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Halifax, Nova Scotia
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Item No. 14.2
Halifax Regional Council
August 31, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Dave Reage, Acting Chief Administrative Officer

DATE: August 25, 2021

SUBJECT: Rapid Housing Initiative – Round 2 Projects

ORIGIN

On June 30, 2021 the Federal Government launched a new Rapid Housing Initiative (RHI) that invests \$1.5 billion to create up to 4,500 new permanent, affordable housing units across Canada. On July 9, 2021 the federal government further announced that HRM would be allocated \$12,979,021 through the Cities Funding Stream to develop a minimum of 43 new permanent affordable units.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (HRM Charter), Part III – Powers

73(b) The Municipality may enter into and carry out agreements with

- (i) the Minister of Community Services or Canada Mortgage and Housing Corporation with respect to housing projects, or
- (ii) any body corporate or agency having similar objects to Canada Mortgage and Housing Corporation with respect to projects pursuant to the National Housing Act (Canada);

RECOMMENDATION

It is recommended that Halifax Regional Council authorize the Chief Administrative Officer (CAO) to”

1. Enter into the Rapid Housing Initiative Agreement with Canada Mortgage and Housing Corporation ("CMHC"), substantially in accordance with the draft form in Attachment A, to accept \$12,979,021 for the creation of a minimum of 43 affordable housing units by the Affordable Housing Association of Nova Scotia, Souls Harbour and Akoma Holdings Incorporated as further discussed in this report; and
2. Negotiate and execute Contribution Agreements, and any amendments or consents arising from them, with recipients, to distribute CMHC Rapid Housing Initiative funding for approved projects.

BACKGROUND

In October 2020, the Federal Government launched the [Rapid Housing Initiative \(RHI\)](#) that invested \$1 billion dollars to create 3,000 new permanent, affordable housing units across Canada. As part of the Major Cities funding stream, the Halifax Regional Municipality was identified for immediate funding of \$8,659,527 to create a minimum of 28 units of new permanent affordable housing. On [November 24, 2020](#), HRM Regional Council directed the Chief Administrative Officer to allocate the \$8,659,527 of RHI funding to 3 projects (Mi'kmaq Native Friendship Society, Adsum for Women and Children and North End Community Health Association) for a total of 52 new units/rooms.

On June 30, 2021 the Federal Government launched [Round 2](#) of RHI that invests \$1.5 billion dollars to create an additional 4,500 affordable housing units. Similar to the first round of RHI funding, funds in Round 2 will be delivered through two funding streams:

- Cities Stream: will flow directly to municipalities to ensure funds are directed to areas where chronic homelessness is most prevalent and;
- Projects Stream: only applicants who applied during the first round and had projects that were not fully funded are eligible for the extended funding.

HRM was again selected as a municipality that would receive immediate funding through the Cities Stream. Through this 2nd round of RHI, HRM has been identified for funding of \$12,979,021 to create a minimum of 43 units of new permanent affordable housing.

To be eligible for funding, costs must be associated with:

- **Construction** of new residential units (please note modular construction is not a requirement of RHI-Round 2);
- **Conversion** of a non-residential building to a residential building; or
- **Renovation** of existing housing that is currently uninhabitable

Funds must be used for capital costs associated with the development and must be incurred after October 26, 2020, when the first round of RHI was launched and can include the acquisition of land.

Projects funded under the RHI must:

- be constructed within 12 months of the investment plan being agreed to;
- operate for a minimum of 20 years;
- if the development includes new construction, exceed provincial building code accessibility and energy efficiency requirements by five percent; and
- serve and be affordable (household is paying less than 30 per cent of gross income on housing costs) to targeted people and populations who are considered vulnerable and:
 - who are also, or otherwise would be, in severe housing need (households that pays 50% or more for their current accommodations), or
 - people at high risk of homelessness (an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it).

The Municipality is further required to prioritize projects targeted to women (25%) and encouraged to prioritize projects that will target Urban Indigenous peoples or Black Nova Scotians (15%).

Rapid Housing Initiative (RHI) Agreement

To secure the allocated \$12,979,021, HRM must submit project proposals to CMHC for approval by August 31, 2021 and enter into the RHI Agreement with CMHC. The agreement template is provided in Attachment A. The RHI Agreement, outlines the purpose and conditions of the funding as well as required reporting. As HRM is not a provider of housing to utilize the funds, it will be required to enter into individual contribution agreements with non-profit housing providers.

Rapid Housing Initiative Round 1 - Update

The three projects funded under the first round of RHI are over halfway through their 12-month development timeline. Please see Attachment B which summarizes the status of the three affordable housing developments funded under Round 1 of RHI. While all three projects are at varying stages of development, they have all experienced longer development timelines and significant cost increases. Increased timelines and costs are common with most developments and would be expected due to the short window to prepare submissions for the first round of RHI. However, as a result of the COVID-19 pandemic and the substantial increase in costs associated with materials and labour, project budgets have increased by 36% to 49% totalling approximately \$5 million combined. While cost overruns will be addressed by the non-profit organizations, through contributing their own assets, fundraising or donations, the Province has also committed to additional funding to support project completion for the Adsum and NECHA projects. However, as the cost overruns for the MNFS project have only recently become apparent, to date, additional project funds have not been fully secured. Until these additional funds are secured, this project is considered at risk, and the Municipality may be required to contribute added funds.

DISCUSSION

On July 15, 2021 staff reached out directly to approximately 40 non-profit housing providers, numerous housing advocates and launched a website seeking expressions of interest. Organizations who submitted expressions of interest from the first round of RHI were also invited to resubmit. Staff originally received 10 submissions from non-profit housing organizations, although 1 organization withdrew their submission. A summary of 9 of the submissions is provided in Attachment C.

Due to the short timeline to allocate funding to non-profit housing, organizations were given very little time to prepare submissions. Staff greatly appreciates the time and effort that went into preparing these submissions and acknowledge that this work was on top of their daily responsibilities and already busy schedules. Staff hope to continue to work with the non-profit housing organizations to bring more of these projects to fruition.

Submissions were prioritized on the basis of target populations being served, expediency of the development, property ownership, and the current zoning required to permit the use. The cost per unit and an operating budget that could provide affordability to the target population for 20 years were also strong considerations.

Proposed Project Submissions to CMHC

Based on the review of submissions, staff recommend the following three projects for consideration by CMHC as HRM's selected projects for funding under the second round of RHI – Cities Stream. The allocated funding from the three submissions would total \$12,025,954.30 for 85 units. This would leave approximately \$953,066.70 remaining for contingency purposes. It is important to note, that RHI funding is contingent on final approval by CMHC.

1. Affordable Housing Association of Nova Scotia (AHANS) –Dartmouth

Allocated Funding: \$6,282,640.00 for 65 rooms (\$96,656/room)

AHANS is proposing the redevelopment of an existing property in north Dartmouth. Through RHI funding, AHANS proposes to purchase the property and convert it to a 65-room shared housing use, targeted to individuals who are homeless and live with two or more mental health, addiction and chronic health issues. While AHANS will be responsible for property management, they will partner with the North End Community Health Association (NECHA) who will provide programming and clinical supports (such as occupational therapists, personal care workers and mental health and addiction counsellors) for the residents. AHANS has committed to prioritizing a minimum of 25% of the rooms to women experiencing homelessness. Homelessness statistics provided by AHANS show women make up approximately 44% of the total homeless population in HRM.

In addition to seeking funding through RHI, AHANS has secured funding from the provincial government and federal Reaching Home program to support the development of this project. Beyond the \$3.5 million already allocated by the province for capital expenses, the province has further committed to this project through annual support for operating costs and resident support expenses. Reaching Home's commitment will be \$2.4 million toward the purchase.

Property Ownership

As the property is not currently owned by AHANS, ownership is considered a significant risk to proceeding with this development, however AHANS has a signed letter of intent with the property owner in regards to the purchase of the property and as the property is not listed in the open real estate market they are the sole party in discussion of purchase with the property owner. AHANS also completed an appraisal of the property to ensure that the proposed purchase price reflects the current market conditions.

Considerations-Amendment to Proposed Regional Centre Plan (Package B)

The property is not currently zoned for residential uses. If this project is approved by Council for funding by CMHC, staff will bring forward the necessary zoning amendments for Council's approval through the Centre Plan Package B process. Staff consider the property to be appropriate for residential uses.

2. Souls Harbour – Head of Chezzetcook / West Chezzetcook

Allocated Funding: \$2,995,185 for 12 unit (\$249,598.75/unit)

Souls Harbour is proposing the development of a 3 storey – 12-unit residential building that will be focused on housing for women and women with children. The specific address of the lands in question is not being stated as it is anticipated that some residents may require privacy or a certain level of anonymity. This development will compliment an existing project on the same site that will include supportive housing for an additional 7 women/women with children. While the property is located in a rural setting, there is access to transit, parkland and is close to a public school and amenities. The property will also include a garden area for residents and Souls Harbour will coordinate social events such as movie and craft nights.

Souls Harbour began as a service provider for those experiencing homelessness in Regina, Saskatchewan. The organization has since expanded their operations in Halifax, offering emergency food and clothing services. They have recently completed the development of 9 residential units providing supportive housing to men. Souls Harbour also operates a department style thrift store in Halifax, Bridgewater and Truro. Proceeds from the thrift store will be available to help support operating expenses for the residential units if needed.

While Souls Harbour already owns the property (purchased in July of 2021), RHI funds will cover the majority of the outstanding mortgage - RHI projects cannot be encumbered by a mortgage on a property. Further, the property complies with the required zoning to allow the development of a 12-unit residential building so the development can proceed immediately after funding has been secured.

3. Akoma Holdings Incorporated – 1081 Main Street, Dartmouth

Allocated Funding: \$2,748,129.30 for 8 units (\$343,516.16/unit)

Akoma is proposing the development of 8 modular residential units, which would be part of a larger master planned community for the lands of the former Home for Coloured Children. The 8 units will be developed in the form of two townhouse pods and include one- and two-bedroom units. The development as a whole is targeted towards the African Nova Scotian community, and the proposed 8 units will be prioritized for women/women with children. The development will be located next to the Akoma Family Centre, has access to transit and is in close proximity to amenities along Main Street in Dartmouth.

Similar to Souls Harbour, Akoma already owns their property and has the appropriate zoning for the development and as such can proceed immediately after funding has been secured. As part of the land

use by-law provisions for the master plan, a traffic study is required prior to the issuance of any development permits. Akoma's team is already working towards the completion of the required traffic study and they are confident that this will not negatively impact their development timeline.

Considerations for Cost Over Run

It is expected that submissions through the second round will not experience such significant cost increases as experienced in the first round. Material costs are beginning to stabilize or decline, and increased costs have already been accommodated in the proposed budgets. However, staff have worked with the recommended submissions to ensure the development costs incorporate potential changes in the markets and include a healthy contingency fund. HRM will further require applicants to hire a professional project manager to help move the applications through the development process and have incorporated such costs in the overall funding requests.

Consideration for Project Timelines

While already noted above, it is important to appreciate the significant risk as a result of the tight timelines for RHI. As demonstrated in the first round of RHI funding, projects are likely to exceed their anticipated timelines as such, HRM will need to be extremely confident that Third Party developments can meet this deadline. While it is anticipated that the requirement for a professional project manager will provide greater assurance that projects will stay on track, HRM is committed to expediting the review/approval process for the developments and will continue to work with the RHI recipients to provide assistance in expediting the development process as a whole.

Municipal Tax Relief

Property taxes are a significant component of ongoing operational costs for these housing projects. It is recommended that proponents should apply for consideration of municipal tax relief under Administrative Order 2014-001-ADM. Tax-relief will help both HRM and the proponents to manage the project costs over time and achieve deep affordability for a 20-year period. Applications for tax relief will be reviewed by HRM's community grants team and will be assessed based on criteria approved by Regional Council. The deadline for new applications to the 2022 tax relief program is November 30, 2021. If accepted into the program the tax relief is effective April 1, 2022 and they would receive either a refund or credit for taxes paid for the 2022 fiscal year. Tax relief is not retroactive to 2021.

Related Requests for Amendments to Proposed Regional Centre Plan (Package B)

While HRM cannot recommend funding all of the projects listed in Attachment C, the majority of the submissions are considered strong projects and staff support their future development. Staff have shared all project submissions with the Centre Plan team for their consideration in the proposed Regional Centre Plan (Package B).

FINANCIAL IMPLICATIONS

The funds from CMHC will be accepted by HRM and disbursed to third parties according to a future agreements between HRM and the third parties. If all parties can meet their obligations in the specified time periods, the HRM costs associated with administering the contribution agreements can be accommodated within the approved 2021/22 operating budget using existing resources.

If the requirements cannot be met within the timeframes, HRM may be responsible to return most or all of the funds.

Beyond the risks associated with projects meeting the specified timeline for development, HRM will also need to ensure units are targeted to those who are homeless or at risk of homelessness and that rents are not more than 30 percent of their income. To understand potential risks of ensuring affordability, staff worked with representatives from CMHC and the Department of Infrastructure and Housing to understand the potential impact on project operating budgets. While projects are expected to be self-sufficient should a deficit occur, it could potentially be a pressure on HRM in future operating budgets. HRM will attempt to

mitigate this risk by structuring the contracts with third party providers appropriately.

RISK CONSIDERATION

There are significant risks related to the recommendation in this report. While this federal initiative is extremely welcome and will have a positive impact on housing in HRM, it is important to highlight potential risks in entering into the RHI Agreement as HRM does not provide housing services directly. Beyond the risks already highlighted in this report. The following are risks that require serious consideration.

Third Party Agreements

The conditions of the RHI Agreement provides very little flexibility and, as such, HRM not only needs to be confident that a Third Party non-profit can develop units within the 12 month allotted timeframe, but that they can also ensure the units are used for affordable housing for at least 20 years.

While Third Party agreements can include the majority of the requirements outlined in the RHI Agreement, including the required reporting, it is important to note that this can still place HRM in significant risk position should the Third Party fail to uphold any of the covenants in a Third Party Agreement. HRM will be the recipient of the original agreement and as such are liable for all the terms and conditions of the agreement, including operating costs. Any failure from Third Party organizations will put HRM in default of the RHI Agreement and allow CMHC the option to require some or all of the \$12,979,021 funding be returned to it.

Additional Conditions of Funding

As noted above, conditions of the funding further require housing to target specific vulnerable populations and that any new development exceed the requirements of the provincial Building Code. For example, the units must be targeted to people who are vulnerable and, and a minimum of 25% of the Units must be targeted to women or women with children. As well, the RHI Agreement requires units exceed the National Building Code requirements for local accessibility and energy efficiency by 5%. The Municipality cannot regulate tenancies and the Province, rather than the Municipality, has the ability to amend the Building Code. HRM can only add these requirements as contractual terms of any Third Party agreement. HRM cannot require them as part of its permit application process.

Further, it is worth noting that the AHANS conversion project in north Dartmouth is subject to Regional Council's rezoning of the property through the Centre Plan Package B process. As such, this development may not be able to proceed should Council not approve the proposed re-zoning or Package B as a whole. Staff advise that all of the proposed developments are appropriate and comply with overall planning principles, however it is important to state that by approving the recommendation of the proposed developments for funding under the second round of RHI, it does not obligate Council to approve the proposed zoning or Package B planning documents.

COMMUNITY ENGAGEMENT

Staff reached out directly to approximately 40 non-profit housing providers and numerous housing advocates seeking expressions of interest to understand if there were potential developments that could be eligible for the RHI funding. Staff also launched a website providing more information regarding eligibility for funding through the municipal stream. A total of 10 submissions were received. Please see Attachment B for a summary of each submission.

ENVIRONMENTAL IMPLICATIONS

The RHI funding requires that new developments exceed the energy requirements of the building code by 5%. Two of the proposed projects will involve new development.

ALTERNATIVES

1. Regional Council may direct the Chief Administrative Officer not to enter into the Rapid Housing Initiative Agreement.
2. Regional Council may direct the Chief Administrative Officer to select alternative projects to be recommended to CMHC for funding. Doing this could increase the potential financial risk to the Municipality and may result in not meeting the Rapid Housing Initiative's submission deadline to receive funding.

ATTACHMENTS

Attachment A: Rapid Housing Initiative Agreement - Template
Attachment B: Project Updates for RHI Round 1
Attachment C: RHI Round 2 – Project Submissions

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Jillian MacLellan, Principal Planner Social Policy, Regional Planning, Planning and Development 902.717.3167

Attachment A-Rapid Housing Initiative Agreement - Template

RAPID HOUSING INITIATIVE AGREEMENT

THIS AGREEMENT is made as of the ___ day of _____, 202__ (the "Effective Date") between **CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC")** and **[NAME OF PROVINCIAL, TERRITORIAL, or MUNICIPAL GOVERNMENT, INDIGENOUS GOVERNMENT, INDIGENOUS ORGANIZATION, GOVERNMENT NOT FOR PROFIT AGENCY]** ("Recipient").

(collectively the "Parties" and individually a "Party")

WHEREAS the COVID-19 crisis has exacerbated existing housing affordability and homelessness issues particularly for the most vulnerable Canadians;

WHEREAS the Parties wish to implement the Rapid Housing Initiative ("RHI") to rapidly house some of the most vulnerable Canadians; and

WHEREAS in connection with the RHI, CMHC is authorized under the National Housing Act to make contributions to the Recipient for the purposes of developing, in conformity with the deliverables to be approved by CMHC and attached as **Schedule B** (the "Deliverables"), at least **[number of units]** affordable housing units in **[Municipality / Region]** (the "Units");

NOW THEREFORE for value received, the Parties agree as follows:

1. Contribution and Purposes

The contribution by CMHC under this Agreement is \$[●] (the "Contribution") and will be advanced to the Recipient following signature of this Agreement, subject to the terms and conditions herein and for only to be used for the following purposes (as will be further specified by the Recipient in the Deliverables):

- (i) acquisition of land and the construction of affordable multi-residential housing ;
- (ii) acquisition of land and buildings for the purpose of conversion of non-residential into affordable multi-residential housing Units; or
- (iii) acquisition of land and buildings In Disrepair or abandoned for the rehabilitation¹ into affordable multi-residential housing Units;

and all of the eligible costs associated with the foregoing including conversion costs, pre-development, pre-construction (e.g. environmental site assessments, cost consultant reports, architectural or engineering reports, legal/closing costs related to acquisition of land and buildings) for the development of permanent affordable housing Units.

For greater certainty, costs must be incurred on or after October 27, 2020 and do not include operational expenses. Furthermore, the Recipient is solely responsible for any cost overruns due to change in scope, design, time to complete, site conditions or otherwise and CMHC will not increase the Contribution in such circumstances.

2. Expiration of Commitment

If this Agreement is not executed by the Recipient by **[insert date that is 10 business days from date agreement is sent to Recipient]**, or such other date as CMHC may agree to in writing, then CMHC's obligation to make the

¹ The land and buildings to be rehabilitated must have been in disrepair and/or abandoned and in both cases inhabitable and lost to the housing stock.

Contribution shall end at CMHC's sole discretion.

3. Conditions to Funding

The Recipient agrees it will:

- (a) perform all of its obligations under Schedule B and use the Contribution only for the purposes specified in the Deliverables (and no other purpose) to create affordable Units for People And Populations Who Are Vulnerable (as defined in **Schedule A**) who are targeted by the Affordability Criteria (as defined in **Schedule A**);
- (b) ensure, for a minimum period of 20 years (or for such longer period as agreed to in the Deliverables) commencing on January 1, 2023, or on another date as may be set by CMHC at its discretion (the "**Term**"), the Units meet the Affordability Criteria (as defined in **Schedule A**) and are for People And Populations Who Are Vulnerable;
- (c) ensure the Units, and the newly constructed building(s) where the Units are situated, will meet: (i) the accessibility requirements set out in the Deliverables or, if none set out in the Deliverables, (ii) the local accessibility requirements in its jurisdiction during the Term;
- (d) ensure the Units, and the newly constructed building(s) where the Units are situated, will meet: (i) the energy efficiency standards set out in the Deliverables or, if none set out in the Deliverables, (ii) the energy efficiency standards, as set out in the 2015 National Energy Code for Buildings (NECB), or as set out in the local/regional standard, whichever is higher;
- (e) where it intends to engage a third party intermediary (the "**Intermediary**") to construct, operate, and/or own the Units: (i) exercise appropriate care in selecting an Intermediary who is a reputable entity that meets the Recipient's integrity regime and Know-Your-Client requirements; (ii) enter with the Intermediary into agreements as may be needed, setting out terms and conditions reflecting the requirements of this Agreement; and (iii) take all necessary actions to cause the Intermediary to comply with the obligations under this Agreement, noting however that the Recipient shall remain at all times primarily liable to CMHC for the fulfillment of all obligations under this Agreement;
- (f) be, and cause the Units and any property on which the Units will be constructed and operated to be, at all times in compliance with all Applicable Laws including environmental laws and zoning, in all material respects; and
- (g) provide such financial and other information or documents relating to the Recipient as CMHC may reasonably require.

4. Return of Contribution

In support of the implementation of the RHI to rapidly house some of the most vulnerable Canadians affected by the COVID-19 crisis, the Recipient will select projects that can be implemented within the short period of time specified in the Deliverables. As a consequence, the Recipient agrees to the following:

- (a) CMHC may periodically review the progress in fulfilling the Deliverables. Where CMHC or the Recipient considers that there may be reasonable doubt any part of the Deliverables will be fully and timely delivered as expected, or where the Recipient has not started a project within 2 months of the start date(s) set out in Schedule B, the Parties shall consult together and make all efforts to find an acceptable solution that minimizes impacts on the projects and that is in the best interest of the RHI implementation, following which CMHC may reduce or cancel the Contribution to the extent that CMHC considers reasonable. In that case, the Recipient shall return any such reduced or cancelled Contribution within 30 days of being notified in writing by CMHC. For the purpose of this section, a project is started when the Recipient first incurs Hard Costs.

(b) The Recipient shall return to CMHC any undisbursed funds within 30 days of the Quarterly Attestation (as defined below) for the quarter in which all projects set out in the Deliverables are completed, and in all cases no later than February 28, 2023 unless otherwise agreed by CMHC.

5. Disposition, Conversion, and Encumbrance of Units

(a) The Recipient shall not make any Disposition or conversion, or permit any Disposition or conversion to be made, of the Units or any lands acquired with the Contribution, without the prior written consent of CMHC, who may impose any conditions its deems necessary and appropriate, acting reasonably.

(b) The Recipient may not encumber the Units, or any lands acquired with the Contribution, without CMHC's prior written consent, acting reasonably.

6. Reporting

The Recipient agrees it will:

(a) deliver an attestation to CMHC within 30 days of each of December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023, unless directed otherwise by CMHC, and in accordance with **Schedule C** (the "**Quarterly Attestation**"); and

(b) deliver an attestation to CMHC within 60 days of the Recipient's fiscal year end, commencing in the first fiscal year ending after March 31, 2023 and on each fiscal year thereafter, unless otherwise directed by CMHC, until the completion of the Term and in accordance with **Schedule C** (the "**Yearly Attestation**").

7. Schedules

Schedules attached hereto, including the Deliverables (**Schedule B**) and the Additional Terms (**Schedule D**), form a part of this Agreement.

[Signature pages follow]

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the date first written above.

CANADA MORTGAGE AND HOUSING CORPORATION

700 Montreal Rd
Ottawa, Ontario
K1A 0P7

Name:
Title:

Name:
Title:

[RECIPIENT]

[Address]

Name:
Title:

Name:
Title:

*[Signature page for the Rapid Housing Initiative Agreement
between Canada Mortgage and Housing Corporation and **[Recipient]**]*

SCHEDULE A

Definitions

"Affordability Criteria" means:

All units must serve and be affordable (household is paying less than 30% of gross income on housing costs or the shelter component of any provincial income assistance program as an equivalent) to targeted People and Populations Who Are Vulnerable and who are also, or otherwise would be, in severe housing need or people experiencing or at high risk of homelessness as described below. Affordability must be maintained for a minimum of 20 years. The Recipient will be required to confirm, through an attestation, that all units serve the intended targeted population. CMHC may require incremental validation throughout the 20-year affordability period as needed.

A household in severe housing need is a subset of core housing need households that pays 50% or more for their current dwelling. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

Homelessness is described as the situation of an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. Populations at imminent risk of homelessness are defined as individuals or families whose current housing situation will end in the near future (for example, within 2 months) and for whom no subsequent residence has been established.

A Recipient who has already adopted its own definitions for 'severe core housing need', 'homelessness' or at 'risk of homelessness' may, with approval of CMHC, apply such definitions to the Affordability Criteria. Otherwise, the definitions for these terms indicated herein apply.

"Applicable Laws" means, with respect to any person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction.

"Disposition" means, with respect to a Recipient, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any property or of any right, title or interest in or to any property.

"Hard Costs" means any amounts expended or to be expended for work, services or materials done, performed, placed or furnished in connection with the construction of the project, all as more particularly set out in the project budget (and, for the avoidance of doubt, Hard Costs shall not include amounts payable pursuant to the terms of any consultant contract).

"In Disrepair" means Units which are abandoned and/or in disrepair and no longer adequate for occupancy would be eligible for acquisition and rehabilitation if, in the opinion of a qualified expert, they cannot be made safe and adequate for occupancy without undertaking a substantial or complete renovation of the entire existing building(s) including dwelling units.

"People and Populations Who Are Vulnerable" means the following groups and the individuals belonging to these groups:

- Women and children fleeing domestic violence;

- Seniors;
- Young adults;
- Indigenous peoples;
- People with disabilities;
- People dealing with mental health and addiction issues;
- Veterans;
- LGBTQ2+;
- Racialized groups;
- Black Canadians;
- Recent immigrants or refugees; and
- Homeless people or those at risk of homelessness.

SCHEDULE B

Deliverables

[see attached]

SCHEDULE C

Reporting

Quarterly Attestation

[see attached]

Yearly Attestation

[see attached]

SCHEDULE D
Additional Terms

Parties agree to the following additional terms and conditions:

1. Termination

In the event that the Recipient (or a representative thereof) does not adhere to the terms and conditions of this Agreement, or commits fraud, misconduct, criminal acts, gross negligence or willful misconduct, CMHC may immediately terminate this Agreement and declare the Contribution to be repayable to CMHC in whole or in part, and may exercise any other rights and remedies it has by operation of law or equity. Sections 2, 3 and 4 of this **Schedule D** shall survive the expiry or termination of this Agreement.

2. Indemnification

The Recipient agrees to indemnify and save harmless the Government of Canada, CMHC, its officers, directors and employees against all claims, demands, actions, suits or other proceedings (including but not limited to environmental claims) of any nature whatsoever arising from or as consequence of or relating to (a) any breach by the Recipient of its obligations, or any misrepresentation by the Recipient under this Agreement, (b) the construction or operation of the Units, (c) the failure of the Recipient to comply with all environmental laws or losses suffered in connection with the presence of any hazardous material on the land upon which Units are situated; or (d) any act or failure to act on the part of the Recipient in connection with the Contribution or the Units, whether or not CMHC is named as a party.

3. Liability

CMHC shall not be liable to the Recipient or any other party in relation to the Contribution. To the extent the Recipient engages or retains any third party in respect of its obligations under this Agreement, the Recipient shall remain primarily liable to CMHC for the fulfillment of its obligations under this Agreement. For the purposes of this Agreement, CMHC will only deal with the Recipient, and not with third parties retained by the Recipient including the Intermediary.

4. Recipient's Representations and Warranties

(a) The Recipient has the requisite power, authority and capacity to execute, deliver and perform its obligations under this Agreement, which has been duly authorized, executed, and delivered by the Recipient and constitutes a legal, valid, and binding obligation of the Recipient.

(b) The Recipient and any property on which the Units are situated are in compliance with all applicable laws, including all environmental laws and municipal zoning, in all material respects.

(c) It is a condition of this Agreement that all representations and warranties made in this Agreement or any other document or reporting by the Recipient are true, complete and correct.

5. Official Languages

In areas of significant demand, the Recipient agrees to provide all information and services pertaining to the RHI in both French and English. The Recipient will use the criteria for communications and services in the *Official Languages Regulations* made pursuant to Canada's *Official Languages Act* as a guideline to determine "significant demand". The Recipient will consult with representatives of local minority language groups.

6. Information and Communications

(a) Subject to the *Access to Information Act* (Canada), the *Privacy Act* (Canada), and the applicable provincial, territorial or municipal freedom of information and privacy legislation, the Parties shall hold confidential any information clearly identified and marked as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Nothing in this Agreement shall be construed in a manner that would contravene the access to information and privacy legislation that applies to the Parties.

(b) The Recipient consents to the collection, use and disclosure of information submitted to CMHC by the Recipient for the following purposes: (i) to assess the Recipient's eligibility under the RHI; (ii) for analytics, policy analysis, auditing and research by CMHC; (iii) to communicate to the Recipient possible opportunities under other CMHC programs, or possible collaboration opportunities with third parties; (iv) for evaluation of the RHI; (v) for use by CMHC in and the Government of Canada for purposes related to the *National Housing Act* (Canada); and (vi) for information verification and due diligence purposes, including to detect and protect CMHC from errors and fraud. The Recipient shall obtain the foregoing consents from any third party intermediary engaged by the Recipient to construct and/or operate the Units.

(c) CMHC and its representatives are authorized to use and disclose the information, on a need to know basis, to CMHC employees, officers and directors, the office of the Minister responsible for CMHC and provincial/territorial/municipal entities collaborating with CMHC for the purposes outlined in Section 6(b) of this **Schedule D**.

(d) Any public communications related to projects under this Agreement must be approved in advance by CMHC. Notwithstanding the preceding, each Party retains the right to communicate information to Canadians about the projects to meet its respective legislated and regulatory obligations, with prior notice to the other Party.

(e) If requested by CMHC, the Recipient shall publicly acknowledge CMHC's and the Government of Canada's Contribution under this Agreement in a manner acceptable to CMHC, acting reasonably, including through use of signage at the project (at the costs of CMHC).

7. Audit

(a) CMHC and any of its officers, employees and agents shall have the right to inspect, audit and make extracts from the Recipient's books and records in relation to the Contribution upon its request, acting reasonably, until the completion of the Term.

(b) CMHC or a third party representative may conduct onsite visits to inspect and monitor the construction and operation of the Units and compliance with the terms and conditions of this Agreement. All site visits are for CMHC's program and risk management purposes only and are not to be considered a technical inspection to confirm the quality of the work or the Recipient's compliance with applicable laws, including building codes.

8. Notice

Delivery of notice under this Agreement shall be effective three days after posting by regular mail, or on the day following transmission by e-mail, to the Parties at addresses set out on the signature pages of this Agreement.

9. Independent Recipient

The Parties agree that under this Agreement CMHC is solely a financial contributor in respect of the Units and there shall be no legal partnership or joint venture between CMHC and the Recipient or the Intermediary. No

Party will use the name, logo or marks of the other party without the prior express written consent of that other party.

10. Costs

The Recipient is responsible for its own costs and expenses incurred in connection with the preparation, execution, enforcement and implementation of this Agreement.

11. Conflict of Interest

The Recipient shall avoid any conflict of interest during the Term of this Agreement and shall immediately declare any existing, potential or apparent conflict and shall, upon direction of CMHC, take steps to eliminate any conflict, or perception that a conflict of interest exists.

12. House of Commons/Senate

No member of the House of Commons or the Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

13. Assignment and Amendment

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their successors and assigns. This Agreement may not be assigned by a Party without the prior written consent of the other Party. Any amendment to this Agreement must be approved by both Parties in writing.

14. Counterparts

This Agreement may be executed in any number of counterparts, which taken together will be deemed to constitute one and the same instrument. This Agreement may be executed by electronic signature and such electronic signature shall be deemed to be an original signature for the purpose of this Agreement with the same legal effect as a manual signature.

15. Waiver

The failure of CMHC to insist on strict compliance with one or more of the terms of this Agreement shall not constitute a waiver of its right to enforce those terms at a later date. No provision of this Agreement shall be deemed to have been waived as a result of a breach by either Party of the provisions of this Agreement, unless such waiver is in writing and signed by CMHC. Any such waiver shall not be deemed a waiver for a subsequent breach of the same or any other provision of this Agreement.

16. Governing Law and Jurisdiction

This Agreement will be governed by and construed in accordance with the laws of the province or territory where the Units are situated, and indigenous laws and the federal laws of Canada applicable therein. The courts of such jurisdiction shall exclusively hear any dispute related to this Agreement. Funding under this Agreement is at all times subject to appropriations by the Parliament of Canada.

17. Entire Agreement

This Agreement contains all of the agreements and understandings between the Parties and no other representations or warranties, verbal or otherwise, exist between the Parties. If any provision of this Agreement

is held by a competent authority to be invalid, illegal or unenforceable for any reason, the remaining provisions of this Agreement and any schedules attached hereto, will continue to be in full force and effect.

18. Additional Funding

If following the Effective Date, CMHC agrees to provide additional RHI funds to the Recipient (the "Additional Funds"), CMHC may use this Agreement as a basis for its agreement with the Recipient in relation to the Additional Funds. In such case, CMHC will provide a written notice of the amount of the Additional Funds, along with a revised Schedule B, to the Recipient. If the Recipient accepts such Additional Funds and revised Schedule B, and unless directed otherwise by CMHC, it shall provide a written acknowledgement confirming the Recipient's acceptance of the Additional Funds and revised Schedule B (including the additional units and applicable term) within 10 business days of receiving CMHC's written notice of the Additional Funds. The terms and conditions of this Agreement, as varied by the revised Schedule B, shall apply to the Additional Funds *mutatis mutandis* unless otherwise agreed by the Parties.

Attachment B: Project Updates for RHI Round 1

For the first year of RHI, HRM is required to submit a quarterly attestation to CMHC regarding the development status of the 3 projects. The first quarterly attestation was submitted in April and the second was due in July. The following provides an update regarding each project and outlines the major considerations and concerns associated with the 3 projects as a whole.

Mi'kmaw Native Friendship Society (MNFS) – 5853 College Street, Halifax <i>Awarded Funding: \$3,206,442 for 17 units/rooms</i>	
Project Description	<p>The MNFS proposed the redevelopment of 5853 College Street to develop 10 shared housing rooms and 7 residential units, however as building plans have been finalized the development will be able to provide 1 additional shared housing bedroom and 3 additional units.</p> <p>The development will also include a 30-bed shelter which is not eligible for RHI funding. Housing will serve an urban indigenous population and will offer services to help residents transition to permanent housing. At the time of Council's approval for RHI funding, the land use policy and zoning did not permit the proposed development, however approval for the change in planning policy and regulations was granted in early 2021.</p>
Progress to Date	<p>Regional Plan and Land Use By-law Amended</p> <ul style="list-style-type: none"> • February 9, 2021- approval by Regional Council • March 20, 2021 – effective date of amendments <p>Existing building was demolished – May 2021 Permit Application in Progress</p>
Status of Time Line	<p>This project will go over the required 12 month deadline for completion of development.</p>
Status of Project Budget	<p>The project budget for this development has increased by approximately 36% (\$1,954,347).</p> <p>Staff are working with MNFS to address cost overruns however to date additional funding has not been secured.</p>
Other Information	<p>This project will include an additional 4 units/rooms totalling 21 units/rooms.</p>

Adsum for Women and Children (Adsum)- 158 Greenhead Road, Lakeside <i>Awarded Funding: \$4,168,817 for 25 units</i>	
Project Description	<p>Adsum proposed the redevelopment of their existing women's shelter to provide 25 residential units that will serve women, families and trans persons at-risk of homelessness. At the time of Council's approval for RHI funding, Adsum was undergoing a development agreement approval process to allow for the proposed development, which was approved in early 2021.</p>
Progress to Date	<p>Development Agreement Approved</p> <ul style="list-style-type: none"> • Approval from Halifax and West Community Council on January 19, 2021

	<ul style="list-style-type: none"> DA Registered with Province February 12, 2021 <p>Existing Building Demolished – April 2021 Permits Issued - June 2021</p>
Status of Time Line	This project will go over the required 12 month deadline for completion of development.
Status of Project Budget	<p>The project budget for this development has increased by approximately 49% (\$1,957,317) due to increased costs for material and labour. However, outside of the general project budget increases, this project also experienced additional cost increases due to the presence of bedrock when installing services. As such the total budget increased by approximately 61% (\$2,427,123).</p> <p>To date cost overruns have been secured. Please see the discussion section below.</p>

North End Community Health Association (NECHA) – 2218 Maitland Street, Halifax <i>Awarded Funding: \$1,284,269 for 10 rooms</i>	
Project Description	The NECHA proposed the conversion of a vacant residential building into 10 or 11 shared housing rooms where units will be targeted towards African Nova Scotians who experience chronic homelessness. This project will follow the Housing First model and housing support workers will be provided to residents. At the time of Council’s approval for RHI funding, NECHA did not own the subject property.
Progress to Date	<p>Purchase of Property - March 2021</p> <p>Internal Demolition – June 2021</p> <p>Permit Application in Progress</p>
Status of Time Line	This project will go over the timeline provided as part of their submission for RHI but is on track for completion prior to 12 month RHI deadline
Status of Project Budget	<p>The project budget for this development has increased by approximately 44% (544,001).</p> <p>To date, cost overruns have been secured. Please see the discussion section below.</p>

Development Timeline

HRM has already committed to expediting the review/approval process for the developments and will continue to work with the RHI recipients to provide assistance in expediting the development process as a whole. Staff will also engage with CMHC to explore options to extend the timeline for completion. The RHI contribution agreement between CMHC and HRM states that where projects may not meet the required 12 month timeline “the Parties shall consult together and make all efforts to find an acceptable solution that minimizes impacts on the projects and that is in the best interest of the RHI implementation, following which CMHC may reduce or cancel the Contribution to the extent that CMHC considers reasonable.”

Cost Considerations

For the reasons noted above, the costs associated with the three developments have also significantly increased. When HRM entered into the RHI agreement with the federal government, it was with the

understanding of the risks associated with the projects. Construction projects often go over budget. While HRM did retain \$576,314 of the \$8.7 million for contingency purposes, cost associated for development have increased by almost \$5 million.

While the cost overruns will be addressed by the non-profit organizations, through their own assets fundraising or donations, the Province has also committed to additional funding to support project completion for the Adsum and NECHA projects. However, as the cost overruns for the MNFS project have only recently become apparent, to date, additional project funds have not been fully secured. Until these additional funds are secured, this project is considered at risk, and the as the Municipality may be required to contribute funds.

Attachment C: RHI Round 2 – Project Submissions

PROJECT/NON-PROFIT	PROJECT DESCRIPTION	REQUEST	CONSIDERATIONS	COMMENTS
<p>ADSUM WOMEN AND CHILDREN - 158 GREENHEAD RD LAKESIDE</p>	<p>New development of 10 additional units to the existing Sunflower project (25 units) funded under RHI 1.0. This project will increase the supply of affordable housing for women, gender diverse adults and families experiencing homelessness.</p> <p>Adsum is proposing a passive solar design building that will greatly increase energy efficiency.</p> <p><i><u>Background of Organization</u></i> <i>Adsum has decades of experience developing and managing affordable housing in HRM. They own several properties though out HRM ranging from shelters, transitional housing to permanent housing. Housing and programming is targeted to women and women with children.</i></p>	<p>\$3,322,660 (\$332,266/unit)</p>	<p>Owns Land: Y Zoning: Y Development Type: New Build Target Population: Women and Women with Children</p>	<p>The majority of servicing and site prep work has been completed as part of the 1st phase of the development however future issues may still arise</p> <p>While this project is a very strong candidate staff advise that it would be prudent for ADSUM and HRM to focus on the completion of the development funded under the first phase of RHI. Further, preference was given to projects that have not previously received RHI funding.</p> <p>Staff will continue to work with Adsum on the completion of the Sunflower project and look forward to working together on future endeavors.</p>

**AFFORDABLE
HOUSING
ASSOCIATION OF
NOVA SCOTIA (AHANS)
– 8 BURKE ST**

Addition of 6 units to an existing 6-unit multiple unit residential building.

\$1,194,100
(\$199,005/unit)

Owns Land: Y
Zoning: N*
Target Population: Those at risk of homelessness.

While current zoning does not permit this project, as this project is located within the Regional Centre alternative zoning or land use provisions can be considered under Centre Plan Package B.

*Background of Organization
AHANS is as an advocate for affordable housing throughout Nova Scotia. They conduct research, provide education, and consulting services to support the sector's varied service providers.
AHANS was a member of the member of the former Creighton-Gerrish Development Association and in recent years have acquired a multiple unit dwelling to retain affordability.*

While this project is a very strong candidate, staff advise that it would be prudent for AHANS to focus their resources on the renovation of the former Travel Lodge to create 65 new shared housing rooms. Further, preference was given to projects that have not previously received RHI funding.

Staff will continue to support this project and as such recommend that HR-1 zoning be applied to the property through the Centre Plan Package B process to allow the potential expansion of the building in the future.

**AFFORDABLE
HOUSING
ASSOCIATION OF
NOVA SCOTIA (AHANS)
– NORTH DARTMOUTH**

Conversion of existing non-residential property to 65 rooms of permanent supportive housing for those that are homeless or chronically homeless. A minimum of 25% of the rooms will be prioritized to women.

AHANS will partner with the North End Health Clinic Association, who will provide support services and programming to the residents.

Background of Organization
AHANS is as an advocate for affordable housing throughout Nova Scotia. They conduct research, provide education, and consulting services to support the sector's varied service providers. AHANS was a member of the member of the former Creighton-Gerrish Development Association and in recent years

\$6,282,640.00 (\$96,656/rooms)
Allocated Funding

Owns Land: N
Zoning: N
Development Type:
Conversion
Target Population: Those at Risk of Homelessness.

This project team has already been working with other levels of government to secure funding.

While current zoning does not permit this project, as this project is located within the Regional Centre alternative zoning or land use provisions can be considered under Centre Plan Package B.

AHANS has a signed letter of intent with the property owner regarding the purchase of the property.

	<i>have acquired a multiple unit dwelling to retain affordability.</i>			
AKOMA HOLDINGS INCORPORATED – 1081 MAIN ST DARTMOUTH	<p>New development of 8 modular residential units which would be part of a larger master planned community. The development as a whole is targeted towards the African Nova Scotian community. The 8 units funded under RHI will, be targeted towards women / women with children.</p> <p><u><i>Background of Organization</i></u> <i>In 2014, Akoma acquired the assets from the Nova Scotia Home for Coloured Children which includes 310 acres of property and various buildings including child facilities and community centre.</i></p> <p><i>Akoma is in the process of developing a master community plan to develop the lands including the reuse of the Old Home for a commercial use.</i></p>	<p>\$2,748,129.30 (\$343,516.16/unit) <i>Allocated Funding</i></p>	<p>Owns Land: Y Zoning: Y Development Type: New Build Target Population: African Nova Scotians</p>	<p>This will be the first residential development for the Akoma development and has the potential to provide a trajectory for the larger development.</p> <p>There are several considerations for this development including the requirement of a Traffic Impact Study, however staff are confident that the Akoma team are prepared to complete this development within the 12 month allotted time line.</p>
CHISHOLM SERVICES FOR CHILDREN – HEBRIDEAN DR, HERRING COVE	<p>New development 8 units to provide housing for children under the care of the</p>	<p>\$1,719,808 (\$214,976/unit)</p>	<p>Owns Land: N Zoning: N Development Type: New Build</p>	<p>A subject property was unable to be secured prior to the July 30th deadline for submissions and the target</p>

	<p>Department of Community Services.</p> <p><u><i>Background of Organization</i></u> <i>This non-profit organization offers long-term child and youth caring programs. The intent is to provide a residential service for children including developing permanency plans and aftercare support services.</i></p>		<p>Target Population: Children and Youth under the care of the provincial Department of Community Services (DCS)</p>	<p>population is not considered eligible for funding under RHI.</p> <p>While this project has not been recommended for funding, HRM looks forward to working the Chisholm Services for Children and explore additional options for funding support.</p>
<p>CULTURE LINK – 1800 ARGLE STREET (FORMER WTCC)</p>	<p>Conversion of former office space to 50-60 residential units targeted to artists who are at risk of homelessness. The former world Trade Center is under consideration as the potential location for this project.</p> <p><u><i>Background of Organization</i></u> <i>Culture Link is a community interest company aimed at building an inclusive creative hub in the former WTCC building. The organization would like to serve artists who are experiencing homelessness or at risk of homelessness including several amenities to support residents.</i></p>	<p>\$4,000,000 (\$80,000 to \$66,666/unit)</p>	<p>Owns Land: N Zoning: Y Development Type: Conversion Target Population: Artists who are Homeless or are At Risk of Being Homeless.</p>	<p>This project was not considered as it was submitted beyond the municipal deadline for RHI submissions.</p> <p>However, staff wish to share a summary of the project and hope to work with Culture Link to explore additional options for funding support</p>

**HOMES FOR HEROES –
2 NEPTUNE CRESC**

New development of 20-24 tiny home community. Homes for Heroes is primarily looking for land and financing to cover soft costs.

\$475,000 (\$23,750/unit)

Background of Organization
Homes for Heroes is a group based in Calgary that would like to develop a clustered tiny home village for veterans transitioning back to civilian life. The main contribution they are looking for is Municipal land. Homes for Heroes has completed successful projects in Calgary and is building communities in Edmonton and throughout Ontario.

Owns Land: N
Zoning: N
Development Type: New Build
Target Population: Veterans

Homes for Heroes is an emerging partner within affordable housing in Nova Scotia, although they maintain a strong track record of providing housing to veterans within western Canada.

While current zoning does not permit this project, Council has already directed staff to prioritize master planning for this area.

Staff looks forward to working with Homes for Heroes in the future.

**NORTH END
COMMUNITY HEALTH
ASSOCIATION (NECHA)
– 5673 CORNWALLIS
STREET**

Conversion of a 6 unit building into 18 shared housing rooms (total of 12 new rooms) that is aimed towards African Nova Scotians who experience chronic homelessness.

\$2,500,000 (\$208,333/unit)

This project is intended to complement NECAHA's Blue Building (2218 Maitland Street) funded through the first round of RHI and will follow the Housing First model.

Owns Land: N
Zoning: N
Development Type: Conversion
Target Population: African Nova Scotians who Experience Chronic Homelessness.

While there are several merits to this proposal due to the tight timelines associated with RHI the proposal was still in its preliminary stages. Further the zoning does not yet allow the development of additional units. While new zoning could be considered under Centre Plan Package B, as the property is also part of

Background of Organization

NECHA was established in response to an absence of primary health care services in Halifax's North End. They are a well-established hub in the North End community and offer primary care, pre-and post-natal care, dental services, nutrition, social work, Mobile Outreach Street Health (MOSH), Housing First outreach, mental health walk-in programs and advocacy.

a proposed heritage conservation district it is recommended that work as part of the heritage conservation district be completed before considering new zoning rules.

Staff also advise that it would be prudent for NECHA and HRM to focus on the completion of the development funded under the first phase of RHI and preference was given to projects that have not previously received RHI funding.

Staff will continue to work with NECHA on the completion of the Blue Building and look forward to working together on future endeavors.

SOULS HARBOUR RESCUE MISSION –	New development of a 3 storey building (12 units) targeted to women and women with children. The development will complement another building on the property currently	\$2,995,185 (\$249,598.75/unit) <i>Allocated Funding</i>	Owns Land: Y Zoning: Y Development Type: New Development	Souls Harbor has provided a very strong submission including a detailed timeline and budget.
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under development, which will also provide supportive housing for women.

Background of Organization

Souls Harbour began as a service provider for those experiencing homelessness in Regina, Saskatchewan. The organization has since expanded their operations in Halifax, offering emergency food and clothing services. Mission Mart, a department style thrift store is also operated by the organization, with proceeds supporting their work in Halifax, Bridgewater and Truro.

Target Population:
Women and women with children.

The organization has highlighted that they can use revenue from mission mart to help supplement shortfalls in operating costs.