

**HOUSING CAPITAL INITIATIVES
2011/2012 REQUEST FOR PROPOSALS
CONDITIONAL GRANT FUNDING AGREEMENT**

Between:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ALBERTA
AS REPRESENTED BY THE MINISTER OF HOUSING AND URBAN AFFAIRS

(the "Minister")

and

(the "Recipient")

BACKGROUND:

WHEREAS the Minister has established the Housing Capital Initiatives 2011/2012 Request For Proposals (the "Program") to assist Recipients to increase the supply of the affordable housing options;

WHEREAS the Recipient has been qualified to receive financial assistance in the form of a Grant under the Program based on the need for affordable housing options for families, individuals, seniors, persons with special needs and the homeless;

WHEREAS the Minister has authority to provide grants for services and needs pursuant to the *Housing and Urban Affairs Grants Regulation*, A.R. 180/2009, (the "Grants Regulation"), as amended from time to time, to make grants to any person or organization in respect of any matter that is under the Minister's administration and to enter into agreements with respect to such grants;

WHEREAS the Recipient is **[corporation/ nonprofit corporation/housing association/society cooperative/management body/ municipality]** formed pursuant to the **[Companies Act, Business Corporations Act, Societies Act, Cooperatives Act, Alberta Housing Act, Municipal Government Act]**, and has applied for grant funding for the purpose of advancing affordable housing options in the community as described in its application which is attached as Schedule "A" to this Agreement, and said application meets the requirements of the Housing Capital Initiatives 2011/2012 Request For Proposals, as outlined in Schedule "E" of this Agreement;

THEREFORE in consideration of the terms and conditions set out in this Agreement, the Minister and the Recipient agree as follows:

DEFINITIONS AND INTERPRETATION

1. **Definitions** - In this Agreement, the following expressions have the following meanings:
 - a) **“Adaptable Dwelling Unit”** means a dwelling unit that has been designed to allow it to be altered to make the dwelling unit consistent with the principles of *barrier-free* design.
 - b) **“Affordable Housing”** means housing that is modest in terms of floor area and amenities, that meet household needs and that has rents or payments below Average Market Rent in the community or area in which the unit is located.
 - c) **“Approved Project”** means the Housing Capital Initiatives project, proposed by the Recipient, for which the applications have been approved by the Minister, as detailed in Schedule “A” attached to and forming part of this Agreement.
 - d) **“Audited Financial Statement”** means an audited financial statement from an accountant independent of the Recipient, with a Chartered Accountant, Certified General Accountant, or Certified Management Accountant designation in good standing.
 - e) **“Average Market Rent”** means the average rent or payment rate for the area where the Approved Project is located determined on an annual basis by the Minister. This rent or payment is based on Canada Mortgage and Housing Corporation and Alberta Housing and Urban Affairs annual market rental surveys for the area where the Approved Project is located.
 - f) **“Capital Costs”** means the costs to acquire, construct, or renovate a capital asset, including material, labour, land, servicing and soft costs, and any costs required to bring a site, building or unit into compliance with all applicable codes and legislation, including environmental legislation.
 - g) **“Certificate of Substantial Performance”** means an Occupancy Permit issued by the municipality where the Approved Project is located.
 - h) **“Combined Provincial Grant Proceeds”** means the total funding received, either directly or indirectly, from the Provincial Government, a department of the Provincial Government or an agency funded by the Provincial Government.
 - i) **“Core Need Income Threshold”** means the maximum income limits used to assess income eligibility for provincial subsidized housing programs, as set annually and provided by the Minister.

- j) **“Construction Progress Report”** *(Scenario #1 & #2 - (applicable only to Purchase and Renovation agreements & Construction agreements))* means a Construction Progress Report from a quantity or qualified surveyor independent of the Recipient that is a member of the Association of Quantity Surveyors of Alberta or Canadian Institute of Quantity Surveyors in good standing.
- k) **“Current Contracted Construction Costs”** *(Scenario #2 - (applicable only to Construction agreements))* means the original construction contract plus or minus authorized change notices to the original construction contract.
- l) **“Current Contracted Renovation Costs”** *(Scenario #1 - (applicable only to Purchase and Renovation agreements))* means the original renovation contract plus or minus authorized change notices to the original renovation contract.
- m) **“Grant” or “Unused portion of the Grant”** means Grant funds paid by the Minister to the Recipient under this Agreement, and includes any accrued interest on the Grant that may be realized by the Recipient as a result of holding or investing any or all of the Grant in an interest-bearing account or security.
- n) **“Green Technology”** means projects incorporating "technologies" that promote the conservation of non-renewable resources, minimize environmental impact, or include building components that contribute to the economic efficiency of the facility over the long term.
- o) **“Housing for the Homeless”** means housing that is modest in terms of floor area and amenities that meets household needs and the rent is at the minimum rate of twenty percent (20%) or more below the Average Market Rent.
- p) **“Market Housing”** means housing within the community that has a rent or payment at a rate at or near Average Market Rent.
- q) **“Project Rent”** means the monthly rent or payment is based upon:
- a monthly rate or payment that is at the rate of ten percent (10%) or more below the Average Market Rent for Affordable Housing units;
 - a monthly rate that is at the minimum rate of twenty percent (20%) or more below the Average Market rent for Housing for the Homeless units;

as set out in Schedule “B”. The Project Rent may be amended based on changing market conditions, only upon the Recipient’s notice in writing to the Minister of any proposed amendment to the Project Rent, and the Minister’s subsequent written approval of such amendment to the Project Rent.

- r) **“Remaining Grant Proceeds”** (***Scenario #1 - (applicable only to Purchase and Renovations agreements)***) means the remaining Grant funding payable to the Recipient after the issuance of Grant funds determined in Section 5 a).
- s) **“Social Housing Waiting List”** means that list of eligible households for social housing established and maintained by an agency administering social housing, as per the *Alberta Housing Act*, in the area where the Approved Project is located.

EFFECTIVE DATE AND TERM

2. The effective date of this Agreement is _____, (the “Effective Date”), the date this Agreement comes into effect.
3. **Scenario #1 - (applicable only to Purchase and Renovations agreements)**

The Term of this Grant Agreement is from the Effective Date up to and including _____, (the “Term”), which is twenty (20) years from the Effective Date plus an additional one (1) year for purchase and renovation and the issuance of the Certificate of Substantial Performance, which shall be attached to and form part of this Agreement as Schedule “F” once issued.

OR

Scenario #2 - (applicable only to Construction agreements)

The Term of this Grant Agreement is from the Effective Date up to and including _____, (the “Term”), which is twenty (20) years from the Effective Date plus an additional two (2) years for construction and the issuance of the Certificate of Substantial Performance, which shall be attached to and form part of this Agreement as Schedule “F” once issued.

OR

Scenario #3 - (applicable only to Purchase agreements)

The Term of this Grant Agreement is from Effective Date up to and including _____, (the “Term”), which is twenty (20) years from the Effective Date plus an additional one (1) year for purchase of the required units.

- a) The Term shall be no later than _____, or at the Minister's discretion and this Agreement will expire at the end of the Term, unless extended in writing by the Minister.

GRANT

4. The Minister shall provide to the Recipient a Grant not exceeding the sum of _____ CANADIAN dollars (\$xxxxxx CAD), subject to the conditions contained herein.

This Grant represents _____ CANADIAN dollars (\$xxxxxx CAD), (the "Housing Capital Initiatives Grant") of which _____ CANADIAN dollars (\$xxxxxx CAD) is allocated to Affordable Housing units and _____ CANADIAN dollars (\$xxxxxx CAD) is allocated to Housing for the Homeless units.

5. **Scenario #1 - (*applicable only to Purchase and Renovations agreements*)**

The Minister will pay the Grant to the Recipient as follows:

- a) The lesser of up to sixty five percent (65%) of the original cost of acquisition of the property providing Affordable Housing units, not to exceed ninety percent (90%) of the grant funds allocated to Affordable Housing units; and/or the lesser of up to seventy percent (70%) of the original cost of acquisition of the property for the Housing for the Homeless project, not to exceed ninety percent (90%) of the grant funds allocated to Housing for the Homeless units, will be disbursed upon the Minister's receipt of:
- i) All necessary documentation, evidence and approvals, as applicable, to the Minister's satisfaction, that the Approved Project complies with all municipal bylaws and any other zoning bylaws for the area where the Approved Project is located,
 - ii) A Certified Copy of Title indicating the Recipient's fee simple ownership of the land, where the Approved Project is to be located,
 - iii) A current letter of credit from the Recipient's financial institution or funding partners verifying a commitment to the Recipient that Capital Cost funding requirements in excess of the Grant funds are guaranteed to the Recipient,
 - iv) A copy of the construction contract, and

- v) A current property tax assessment or independent appraisal value on the property contributed to the Approved Project, if applicable.
- b) The Minister will pay the Remaining Grant Proceeds, not to exceed ninety percent (90%) of the Grant, to the Recipient as follows:
- i) A maximum of thirty percent (30%) of the Remaining Grant Proceeds or Current Contracted Renovation Costs upon the Minister's receipt of information outlined in Section 5 a),
 - ii) An additional thirty percent (30%) of the Remaining Grant Proceeds or Current Contracted Renovation Costs upon the Minister's receipt of a Construction Progress Report showing the Approved Project is thirty percent (30%) completed, and
 - iii) An additional thirty percent (30%) of the Remaining Grant Proceeds or Current Contracted Renovation Costs upon the Minister's receipt of a Construction Progress Report showing the Approved Project is sixty percent (60%) completed.
- c) The Minister will pay the remaining grant proceeds to the Recipient, not to exceed sixty five percent (65%) of the final Capital Costs for the Affordable Housing units, and/or not to exceed seventy percent (70%) of the final Capital Costs for Housing for the Homeless units, upon the Minister's receipt of:
- i) Certificate of Substantial Performance, and
 - ii) An Audited Financial Statement of final Capital Costs upon completion of the Approved Project, including the criteria set out in Schedule "D".
- d) For greater clarity, the Recipient and the Minister hereby agree that the Minister shall forward the grant, as per subparagraph 5 a), to the Recipient so as to facilitate the acquisition of the land, legally described in Schedule "A" to this Agreement (the "Land"), on the condition that the grant is not to be released by the Recipient's solicitors to the seller until all documentation referred to in subparagraph 5 a) above has been provided by the Recipient's solicitors to the Minister. **(may be included when the recipient's lawyer holds the applicable grant disbursements in trust pending purchase of the property)**

OR

Scenario #2 - (applicable only to Construction agreements)

The Minister will pay the Grant to the Recipient based on the lesser of the approved Grant or sixty five percent (65%) of the Current Contracted Construction Costs for the Affordable Housing units, and/or seventy percent (70%) of the Current Contracted Construction Costs for the Housing for the Homeless units as follows:

- a) Thirty percent (30%) of the Grant only upon the Minister's receipt of:
 - i) All necessary development documentation evidence and approvals, to the Minister's satisfaction, that the Approved Project complies with all municipal bylaws and any other zoning bylaws for the area where the Approved Project is to be located,
 - ii) A Certified Copy of Title indicating the Recipient's fee simple ownership of the land, where the Approved Project is to be located,
 - iii) A current letter of credit from the Recipient's financial institution or funding partners verifying a commitment to the Recipient that Capital Cost funding requirements in excess of the Grant funds are guaranteed to the Recipient,
 - iv) A copy of the construction contract, and
 - v) A current property tax assessment or independent appraisal value on the property contributed to the Approved Project, if applicable.
- b) An additional thirty percent (30%) of the Grant or Current Contracted Construction Costs upon the Minister's receipt of a Construction Progress Report showing the Approved Project is thirty percent (30%) completed,
- c) An additional thirty percent (30%) of the Grant or Current Contracted Construction Costs upon the Minister's receipt of a Construction Progress Report showing the Approved Project is sixty percent (60%) completed,
- d) The Minister will pay the remaining grant proceeds to the Recipient, not to exceed sixty five percent (65%) of the final Capital Costs for the Affordable Housing units and/or seventy percent (70%) of the final Capital Costs for the Housing for the Homeless units, upon the Minister's receipt of:
 - i) Certificate of Substantial Performance, and
 - ii) An Audited Financial Statement of final Capital Costs upon completion of the Approved Project, including the criteria set out in Schedule "D".

OR

Scenario #3 - (applicable only to Purchase agreements)

The Minister will pay the Grant to the Recipient as follows:

- a) The Minister will pay the Grant to the Recipient based on the lesser of up to sixty five percent (65%) of the original cost of acquisition of the property in respect of the Affordable Housing units, not to exceed ninety percent (90%) of the portion of the Grant allocated to Affordable Housing units, and/or the lesser of up to seventy percent (70%) of the original cost of acquisition in respect of the Housing for the Homeless units, not to exceed ninety percent (90%) of the portion of the Grant allocated to Housing for the Homeless units, will be disbursed upon the Minister's receipt of:
 - i) All necessary documentation, evidence and approvals, as applicable, to the Minister's satisfaction, that the Approved Project complies with all municipal bylaws and any other zoning bylaws for the area where the Approved Project is located,
 - ii) A Certified Copy of Title indicating the Recipient's fee simple ownership of the land, where the Approved Project is to be located,
 - iii) A current letter of credit from the Recipient's financial institution or funding partners verifying a commitment to the Recipient that Capital Cost funding requirements in excess of the Grant funds are guaranteed to the Recipient, and
 - iv) A current property tax assessment or independent appraisal value on the property contributed to the Approved Project, if applicable.
- b) The remaining Grant proceeds, not to exceed sixty five percent (65%) of the final Capital Costs of Affordable Housing units and/or seventy percent (70%) of the final Capital Costs for the Housing for the Homeless units, upon the Minister's receipt of:
 - i) Certificate of Substantial Performance, as applicable, and
 - ii) An Audited Financial Statement of final Capital Costs upon completion of the Approved Project, including the criteria set out in Schedule "D".
- c) For greater clarity, the Recipient and the Minister hereby agree that the Minister shall forward the grant, as per subparagraph 5 a), to the Recipient so as to facilitate the acquisition of the land, legally described in Schedule "A" to this Agreement (the "Land"), on the condition that the grant is not to be released by the Recipient's solicitors to the seller until all

documentation referred to in subparagraph 5 a) above has been provided by the Recipient's solicitors to the Minister. **(to be included when the recipient's lawyer holds the applicable grant disbursements in trust pending purchase of the property)**

6. The Recipient is limited to receiving Grant funding for the Approved Project from the Minister in the amount set out in Section 4.
7. Every Approved Project shall be used for Affordable Housing and/or Housing for the Homeless purposes for a period of at least 20 years, continuously from the date of issuance of the Certificate of Substantial Performance, or such period as may be agreed to in writing by the Minister and the Recipient.

SUBCONTRACTING

8. The Recipient shall ensure all contracts or sub contracts necessary for completion of the Approved Project are in compliance with recognized construction practices and all applicable legislation.

GRANT USE

9. The Recipient shall adhere to the use of the Grant, as set out in the application for the Approved Project in Schedule "A", including but not limited to the following:
 - a) It is a condition of a grant that the Recipient uses the Grant only for the purpose for which the Grant was made or for any variation of that purpose approved in advance by the Minister;
 - b) If
 - i) the Recipient does not comply with any conditions of the Grant, including the condition referred to in subsection a) above, or
 - ii) any of the information provided by the Recipient to obtain the Grant is determined by the Minister to be false, misleading or inaccurate,

the Minister may require the Recipient to repay to the Minister all or part of the Grant.
 - c) Money that the Minister requires to be repaid to the Minister under this Agreement constitutes a debt due to the Minister and is recoverable by the Minister in an action in debt against the Recipient of the Grant.
 - d) A certificate signed by the Minister stating that a Grant was made under this Agreement and that the Minister has required repayment of the money

in accordance with this section is prima facie proof of the debt due by the Recipient of the Grant to the Minister.

10. The Recipient acknowledges that the entire Grants Regulation governs the making of this Grant, and the Recipient shall comply as required, with all of the provisions of that Grants Regulation.
11. The Recipient shall, as the first source of Affordable Housing tenants for the Approved Project, draw from the Social Housing Waiting List for the community in which the Approved Project is to be located.
 - a) In the absence of a Social Housing Waiting List in the community, or in the event the Recipient, in its sole discretion, is unable to access suitable Affordable Housing tenants from the Social Housing Waiting List, priority shall be given to low-income individuals and families whose incomes fall within Core Need Income Thresholds for the size of accommodation (number of bedrooms) required to adequately house the household.
12. The Recipient acknowledges that it will be liable for the full amount of the Grant and it will be bound to the terms of this Agreement, notwithstanding the Recipient's payment of Grant funds to a third party and the subsequent use of any Grant funds by that third party.
13. Projects supported using funds provided through this Agreement shall be accessible in accordance with the principles of barrier-free design and shall include adaptable dwelling units in accordance with Section 3.8.1.1(3) and (4) of the *Alberta Building Code 2006* and technical bulletins issued by the Chief Building Administrator and the Safety Codes Council.
14. The Recipient shall ensure the requirements for the provision of "Adaptable Dwelling Units" as set out in Section 13 are provided within every agreement with a third party constructing new multi-residential Affordable Housing and Housing for the Homeless accommodations. This provision shall survive the expiry of this Agreement.
15. Combined Provincial Grant Proceeds for the Housing Capital Initiatives must not be in excess of sixty five percent (65%) of the Capital Costs in respect of the Affordable Housing units. The remaining thirty five percent (35%) of the Capital Cost of Affordable Housing units is to be provided to directly by the Recipient or other forms of funding independent of the Provincial Government; and/or in respect of Housing for the Homeless units, Combined Provincial Grant Proceeds must not be in excess of seventy percent (70%) of the Capital Costs of said units. The remaining thirty percent (30%) of the Housing for the Homeless units is to be provided directly by the Recipient or other forms of funding independent of the Provincial Government.

16. The Recipient will be required to repay the portion of the Grant equal to the Combined Provincial Grant Proceeds exceeding sixty five percent (65%) of the Capital Costs of the Affordable Housing units and/or seventy percent (70%) of the Capital Costs for the Housing for the Homeless units.
17. If the Recipient is subject to the *New West Partnership Trade Agreement* (NWPTA), or if it distributes grant funds to an entity that is subject to NWPTA, the subsequent procurement of goods and services is in accordance with the requirements of NWPTA.

TERMINATION

18. This Agreement shall terminate in the event that:
 - a) The Approved Project ceases to be used for Affordable Housing and/or Housing for the Homeless as defined in this Agreement; or
 - b) The Project Rent for an Approved Project exceeds the agreed upon Project Rent (as per Schedule "B"), provided that the Minister has given the Recipient adequate written notice of any change in Average Market Rent; or
 - c) The Recipient breaches any provision of this Agreement or of Alta. Reg. 180/2009, as amended from time to time; or
 - d) The Term expires.

Upon termination of this Agreement, the Minister may demand that the Recipient repay the entire Grant or a portion of the Grant. The Minister shall confirm such termination in writing to the Recipient. The amount of the Grant repayable to the Minister under this section will be based on the proportion of the Term remaining after the date of the default calculated in accordance with the method set out in Schedule "C".

NOTICE

19. If to the Assistant Deputy Minister:

Office of the Assistant Deputy Minister
 Alberta Housing and Urban Affairs
 Housing Development & Operations
 3rd Floor, 44 Capital Boulevard
 10044 – 108 Street
 Edmonton, Alberta T5J 5E6

If to the Recipient:

RECIPIENT'S REPORTING AND MONITORING REQUIREMENTS

20. The Recipient must:

- a) Proceed with the construction/purchase and renovation/purchase of the Approved Project within ninety (90) days of the Effective Date of this Agreement;
- b) provide the Minister with a Certificate of Substantial Performance, as applicable, once the Approved Project has been completed, which shall be no later than two (2) years from the Effective Date of this Agreement unless extended in writing by the Minister;
- c) provide the Minister:
 - i) with six (6) months written notification in a form satisfactory to the Minister of the intent to sell, assign or transfer any portion of its ownership of the Approved Project and make an effort to conduct the assignment or transfer of its ownership within the program guidelines of the agreement.
 - ii) with immediate notification if the Recipient relinquishes ownership or control, for reasons other than a sale, assignment or transfer, of the Approved Project during the Term.
- d) provide a written report in a form satisfactory to the Minister by March 31st of each year on the work and activity in respect of which the Grant was made demonstrating to the satisfaction of the Minister that the Recipient continues to utilize the Approved Project for the purpose of advancing Affordable Housing and Housing for the Homeless;
- e) within six (6) months following the completion of the Approved Project, provide an Audited Financial Statement of final Capital Costs in the form outlined in Schedule "D", at the Recipient's expense;
- f) maintain a separate accounting of the Grant Proceeds such that at the end of each quarter, the amount of the unexpended Grant Proceeds is readily ascertainable.

21. The Minister and Recipient acknowledge that a Certificate of Substantial Performance may not be issued to the Recipient due to the nature and scope of the renovations to be undertaken in connection with the Approved Project. If a Certificate of Substantial Performance is not issued, the Recipient will:
- a) provide supporting documentation from an independent third party confirming the renovations are completed, and
 - b) be released from the Certificate of Substantial Performance obligations, Adaptable Dwelling Units obligations and related insurance obligations contained herein.
22. The Recipient must permit the Minister or the Minister's representative, authorized in writing, to examine, during regular business hours, the books, records or assets relating to the expenditure of the Grant to determine if the Grant has been properly spent and assets are adequately maintained.

BREACH OF AGREEMENT

23. Upon breach of any term of this Agreement, the Minister may demand that the Recipient repay the entire Grant or a portion of the Grant. The Minister shall confirm such breach in writing to the Recipient. The amount of the Grant repayable to the Minister under this section will be based on the proportion of the Term remaining after the date of the default calculated in accordance with the method set out in Schedule "C".
24. A waiver of any breach of a provision by the Minister shall not be binding upon the Recipient unless the waiver is in writing and the waiver shall not affect the Minister's rights with respect to any other or future breach by the Recipient.

INSURANCE

Next 5 clauses relates to a purchase and renovation agreement (scenario #1) OR a construction agreement (scenario #2)

25. The Recipient shall provide, prior to construction or installation of the Approved Project, proof of appropriate insurance coverage in a form and amount satisfactory to the Minister, pertaining to the construction, installation and other aspects of the Approved Project, including, but not limited to, any foundation or structural aspects of the Approved Project. This insurance coverage shall be maintained throughout the construction and installation of the Approved Project.
26. The Recipient shall, at its own expense and without limiting its liabilities herein, insure its operations resulting from this Agreement under a contract of general liability insurance, in accordance with the *Alberta Insurance Act*, R.S.A. 2000, c.

I-3, as amended from time to time, in an amount not less than \$5,000,000, inclusive per occurrence, insuring against bodily injury, personal injury and property damage, including the loss of use thereof. Such insurance shall also include blanket contractual liability.

27. The Recipient shall also maintain workers' compensation insurance in accordance with the requirements of the *Workers' Compensation Act*, R.S.A. 2000, c. W-15, as amended from time to time, if required.
28. All insurance required pursuant to this Agreement shall be endorsed to provide the Minister with thirty (30) days advance written notice of material change or cancellation.
29. The Recipient, upon request by the Minister, shall provide proof of such Insurance.

Next 6 clauses relate to purchase agreements (scenario #3)

30. The requirements in the following two sections are to be placed in accordance with the Alberta *Insurance Act*, R.S.A. 2000, c. I-3, as amended from time to time.
31. The Recipient shall provide proof of "All Risks" property insurance on a replacement cost basis.
32. The Recipient shall, at its own expense and without limiting its liabilities herein, insure its operations resulting from this Agreement under a contract of general liability insurance, in accordance with the Alberta *Insurance Act*, R.S.A. 2000, c. I-3, as amended from time to time, in an amount not less than \$5,000,000, inclusive per occurrence, insuring against bodily injury, personal injury and property damage, including the loss of use thereof. Such insurance shall also include blanket contractual liability.
33. The Recipient shall also maintain workers' compensation insurance in accordance with the requirements of the *Workers' Compensation Act*, R.S.A. 2000, c. W-15, as amended from time to time, if required.
34. All insurance required pursuant to this Agreement shall be endorsed to provide the Minister with thirty (30) days advance written notice of material change or cancellation.
35. The Recipient, upon request by the Minister, shall provide proof of such Insurance.

HOLD HARMLESS

36. The Recipient agrees to indemnify and hold harmless the Minister from any and all third party claims, demands, actions or costs (including legal costs on a solicitor-client basis) for which the Recipient is legally responsible, including those arising out of negligence or willful acts by the Recipient or the Recipient's employees or agents. This hold harmless clause shall survive this Agreement.

COMMUNICATIONS PROTOCOL

37. The Recipient agrees to provide the Minister or a representative a minimum of eight (8) weeks advance notice of any official event such as ground-breaking, openings, plaque unveiling, or any similar event to which the public may be invited.

SIGNAGE

38. The Recipient agrees to provide site signage, throughout construction of the housing development in accordance with visual guidelines provided by the Minister. The Minister may, in his sole discretion, and upon written request from the Recipient, grant an exception to the signage requirements on developments funded through the Program in instances where the development involves scattered sites or where the erection of the required signage may be detrimental to the acceptance of the development by the community-at-large.

ASSIGNMENT

39. This Agreement may not be assigned by the Recipient without the express written consent of the Minister.

LAWS OF ALBERTA

40. This Agreement shall be governed in accordance with the laws of Alberta, and the parties agree to the jurisdiction of the Courts of Alberta.

FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

41. The parties acknowledge the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000, c. F-25, (the "Act"), as amended from time to time, and shall abide by the requirements of the Act. Not limiting the generality of the foregoing, the parties specifically acknowledge that the terms of this Agreement, including the name of the Recipient, the consideration, term and details of the Approved Purpose, are subject to disclosure under the Act.

DATED at _____, Alberta this _____ day of _____, 2011.

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF ALBERTA
as represented by the Minister of
Housing and Urban Affairs

Recipient

Deputy Minister of
Housing and Urban Affairs

signature

print name and title

SCHEDULE A
APPLICATION FOR GRANT

APPLICANT:

Telephone:

Fax:

PURPOSE OF GRANT:

The purpose of the Housing Capital Initiatives – Request for Proposals conditional grant is to provide stable and secure affordable options for low-to-moderate income families, individuals, seniors and persons with special needs in communities throughout Alberta.

The Recipient will use the Housing Capital Initiatives – Request for Proposals conditional grant to..... The project will consist of XXXX (XX) one-bedroom units and XX (X) two-bedroom units. XXXX (X) of the units will be barrier-free.

Changes to the legal description of approved properties are subject to the prior approval of the Ministry.

Purchases of five (5) or more units within a six block radius are subject to the prior approval of the Ministry.

In cooperation with the Community Based Organization – **XXXXXX**, the Recipient will target the Housing for the Homeless units towards homeless individuals.....

BUDGET:

Total Project Capital Cost	\$
<hr/>	
Housing and Urban Affairs Housing Capital Initiatives – Affordable Housing units	\$
Housing and Urban Affairs Housing Capital Initiatives – Housing for the Homeless units	\$
Other Contribution(s):	
• Capital Debt Financing	\$
• Contribution by Recipient	\$
Total	\$

LEGAL DESCRIPTION OF PROJECT:

Plan
Block
Lots

CONTACT PERSON FOR THE GRANT:

Telephone:
Fax:

DATED at _____, Alberta this _____ day of _____, 2011.

Recipient

signature

print name and title

SCHEDULE B**“PROJECT RENT” FOR THE APPROVED PROJECT**
(PER UNIT PER MONTH)

“Average Market Rent” means the average rent or payment rate for the area where the Approved Project is located, including heat and water, determined on an annual basis by the Minister, and is based on CMHC and Alberta Housing and Urban Affairs’ annual market rental surveys for the area where the Approved Project is located.

“Project Rent” means that the monthly rent or payment is based upon a minimum rate of twenty percent (20%) or more below the Average Market Rent for the Housing for the Homeless units and ten percent (10%) or more below the Average Market Rent for the Affordable Housing units for the Term of this Agreement, as set out in this schedule. The Project Rent may be amended based on changing market conditions, only upon the Recipient’s notice in writing to the Minister of any proposed amendment to the Project Rent, and the Minister’s subsequent written approval of such amendment to the Project Rent.

The following are the “Project Rents” for the Approved Project as approved by the Minister, based on current data collected by Alberta Housing and Urban Affairs.

UNIT TYPE	AVERAGE MARKET RENT (includes heat and water)	PROJECT RENT (per unit per month)
One-Bedroom Affordable Housing Unit	\$	\$
Two-Bedroom Affordable Housing Unit	\$	\$
One-Bedroom Housing for the Homeless Unit	\$	\$
Two-Bedroom Housing for the Homeless Unit	\$	\$

DATED at _____, Alberta this _____ day of _____, 2011.

Recipient

signature

print name and title

SCHEDULE C

"Unused Portion" means, for the purpose of compliance with Section 18 and Section 23 of this Agreement and Sections 7 and 9 of the Grants Regulation:

- i) where the Recipient fails to expend any portion of the Grant, a sum represented by the entire Grant plus accrued interest that the Recipient may have earned on the Grant;
- ii) where the Recipient expends less than the total of the Grant, a sum represented by the difference between the amount expended and the Grant plus accrued interest that the Recipient may have earned on the Grant; or
- iii) where the Recipient expends all of the Grant on the Facility, but where the usage to which the Facility is put changes from that of Affordable Housing and/or Housing for the Homeless, a sum calculated by applying the following formula:

$$UP = AG \times \frac{(20 - YD)}{(20)}$$

(To be used where a Certificate of Substantial Performance is issued)

Where:

UP = unused portion to be repaid to the Minister

AG = accountable Grant

YD = numerical year of default, being the number between 1 and 20 representing the year after the date of issuance of the Certificate of Substantial Performance in which the default occurs

"Year of default" means, for the purpose of applying the formula to determine the unused portion, the number between 1 and 20 representing the year after the date of issuance of the Certificate of Substantial Performance in which the default occurs.

(To be used where a Certificate of Substantial Performance is not issued)

Where:

UP = unused portion to be repaid to the Minister

AG = accountable Grant

YD = numerical year of default, being the number between 1 and 20, the year following one year from the Effective Date, in which the default occurs

"Year of default" means, for the purpose of applying the formula to determine the unused portion, the number between 1 and 20, the year following one year from the Effective Date, in which the default occurs.

SCHEDULE D
AUDITED FINANCIAL STATEMENT OF FINAL CAPITAL COSTS
REQUIREMENTS

1. The Audited Financial Statement of final Capital Costs shall be provided separately for the Affordable Housing project and/or the Housing for the Homeless project, pertaining to the respective approved grant. Where the total project units is different from the Approved Project funded units, Capital Costs shall be provided for both.
2. The Audited Financial Statement of final Capital Costs must contain a comparison of:
 - a) originally budgeted costs submitted in the Grant application for the Approved Projects; along with,
 - b) final actual Capital Costs of the Approved Project with an explanation of variances of more than ten percent (10%) between these costs.
3. The Audited Financial Statement of final Capital Costs must be in sufficient detail to allow the Minister to determine:
 - a) the impact on Project Rent of any increase or decrease in Capital Costs; and
 - b) that the Combined Provincial Grant Proceeds for the Affordable Housing project do not exceed sixty five percent (65%) of the final Capital Costs relating to the Affordable Housing units, and/or the Combined Provincial Grant Proceeds for the Housing for the Homeless project do not exceed seventy percent (70%) of the final Capital Costs relating to the Housing for the Homeless units.
4. The Audited Financial Statement of final Capital Costs provided separately for the Affordable Housing project and the Housing for the Homeless project shall include, but is not limited to, the following items for the Approved Project, including those projected costs outlined in the Recipient's application for funding.

Example

ITEM	APPROVED PROJECT COSTS		
	Estimated Cost	Actual Cost	Variance
Land			
Acquisition	\$	\$	\$
Appraisal/Legal Fees	\$	\$	\$
Demolition	\$	\$	\$
Environmental	\$	\$	\$
Local Improvement during construction	\$	\$	\$
Property Tax during construction	\$	\$	\$
Survey/Title/Recording Fees	\$	\$	\$
Other (Specify)	\$	\$	\$
Other (Specify)			
Total Land Costs	\$	\$	\$

ITEM	APPROVED PROJECT COSTS		
	Estimated Cost	Actual Cost	Variance
Building(s)			
Building Contract/Services	\$	\$	\$
Renovation	\$	\$	\$
Appliances/Equipment Furniture	\$	\$	\$
Other (Specify)	\$	\$	\$
Other (Specify)	\$	\$	\$
Total Building Costs	\$	\$	\$

Site Improvements			
Site Servicing	\$	\$	\$
Landscaping	\$	\$	\$
Other (Specify)	\$	\$	\$
Other (Specify)	\$	\$	\$
Total Site Improvement Costs	\$	\$	\$

Administration			
Architect Fees	\$	\$	\$
Audit/Legal Fees	\$	\$	\$
Consultant/Inspection Fees	\$	\$	\$
Contingency	\$	\$	\$
Interest	\$	\$	\$
Letter of Credit	\$	\$	\$
Marketing and Rent Up	\$	\$	\$
Market Rental Appraisal	\$	\$	\$
Municipal Fees	\$	\$	\$
Signage/Grand Opening	\$	\$	\$
Other (Specify)	\$	\$	\$
Other (Specify)	\$	\$	\$
Total Administration Costs	\$	\$	\$

Subtotal	\$	\$	\$
Total GST	\$	\$	\$
Less GST Rebate	\$	\$	\$
Net GST	\$	\$	\$
Total Project Cost	\$	\$	\$

ITEM	APPROVED PROJECT FINANCING/FUNDING		
	Estimated	Actual	Variance
Amount Financed (<i>Specify Source</i>)	\$	\$	\$
Amount Financed (<i>Specify Source</i>)	\$	\$	\$
Municipal Government Funding	\$	\$	\$
Federal Government Department/Agency	\$	\$	\$
Municipal Fee Rebate/Reduction	\$	\$	\$
Donations	\$	\$	\$
- Cash	\$	\$	\$
- Fundraising	\$	\$	\$
- Land/Building	\$	\$	\$
- Supplies/Services	\$	\$	\$
- Furniture/Equipment	\$	\$	\$
- Gifts-In-Kind	\$	\$	\$
Other Sources (<i>Specify</i>)	\$	\$	\$
Subtotal	\$	\$	\$

COMBINED PROVINCIAL GRANT FUNDING			
Housing Capital Initiatives Grant – Affordable Housing units or Housing for the Homeless units	\$	\$	\$
Interest Earned on the Housing Capital Initiatives Grant	\$	\$	\$
Other Provincial Government Department/Agency (<i>specify</i>)	\$	\$	\$
Other Provincial Government Department/Agency (<i>specify</i>)	\$	\$	\$
Subtotal	\$	\$	\$

Total Financing/Funding	\$	\$	\$
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SCHEDULE E

HOUSING CAPITAL INITIATIVES 2011/2012 REQUEST FOR PROPOSALS Housing for the Homeless Unit Requirements

- Priority is for small self contained units for individuals (bachelor and/or studio units).
- Two-, three- and four-bedroom family units will also be eligible in the RFP.
- Proposals of 20 units or less may contain all Housing for the Homeless units.
 - 20 units or less may be made up of, or include, individual units in multiple locations.
- Proposals of 20 to 50 units will contain no more than 30 percent of the units as Housing for the Homeless.
- Proposals of 51 or more units will have a maximum of 20 percent Housing for the Homeless.
- Where possible, and to support project viability and sustainability, both Housing for the Homeless units and Market Housing units can be combined.
- Support services may be required to enable clients to stabilize and maintain their housing. Funding of support services is not an eligible cost in the RFP.
- Units developed will be made available to the community-based organization for client selection and the provision of support services.
- The applicant will be required to provide evidence of consultation and support from local community-based organizations, associations and residents in the immediate area surrounding the development prior to disbursement of funds.

Exemption to the development size requirements:

It is recognized that projects greater than 20 units in size when targeted exclusively to Housing for the Homeless may be needed for clients requiring specialized services. Proposals of this nature may be considered using the following additional criteria:

1. The proposal must demonstrate the need for having a project greater than 20 units in size that facilitates economy of scale in the provision of specialized support services.
2. The proposal must fit with the overall direction of the municipal plan to end homelessness.
3. The proposal must include letters of support from stakeholders that work with the targeted client group for the proposed project attesting to the appropriateness of larger scale special needs housing versus smaller scale sites.
4. The applicant will be required to provide evidence of consultation and support from local community-based organizations, associations and residents in the immediate area surrounding the development prior to disbursement of funds.