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TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON September 9, 2013
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	ADDITIONAL UNIT FOR AFFORDABLE HOUSING PROJECT AT 129 RIVERSIDE DRIVE

RECOMMENDATION

That, on the recommendation of the Director, Municipal Housing, with the concurrence of the Managing Director, Housing, Social Services and Dearness Home, the following action **BE TAKEN** with respect to the affordable housing project at 129 Riverside Drive:

- a) Riverside Property Corp. receive a municipal allocation of \$55,000 for one (1) additional unit at 129 Riverside Drive; it being noted that the total municipal allocation to Riverside Property Corp. is now \$1,565,000, with \$1,510,000 approved by Municipal Council in 2012 for twenty seven (27) affordable housing units;
- b) The funding allocation from the Affordable Housing Reserve Fund recommended above be as set out in the attached Appendix A – Sources of Financing Report.
- c) The attached proposed By-law **BE INTRODUCED** at the Municipal Council meeting on September 17, 2013 to approve an Amendment to the Municipal Contribution Agreement between the City and Riverside Property Corp. for the provision of affordable housing at 129 Riverside Drive substantially in the form of an agreement appended to the by-law and to the satisfaction of the City Solicitor; and
- d) The Mayor and the City Clerk **BE AUTHORIZED** to execute the said amended Agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Community and Protective Services Committee

November 25, 2002 Municipal Housing Facilities By-Law

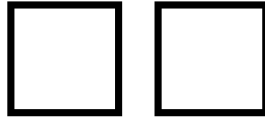
Community Services Committee

June 9, 2012 Recommendation for Proposals under the Investment in Affordable Housing Program

November 12, 2012 Change of Ownership for Affordable Housing Project at 129 Riverside Drive

BACKGROUND

At its session held on June 26 and 27, 2012, Municipal Council resolved that the following allocation be approved under the Investment in Affordable Housing Program RFP12-06: *That, on the recommendation of the Director of Municipal Housing, Skinner Association Group receive a municipal allocation of \$55,000 per unit for twenty seven (27) IAH units, plus \$5,000 per unit for five (5) accessible units, for a total municipal allocation of \$1,510,000 and a federal/provincial allocation of \$60,000 per unit for a project located at 129 Riverside Drive.*



On October 5, 2012, Paul Skinner and Tim Schnurr requested permission to transfer ownership of the project at 129 Riverside Drive in London from 552468 Ontario Limited to Riverside Property Corp. which is a partnership between Ray Stanton and Tim Schnurr.

At its session held on November 20, 2012, Municipal Council resolved the following action be taken with respect to the Municipal Contribution Agreement between the City and 552468 Ontario Limited, Skinner Group Association, related to 129 Riverside Drive, *That on the recommendation of the Director, Municipal Housing, the rights, benefits and obligations of the Housing Provider, 552468 Ontario Limited, be assigned to Riverside Property Corp.*

Additional Unit

The affordable housing project at 129 Riverside Drive is now under construction.

During site plan approval process, the City of London's Urban Design group strongly requested that the building be moved closer to the road to create a more "walkable streetscape" and the city assisted the group in obtaining a variance to permit this.

In moving the building closer to the road, they were able to free up land behind the building and reconfigure the parking to a more logical design that does not require the building cantilever over the parking that was in the earlier drawings. This gave them the ability to enclose this space. To avoid a redesign of the structure they have elected to show the extra space as a 28th unit on the permit drawings.

Rather than making the unit a market unit, Riverside Property Corp is requesting funding (see attached letter) for the unit to be rented at 80% of the Canada Mortgage and Housing Corporation average market rent (CMHC AMR). Because the provincial funding is exhausted for the 2012-2013 fiscal period, there is no provincial funding for this additional unit. Riverside Property Corp has reviewed the costs and will make this unit work at 80% CMHC AMR subject to a commitment from the City of London to fund the unit at the \$55,000 as per the other twenty seven units. The project would then have a total of 28 units with 19 units at 80% CMHC AMR and 9 units at 70% CMHC AMR.

Municipal Contribution Agreement

As part of the City of London commitment to the Canada-Ontario Community Rental Housing Program, on May 20, 2003, Municipal Council approved a Municipal Housing Facilities By-Law and resolved that project specific agreements under the Municipal Housing Facilities By-Law be prepared for approval by Municipal Council.

Municipal Housing Facilities By-Law No. A.-5814-11 outlines the required contents of the contribution agreement with affordable housing proponents.

An amendment to the Municipal Contribution Agreement, approved on November 20, 2012, is required to reflect the one additional unit and the change in funding.

FINANCIAL IMPACT

Funding for the delivery of the Investment in Affordable Housing Program is drawn from the Affordable Housing Reserve Fund.

Recommendation

It is recommended that Riverside Property Corp. receive a municipal allocation of \$55,000 for one (1) additional unit at 129 Riverside Drive; it being noted that the total municipal allocation to Riverside Property Corp. is now \$1,565,000, with \$1,510,000 approved by Municipal Council in 2012 for its original twenty seven (27) units.

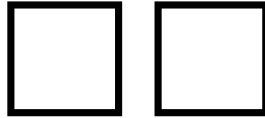
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Acknowledgements

This report was prepared with the assistance of Neil Watson, Housing Development Consultant; and David Mounteer, Solicitor.

RECOMMENDED BY:	CONCURRED BY:
LOUISE STEVENS DIRECTOR OF MUNICIPAL HOUSING	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME

- C. A.L. Barbon, Manager, C/S Financial & Business Services
- A. Dunbar, Mgr Financial Planning & Policy
- N. Watson, Housing Development Consultant
- D. Mounteer, Solicitor, City of London



By-law No.

A by-law to approve an amended agreement between The Corporation of the City of London (the City) and the Riverside Property Corp. (the Proponent) for the purpose of establishing the City of London Affordable Housing Program and the City's obligation to provide funding to the Proponent; and to authorize the Mayor and the City Clerk to execute the agreement.

WHEREAS section 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 8 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the City of London (the City) is responsible for the delivery and administration of affordable housing initiatives including affordable rental housing programs, convert-to-rent programs and other initiatives;

AND WHEREAS Riverside Property Corp. has responded to the procurement process initiated by the City to undertake development activities in return for funding;

AND WHEREAS it is deemed expedient for the City to enter into an agreement with Riverside Property Corp. for the purpose of establishing the Proponent's obligations with respect to the City of London Affordable Housing Program and the City's obligation to provide funding to Riverside Property Corp.;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. An amended agreement between the City and Riverside Property Corp. for the purpose of establishing Riverside Property Corp. obligations with respect to the City of London Affordable Housing Program and the City's obligation to provide funding to Riverside Property Corp. is hereby approved.
2. The Mayor and the City Clerk be hereby authorized to execute the agreement approved in section 1, above, substantially in the form of agreement attached to this by-law and to the satisfaction of the City Solicitor.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on _____, 2013.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First reading –

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**AMENDMENT
TO
MUNICIPAL CONTRIBUTION AGREEMENT
Investment in Affordable Housing
Rental Housing Component
Funding Delivery**

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "City")

- and -

RIVERSIDE PROPERTY CORP.

(hereinafter called the "Proponent")

This Agreement made the ____ day of October, 2013.

WHEREAS:

- A. The City and the Proponent entered into an agreement on December 31, 2012 wherein the Proponent agreed to construct 27 apartments in the City of London (the "Project").

- B. Section 2.3 of the Agreement states the loan as follows: \$836,082 Federal Funds; \$783,918 Provincial Funds and \$1,510,000 City Funds pursuant to the total amount of such loan being \$3,130,000 as also described in Schedule "M".

NOW THEREFORE, in consideration of the mutual covenants herein and other valuable consideration, the City and the Proponent agree as follows:

- 1. That the City shall provide an additional \$55,000 to the Proponent as a loan to provide one additional affordable housing unit for the Project.
- 2. The Proponent agrees to rent the additional unit at \$572 per month including heat, water and parking.
- 3. The Proponent agrees that the rent for the additional unit will not exceed 80% CMHC AMR for duration of the affordability period.
- 4. That Section 2.3 of the Agreement shall be amended to state the loan will be revised as follows: \$836,082 Federal Funds; \$783,918 Provincial Funds and \$1,565,000 City Funds pursuant to the total amount of such loan being \$3,185,000.
- 6. That the additional \$55,000 shall be secured by a charge/mortgage registered on title by the Proponent to the satisfaction of the City prior to any advance of the additional funding.
- 7. All other Terms and Conditions in the Agreement shall remain in full force and effect.

Agenda Item # Page #

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IN WITNESS WHEREOF this Agreement has been executed by the **Parties**.

THE CORPORATION OF THE CITY OF LONDON

Joe Fontana
Mayor

Catharine Saunders
City Clerk

RIVERSIDE PROPERTY CORP.

Ray Stanton
President

Tim Schnurr
Secretary-Treasurer

I/We have the authority to bind the Corporation.