name] from time to time.
3. **"Declaration of Income"** means the declaration to be completed by a Tenant as evidence of the Income of that Tenant.
4. **"Fiscal Year"** means the fiscal year of [Abbreviated Society Name], **EITHER** [being [Insert Fiscal Year End Date]]. **OR** [as of the reference date of this Agreement,] or as revised after agreement between BC Housing and [Abbreviated Society Name].
5. **"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. This maximum will be established by BC Housing from time to time.
6. **"Housing Registry"** means a partnership between BC Housing and other affiliated housing organizations to provide a centralized database with current application information.
7. **"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.
8. **"Intervention Procedure"** means the intervention procedure in the event of a Default by [Abbreviated Society Name] as set out in Schedule A, Part J.
9. **"Loan"** means a mortgage loan insured pursuant to the *National Housing Act* of Canada, obtained by or on behalf of [Abbreviated Society Name] 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.
10. **"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 2012, 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 2012, then for 2013 the amount would be based on the amount for 2012, multiplied by one (1) plus the change in the Consumer Price Index from October 1, 2011 to October 1, 2012 [Update Dates and Figure if Necessary].
11. **"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.
12. **"Monthly Fixed Funding Payment"** means the subsidy payment paid by BC Housing to [Abbreviated Society Name] in accordance with Schedule B, Part A, Clause 5.
13. **"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 [Delete if No Non-RGI Tenants].
14. **"Operating Deficit"** means any shortfall in operating revenue required to meet expenditures or liabilities across the Portfolio.

15. **"Operating Surplus"** means the excess of operating revenue over operating expenses for the Portfolio.
16. **"Portfolio"** means all of the Projects described in Schedule D.
17. **"Projects"** means the housing developments set out in Schedule D.
18. **"Provincial Rental Housing Corporation (PRHC)"** is incorporated under the Business Corporations Act. PRHC is the land holding corporation for provincially owned social housing. BC Housing administers PRHC, which buys, holds and disposes of properties, and leases residential properties to non-profit housing providers.
19. **"Capital Fund"** means the amounts [Abbreviated Society Name] is required to hold in reserve for capital replacements and repairs in accordance with the Capital Plan.
20. **"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.
21. **"Tenant"** means the person or persons legally entitled to reside in a residential unit pursuant to a tenancy agreement.
22. **"Term"** means the period for which this Agreement is in effect, as outlined in the Agreement Summary, Part 2, Clause 1.a.

B. RESPONSIBILITY OF [ABBREVIATED SOCIETY NAME]

1. [ABBREVIATED SOCIETY NAME]:
 - 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; and
 - c. agrees and understands that it is solely responsible for all aspects of operating the Projects. This includes all legal relationships between [Abbreviated Society Name] 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.

C. RESPONSIBILITY OF BC HOUSING

1. **BC Housing will:**
 - a. assign a person to liaise with [Abbreviated Society Name];
 - b. provide support to [Abbreviated Society Name] in managing the Portfolio to meet the objectives and provisions in this Agreement. To this end BC Housing will work cooperatively with [Abbreviated Society Name], taking into account its operational realities and recognizing [Abbreviated Society Name]'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 [Abbreviated Society Name] 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. [Abbreviated Society Name] will not without the prior written consent of BC Housing:
 - a. assign, either directly or indirectly, this Agreement or any right of [Abbreviated Society Name]'s pursuant to this Agreement; or
 - b. subcontract any of their obligations under this Agreement.

E. HOUSING REGISTRY

1. [Abbreviated Society Name] will join and maintain membership in the Housing Registry. Applicants may be referred to [Abbreviated Society Name] from a variety of sources and [Abbreviated Society Name] 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.

ASSET MANAGEMENT

1. [Abbreviated Society Name] will ensure that each of the Projects in the Portfolio is maintained in a state of good repair for the benefit of the Tenants and the community in which each Project is located, and in particular [Abbreviated Society Name] will ensure that:
 - a. each of the Projects complies with all applicable statutory health and safety standards;
 - b. fire regulations are observed and that fire inspections are carried out regularly by the appropriate authorities;
 - c. a maintenance plan and maintenance procedures are established and updated regularly, to maintain the value and prolong the life of each of the Projects, to reduce replacement costs and eliminate/reduce safety hazards
2. [Abbreviated Society Name] will create a Capital Plan which is geared to the expected life cycle of each of the Projects in the Portfolio.
3. The parties agree that [Abbreviated Society Name] 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.
4. Upon removal of a Project from the Portfolio pursuant to this Schedule A, Part G:
 - a. [Abbreviated Society Name] may request a transfer of a portion of the Capital Fund to a restricted reserve fund for that Project. The parties agree that:
 - i. the proportion of any reserve funds eligible for transfer with a removed Project will be reasonably commensurate with the contributions made over time for that Project, as measured against the expenditures expected in the Capital Plan; and
 - ii. in determining whether to permit a transfer of a portion of the Capital Fund for a removed Project, BC Housing will give consideration to the need for reserves to be deployed for the removed Project relative to the needs of the remainder of the Portfolio.

G. REMOVAL OF PROJECTS

1. During the Term of this Agreement, [Abbreviated Society Name] may make an application to BC Housing for the removal of a Project from the Portfolio. Although both parties confirm their intention to manage the Projects as a consolidated Portfolio for the duration of the Term, BC Housing will not unreasonably refuse a request to

- remove a Project from the Portfolio in the event that exceptional circumstances arise that require removal.
2. 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 5.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 [Abbreviated Society Name] operations and services under this agreement.
2. [Abbreviated Society Name] 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 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 [Abbreviated Society Name], 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 [Abbreviated Society Name] or any of its subcontractors segregated from other [Abbreviated Society Name] 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 [Abbreviated Society Name] 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 [Abbreviated Society Name], entry to [Abbreviated Society Name] premises to inspect any personal information in the possession of the Society or any of [Abbreviated Society Name] information management policies, procedures or practices relevant to its management of such personal information or its compliance with this Schedule A, Part H and [Abbreviated Society Name] 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 to [Abbreviated Society Name] under a Records Transfer Agreement separately from records created or collected by [Abbreviated Society Name];
- l. immediately consult with BC Housing when an access for information request or a request to correct personal information is received by [Abbreviated Society Name] 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. AMENDMENT TO ONLINE RENT CALCULATION AGREEMENT [If applicable]

J. DEFAULT AND TERMINATION

1. Dispute Resolution

- 2. Without in any way limiting the parties' rights under the Agreement, the parties will use good faith efforts to resolve any dispute relating to or arising out of the Agreement promptly upon becoming aware of the dispute.

3. Events of Default

- a. Breach of any covenant on the part of [Abbreviated Society Name] under this Agreement and, in particular, any consistent failure to comply with this Agreement shall constitute a Default by [Abbreviated Society Name] under this Agreement.

4. Procedure for Default

The following is the procedure in the event of Default by [Abbreviated Society Name]:

- a. Communication. BC Housing will give [Abbreviated Society Name] written notice of the Default, which notice will provide for a reasonable time for [Abbreviated

[Society Name] to respond to the notice of Default by providing further information concerning the Default.

- b. Action Plan. BC Housing and [Abbreviated Society Name] will agree on a plan to cure the Default (an “Action Plan”), including a schedule for implementation of the Action Plan, identification of the resources available to [Abbreviated Society Name] to implement the action plan, and the dates on which BC Housing will review progress on implementation of the Action Plan.

5. Rights and Remedies

- a. If [Abbreviated Society Name] does not cure the Default within the time agreed by the parties in the Action Plan, BC Housing may:
 - i. terminate this Agreement, in which case BC Housing will deliver to [Abbreviated Society Name] written notice of termination;
 - ii. cease paying subsidy or reduce the amounts thereof, either permanently or for such period as BC Housing may determine; and
 - iii. take reasonable steps to rectify any Default by [Abbreviated Society Name].

6. Extraordinary Circumstances

- a. BC Housing may also, at its option, terminate this Agreement immediately if BC Housing determines that the Provider’s failure to comply with any term of this Agreement has resulted in:
 - iv. fraud or criminal behaviour of a representative of [Abbreviated Society Name] affecting the Projects;
 - v. danger to the health and safety of the Tenants;
 - vi. default under any Loan or on any charge in favour of BC Housing or the Provincial Rental Housing Corporation registered on title of a Project and [Abbreviated Society Name] fails to remedy such default on the terms and within the time allowed as set out in the conditions of the Loan or the conditions in the charge, as the case may be; or
 - vii. consistent failure to participate in the Intervention Procedure.
- b. The determination by BC Housing of an Extraordinary Circumstance is conclusive and binds [Abbreviated Society Name].

7. Other Rights and Remedies

- a. The remedies set out in this Schedule A, Part J survive termination of this Agreement by BC Housing.
- b. BC Housing may recover from [Abbreviated Society Name] on demand all its costs of exercising its rights or remedies under this Agreement.

SCHEDULE B – FINANCIAL

A. FINANCIAL OPERATIONS

1. **Income Mix.** The principle of blending incomes is to be followed by [Abbreviated Society Name] when renting units across the Portfolio. The blending of incomes within a Project will permit Tenants at the lower end of the income range to benefit from a subsidy in excess of the average for a Project, while those at the midpoint will receive the average subsidy, and those at the upper end will receive less than the average subsidy, if any. During the application of the principle, priority should be given to low income households and the targets for RGI Tenants met as outlined in the Agreement Summary, Part 3, Clause 1.b.
2. **Proof of Income.** [Abbreviated Society Name] will obtain evidence of Tenant Income at the time of the initial occupancy and for RGI Tenants, annually thereafter. [Abbreviated Society Name] 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.** [Abbreviated Society Name] will continue to apply BC Housing's Asset Policy as required under individual programs [Unless Approved Otherwise]. 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:
 - i. updated financial and household information provided by the RGI Tenant; or
 - ii. in Projects where BC Housing has approved the establishment of a market rent cap and the rent is capped at the Market Rent, the increase allowed under the *Residential Tenancy Act* may apply.
4. **Non-RGI Tenants.**
 - a. Non-RGI Tenants ([List Programs with Non-RGI Tenants, eg., 2% Write-Down, HOMES BC Regular, CPI] programs only) will pay below Market Rent as set from time to time by [Abbreviated Society Name] for that unit type (as measured by number of bedrooms) in the community [Include Only if Programs with Non-RGI Tenants are Included in Portfolio].
 - b. Annually, [Abbreviated Society Name] will determine the Market Rents for the units in the Portfolio and will set the below Market rents at the Projects accordingly. Where appropriate, [Abbreviated Society Name] will implement annual rent increases subject to the rent increase provisions of the *Residential Tenancy Act*. Every five (5) years, [Abbreviated Society Name] will, at its own expense, complete a market appraisal, or similar survey acceptable to BC Housing, to determine the Market Rent.
 - c. Rents will normally be set at the same amount for units of a similar type. However, [Abbreviated Society Name] 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. **Fixed Annual Subsidy Payments.**
 - a. During the Term of this Agreement, BC Housing will pay to [Abbreviated Society Name], monthly in advance, the Monthly Fixed Funding Payment in the amount of [\$ Monthly Fixed Subsidy Amount].
 - b. The Monthly Fixed Funding Payment will remain the same for the Term of this Agreement and will only change in the following circumstances:

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- 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;
 - iv. the removal of a Project from the Portfolio; and
 - v. by mutual agreement between the parties.
6. **Operating Surplus.** [Abbreviated Society Name] may retain the Operating Surplus for each Fiscal Year, and the following will apply:
 - a. [Abbreviated Society Name] will first pay from the Operating Surplus an amount to remedy any Operating Deficit incurred in a previous Fiscal Year;
 - b. [Abbreviated Society Name] 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 [Abbreviated Society Name] chooses to advance the management and development of affordable housing.
7. **Operating Deficit.** [Abbreviated Society Name] will be responsible for any operating shortfalls or extraordinary expenses. Any Operating Deficit will not be the responsibility of BC Housing.
8. **Loans.** [Abbreviated Society Name] will make payments on all Loans on the due dates and notify BC Housing immediately if [Abbreviated Society Name] cannot make any payment, and:
 - a. [Abbreviated Society Name] will not reduce the amortization period of any Loan or prepay a Loan without BC Housing approval; and
 - b. [Abbreviated Society Name] 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. [Abbreviated Society Name] will, on a regular basis, monitor its compliance with the requirements of this Agreement.

B. ANNUAL REVIEW

1. Annually, [Abbreviated Society Name] 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 [Abbreviated Society Name]'s submitted Tenant data obtained through the On-Line Rent Calculation System;
 - b. review [Abbreviated Society Name]'s expenditures against the Capital Plan as presented in the data in Asset Planner software;
 - c. review any Portfolio Operating Surplus/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 [Abbreviated Society Name]'s compliance with the terms of this Agreement and in particular;
 - a. the RGI levels in the Portfolio; and
 - b. [Abbreviated Society Name]'s compliance with the Capital Plan.
2. BC Housing will provide [Abbreviated Society Name] with at least thirty (30) days' written notice of such an operational review and will provide [Abbreviated Society Name] the requirements for such review (e.g., collecting relevant written policies and procedures, and collecting licenses and inspection reports). In preparation for this review [Abbreviated Society Name] 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 review.

SCHEDULE D – PROJECTS

Project Name	Address	BU #	File/Project Ref #	Funding Program	# of Units	Lease End Date	Agreement End Date	Subsidy End Date	Monthly Fixed Subsidy Amount

**BC Housing – [Registered Society Name]
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Project Name	Address	BU #	File/Project Ref #	Funding Program	# of Units	Lease End Date	Agreement End Date	Subsidy End Date	Monthly Fixed Subsidy Amount