

AUG 02 2016



Mr. Shayne Ramsay
Chief Executive Officer, BC Housing
1701-4555 Kingsway
Burnaby BC
V5H 4V8

Dear Mr. Ramsey:

Re: Exceptions to paragraph 4.2 of the Original Agreement for Investment in Affordable Housing (IAH)

I am writing to confirm the announcement made at the May 3, 2016 FPT Deputy Minister's meeting in Victoria, British Columbia to provide exceptions to paragraph 4.2 of the Original Agreement for Investment in Affordable Housing.

In this regard, paragraph 4.2 restricts the use of IAH funding for Housing that was, on October 1, 2010, or is at the time of Commitment, already in receipt of federal assistance through an existing arrangement directly with CMHC or between CMHC and a PT which had not reached its natural expiry.

The flexibility to use IAH funding by way of exception to paragraph 4.2, will apply in the two circumstances as set out below:

A. Exception for the Budget 2015 Prepayment Initiative:

- Notwithstanding paragraph 4.2 of the Original IAH Agreement, CMHC Funding and Contributions by Others may be used in respect of Housing which is no longer under an agreement following prepayment of a CMHC loan (regardless of the natural end date) under the Budget 2015 Prepayment Initiative.
- This applies to all CMHC Funding and Contributions by Others under the IAH, so long as the Housing is not also under any other arrangement, either directly with CMHC or between CMHC and a PT, with the exception of a rent supplement agreement permitted under a designated prepayment initiative approved by CMHC.


B. Exception for all Funding Under the 2016 Social Infrastructure Fund Agreement

- Paragraph 4.2 of the Original Agreement will not apply to CMHC Funding and Contributions by Others committed under the 2016 Social Infrastructure Fund Agreement.

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Except as amended by this letter, all other terms and conditions of the IAH Agreement, as amended, continue to apply.

Sincerely,



Carla Staresina
Vice-President, Affordable Housing