



# Request for Qualification: Non-Profit Social Housing Operators

February 5, 2016





REQUEST FOR QUALIFICATIONS NO. PS20151702 (the "RFQ")  
IN RESPECT OF A PRE-QUALIFICATION FOR NON-PROFIT HOUSING OPERATORS

Responses are to be addressed and delivered to Purchasing Services, City of Vancouver, 453 West 12<sup>th</sup> Avenue, Vancouver, British Columbia, Canada, V5Y 1V4, (Courier Delivery and Drop Off is at the Information Desk, Main Floor Rotunda of the same address) and should be received prior to 3:00 p.m., Vancouver Time (as defined in Note 3 below), on Monday 14<sup>th</sup> March 2016 (the "Closing Time").

REQUEST FOR QUALIFICATIONS WILL NOT BE PUBLICLY OPENED.

NOTES:

1. A Response may be submitted to the address specified above by mail or delivered by courier or otherwise in person at the Information Desk at the address specified above, in each case prior to the Closing Time.
2. Each Response must be marked with the vendor's name and the RFQ title and number.
3. "Vancouver Time" will be conclusively deemed to be the time shown on the computer clock at the Information Desk, Main Floor Rotunda, 453 West 12<sup>th</sup> Avenue, Vancouver.
4. Vancouver City Hall is open on business days from 8:30 a.m. to 4:30 p.m., Vancouver Time, and is closed Saturdays, Sundays, and holidays.
5. All queries related to this RFQ should be submitted in writing to the attention of:

Jim Lowood, SCMP  
Email: [jim.lowood@vancouver.ca](mailto:jim.lowood@vancouver.ca)

(the "Contact Person")

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## SECTION 1 GENERAL INFORMATION

### 1.1 Introduction

The City of Vancouver (“City”) presents this Request for Qualification (“RFQ”) with the aim of establishing a shortlist of pre-qualified non-profit operators to manage social housing on City owned sites.

This RFQ invites responses from experienced non-profit social housing operators that wish to be considered for inclusion on the shortlist (“the shortlist”). Shortlisted operators will be those that can demonstrate managerial, operational and financial track record; along with clear plans for organizational growth.

The selected operators will form a pre-qualified shortlist, to which the City will issue site specific Requests for Proposal (“RFP”) to procure operators (“Operators”) for individual City owned social housing developments. Sites brought forward through RFPs will range in size and complexity and could include social housing delivered turnkey to the City as part of a wider development.

The shortlist will be the primary route for the procurement of social housing operators for the City. However, the City will retain the ability to procure operators outside of the shortlist if deemed appropriate to do so.

Operators that are shortlisted through this RFQ will be eligible to participate in RFPs for social housing opportunities for a period of three years (“the RFQ Term”). The City may choose to extend the RFQ term at its sole discretion.

The City is willing to consider both individual and partnership responses to this RFQ. Where a consortium response is submitted a lead consortium contact must be identified and have the ability to enter into any future contracts.

### 1.2 Background

Vancouver is a growing and diverse city with significant housing challenges. Providing a range of housing options is critical to the social and economic health of the City. The Housing and Homelessness Strategy 2012- 2021<sup>1</sup> describes the City’s overall direction for housing, including what we need and how we will achieve it over the next ten years. It identifies the different kinds of housing necessary to meet the needs of our citizens, as well as ways to improve and better preserve the housing we currently have.

The goals of the strategy are to end street homelessness and provide more affordable housing choices for all of Vancouver’s population. This includes housing that is accessible, affordable and suitable for all income levels, seniors, families and residents challenged by disability.

The strategic directions in the Strategy address all points along the Housing Continuum (see figure 1 below). The Housing Continuum consists of the range of housing options available to households of all income levels, extending from emergency shelter and housing for the homeless through to affordable rental housing and homeownership. In the context of these challenges, the City is committed to policies and actions to improve housing affordability and diversity at all points along the continuum.

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<sup>1</sup> <http://vancouver.ca/files/cov/Housing-and-Homeless-Strategy-2012-2021.pdf>

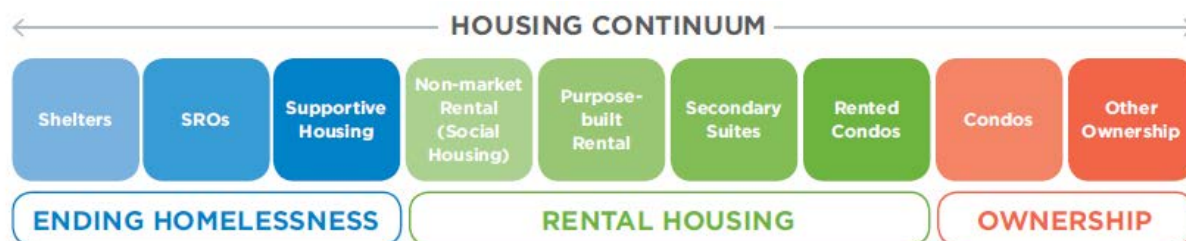


Figure 1: Housing Continuum

The City's Capital plan 2015 - 2018 set out the City's ambition to deliver 2,550 new non-market rental housing units by 2018 which includes:

- 30% City-owned projects (includes in-kind Community Amenity Contribution ("CAC") projects)
- 45% of non-City owned projects on City land
- 25% of partner projects, usually non-profit initiated

In order to achieve this level of new housing supply, the City is working closely with partners across the development sector to advance the delivery of accessible and affordable housing for its residents. As part of this, the City is implementing new and innovative delivery methods to ensure that affordable housing is delivered at the pace and scale required to serve the existing and growing populations of Vancouver.

There are currently 994 social and supportive housing units under construction across the City of Vancouver, with a further 746 units approved for development. The type of developments which are likely to come forward as opportunities to the Operators shortlisted through this RFQ include:

- **955 East Hastings** - 70 social housing units (24 x studio, 29 x 1 bed, 17 x 2 bed) delivered as on-site Community Amenity Contribution (CAC) in DTES.
- **1107 Seymour** - 81 social housing units (18 x studios, 46 x 1 bed, 17 x 2 bed) as off site CAC contribution in Downtown South
- **1551 Quebec (95 East 1<sup>st</sup>)** - 135 social housing units (36 x studio, 31 x 1 bed, 35 x 2 bed, and 33 x 3 bed) to be delivered by Concert Properties in South East False Creek
- **East Fraser Lands Parcel 8A** - 100 unit residential development in River District with 70% of units as family housing.

In recognition of the scale of social housing delivery forecast, the City plans to work in collaboration with non-profit partners to ensure that the sector is best placed to optimize the opportunity that lies ahead. The shortlisting of pre-qualified social housing operators for City owned sites is considered to be a step towards achieving this ambition.

Through the creation of the shortlist the City aims to:

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- Establish a more streamlined operator selection process for affordable housing on City owned sites;
- Provide clear direction to the non-profit sector regarding the City's requirements of affordable housing operators;
- Provide early indication of RFP opportunities;
- Develop relationships and opportunities for partnership working between operators and the City; and
- Support growth and capacity building strategies for non-profit operators.

RFP opportunities will be brought to the pre-qualified operator shortlist and will require the operator to enter into a long term lease and operating agreement with to manage the social housing units.

In some instances, the RFP will require the selected Operator to pay the City a pre-paid lease amount for the development. The pre-paid lease amount will be determined by the level of rental income within the development and the subsequent mortgage which can be sustained by the Operator.

Leases for City projects can take several different forms, potentially including a ground lease for the entire site, a lease of the residential portion of the building only, or a lease for part of the residential portion of the building. The structure of the lease will be dependent on the specifics of each development. Typically, the lease is offered for up to 60 years, but an alternative longer or shorter lease agreement may be considered if considered appropriate.

In addition to the lease, Operators selected for individual RFP opportunities will be required to enter into an Operating Agreement with the City. A draft sample of the City Operating Agreement is included in Schedule 6 of this document.

The City has undertaken some initial consultation with Operators regarding the principles of its Operating Agreement. This sample document attached to this RFQ is the latest version of the document; however, Operators are requested to provide comment on the sample document as part of the RFQ response requirements (see Schedule 1 for further details).

**Please Note:** Vancouver Affordable Housing Agency<sup>2</sup> ("Housing Agency") may also bring forward RFP opportunities to the Operators shortlisted through this RFQ. However, opportunities brought forward by the Housing Agency may be subject to different arrangements than those described within this RFQ and its supporting documents. The requirements for Housing Agency led projects will be specified within the RFP opportunities as they are issued.

### 1.3 Scope of Work

The purpose of this RFQ is to pre-qualify operators for participation in responding to future social housing RFPs. Through the RFQ process the City is looking to select operators who can demonstrate:

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<sup>2</sup> For further information please visit: <http://vancouver.ca/your-government/vancouver-affordable-housing-agency.aspx>

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- Strong governance and strategic direction;
- Property management expertise;
- Operational and tenant services expertise;
- Operational efficiency;
- Access to funds and ability to raise finances; and
- Ability and willingness to innovate and work in partnership.

The scope of work for individual social housing developments will be set out within the RFPs but could include the following:

- a) manage and operate rental housing with a deep and protected level of affordability without operating subsidies from the City;
- b) work with the City to coordinate tenant selection to address identified housing needs;
- c) contribute to the long term replacement strategy for the Single Room Accommodation stock that is currently available but substandard for client use;
- d) refinement of income testing, tenancing and screening process to allow a greater flexibility in servicing;
- e) effective and efficient property management; and
- f) raising finance from a range of sources.

#### 1.4 Sustainability

The City's Procurement Policy, Ethical Purchasing Policy and related Supplier Code of Conduct found at <http://vancouver.ca/doing-business/selling-to-and-buying-from-the-city.aspx> align the City's approach to procurement with its corporate social, environmental and economic sustainability values and goals. They evidence the City's commitment to maximize benefits to the environment through product and service selection, and to ensure safe and healthy workplaces, where human and civil rights are respected. In addition, development approaches that use local materials and suppliers while creating training and employment opportunities for local citizens seeking work, especially those with barriers to employment, will be encouraged where appropriate. Each City vendor is expected to adhere to the supplier performance standards set forth in the Supplier Code of Conduct. The Ethical Purchasing Policy shall be referred to in the evaluation the Request for Qualifications, to the extent applicable.

#### 1.5 RFQ Process

- 1.1.2 Interested parties ("**Respondents**") are required to respond to this RFQ in accordance with the instructions set forth in this RFQ.
- 1.1.3 Responses are being requested in order to afford the City the opportunity to evaluate Respondents' qualifications and expertise, so that the City may then conduct a series of more formal procurement processes, should the City so determine, to all or some of the RFQ Respondents as further described in Section 1.5.3 to 1.5.7 below.
- 1.1.4 The RFQ process is aimed at encouraging Operators with the required level of qualifications and expertise to participate in future RFPs. These RFPs will include liaising between the City, Housing Agency and developers depending upon the type of social housing facility being provided.

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- 1.1.5 Any potential Respondent is requested to refrain from submitting a Response if it is not willing to submit bona fide proposals in relation to the subject matter of the RFQ if the City invites the Respondent to participate in future RFPs.
- 1.1.6 If a potential Respondent believes that the City may be unable to select it due to a conflict of interest, but is uncertain about this, the potential Respondent is urged to contact the individual named on the cover page above as soon as possible with the relevant information so that the City may advise the potential Respondent regarding the matter.
- 1.1.7 For greater clarity, RFPs will be released only to operators who are selected and Pre-Qualified through this RFQ process. Potential respondents that have been short-listed or pre-qualified through any other City or Housing Agency procurement process will not be eligible to submit proposals to future RFPs unless they are pre-qualified pursuant to this RFQ.

## 1.6 RFQ Documents

1.1.8 This RFQ consists of:

- 1. the cover page hereof and sections 1 through 7 hereof; and
- 2. schedules as follows:
  - a) Schedule 1 – Description of Requirements;
  - b) Schedule 2 – Letter of Qualifications;
  - c) Schedule 3 – Format for Response;
  - d) Schedule 4 – Information Meeting Attendance Form;
  - e) Schedule 5 - Average Operating Costs Template; and
  - f) Schedule 6 - Draft Operating Agreement,

(collectively, the “RFQ Documents”).

1.1.9 If the City issues any amendments or addenda to the RFQ Documents, such amendments or addenda will form part of the RFQ Documents. It is the sole responsibility of all Respondents to check the City’s website at: <http://vancouver.ca/doing-business/open-bids.aspx> regularly for amendments, addenda, and questions and answers in relation to the RFQ.

## SECTION 2 QUALIFICATION CRITERIA

### 2.1 General

The City currently expects to base its decision with respect to each Respondent’s qualification (or not) to participate in future RFPs on (i) whether the Response submitted by the Respondent has met, and whether such Response shows that the Respondent has met, the requirements set out in the RFQ Documents and (ii) the evaluation criteria set out in Schedule 1 – Description of Requirements.



### SECTION 3 COMMUNICATIONS

#### 3.1 Inquiries by Respondents

Respondents may not communicate with the City about the RFQ except in writing by email to the contact person listed on the cover page of this RFQ.

#### 3.2 Information Meeting

An information meeting (the "Information Meeting") will be held to enable Respondents to seek clarification with respect to any aspect of the RFQ in a group forum. The details are as follows:

Date: Friday February 19, 2016

Time: 9:00 am Location: Town Hall Meeting Room, City Hall

Due to space considerations, attendance at the Information Meeting is limited to two representatives from each organization. Potential Respondents are encouraged to read the RFQ and submit any questions relating to the RFQ to the Contact Person prior to the Information Meeting.

Potential Respondents interested in attending the Information Meeting should pre-register a minimum of one week prior to the date of the Information Meeting by completing and submitting the form contained in Schedule 4 by email to the Contact Person.

The City will in good faith attempt to give accurate oral responses to questions posed during the Information Meeting but Respondents are advised that they may only rely on the written information contained herein or in documents posted by the City on its information page at the following website: <http://vancouver.ca/doing-business/open-bids.aspx>.

### SECTION 4 SUBMISSION OF REQUEST FOR QUALIFICATIONS

#### 4.1 Delivery

Each Respondent should submit an original of its Response and the number of copies of its Response specified in Schedule 1 – Description of Requirements, in a sealed envelope, delivered physically as stated on the cover page of the RFQ. It is each Respondent's sole responsibility to ensure delivery of its response to this RFQ by the Closing Time. All submissions should be made at the Respondent's sole cost and expense.

#### 4.2 Late Requests for Qualifications

The City may, in its discretion, accept, or reject and return, any Response received after the Closing Time.

#### 4.3 Form of Response

Each Response must follow the format and include each of the items described in Schedule 3 hereto.

#### 4.4 Lack of Information

Following receipt of a Response, the City may, in its sole discretion and without having any duty or obligation to do so, request that the Respondent provide the City with additional information to clarify or substantiate the information provided by the Respondent. If a Respondent fails to provide information required for the City's evaluation of the Respondent's qualifications, or fails to provide timely clarification or substantiation of the information supplied, that failure may result in no further consideration being given to the Response.

#### 4.5 Material Changes

Respondents should inform the City of any material change in information that might affect their qualification status at any time during the RFQ process. Participants in any future RFPs will be required to update key qualification information at the time of proposal submission.

### SECTION 5 REVIEW OF RESPONSES

#### 5.1 Evaluation by the City

The City will review the Response submitted to determine whether, in the City's opinion, each Respondent has demonstrated that it has the required experience and qualifications in order for it to advance in the City's procurement process. In doing so, the City currently expects to base its decision with respect to each Respondent on (i) whether the Response submitted by the Respondent has met, and whether such Response shows that the Respondent has met, the requirements set out in the RFQ Documents and (ii) the evaluation criteria set out in Schedule 1 – Description of Requirements. The City currently expects to select Pre-Qualified Respondents as specifically described in Section 1.5 above, provided that:

- 5.1.1 the determination of which Respondents are designated as Pre-Qualified Respondents will be at the sole discretion of the City; and
- 5.1.2 the City reserves the right to limit the number of Respondents designated as Pre-Qualified Respondents.

#### 5.2 Inquiries

The City, in its sole discretion and without having any duty or obligation to do so, may conduct any inquiries or investigations, including but not limited to contacting references, to verify the statements, documents, and information submitted in connection with a Response and may seek clarification from a Respondent's bankers and clients regarding any financial and experience issues.

#### 5.3 Non-Conforming Responses

Responses that fail to conform to the format requirements set forth in Schedule 3 hereto or which fail to conform to any other requirement of these RFQ Documents may be rejected by the City, in its discretion. Notwithstanding the foregoing or any other provision of these RFQ Documents, the City may at its sole discretion elect to retain for consideration Responses that deviate either materially or non-materially from the format requirements set out in Schedule 3 hereto or which otherwise fail to conform to any other requirement of these RFQ Documents.

## SECTION 6 NOTIFICATION AND RFQ PROCESS

### 6.1 Notification of Prequalification

Following the Closing Time, the City will only notify those Respondents which are selected as Pre-Qualified Respondents. The City thanks all other Respondents for their interest.

### 6.2 Changes after Pre-Qualification

Any change in the structure or formation of a Pre-Qualified Respondent will be subject to prior written approval of the City prior to the deadline for submission of proposals for any future RFPs. The City may deny that approval if the change in the structure or formation of the Pre-Qualified Respondent, from that presented in the Request for Qualifications, would have affected whether or not the Respondent would have been short-listed in the first instance.

### 6.3 The City's Rights

6.3.1 The City may, without liability to any Respondent or Pre-Qualified Respondent:

1. amend the scope and description of the goods and services to be procured under the RFQ or any subsequent request for proposals process, including the future RFPs, varying them from those described herein, or amend the qualifications that may be required to meet those requirements;
2. open any future RFPs to potential proponents other than the group of Pre-Qualified Respondents contemplated by this RFQ;
3. determine which facilities targeted for affordable housing development will be subject to future RFPs as contemplated by this RFQ and which may be subject to a separate procurement process;
4. reject or accept any or all Responses;
5. cancel the RFQ process and reject all Responses;
6. cancel the RFQ process and commence a new process in respect of the same request for proposals with the same or an amended set of documents, information or requirements;
7. request that any Respondent provide additional information, clarifications or goods samples or demonstrations, without requesting the same from all Respondents; or
8. terminate the RFQ process and enter into direct negotiations with any party whether or not a Respondent.

#### 6.3.2 Performance Review and Monitoring

The City is seeking the best return for the taxpayer in Vancouver. It intends to work closely with successful Respondents to obtain the best value for money and enable maximum affordability for families, seniors, youth, working people on low to moderate incomes as well as those on income assistance wanting to remain living in Vancouver.

A process of continuous improvement will be followed with regular reviews on progress and process which will be supported by external validation.

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As part of this process, this RFQ process and the restriction of any future RFPs to Pre-Qualified Respondents will be reviewed by the City after the first year and periodically thereafter, and continuation of this RFQ process will be conditional on satisfactory outcomes being achieved at the sole discretion of the City and the Housing Agency.

- 6.3.3 By submitting a Response, a Respondent acknowledges and agrees that these RFQ Documents are, in no way whatsoever, an offer to enter into an agreement (except on the limited terms and conditions expressly stated in Schedule 2), and that submission of a Response by a Respondent does not in any way whatsoever create any obligation on the part of the City to treat the Respondent's or any other Respondent's Response in any particular manner or undertake the City's RFQ process in any particular manner (except as expressly stated in Schedule 2 with respect to confidentiality).
- 6.3.4 The form of letter set forth in Schedule 2 also contains a release of the City's liability and other important terms and conditions that should be reviewed carefully by each Respondent, and each Respondent should obtain the advice of independent legal counsel in connection therewith.

#### 6.4 Information Disclaimer

- 6.4.1 The City makes no representation, warranty or undertaking with respect to these RFQ Documents and the City and its directors, officers, employees, agents, consultants and advisors will not be liable or responsible for the accuracy or completeness of the information in these RFQ Documents or for any other written or oral information made available to any interested person or its advisors, and any similar such liability however arising, is expressly disclaimed by the City.
- 6.4.2 Each Respondent should conduct its own independent investigations of all relevant matters and must not rely on the City in such regard. The information contained in the RFQ Documents is provisional and is expected to be superseded by information in a request for proposals and other documents.

### SECTION 7 CONFLICTS/COLLUSION/LOBBYING

#### 7.1 Conflicts of Interest Generally

Each Respondent must disclose whether any officer, director, shareholder, partner, employee or contractor of the Respondent, or any other person related to the Respondent's organization (a "person having an interest") or any spouse, business associate, friend or relative of a person having an interest is:

1. an elected official or employee of the City or the Housing Agency; or
2. related to or has any business or family relationship with an elected official or employee of the City or Housing Agency,

in each case such that there could be any conflict of interest or an appearance of a conflict of interest in the evaluation or consideration of the Respondent's Request for Qualifications by the City. The City will evaluate each matter disclosed to determine whether and to what extent the Respondent can be given consideration in the RFQ in light of the particular matter.

**7.2 Former City or Housing Agency Employees**

Each Respondent must disclose whether any person having an interest (as defined above) is a former official, former employee or former contractor of the City or Housing Agency who has non-public information relevant to the RFQ obtained during his or her employment or engagement by the City or Housing Agency. The City will evaluate each matter disclosed to determine whether and to what extent the Respondent can be given consideration in the RFQ in light of the particular matter.

**7.3 Other Clients**

Each Respondent must disclose whether the Respondent is currently engaged in supplying (or is proposing to supply) goods or services to a third party such that entering into an agreement with the City or Housing Agency in relation to the subject matter of the RFQ would create a conflict of interest or the appearance of a conflict of interest between the Respondent's duties to the City or Housing Agency, and the Respondent's duties to such third party. The City will evaluate each matter disclosed to determine whether and to what extent the Respondent can be given consideration in the RFQ in light of the particular matter.

**7.4 Collusion**

Each Respondent is required to disclose whether the Respondent is competing for purposes of the RFQ with any entity with which it is legally or financially associated or affiliated. Each Respondent must also disclose whether it is cooperating in any manner in relation to the RFQ with any other Respondent responding to the RFQ. The City will evaluate each matter disclosed to determine whether and to what extent the Respondent can be given consideration in the RFQ in light of the particular matter.

**7.5 Lobbying**

Each Respondent is required to disclose whether it or any officer, director, shareholder, partner, employee or agent of the Respondent: (1) is registered as a lobbyist under any lobbyist legislation in any jurisdiction in Canada or in the United States of America; or (2) has engaged in any form of political or other lobbying whatsoever with respect to the RFQ or sought, other than through the submission of its Response, to influence the outcome of the RFQ process. The City will evaluate each matter disclosed to determine whether and to what extent the Respondent can be given consideration in the RFQ in light of the particular matter.

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 SCHEDULE 1 - DESCRIPTION OF REQUIREMENTS

SCHEDULE 1 – DESCRIPTION OF REQUIREMENTS

RFQ Section Reference	
Section 1 1.3	<p><b>Evaluation Criteria:</b></p> <p>The City seeks Responses from Respondents who have proven operational, financial and managerial history in housing management and can demonstrate the following:</p> <p><b>A) Governance &amp; Strategic Direction</b></p> <ul style="list-style-type: none"> <li>i. Possesses a stable, strong and diverse Board of Directors that operates with appropriate transparency and undertakes succession planning in order to maintain governance stability over time and manage risks effectively;</li> <li>ii. Operator’s management and governance body has in place a clearly articulated plan for growth and building organizational capacity; and</li> <li>iii. Organizational financial strength.</li> </ul> <p><b>B) Property Management Expertise &amp; Compliance Track Record</b></p> <ul style="list-style-type: none"> <li>i. Proven track record of effective property management across portfolio of social housing units; and</li> <li>ii. Demonstrated ability to comply with applicable regulations and with legal agreements over time, including health and safety regulations, building maintenance, target tenant mix, affordability levels as well as other key terms dictated by existing housing agreements.</li> </ul> <p><b>C) Operational &amp; Tenants Services</b></p> <ul style="list-style-type: none"> <li>i. Proven track record demonstrating ability to consistently delivery high level support services to a range of tenant groups either directly, and / or deliver them via effective third-party partnerships;</li> <li>ii. Considers need and demand in tenant selection and seeks to coordinate tenaning across own portfolio and /or with other organizations (e.g. BC Housing, the City); and</li> <li>iii. Demonstrated experience of successfully opening new social housing facilities.</li> </ul> <p><b>D) Operational Efficiency</b></p> <ul style="list-style-type: none"> <li>i. Operator demonstrates cost-effective operations and optimization of value-for-money, quantified against comparable industry benchmarks;</li> <li>ii. Proven track record demonstrating ability to consistently run effective housing operations that balance the needs of the tenants with operational and financial objectives/constraints; and</li> <li>iii. Proposed approach to training staff to effectively and efficiently manage</li> </ul>

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SCHEDULE 1 - DESCRIPTION OF REQUIREMENTS

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	<p>increased social housing units.</p> <p><b>E) Access to Funds &amp; Ability to Raise Finance</b></p> <p>i. Proven ability to raise and / or access funds and project financing from a variety of sources (e.g. own equity, private donors, financial lenders and public sector agencies).</p> <p><b>F) Innovation &amp; Partnerships</b></p> <p>i. Operator has the willingness and capability to forge effective partnerships with complementary non-profit, public sector and/or private sector organizations in order to optimize their ability to operate their housing facilities and to provide services to their tenants, and demonstrated willingness to work closely with the City of Vancouver and the Housing Agency as long-term strategic partners in the future.</p> <p><b>Note: The above evaluation criteria may not necessarily be listed in order of importance and will not necessarily be weighted equally.</b></p>
	<p><b>Submissions:</b></p> <p>5 hard copies to be delivered; and 1 soft copy to be sent to by email to: <a href="mailto:jim.lowood@vancouver.ca">jim.lowood@vancouver.ca</a> by 3:00 pm <a href="#">March 14, 2016</a></p>

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 SCHEDULE 1 - DESCRIPTION OF REQUIREMENTS

<p>RFQ Section Reference</p>	<p><b>Response Requirements:</b> The following information will be evaluated and is required to be submitted by the Respondent within the Response:</p>
<p>Section 1 1.3</p>	<ol style="list-style-type: none"> <li>1. <b>Information on Respondent (if a consortium response is being made, please provide information on all organizations within the consortium and identify a lead consortium member)</b> <ol style="list-style-type: none"> <li>1.1. Provide an overview of the Respondent's purpose and mission statement;</li> <li>1.2. Provide certificate of incorporation;</li> <li>1.3. Provide a copy of society constitution and bylaws;</li> <li>1.4. Provide information on current social housing portfolio size and type of tenant groups served; and</li> <li>1.5. Proof of previous insurance coverage in an operation of significant size and complexity.</li> </ol> </li>   <li>2. <b>Governance &amp; Strategic Direction</b> <ol style="list-style-type: none"> <li>2.1. Provide details of Respondent's governance structures and information on Board of Directors (e.g. name, address, occupation);</li> <li>2.2. Provide details of Respondent's plan and strategy for growth - including targeted social housing portfolio size and strategy of how organizational capacity will be increased;</li> <li>2.3. Detail examples of steps taken to date to implement the Respondent's plan for growth;</li> <li>2.4. Describe Respondent's approach to succession planning;</li> <li>2.5. Describe, using examples from the past 5 years, the Respondent's approach to managing risk;</li> <li>2.6. Provide a copy of the most recent Board minutes;</li> <li>2.7. Provide a copy of the Respondent's Corporate Plan; and</li> <li>2.8. Provide a copy of latest audited financial statements and management accounts which cover the whole portfolio under management by the Respondent.</li> </ol> </li>   <li>3. <b>Property Management Expertise &amp; Compliance Track Record</b> <ol style="list-style-type: none"> <li>3.1. Describe Respondent's experience and ability to manage large scale building maintenance projects;</li> <li>3.2. Provide a template copy of Asset Management, Maintenance Plan and Capital Maintenance Plan;</li> <li>3.3. Provide details of key suppliers / services providers Respondent uses for social housing developments;</li> <li>3.4. Provide details of current portfolio of social housing units the Respondent manages (e.g. number of units, building types and systems, location);</li> <li>3.5. Provide case study examples (with references ) where Respondent has demonstrated ability to conform to requirements of complex legal agreements ; and</li> <li>3.6. Provide a Copy of WorkSafe BC clearance letter.</li> </ol> </li> </ol>



RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 1 - DESCRIPTION OF REQUIREMENTS

	<p><b>4. Operational &amp; Tenants Services</b></p> <p>4.1. Provide examples of a minimum of three housing projects where the Respondent can demonstrate ability to deliver high quality tenant services (include information on the type of tenants served);</p> <p>4.2. Describe Respondent's experience of and approach to opening new social housing facilities; and</p> <p>4.3. Describe respondent's approach to tenant selection.</p> <p><b>5. Operational Efficiency</b></p> <p>5.1. Provide information on average operating costs per unit type in the form of table in Schedule 5 of this document;</p> <p>5.2. Provide an example(s) of how operational efficiencies have been implemented to date and how your organization may further efficiencies if the number of units managed increased;</p> <p>5.3. Describe approach (and provide examples) of delivering high quality services for tenants within financial constraints; and</p> <p>5.4. Detail the Respondent's proposed approach to train / increase staff capacity to effectively manage increased social housing portfolio.</p> <p><b>6. Access to Funds &amp; Ability to Raise Finance</b></p> <p>6.1. Provide evidence and examples of Respondent's ability to access finance for projects - describe the type of finance (including details of equity availability) accessed and proposals for raising / accessing future finance.</p> <p><b>7. Innovation &amp; Partnerships</b></p> <p>7.1. Describe examples of Respondent's partnerships with other organizations (e.g. City, BC Housing, other service providers) that demonstrate effective property and tenant management; and</p> <p>7.2. Describe Respondent's strategy for future partnerships.</p> <p><b>8. Comments on Draft Lease, Draft Operating Agreement &amp; Service Level Agreement</b></p> <p>8.1. Please confirm your organization has reviewed the draft Operating Agreement appended to this RFQ. Please provide details of any comments on or requested variations to the sample documentation.</p>
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RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 2 - LETTER OF QUALIFICATION

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SCHEDULE 2 – LETTER OF QUALIFICATION

*[Letterhead paper of the Respondent or participant responsible for a joint venture, including full postal address, telephone and facsimile.]*

Date: *[Insert]*

TO: The City of Vancouver (the "City")

RE: REQUEST FOR QUALIFICATIONS -- NO. PS20151702 (the "RFQ") IN RESPECT OF A PRE-QUALIFIED SHORTLIST FOR NON-PROFIT HOUSING OPERATORS

1. Being duly authorized to represent and act on behalf of *[Insert full corporate name and if a joint venture, then state "on behalf of..." and list the full corporate names of the companies forming the joint venture]*, the undersigned hereby submits the attached Response and supporting materials on behalf thereof.
2. Herein, the term "Respondent" refers to *[insert full corporate name and if a joint venture, then state "...refers to each of" and list the full corporate names of the companies forming the joint venture]*.
3. The City and its representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this Response, and to seek clarification from the Respondent's bankers and clients regarding any financial and experience issues, and to do all other things stated in the RFQ.
4. Capitalized terms used herein have the definitions ascribed thereto in the RFQ.
5. The City and its representatives may contact the following persons for further information:  
  
*[Insert information.]*
6. This Response is made with the full understanding and agreement that:
  - (a) any information submitted during qualification may be subject to verification by the City, including during evaluation of any subsequent proposal or tender;
  - (b) the Respondent will (and does hereby undertake to) submit a bona fide proposal or tender in relation to the subject matter of the RFQ (and consistent with this Response) if the City invites the Respondent to participate in a request for proposals or invitation to tender;
  - (c) the City may:
    - (i) amend the scope and description of the goods and services to be procured under the RFQ or any subsequent request for proposals process, including any future RFPs that the Respondent may be pre-qualified to participate in, varying them from those described herein, or amend the qualifications that may be required to meet those requirements;
    - (ii) open future RFPs to potential proponents other than the grouping of Pre-Qualified Respondents contemplated by the RFQ;

RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 2 - LETTER OF QUALIFICATION

---

- (iii) determine which City-owned sites targeted for affordable housing development will be subject to future RFPs as contemplated by this RFQ and which may be subject to a separate procurement process;
  - (iv) reject or accept any or all Responses;
  - (v) cancel the RFQ process and reject all Responses;
  - (vi) cancel the RFQ process and commence a new process in respect of the same request for proposals with the same or an amended set of documents, information or requirements;
  - (vii) request that any Respondent to provide additional information, clarifications or goods samples or demonstrations, without requesting the same from all Respondents;
  - (viii) terminate the RFQ process and enter into direct negotiations with any party whether or not a Respondent; or
  - (ix) at any time during the RFQ Term and for any reason whatsoever, including as a result of any review of the City of Vancouver Council, terminate the RFQ and cease restricting eligibility for future RFPs to Pre-Qualified Respondents.
- (d) Neither the Housing Agency nor the City of Vancouver will be liable in any way whatsoever for any actions described under 4(c) of this letter.
7. The Respondent confirms and warrants that the information disclosed in the section of its Response titled "Conflicts; Collusion; Lobbying" is a complete and accurate response to Section 7.0 of the RFQ.
8. The Respondent acknowledges and agrees that the RFQ Documents are, in no way whatsoever, an offer to enter into an agreement except on the limited terms and conditions expressly stated in this letter, and submission of this Response by the Respondent does not in any way whatsoever create any obligation on the part of the City to treat the Respondent's or any other respondent's Response in any particular manner or undertake the City's RFQ process in any particular manner (except as expressly stated below in this letter with respect to confidentiality).
9. The Respondent acknowledges and agrees to the information disclaimers and other terms and conditions set forth in the RFQ.
10. Except only and to the extent that the City is in breach of Section 11 of this letter, the Respondent now releases Housing Agency, the City of Vancouver and their respective directors, officials, agents and employees from all liability for any costs, damages or losses incurred in connection with the RFQ, including any cost, damages or losses in connection with:
- (a) any alleged (or judicially determined) breach by the City or its directors, officials, agents or employees of any obligation or duty under the RFQ;
  - (b) any unintentional tort of the City or its directors, officials, agents or employees occurring in the course of conducting the RFQ; or
  - (c) the manner in which the City: reviews, considers, evaluates or negotiates any Response; addresses or fails to address any Response; or resolves to enter into any contract or not enter into any contract.

RFQ No. PS20151702  
**PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS**  
**SCHEDULE 2 - LETTER OF QUALIFICATION**

11. Subject to the applicable provisions of the *Freedom of Information and Protection of Privacy Act* (British Columbia) and the City's right to publicly disclose information about or from any Response, including without limitation names and prices, in the course of publicly reporting to the Vancouver City Council about the RFQ, the City will treat the Response (and the City's evaluation of it), in confidence in substantially the same manner as it treats its own confidential material and information.
12. The Respondent acknowledges receipt of the following amendments and addenda (if applicable);
- Amendment/Addendum No. **[Complete]**      Date: **[Complete]**
- Amendment/Addendum No. **[Complete]**      Date: **[Complete]**
- Amendment/Addendum No. **[Complete]**      Date: **[Complete]**
13. Any dispute relating to the RFQ (except to the extent that the City breaches Section 11 above) will be resolved by arbitration in accordance with the *Commercial Arbitration Act* (British Columbia), amended as follows:
- (a) The arbitrator will be selected by the City;
  - (b) Section 10 of this letter, and the other provisions hereof, will apply; and
  - (c) The Respondent will bear all costs of the arbitration.
14. The Respondent (a) has read, understands and agrees to the terms and conditions in this letter, (b) has had an opportunity to seek legal counsel and (c) affirms that the statements made in its Response are true and correct in every detail.

Respondent Name(s):			
Signature:		Date:	
Name of Signatory:			
Title of Signatory:			
Mailing Address:			
Telephone No.:		Fax No.:	
Key Contact Person:		E-mail:	
GST Registration No.:		Date and Jurisdiction of Incorporation:	
City of Vancouver Business License No. (or, if available, Metro West Inter-Municipal Business License No.):		WorkSafeBC Registration No.:	

RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 3 - FORMAT FOR RESPONSE

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**SCHEDULE 3 – FORMAT FOR RESPONSE**

Responses submitted by Respondents should consist of:

- A. a completed and duly executed Letter of Qualification (the foregoing Schedule 2); and
- B. a Statement of Qualifications, consisting of and arranged as follows:

**Title Page (1 page)**

The title page should identify the RFQ number identified on the cover page of this RFQ, the Closing Time, and the Respondent's name, address, telephone number, fax number and contact person. Please confirm whether your organization wishes to be considered for (i) City Projects; (ii) Housing Agency Projects; or (iii) both City Projects and Housing Agency Projects.

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*Please refer to Schedule 1 'Response Requirements' for details of information required in the following sections:*

- 1. Information on Respondent
- 2. Governance & Strategic Direction
- 3. Property Management Expertise & Compliance Track Record
- 4. Operational & Tenant Services
- 5. Operational Efficiency
- 6. Access to Funds & Ability to Raise Finance
- 7. Innovation & Partnerships
- 8. Comments on Draft Operating Agreement

RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 4 - INFORMATION MEETING ATTENDANCE FORM

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SCHEDULE 4 - INFORMATION MEETING ATTENDANCE FORM

Request for Qualifications No. PS20151702  
PRE-QUALIFIED SHORTLIST FOR NON-PROFIT HOUSING OPERATORS

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To acknowledge your intent to attend the Information Meeting being held as per Section Section 3 Communications, and to ensure that you receive the required information, please submit this form by the date shown for the Information Meeting you wish to attend by email to: jim.lowood@vancouver.ca

Date: February 19, 2016

Time: 9:00 am

Location: Town Hall Meeting Room, City Hall

Please respond for this Information Meeting by:  
February 16, 2016

**\*\* The City would like to thank you for your interest and understanding that attendance is limited to a maximum of two representatives from each organization.**

**Your details:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Key Contact Person: \_\_\_\_\_

E-mail: \_\_\_\_\_

Our organization WILL  / WILL NOT  attend the Information Meeting for  
"RFQ No. PS20151702 PRE-QUALIFIED SHORTLIST FOR NON-PROFIT HOUSING OPERATORS"

\_\_\_\_\_  
Number of Attendees

\_\_\_\_\_  
Authorized Signatory and Name of Company (Please print)

\_\_\_\_\_  
E-mail Address (Please print)

RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 5 - AVERAGE OPERATING COSTS TEMPLATE

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SCHEDULE 5 - AVERAGE OPERATING COSTS TEMPLATE

Using this table please provide information on average operating costs per unit type in the form of table below:

Table 1: Average Operating Costs

Unit Type	Average Property Management Cost Per Unit	Average Support / Program Costs Per Unit
Studio		
1 Bed		
2 Bed		
3 Bed		
3 Bed +		

RFQ No. PS20151702  
PRE-QUALIFICATION SHORTLIST FOR NON-PROFIT HOUSING OPERATORS  
SCHEDULE 6 - DRAFT OPERATING AGREEMENT

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SCHEDULE 6 - DRAFT OPERATING AGREEMENT

(Please see attached document)



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# OPERATING AGREEMENT

BETWEEN:

<img alt="redacted" data-bbox="471 418 523 438"/>

AND:

CITY OF VANCOUVER

REGARDING:

<img alt="redacted" data-bbox="313 610 365 630"/> HOUSING PROJECT(S)

Dated the <img alt="redacted" data-bbox="435 858 465 873"/> day of <img alt="redacted" data-bbox="538 858 568 873"/>, 20<img alt="redacted" data-bbox="615 858 645 873"/>

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## WHEREAS:

- A. Pursuant to the Lease, the Operator has leased the Lands from the City for a term of <img alt="redacted" data-bbox="178 183 218 193"/> years.
- B. This Agreement supplements the Lease by setting forth details of the agreed day-to-day and long-term operational requirements applicable to the Project under which the Operator assumes financial and operational responsibility for management and administration of the Project in accordance with the terms of this Agreement.
- C. The goal of this Agreement is to provide housing for people who meet the criteria set forth in this Agreement.
- D. The Project consists of Residential Units that will be made available for eligible Occupants, and except where otherwise specified in this Agreement, does not include any commercial or retail space.

THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agreed to and accepted, the parties agree as follows:

**A. DEFINITIONS**

- 1. "Action Plan" has the meaning given to it in section 1.3(b).
- 2. "Assets" of a Household means all tangible and intangible assets of income or non-potential income earning nature world-wide of each Occupant in the Household.
- 3. "Below Market Household" means a Household whose collective Income is such that the Market Housing Charge payable for the Residential Unit proposed to be occupied by such Household exceeds a level set by the City, which, as of the Commencement Date, is thirty percent (30%) of such Household's collective Income. This level will be reviewed periodically by the City and may be increased by mutual agreement of the parties.
- 4. "Capital Maintenance Reserve" means a reserve to be established, funded and managed by the Operator, as more particularly described in Schedule A, section B.1.
- 5. "City Personnel" means each of the elected officials, officers, employees, contractors and agents of the City, and their respective heirs, executors, administrators, personal representatives, successors and assigns.
- 6. "Commencement Date" means the date as of which this Agreement and the Lease have both been executed by all parties, and the Lease has been registered in the Land Title Office.
- 7. "Consumer Price Index" means the all-items consumer price index published by Statistics Canada (or by a successor or other governmental agency, including a provincial agency, if Statistics Canada stops to publish such data) for the Vancouver metropolitan area, or if such consumer price index is no longer published, an index

published in substitution for the consumer price index or a replacement index designated by the City, or if no comparative calculation can reasonably be made by reference to any such consumer price index, then by reference to such other analysis which, in the City's opinion, most accurately indicates the changes in the cost of living in the Vancouver metropolitan area during the period in question.

8. **"Declaration of Income and Assets"** means the declaration to be completed by each Occupant in a Household as evidence of the Income and Assets of that Household as required for the Housing Charge assessment as further described in Schedule F, section 1.
9. **"Event of Default"** has the meaning set out in section I.
10. **"Fiscal Year"** means the fiscal year of the Operator.
11. **"Household"** means one or more cohabiting adult (nineteen (19) years of age or older) Occupants, with or without co-habiting children.
12. **"Housing Charge"** means the charge, determined and assessed by the Operator from time to time, payable monthly by a Household pursuant to an Occupancy Agreement for the right to occupy a Residential Unit and otherwise in accordance with the requirements for a Housing Charge set out in this Agreement.
13. **"Income"** of an Household means the total annual gross world-wide income before income tax from world-wide sources of each Occupant, calculated as of the date when the Occupant becomes a resident of the Project, and includes without limitation, all income from earnings, including commissions and tips; all income from all public and private pension plans, Old Age Security and Guaranteed Income Supplement; all income received under the *Employment and Assistance Act*, the *Employment and Assistance for Persons with Disabilities Act*, or successor legislation; Disabled Veteran's Allowance; alimony; child support; workers' compensation benefits; employment insurance; and actual income from assets; but excludes:
  - (a) Child Tax Benefit;
  - (b) capital gains, such as insurance settlements, inheritances, disability awards and sale of effects in the year they are received;
  - (c) the earnings of a person aged eighteen (18) and under;
  - (d) student loans, student loan equalization payments and student grants (Note: non-repayable training allowances, research fellowships or similar grants are not excluded);
  - (e) living out or traveling allowances;
  - (f) Shelter Aid for Elderly Renters ("SAFER") or Rental Assistance Program ("RAP") payments received prior to moving into the Project;
  - (g) Goods and Services Tax (GST) and Harmonized Sales Tax (HST) rebates;
  - (h) government provided daycare allowance; and

- (i) payments for foster children, or Child in Home of Relative (CIHR) income under the *Employment and Assistance Act*, except for the housing allowance portion.
14. **"Income Assistance"** means income received under the *Employment and Assistance Act*, the *Employment and Assistance for Persons with Disabilities Act*, or any successor legislation.
15. **"Lands"** means the property located at <img alt="redacted" data-bbox="498 200 525 215"/> with the legal description<img alt="redacted" data-bbox="758 200 785 215"/>.
16. **"Lease"** means the lease agreement entered into concurrently with this Agreement by the City and the Operator, pursuant to which the City agreed to lease the Lands to the Operator for <img alt="redacted" data-bbox="498 260 525 275"/> years.
17. **"Asset Management Plan"** means the maintenance standards and practices required to preserve the Project, both short-term and long-term, in form and contents pre-approved by the City.
18. **"Market Housing Charge"** means the rental rates for the Residential Unit that reflects the prevailing market rent for comparable units.
19. **"Occupancy Agreement"** means an Agreement, lease, license or other right of an Occupant to occupy a Residential Unit that complies with the Schedule D.
20. **"Occupancy Guidelines"** means the guidelines for household sizes of a Below Market Household relative to the number of bedrooms in a Residential Unit. Unless otherwise agreed in writing by the City, the following guidelines apply:
- (a) no more than two and no less than one person per bedroom;
  - (b) spouses and couples may share a bedroom;
  - (c) parents do not share a bedroom with their children;
  - (d) dependents aged eighteen (18) or over do not share a bedroom; and
  - (e) dependents of the opposite sex age five or over do not share a bedroom.
21. **"Occupant"** means each person or persons legally entitled to reside in a Residential Unit pursuant to an Occupancy Agreement, including any person residing in a Residential Unit who is not named in the Occupancy Agreement.
22. **"Operating Budget"** means the annual budget for the Project prepared by the Operator in accordance with Schedule A, section A.
23. **"Operating Expenses"** means all sums, costs, expenses, outgoings and other amounts, other than Basic Rent (as defined in the Lease), associated with the operation and maintenance of the Project, including, without limitation, Realty Taxes, payments in lieu of Realty Taxes, Utilities, insurance, salaries and benefits paid to staff engaged in providing services to the Project or an Occupant pursuant to this Agreement or the Lease, amounts payable by the Lessee under Permitted Encumbrances (each as defined in the Lease), amounts payable pursuant to the Strata Property Act (British Columbia) in respect of the applicable strata corporations, if any, contributions to the Capital

- Maintenance Reserve and Operating Reserve, and day-to-day repair and maintenance costs.
24. **“Operating Income”** means all gross income, revenue, sums and other amounts, directly or indirectly, collected by or credited to the Operator pursuant to this Agreement or the Lease including, without limitation, Housing Charges, Utilities, parking fees, vending machine revenue, laundry machine revenue and other fees and charges payable by Occupants for use of the Project, amounts payable to the City (other than in its regulatory capacity as a municipal corporation) under Permitted Encumbrances (as defined in the Lease) which by the terms of the Lease are payable to the Lessee instead.
25. **“Operating Surplus”** means any surplus Operating Income remaining after the payment of all Operating Expenses, which must be used in accordance with Schedule A, section C.1.
26. **“Operating Reserve”** means a reserve to be established, funded and managed by the Operator in an amount equivalent to:
- (a) in the first year of the Term, the annual Operating Budget for that year (exclusive of Capital Maintenance Reserve contributions); and
  - (b) thereafter, the total operating costs for the Fiscal Year most recently completed based on the Operator’s audited financial statements (exclusive of Capital Maintenance Reserve contributions).
27. **“Operating Surplus Target”** means the portion of the Operating Surplus to be paid to the City, as projected in the Operating Budget in effect at any particular time.
28. **“Operator’s Personnel”** means each of the directors, officers, employees, contractors and agents of the Operator, and their respective heirs, executors, administrators, personal representatives, successors and assigns.
29. **“Performance Standards”** means those required practices and standards of performance that the Operator must meet in accordance with this Agreement.
30. **“Project”** means the [insert description of building] to be operated and maintained by the Operator in accordance with the terms of this Agreement and the applicable Lease located on the Lands.
31. **“Realty Taxes”** means all assessments for taxes, rates, duties (including school taxes, local improvement rates and other charges levied pursuant to the Hospital District Finance Act (British Columbia), the Municipal Finance Authority Act (British Columbia) or otherwise, including by or for Translink, BC Assessment and Metro Vancouver) and all other charges for services used in or supplied to the Project (including penalties and interest) that now are or will or may be levied, rated, charged or assessed against the Lands or the Project, and all other structures, machinery, equipment, facilities and other property of any nature whatsoever located thereon or therein, charged by any municipal, parliamentary, legislative, regional, school or other authority during the Term.
32. **“Residential Unit”** means a self-contained residential dwelling within the Project.

33. "Term" means the <img alt="redacted" data-bbox="335 90 365 105"/> year period from the Commencement Date.
34. "Utilities" means all charges, rates and levies on account of utilities, including for heat, electricity, gas, telephone, television, internet and other costs and expenses of a similar nature, and, if not included in Realty Taxes, for water and garbage collection.
35. "WorkSafeBC" means the Workers' Compensation Board of British Columbia, an agency created in 1917 to promote workplace safety, and is that agency's familiar name.

## B. RESPONSIBILITIES OF THE OPERATOR

### 1. The Operator's Acknowledgements

The Operator acknowledges that it is entering into this Agreement to manage and operate the Project, that it will do so in a proper, efficient and timely manner as would a prudent owner/operator of similar property and that its purpose in managing and operating the Project is to benefit the public interest.

### 2. Corporate Organization

The Operator will establish and maintain a well-organized corporate structure, and, in particular, will:

- (a) conduct business in accordance with its constating
- (b) documents and in a manner that does not permit personal gain, directly or indirectly, by any director, officer or member of the Operator or any of their associates or family members, unless employed by the Operator; and
- (c) maintain accurate and complete records of all aspects of its operations under this Agreement.

### 3. City Lease

The Operator acknowledges that its rights and obligations hereunder are subject to the Lease.

### 4. Operator Restrictions

During the Term, the Operator will remain in good standing under all applicable legislation in British Columbia and Canada and will use substantially all its income, gains and accretions in support of the objectives of the Operator as stated in its constating documents.

### 5. Restrictions on Authority

The Operator must not commit or otherwise obligate the City in any manner whatsoever, except to the extent specifically provided in this Agreement or the Lease, or as specifically authorized in writing by the City and in particular, without limiting the generality of the foregoing, the Operator must not take any action, expend any sum, make any decision,

give any consent, approval or authorization or incur any obligation with respect to any of the following matters except with the prior written approval of the City:

- (a) charging or allowing any encumbrance to charge title to all or any part of the Lands or the Project except to the extent provided for in the Lease; and
- (b) executing any lease or any other arrangement involving the rental, use or occupancy of all or part of the Project other than an Occupancy Agreement in accordance with this Agreement.

#### 6. Agency

This Agreement shall not be construed as creating any partnership or agency between the City and the Operator, and no party shall be deemed to be the legal representative of any other party for the purposes of this Agreement. Neither of the City or the Operator shall have, and shall not represent itself as having, any authority to act for, to undertake any obligation on behalf of the other party, except as expressly provided in this Agreement or the Lease.

#### 7. Use of the Project

The Operator will not use the Project for any purpose that is not authorized by this Agreement.

#### 8. Conflict of Interest

The Operator will not, during the Term, perform a service for or provide advice to any person or entity where the performance of such service or the provisions of the advice may, in the reasonable opinion of the City, give rise to a conflict of interest between the obligations of the Operator to the City under this Agreement or the Lease, as applicable, and the obligations of the Operator to such other person or entity. In addition, the Operator covenants with the City that:

- (a) it will not pay directly or indirectly to any of its directors or their relatives by blood or marriage (including common-law marriage) any money obtained from the operation of the Project, or from the operation of other premises leased from the City, or otherwise received from the City, without the express written consent of the City;
- (b) it will not, by contract or otherwise, pay to any of its former directors or their relatives by blood or marriage (including common-law marriage), pursuant to any contract or arrangement made when the former director was a director of the Operator, money obtained from the operation of the Project, or from the operation of other premises leased from the City, or otherwise received from the City, without the express written consent of the City;
- (c) subject to sections B.8(a) and B.8(b), the Operator may enter into bona fide arm's length contracts with Occupants of the Project for the provision of services in furtherance of the good management of the Project; and
- (d) notwithstanding the foregoing, the Operator may reimburse its directors or occupants of the Project for out-of-pocket expenses incurred for the proper



management of the Project but only upon the proof of such expenditure by the production of bona fide receipts.

Notwithstanding the foregoing, the City acknowledges that the subcontracting of some of the Operator's obligations under this Agreement and/or the Lease in the normal course of its business and in keeping with the other provisions of this Agreement, to affiliates or subsidiaries of the Operator will not amount to a contravention of this restriction.

#### 9. Constatng Documents

The Operator will not alter its constating documents in any way that would render it unable to fulfill its obligations under this Agreement or the Lease, as applicable.

#### 10. Management of the Project

The Operator will manage and operate the Project in a proper, efficient and timely manner as would a prudent owner/operator of similar property and will:

- (a) meet all statutory and corporate obligations applicable to the Operator in performing its obligations under this Agreement, including but not limited to, the requirements of the *Personal Information Protection Act*, *Freedom of Information and Protection of Privacy Act*, *Workers Compensation Act*, *Tobacco Control Act*, *Human Rights Code* and associated regulations, and obligations under all contracts the Operator enters into in connection with the Project and the requirements of any insurer of the Project;
- (b) ensure that the Project complies with all applicable statutory health and safety standards to ensure the health and safety of persons at or near the workplace;
- (c) abide by the terms and conditions of all Schedules hereto;
- (d) ensure that employees and contractors who carry out repairs and maintenance on behalf of the Operator do so in compliance with all WorkSafeBC and other statutory requirements, acquiring environmental or other building assessments by accessing known inventories or through hazmat surveys prior to renovation/repair work;
- (e) conduct risk assessments prior to commencing work and make reasonable best efforts to ensure that employees and/or contractors follow safe work procedures which control any hazards to the health and safety of persons at the Project;
- (f) use its reasonable best efforts to maintain full occupancy of the Residential Units and select Occupants as set out in Schedule C;
- (g) implement the recapitalization/life cycle replacement of building systems, including equipment, structures, surfaces or fixtures installed on the Lands or at the Project, that have reached or exceed their life expectancy, have failed, or have become a maintenance liability, and perform major repairs, major inspections and overhauls on a cycle of three years or greater, all in accordance with the Asset Management Plans and Operating Budget approved by the City and in effect from time to time

- (h) manage the Project and the Project's systems and equipment in an efficient and effective manner to ensure that these elements meet or exceed their anticipated life expectancy;
- (i) perform inspections and servicing and implement a formal preventive maintenance program of systems and equipment in accordance with manufacturer recommendations and industry best practices;
- (j) repair the Project's systems, equipment and surfaces to restore them to functional operation, as and when needed; and
- (k) not enter into a contract with a value of greater than <img alt="redacted" data-bbox="688 263 711 273"/>X dollars (\$xxxx)> for the management of all or part of the Project by any person or organization unless included in the current approved Operating Budget or approved by the City acting reasonably.

#### 11. Communication with the City

The Operator as soon as reasonably possible will:

- (a) provide the City with details on all incidents that are significant enough to threaten the continuous operation of the Project as contemplated by this Agreement and the Lease, including but not limited to, fire, flood, outbreaks of infectious diseases and/or the injury or death of Occupants and staff on site;
- (b) notify the City before making any changes that could diminish the Operator's ability to fulfill its obligations under this Agreement, the Lease; and
- (c) submit for review by the City all material policy changes related to the Project.

#### 12. Maintenance and Capital Repair and Replacement

The Operator will, utilizing qualified professionals, meet the Performance Standards, and:

- (a) maintain the Project in a satisfactory state of repair and fit for habitation and perform all maintenance and repair work including that maintenance and repair work described in the Asset Management Plans ;
- (b) establish one and five year plans within the Asset Management Plans and maintenance procedures, to be pre-approved by the City before implementation, that are updated and revised prior to expiry, to maintain the value of the Project, prolong the life of the Project, reduce replacement costs and eliminate/reduce safety hazards;
- (c) establish a Capital Maintenance Reserve that must be maintained and used only for the purposes identified in the Asset Management Plans or otherwise approved in writing by the City;
- (d) advise the City immediately if it becomes aware of any structural deficiency in the Project, which requires the intervention of the City; and

- (e) ensure that all work and services provided by third parties is competitively priced and represents best value for the Project, and the City as the owner thereof, including using requests for proposals or invitations to tender to obtain multiple competitive proposals or bids for comparison purposes where considered appropriate. Written records of proposals and bids so obtained must be retained for not less than seven years and made available to the City upon reasonable request.

### 13. Preservation of Assets

The Operator will ensure that all grounds, landscaping, buildings, Project-related equipment and other Project-related chattels belonging to the City, or acquired by the Operator on behalf of the City during the Term, are maintained in good repair throughout the Term. At the end of the Term, the Operator will return all Project-related equipment and other Project-related chattels to the City in the same condition as at the start of this Agreement, normal wear and tear excepted.

### 14. Promotion of Smoke-Free Housing

Noting the social, environmental and general health benefits of smoke-free housing, the Operator is encouraged to manage the Project throughout the Term in a manner which includes "smoke-free housing" areas within the Project, though eligible Occupants may include both smokers and non-smokers.

### 15. Pet-Friendly Buildings

The Operator shall permit Occupants to keep pets in Residential Units, within reasonable limits and provided the Operator collects an appropriate pet deposit and ensures the applicable Occupant is liable for any and damage to the Residential Unit resulting from the pet.

## C. RIGHTS AND RESPONSIBILITIES OF THE CITY

### 1. Responsibilities

The City will:

- (a) assign a person to act as liaison with the Operator;
- (b) provide advice and guidance to the Operator in managing the Project to meet the objectives and provisions in this Agreement;
- (c) monitor the operation of the Project to ensure that the standards, objectives and expectations in this Agreement are met;
- (d) provide timely responses to issues raised by the Operator to ensure the Operator receives adequate support; and
- (e) except in the event of an emergency which in the City's reasonable opinion requires entry without waiting for expiry of the below notice period in order to prevent potential loss or damage including loss of life, the City will give the Operator forty-eight (48) hours notification of its intent to enter the Project.

## 2. Naming Rights

Without limiting the other rights of the City as set forth elsewhere in this Agreement, the City hereby expressly retains all rights in respect of naming the Project or any portion(s) thereof, and the placing of plaques, signs or other means of displaying such names or other means of recognition, as well as all financial and other benefits that may derive directly or indirectly from those rights, provided however that the Operator may place modest signage at the Project indicating their management of the Project.

## D. FINANCIAL MANAGEMENT

### 1. Finances

The Operator will establish written policies and procedures for effective control of finances for the Project and, in particular, will:

- (a) establish and maintain books of account and retain invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the City, to be used as the basis for the calculation of the payment as set out in Schedule A;
- (b) prepare an Operating Budget for the Project in advance of each Fiscal Year and regularly review the financial affairs in accordance with Schedule A;
- (c) ensure that sound written financial operating policies and procedures are in place, including record keeping and financial statements in accordance with Canadian Generally Accepted Accounting Principles consistently applied; and
- (d) provide annual financial statements indicating that the Operator has properly funded and maintained the Capital Maintenance Reserve and other reserves, as applicable, and that all interest accruing to the Capital Maintenance Reserve and other reserves, as applicable, has been recorded.

### 2. Auditor

The Operator will appoint an auditor of the Operator in compliance with the Society Act who will be in good standing in accordance with the laws of the Province of British Columbia and will not be a member of the Operator. The Operator will cause the auditor to audit the financial statements of the Operator.

### 3. Audited Financial Statements to be Submitted

The Operator will submit audited financial statements to the City within four months after the end of each Fiscal Year.

## E. BOOKS AND ACCOUNTS

### 1. Fiscal Year

The Operator will provide notice of its fiscal year end date to the City and will provide the City notice of any subsequent changes.

## 2. Operating Income

All Operating Income received by the Operator from whatever source with respect to the Project will be collected by the Operator, held by the Operator and used by the Operator solely for the purpose of and to the extent authorized by this Agreement.

## 3. City Audit

The City reserves the right to audit the books, records and accounts of the Operator pertaining to its operation of the Project at any reasonable time.

## F. RECORDS

### 1. Records, Retention and Access

The Operator will maintain adequate operational records for the Project and the following apply:

- (a) The Operator will retain all documents, vouchers, records and accounts that pertain to the Project for not less than seven years following the date of receipt or production of those records;
- (b) the City or its agents may inspect all records maintained by the Operator for the Project after giving reasonable notice, at any reasonable time, and may make extracts from and take photocopies of those records; and
- (c) upon reasonable notice, in accordance with the City's obligations pursuant to the *Freedom of Information and Protection of Privacy Act*, the Operator will, upon request:
  - (i) disclose to an Occupant the Operator's file for the Occupant; and
  - (ii) cooperate with the City if the City has a request to disclose third party information under the *Freedom of Information and Protection of Privacy Act*,

subject to the Operator's compliance with its obligations under that Act and any other applicable legislation.

### 2. Information Management

The Operator will:

- (a) collect information and, if applicable, create and retain records in relation to Occupants during the Term of this Agreement, as required by this Agreement, all in accordance with the requirements of the Personal Information Protection Act as applicable;
- (b) notify the City immediately upon becoming aware of any breach of security involving the unauthorized collection, use, disclosure or destruction of information relating to the Project;

- (c) treat as confidential all information or material provided to the Operator by the City, by Occupants, or by third parties if the information concerns Occupants and is relevant to this Agreement;
- (d) keep all documents and records produced or received by the Operator in relation to this Agreement segregated from other documents to the extent it is practical to do so; and
- (e) safeguard records and not permit their disposition or destruction without the prior written consent of the City, except as required by applicable law, including the *Document Disposal Act*.

## **G. LIABILITY**

### **1. Indemnity**

The Operator will indemnify and save harmless the City and City Personnel, from all claims and costs incurred by the City or City Personnel to the extent the same arise from a breach of this Agreement by, or the negligence of, the Operator or the Operator's Personnel or other persons for whom at law the Operator is responsible, as applicable.

### **2. Survival**

The indemnity set out in section 1 shall survive termination or expiry of this Agreement.

### **3. Assignment and Subcontracting**

- (a) The Operator will not assign, either directly or indirectly, this Agreement or any right or obligation of the Operator, respectively, under this Agreement, without the prior written consent of the City;
- (b) No subcontract entered into by the Operator will relieve it of any of its obligations under this Agreement or impose upon the City any obligation or liability arising from any such subcontract. The Operator must ensure that any subcontractor fully complies with this Agreement in performing the subcontracted services;
- (c) This Agreement will be binding upon the City and its assigns and the Operator and its successors, and permitted assigns;
- (d) The City will provide ninety (90) days' notice of intent to assign or subcontract its responsibilities under this Agreement; and
- (e) The Operator will provide ninety (90) days' notice of intent to assign or subcontract its responsibilities under this Agreement.

## H. GENERAL PROVISIONS AND INTERPRETATION

### 1. Reasonableness

Wherever in any provision of this Agreement the City is required or empowered to give its consent or approval or exercise its discretion, the City agrees not to withhold such consent or approval nor exercise such discretion unreasonably or arbitrarily, unless the contrary intent is specifically expressed in such provision.

### 2. Determination by the City Binding

Wherever in this Agreement the City's approval is required for a decision or action of the Operator, the City's determination, designation or decision, acting reasonably, with regard to that approval is conclusive and binds the Operator.

### 3. Notices

All notices, demands or requests of any kind, which any party may be required or permitted to serve on another party in connection with this Agreement, will be in writing and may be served on the parties by mail, by telecopied transmission, or by personal service, addressed as follows:

(a) If to the Operator:

<img alt="redacted" data-bbox="235 458 262 473"/> insert address >

Attention: <img alt="redacted" data-bbox="352 488 379 503"/> >

(b) If to the City:

City of Vancouver  
453 West 12<sup>th</sup> Avenue  
Vancouver, British Columbia V5Y 1V4

Attention: City Clerk

cc: Managing Director Social Development

Community Services Group

And: Director of Real Estate Services

or at such other address as the parties may from time to time advise by notice in writing. The date of receipt of any such notice, approval or request will be deemed to be the date of delivery of such notice, approval or request if served personally or, on the fifth business day next following the date of such mailing if mailed as aforesaid, provided that if mailed should there be, between mailing and the actual receipt of such notice, approval or request, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice, approval or request, such notice, approval or request will only be effected if actually delivered. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors, administrators and permitted assigns



#### 4. Whole Agreement

There are no warranties, representations, conditions or collateral Agreements that pertain to this Agreement, except as set forth in this Agreement.

#### 5. Enuring Effect

This Agreement enures to the benefit of and binds each of the City and the Operator and their respective successors and permitted assigns.

#### 6. Definitions

The meanings of terms used in this Agreement are set out in section A.

#### 7. Time

Time is of the essence of this Agreement. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other parties. Any time specified in this Agreement for observing or performing an obligation is local time in Vancouver, British Columbia.

#### 8. Governing Law

This Agreement is to be governed by and construed and enforced in accordance with the laws of the Province of British Columbia.

#### 9. References

If the singular, masculine, feminine or neutral is used in this Agreement, the reference is to the plural, masculine, feminine or body corporate according to the context in which it is used.

#### 10. Construction

The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit or aid in the construction of any provision. In all cases, the language in this Agreement is to be construed simply, according to its fair meaning and not strictly for or against any party.

#### 11. No Limitation

The word "including" when following any general statement, term or matter is not to be construed to limit that general statement, term or matter to the specific items set forth immediately following that word or to similar items. That general statement, term or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of that general statement, term or matter.

#### 12. Document Written in Present Tense

The word "will", where the subject is either or both of the parties, denotes a present obligation.



### 13. Validity of Provisions

If a court of competent jurisdiction finds that any part of this Agreement is invalid, illegal or unenforceable, that invalidity, illegality or unenforceability does not affect any other provisions of this Agreement. The balance of the Agreement is to be construed as if that invalid, illegal or unenforceable provision had never been included and is enforceable to the fullest extent permitted at law or at equity.

### 14. Waiver

No consent or waiver, expressed or implied, by a party of any default by another party in observing or performing its obligations under this Agreement is effective unless given in writing, nor is it a consent or waiver of any other default. Failure on the part of any party to complain of any act or failure to act by another party or to declare such other party in default, irrespective of how long that failure continues, is not a waiver by that party of its rights under this Agreement or at law or at equity.

### 15. Consents and Approvals

Except as otherwise expressly set out in this Agreement, where this Agreement provides for any approval, consent or Agreement with respect to any matter:

- (a) it will be obtained before any action is taken on it;
- (b) it will be requested and responded to in writing; and
- (c) it will not be unreasonably withheld, except if this Agreement otherwise expressly stipulates, or delayed.

### 16. Extent of Obligations and Costs

Every obligation of each party in this Agreement extends throughout the Term. To the extent an obligation ought to have been observed or performed before or upon the expiry or earlier termination of the Term, that obligation, including any indemnity and release, survives the expiry or earlier termination of the Term until it has been observed or performed.

### 17. Financial Terms

All accounting terms not otherwise defined in this Agreement have the meanings assigned to them, and all calculations to be made under this Agreement are to be made in accordance with Canadian Generally Accepted Accounting Principles consistently applied.

### 18. Statutes

Any reference in this Agreement to a provincial or federal statute includes the statute as it exists on the reference date of this Agreement and any subsequent amendments or replacements.

## I. DEFAULT, INTERVENTION AND REMEDIES

### 1. Event of Default by the Operator

Any of the following events will constitute an Event of Default by the Operator under this Agreement:

- (a) failure to meet the Performance Standards, the Affordability Requirement set out in Schedule F, section 2(b) or any other provision of this Agreement;
- (b) the Operator is in breach of the Lease;
- (c) the Operator fails to remain in good standing under the *Society Act* or becomes insolvent or otherwise acknowledges its insolvency, or commits an act of bankruptcy, or makes an assignment for the benefit of its creditors, or an order is made or a resolution is passed, or a petition is filed for the liquidation or winding up of the Operator, or a receiver is appointed to manage any of the assets of the Operator, or the Operator ceases, in the opinion of the City, to operate;
- (d) the Operator is in breach of or fails to comply with any law, by-law or regulation applicable to the performance of its obligations hereunder;
- (e) any material representation or warranty made by the Operator in accepting this Agreement is found to be untrue or incorrect; and
- (f) if the Operator knew or ought to have known any significant information, statement, certificate, report or other document furnished or submitted by, or on behalf of, the Operator pursuant to, or as a result of, this Agreement is untrue or incorrect.

### 2. Event of Default by the City

Any of the following events will constitute an Event of Default by the City under this Agreement:

- (a) failure to materially perform the provisions of this Agreement that are the responsibility of the City.

### 3. Intervention on Event of Default

Subject to section J.1, the following is the procedure for intervention by the City upon the occurrence of an Event of Default by the Operator (subject to the provisions of the Lease where the Event of Default arises from a breach of that agreement):

- (a) **Communication.** The City will give the Operator written notice of the Event of Default, which notice will provide for a reasonable time for the Operator to respond to the notice of Event of Default by providing further information concerning the Event of Default.
- (b) **Action Plan.** The City and the Operator will agree on an action plan (each, an "Action Plan") to cure the Event of Default, including a schedule for

implementation of the Action Plan, identification of the resources available to the Operator to implement the Action Plan, and the dates on which the City will review progress on implementation of the Action Plan.

- (c) **On Watch.** If the Operator does not cure the Event of Default within a reasonable time, the City may place the Operator "On Watch", which means that:
- (i) this is a warning that the City will intervene further if the Event of Default is not cured;
  - (ii) the City will monitor the operation of the Project and the performance of obligations under this Agreement by the Operator more often and in more depth, including a management audit before the end of a Review Period; and
  - (iii) if the Operator makes progress in curing the Event of Default, the City will lessen its monitoring and the On Watch status may be withdrawn.
- (d) **Co-management.** The City may appoint a manager to work with and supervise the Operator in operating the Project and in curing the Event of Default, in order to:
- (i) improve the Operator's management of the Project and return operation of the Project to the Operator at some future date; and
  - (ii) provide education, training and other necessary resources to the Operator to cure the Event of Default.

The Operator shall reimburse the City for any and all expenses incurred by the City in connection with the appointment of a manager in accordance with this section, which shall be paid to City in the same priority as Operating Expenses in respect of the Project and prior to the distribution of any Operating Surplus as described in Schedule A, section C to this Agreement.

#### 4. Mediation

If the parties have a dispute arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with it or from it (other than the Lease), the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing Agreement, under the Commercial Mediation Rules of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre.

#### 5. Dispute Resolution

If the process of mediation above fails, the parties agree that the following dispute resolution process will be used:

- (a) a meeting will be held promptly between the parties, attended by individuals with decision making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute;
- (b) if, within fourteen (14) days after such meeting or such further period agreed to by the parties in writing, the parties have not succeeded in negotiating a resolution of the dispute, the parties will submit the dispute to arbitration; and
- (c) the remaining issues in dispute will be determined by arbitration under the *Commercial Arbitration Act*, and the decision of the Arbitrator will be final and binding and will not be subject to appeal on a question of fact, law or mixed fact and law.

## J. TERMINATION

### 1. Early Termination by the City

Notwithstanding anything stated to the contrary in this Agreement, the parties agree that the City will have the right at any time, by giving at least twenty-four (24) hours written notice to the Operator to terminate this Agreement in any of the following events, unless the parties otherwise agree in writing:

- (a) upon the bankruptcy and/or receivership of the Operator;
- (b) upon termination of the Lease except upon the City's default;
- (c) upon the Operator failing to cure an Event of Default in the manner or in accordance with the schedule set out in an Action Plan approved by the City;
- (d) upon the Operator ceasing to carry out its operations without profit to itself or its members;
- (e) upon the failure by the Operator to maintain its corporate status and remain in good standing under the applicable laws of the Province of British Columbia;
- (f) upon the failure by the Operator to restrict its activities and undertakings to those authorized or permitted under its constating documents; or
- (g) upon the failure of the Operator without adequate justification, to comply with the requirements of any applicable law, regulations, bylaw or other directive having the force of law and enacted or promulgated by or under the authority of the Government of Canada and/or the Province of British Columbia.

### 2. Early Termination by the Operator

Notwithstanding anything stated to the contrary in this Agreement, the parties agree that the Operator will have the right at any time, by giving twenty-four (24) hours written notice to the City, to terminate this Agreement in any of the following events, unless the parties otherwise agree in writing:

- (a) upon termination of the Lease, except upon the Operator's default;

- (b) upon an Event of Default by the City having occurred without curing following ten days' notice of default by the Operator;
- (c) upon the failure of the City, without adequate justification, to comply with the requirements of any applicable law, regulations by-law or other directive having the force of law and enacted or promulgated by or under the authority of the Government of Canada and/or the Province of British Columbia.

**3. Adjustments on Termination**

Upon the termination of this Agreement, however effected, the parties will forthwith complete all necessary accounting and adjustments between them to effectively reconcile and finalize their obligations pursuant to this Agreement. Such adjustments will include, without limitation:

- (a) the delivery or transfer by the Operator to the City, effective as of the termination date, of the Capital Maintenance Reserve and the Operating Reserve, in each case including all accumulated interest; after payment of any the Operator's expenses or liabilities contemplated by this Agreement; and
- (b) use or division of any unexpended surplus accrued pursuant to Schedule A, section C.1, including all accumulated interest, in accordance with Schedule A, section C.3.

**4. Costs Resulting From Termination**

All Project resident relocation costs, if any, resulting from early termination of this Agreement will be paid:

- (a) first, from the Operating Reserve to the extent of available funds; and
- (b) second by the Operator.

IN WITNESS of which the duly authorized signatories of the Operator and the City have executed this Agreement effective as of the Commencement Date:

<img alt="redacted" data-bbox="113 645 140 660"/> **NAME OF OPERATOR**>  
by its authorized signatory:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

**CITY OF VANCOUVER**  
by its authorized signatory:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

**SCHEDULE A - FINANCIAL****A. OPERATING BUDGET**

1. **Operating Budget:** Promptly after the Commencement Date and thereafter at least three months prior to the end of each Fiscal Year, the Operator will submit to the City for approval, having regard to the Performance Standards set out in Schedule E, an Operating Budget for the Project for the upcoming Fiscal Year, in a format approved by the City, showing the anticipated gross Operating Income for the Project together with all anticipated Operating Expenses for the Project. The City will endeavour to approve each of the first Operating Budgets as soon as practicable following the Commencement Date, and then each subsequent Operating Budget at least two months prior to the end of the applicable Fiscal Year. The Operating Budget submission will follow the format agreed to by the City and may be amended by mutual consent.
2. **Budget Deviations:** The Operator will make best efforts not to exceed the total approved Operating Budget for the Project without the prior authorization of the City.
3. **Income and Expenses**
  - (a) The Operator will be responsible for collecting all Operating Income for the Project, and the Operator will be responsible for paying out of such Operating Income all Operating Expenses.
  - (b) The Operator will ensure payments are made to contracted service providers within pre-established payment periods. Any fines, penalties, surcharges, incurred by the Operator or by the City as an expense related to the Operator error or negligence will be the responsibility of the Operator.
  - (c) The Operator may generate revenue from sources such as vending machines and laundry machines. Income generating opportunities will be reflected in the annual Operating Budget. The City reserves the right to review income generating opportunities in terms of impact on resident service, feasibility of the physical plant etc.

**B. OPERATOR FUNDED MAINTENANCE AND OPERATING RESERVES**

1. **Capital Maintenance Reserve:** The Operator, with the cooperation of the City, will prepare and revise from time to time Asset Management Plans for the Project setting out projected capital repairs and improvements in accordance with industry standards, in a format to be approved from time to time by the City. It will also create a reserve for capital repairs and replacements to the Project based on the items and life in years as set out in the Asset Management Plans in effect from time to time and the following apply:
  - (a) the Operator will deposit the amounts identified in the approved Operating Budget in effect from time to time, which shall be no less than \$60 per unit per month, adjusted annually to reflect changes in the Consumer Price Index from the Commencement Date (subject to Schedule A, section C.1), or such other

amount as may be agreed to by the Operator and the City from time to time during the Term, in a Capital Maintenance Reserve fund; and

- (b) the Operator will use or dispose of the Capital Maintenance Reserve only for capital repairs and replacements to the Project in accordance with the Asset Management Plans in effect from time to time, or to pay for other payments as may be approved by the City.

2. **Operating Reserve:** The Operator will fund and manage the Operating Reserve.

3. **Audit and Transfer of Reserves upon Termination:** At the termination of this Agreement, regardless of cause, the City may conduct an audit of the books, records, accounts and any other documents related to the Operator's operation of the Project. Within one hundred and twenty (120) days following the completion by the City of its audit or waiver by the City of its audit right, as applicable, the Operator shall transfer to the City all funds in the Capital Maintenance Reserve and the Operating Reserve, in each case including all accumulated interest, but after payment of any of the Operator's expenses or liabilities contemplated by this Agreement, and a reconciliation of the operating balance will be forwarded to the City.

#### C. OPERATING SURPLUSES

1. **Operating Surpluses:** The Operator shall use any Operating Surplus as follows:

- (a) divided on a fifty percent (50%)/fifty percent (50%) basis between the Operator and the City, with the Operator's portion to be used to create, or acquire net new, below-market co-op or rental housing within the City of Vancouver.

2. **Target Operating Surplus:** The Operator will make reasonable efforts, while complying with the requirements of this Agreement, to achieve Operating Surpluses beginning in the <img alt="redacted" data-bbox="318 561 345 571"/> year of the Term, in at least the following amounts: [NOTE: For discussion]

3. **Transfer of Surpluses upon Termination:** At the termination of this Agreement, regardless of cause, any unexpended surplus, including all accumulated interest will be divided and used in accordance with Schedule A, section C.1, if termination results from the Project ceasing to be operated to provide housing to Occupants as contemplated by this Agreement.

#### D. INVESTMENT OF FUNDS

1. The Operator will deposit and keep the Capital Maintenance Reserve and the Operating Reserve and accumulated interest in a separate bank account or in accounts or instruments as follows:

- (a) in an account insured by the Canadian Deposit Insurance Corporation or by the Credit Union Deposit Insurance Corporation;
- (b) in an investment in accordance with the *Cooperative Association Act*, the *Society Act* or the *Vancouver Charter*;
- (c) in an investment guaranteed by a Canadian government; or



(d) in other investment instruments as the City approves.

**E. UNAUTHORIZED EXPENDITURES AND ACTS.**

1. With regard to its occupation and operation of the Project, the Operator will not, without the approval of the City:
  - (a) borrow money if it encumbers the Operator's leasehold interest in the Project or it creates any liability for the City;
  - (b) guarantee or underwrite the repayment of any obligation assumed by a third party;
  - (c) pay to a person or organization any amount for the purpose of supporting activities the objective of which is to make representations to any government body on any subject matter not directly related to the operation of the Project. This provision does not apply to annual membership fees to sector organizations;
  - (d) release, compromise, assign or transfer any claim, right or benefit of the City in connection with or arising out of the City's interest in the Project; or
  - (e) confess a judgement against it.

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**SCHEDULE B - MONITORING AND REPORTING****A. REGULAR REPORTING**

1. The Operator will, on an annual basis except in the first year of the Term when this will apply after the first six months, make information related to its operation and management of the Project available to the City, to assist the City in:
  - (a) identifying occupancy and service trends;
  - (b) monitoring income earned and expenses incurred; and
  - (c) monitoring the Operator's compliance with the requirements of this Agreement and the Lease.
2. The City, acting reasonably, reserves the right to change the reporting requirements from time to time, with at least thirty (30) days' written notice to the Operator provided that, if there are additional costs to the Operator in complying with new requirements, the City will adjust the Operating Budget to reflect the increased costs as agreed to by both parties.

**B. ANNUAL REPORTING**

1. The Operator will submit an annual operator report to the City for the Project no later than four months after the Operator's Fiscal Year end in the format provided by the City. The Operator's report will include:
  - (a) Occupant demographics, including age, size of family, Income, Housing Charge paid and length of occupancy, and rent roll for each unit in the Project;
  - (b) rate of Occupant turnover at the Project;
  - (c) outstanding debt;
  - (d) current balance in the Operating Reserve and Capital Maintenance Reserve;
  - (e) gas, electricity, and water consumption at the Project;
  - (f) copies of relevant licenses and inspection reports;
  - (g) completed checklists as per the Asset Management Plans in effect from time to time;
  - (h) completed checklists related to quality assurance;
  - (i) list and explanation of repair, maintenance and capital expenditures, by unit number where applicable;
  - (j) comparison of actual repair, maintenance and capital expenditure work against work projected in the Asset Management Plans in effect from time to time;

- (k) explanation for any variance in expenditure greater than 10% in completing the Asset Management Plans in respect of the year in question;
- (l) a short report on current operational challenges, issues and successes;
- (m) rental mix; and
- (n) management costs in respect of the Project.

**C. OPERATIONAL REVIEW**

1. At least annually (as part of the annual Operating Budget review process), the City may conduct an onsite operational review of the Operator's compliance with statutory requirements and the terms of this Agreement.
2. The City will provide the Operator with at least forty-five (45) days written notice of such an operational review and will provide the Operator the requirements for such review (e.g., collecting relevant written policies and procedures, collecting licenses and inspection reports).

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## SCHEDULE C - OCCUPANT ELIGIBILITY

## A. OCCUPANT ELIGIBILITY AND SELECTION

1. **Occupant Eligibility:** The Operator shall select Occupants for the Residential Units in the Project such that the monthly Housing Charge for the applicable Residential Unit is no greater than thirty percent (30%) of the applicable Household's monthly Income at move-in, as determined by the Household's Declaration of Income and Assets, or such other percentage that the City and the Operator may agree upon from time to time.
2. **Occupant Selection:** Occupants will be selected by a fair, open and transparent process agreed to by the City and the Operator from time to time, with a focus on providing Residential Units to Occupants who live in Vancouver as a first priority and to Occupants who work in Vancouver as a second priority. <img alt="redacted icon" data-bbox="648 308 671 320"/> **NOTE: This section to be customized for each Project.>**
3. **Occupancy Levels:** The Operator will use its best efforts to maintain full occupancy of the Project.
4. **Household Size:** All Below Market Households must be placed in a Residential Unit appropriate to their household size in accordance with the Occupancy Guidelines. Exceptions may be made for persons designated by mutual agreement between the City and the Operator.

## SCHEDULE D - OCCUPANCY AGREEMENT

## A. OCCUPANCY AGREEMENTS

1. **Compliance with Applicable Law:** Occupancy Agreements will be subject to applicable laws.
2. **City's Approval:** The Operator shall provide copies of the Occupancy Agreements for the Project to the City within a month of the execution of this Agreement, which shall be subject to the City's approval. The Operator will provide any subsequent amended or revised Occupancy Agreements that it intends to use at the Project to the City for the City's prior approval.
3. **Security Deposits:** The Operator may collect and keep security deposits or membership shares in lieu of security deposits. All such funds collected and held by the Operator must be handled in accordance with the applicable Occupancy Agreement and the *Residential Tenancy Act*.
4. **Subletting:** The Occupancy Agreements shall prohibit Occupants from subletting the unit to which the applicable Occupancy Agreement relates or assigning the Occupancy Agreement and shall provide that any non-compliance by the Occupant with such subletting and assignment restrictions be a cause for termination of the Occupancy Agreement.
5. **Termination of Occupancy Agreements:** The Occupancy Agreements for Residential Units shall include either:
  - (a) a Housing Charge provision whereby the Housing Charge is recalculated periodically based on the percentage of Income specified pursuant to Schedule F, section 3(a), with no ceiling; or
  - (b) a provision that permits the Operator to terminate the Occupancy Agreement following a term of five (5) years or a renewal term of five (5) years, as applicable, if:
    - (i) the Income of the relevant Household, as determined by a Declaration of Income and Assets obtained pursuant to Schedule F, section 1 to this Agreement, rises to an amount such that twenty-five percent (25%) of the Household's average Income over the preceding three years is equal to or greater than the market rental cost of a residential unit with the same number of bedrooms as the Residential Unit to which the Occupancy Agreement relates in the neighbourhood in which the Residential Unit is located; and
    - (ii) there is availability for a residential unit in the neighbourhood in which the Residential Unit is located with the same number of rooms and tenure at least as secure as the Residential Unit to which the Occupancy Agreement relates, at no more than thirty percent (30%) of the Household's average Income over the preceding three years.

**SCHEDULE E - PERFORMANCE STANDARDS**

The Operator is required to operate the Project to a professional standard that is acceptable to the City. The City may request performance plans from the Operator on an annual basis or as deemed necessary if an Event of Default occurs in respect of the Operator and the City elects to intervene as contemplated by section 1.3 of this Agreement, rather than to terminate this Agreement. The management areas to be included in the annual performance plan include but are not limited to:

- A. RISK MANAGEMENT**
- B. MAINTENANCE**
  - 1. Grounds keeping and Landscaping
  - 2. Building Maintenance
  - 3. Janitorial
  - 4. Energy Management
  - 5. Building Services
- C. HUMAN RESOURCES**
- D. FINANCIAL MANAGEMENT AND ADMINISTRATION**
- E. OCCUPANT MANAGEMENT**
- F. MAINTAINING A LIST OF EQUIPMENT USED IN OPERATING THE PROJECT**

**SCHEDULE F - PROOF OF INCOME AND HOUSING CHARGES**

1. **Proof of Income and Assets:** The Operator will establish reasonable and prudent policies and procedures for establishing rent and asset calculations and submit these to the City for approval. As part of this the Operator will obtain a Declaration of Income and Assets and supporting documentation, including notices of assessment from Revenue Canada, as evidence of the Income and Assets of all Below Market Households at the time of their initial occupancy and annually thereafter, no later than eight weeks prior to each anniversary of the effective date of the applicable Occupancy Agreement. The declaration will be in a form approved by the City as may be amended from time to time. The Operator will maintain a copy of each Household's documentation in a file available to the City on request.
2. **Aggregate Housing Charges:** The Operator will at all times during the Term ensure that the aggregate monthly Housing Charges for each category of Residential Unit at the Project is as follows:

<img alt="red icon" data-bbox="118 373 138 383"/> **NOTE:** Rent roll table below will be customized for each development based on successful proposal.>

	Shelter/Welfare Rate	Other Subsidized Rate Average	Maximum Market Rate	Total Units
Studio				
1 Bedroom				
2 Bedroom				
Total Units				

(collectively, the "Affordability Requirement").

3. **Individual Housing Charges**
  - (a) As an exception to Schedule F, section 2, the Operator will establish a monthly Housing Charge for each Residential Unit in which the applicable Household receives Income Assistance at move-in that is:
    - (i) the amount of the current maximum Provincial monthly shelter allowance calculated in accordance with Schedule A of the *Employment and Assistance Regulation* passed pursuant to the *Employment and Assistance Act*, as amended or replaced from time to time;
    - (ii) minus an allowance for utility costs, the amount of which allowance will be determined by the Operator from time to time.

For greater clarity:

- (iii) only one allowance for utilities per Residential Unit can be used in calculation of the Housing Charge for Below Market Households;

- (iv) if the Household consists of only a single person, the Housing Charge for the Below Market Household will be based on the Income Assistance shelter component for a single person;
  - (v) if the Household consists of two related persons (e.g. married, common-law relationships), the Housing Charge for the Below Market Household will be based on the Income Assistance shelter component provided for two related persons;
  - (vi) if the Household consists of two unrelated persons, the Housing Charge for the Below Market Household will be based on two times the Income Assistance shelter component for single persons;
  - (vii) if the Household consists of more than two persons, the Housing Charge for the Below Market Household will be calculated based on the number of Occupants in the Household and their relationship; and
  - (viii) if the maximum shelter component of Income Assistance changes, the Housing Charge for the Below Market Household will be changed at the same time after reasonable notice to the Household.
4. **Parking:** The Operator may rent, or impose other usage charges for the use of, the parking spaces within the Project, other than those that are required by the City's Parking By-law to be set aside for visitors or reserved for use as Class A loading bays, to such third parties and at such rates as the Operator may in its sole discretion decide.
5. **Application of Housing Charges:** The Operator will collect Housing Charges, parking usage fees and other fees and amounts payable by Occupants or third parties for use of the Project, and apply this income to the cost of operating the Project.
6. **City not Responsible:** It is understood that the City will not be responsible to the Operator for any breach or failure of the Occupant to observe any of the terms of the Occupancy Agreement between the Occupant and the Operator, including the covenant to pay the Housing Charge. The same relationship will apply as between the Operator and renters/users of parking spaces in the Project, and as between the Operator and the City in respect of the same.