

Report to Community and Protective Services Committee

To: Chair and Members, Community and Protective Services Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: Approval of Odell-Jalna End of Mortgage Exit Agreement

Date: March 19, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting on April 2, 2024 to:

- a) Approve the Exit Agreement (Schedule "1") between Odell-Jalna Residences of London and The Corporation of the City of London (the "Exit Agreement") and its Schedule "A", the Rent Supplement Agreement between Odell-Jalna Residences of London, Homes Unlimited (London) Inc. and The Corporation of the City of London (the "Rent Supplement Agreement") (together the "Agreement");
- b) Authorize the Deputy City Manager, Planning and Economic Development or their written designate, to approve amendments to the Agreement.
- c) Authorize the Mayor and Clerk to execute the Agreement;
- d) Authorize the Deputy City Manager, Planning and Economic Development, or their written designate, to approve future exit agreements and rent supplement agreements between The Corporation of the City of London, Odell-Jalna Residences of London and Homes Unlimited (London) Inc.
- e) Authorize the Deputy City Manager, Planning and Economic Development, or their written designate, to execute future exit agreements and rent supplement agreements between The Corporation of the City of London, Odell-Jalna Residences of London and Homes Unlimited (London) Inc.

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, Civic Administration **BE DIRECTED** to:

- f) Continue discussions with Odell-Jalna Residences of London and Homes Unlimited (London) Inc. regarding exit agreements having the same framework as the Exit Agreement and Rent Supplement Agreement, being a framework, which permits Rent Geared to Income units, once vacant, to be moved within the Homes Unlimited (London) Inc. and Odell-Jalna Residences of London portfolio to create mixed income buildings, noting that the funding for each designated housing project entering into an Exit Agreement shall be based on an evaluation of the applicable building's financial plan and result in no material increase to the City's overall housing subsidy budget;
- g) to re-invest any anticipated future municipal mortgage subsidy savings in the larger social housing portfolio to address the long-term financial sustainability of the sector while maintaining existing service levels in order to retain existing rent-geared-to-income units until necessary agreements are negotiated; and
- h) report back to Council on an overall strategy outlining the requirements to meet legislated service level standards, to ensure an adequate local supply of social housing that is financially viable and in adequate operating condition.

IT BEING NOTED that Civic Administration are anticipating strategy reports on the financial analysis in Q2 and a service agreement report in Q3 of 2024.

Executive Summary

In February 2022, a report was brought to Council outlining a proposal from the board of Odell-Jalna referencing a plan for their four social housing projects that would enable a broader mixed-community approach with the Homes Unlimited portfolio in addition to other benefits. Council directed staff to work with the board of Odell-Jalna and the Ministry of Municipal Affairs and Housing to advance the provider's proposal as well as to re-invest the anticipated future tax levy supported mortgage subsidy savings related to the Odell Jalna portfolio to address long-term financial stability for this provider.

The corresponding provincial legislation was released on March 31, 2022, outlining baseline rules for Service Agreements between Service Managers and housing providers whose original obligations to provide social housing have come to an end. Progress has been made between the board of Odell-Jalna and staff to determine a framework for an agreement within the confines of legislation as well as agree on the funding commitment to support the rent-geared-to-income tenancies at these properties.

The proposal from the housing provider is unique as they have access to a broad portfolio across the two organizations of Odell-Jalna and Homes Unlimited in which they can spread rent-geared-to-income units. Accordingly, the approach to advance this proposal and stay within the confines of legislation is also unique. The recommended Exit Agreement allows the housing project to exit the Housing Services Act as a designated housing provider and maintains their commitment to rent-geared-to-income service levels. The proposed agreement protects affordable rent-geared-to-income units and prevents them from being converted to full market rent units upon vacancy. The recommended subsidy funding keeps the City within historical funding levels while allowing the provider to access favourable re-financing rates to release equity on Jalna Woods.

Linkage to the Corporate Strategic Plan

Council and staff continue to recognize the importance of actions to support housing, as reflected in the 2023-2027 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

- Housing and Homelessness

Housing and Homelessness Strategic Area of Focus:

The following strategies are intended to increase access to a range of quality, affordable, and supportive housing options that meet the unique needs of Londoners:

- Increase the supply, range, and depth of affordability of quality housing options where people feel safe.
- Align policies and programs recognizing the broad range of factors that contribute to accessing and maintaining transitional, supportive, community, affordable and market housing.

Analysis

1.0 Background Information

1.1 Previous Reports

The following reports speak directly to the end of mortgage regulations, the City's proposed approach at that time and summarize the request from Odell-Jalna:

- [End of Mortgage \(EOM\) and End of Operating Agreement \(EOA\) Impacts and Analysis](#) (CPSC: February 1, 2022)

- [Odell-Jalna Social Housing Provider Proposal](#) (CPSC: February 1, 2022)
- [End of Operating Agreements \(end of operating agreement\) for Social Housing Providers in London and Middlesex County](#) (CPSC: February 18, 2015)

1.2 Background

History of Social Housing

Legacy social housing projects were developed through federal and/or provincial funding programs from the 1950's to the mid 1990's. The funding for social housing is governed by a framework of agreements and legislation that up until 2022, remained largely unchanged. In Ontario, social housing largely began as a federally funded and administered housing program. In 1999, the federal government downloaded the funding and administration of social housing to Ontario through the Canada-Ontario Social Housing Agreement, 1999 (SHA). Shortly after that, the provincial government further devolved the funding and oversight of social housing to 47 Municipal Service Managers. This was enacted through the Social Housing Reform Act, 2000 (SHRA). Through the SHRA, housing program rules for social housing were written into law. This Act was later replaced by the Housing Services Act, 2011. Social Housing Projects are operated by housing providers, which are not-for-profit organizations, co-ops, private landlords, or municipal corporations.

In Ontario, the end of mortgage and end of operating agreements affects approximately 60% of the community housing supply that is owned by non-profits, housing co-operatives, and private landlords. The remaining 40% of the community housing supply is owned and operated by Local Housing Corporations, with no operating agreement or mortgage in place.

The 60% of community housing supply can further be separated as either Federal Projects or Provincial Reform Projects. Under the Housing Services Act, Federal housing providers had their original operating agreements honoured. Their agreement had terms that coincided with the length of the housing project's mortgage. As a result, these housing projects have no ongoing legislative requirements to provide subsidized housing when their agreement comes to an end. They also stop receiving any guaranteed form of government funding. In contrast, Provincial reform projects had their original operating agreements terminated when responsibilities were devolved to the Service Manager. The rules and requirements governing operations, including rules for how projects are funded, were taken from the original agreements and transferred into legislation.

When the original operating agreements were replaced with a legislative framework, the legislation did not specify when the provider's obligations to provide subsidized housing would conclude.

Provincial projects that are not officially removed from O. Reg. 368/11 under the *Housing Services Act, 2011*, must continue to provide affordable housing, including Rent-Geared-to-Income in accordance with the Act. In exchange, housing providers continue to receive a subsidy from their Service Manager, which is calculated according to the funding formula set out in O. Reg 369/11.

The funding formula generally incorporates three (3) main components:

- 1) Operating Subsidy
 - a) Benchmark Revenue less
 - b) Benchmark Operating Costs and
 - c) Provider's Shelter Mortgage
- 2) Rent-geared-to-income subsidy; and
- 3) Property Tax subsidy

When the mortgage has been paid off, the mortgage component of the operating subsidy will be zero.

Latest Legislative Framework

On March 31, 2022, the Province introduced regulatory changes under the Housing Services Act including requirements for Service and Exit Agreements. The Province amended Ontario Regulation 367/11 of the Housing Services Act to establish baseline rules for Service Agreements between Service Managers and housing providers whose original obligations to provide social housing have come to an end, effective July 1, 2022. As per the new amendment, when housing projects reach end of operating or end of mortgage they will be presented with two options:

- 1) Continue to offer social housing under a service agreement.
- 2) Meet the prescribed requirements necessary to enter into an exit agreement, which would allow the provider to exit the City's community housing portfolio and the Housing Services Act system.

A service agreement is a contract negotiated between the housing provider and the Service Manager for the provision of community housing under Part VII.1 of the Housing Services Act that stipulates terms regarding operations, administration, and funding arrangements. The regulations for service agreements outlines various minimum requirements, one them is for the Service Manager to continue funding for rent-geared-to-income units. This means funding the gap between 30% of the household's income and the unit's rent. Note that this new funding approach replaces the previous Housing Services Act funding formula set out in O. Reg 369/11.

Housing providers may choose to exit the Housing Services Act (also referred to as "de-listing") and its operating environment when they reach end of operating agreement or end of mortgage. The new regulations provide for minimum requirements that must be met and the details of the exit agreement must be approved by the Service Manager. The requirements to be met when exiting the Housing Services Act and community housing portfolio aims to ensure existing tenants are not displaced and longstanding public investment in community housing buildings is preserved. Over a period of time, as existing tenants vacate, those units may be rented out at the going market rate; resulting in a loss of affordable units. If a new agreement is not successfully negotiated, the provider must continue to operate under the existing Housing Services Act rules.

2.0 Discussion and Considerations

2.1 Housing Provider Request

Odell-Jalna is a non-profit organization that operates four social housing projects within the City's portfolio of community housing projects governed under the Housing Services Act. These four properties offer a total of 246 units, where 210 units are designated as rent-geared-to-income and the remaining 36 units are offered as low-end market rent. All four properties are classified as Provincial Reform Projects and have end of mortgage dates spanning from 2022 to 2029:

- Jalna Woods (64 units: 50 rent-geared-to-income and 14 Low Market Rent) – mortgage expired June 1, 2022.
- Odell Place (67 units: 57 rent-geared-to-income and 10 Low Market Rent) -- mortgage expires July 1, 2024.
- Wavell Village (55 units: 49 rent-geared-to-income and 6 Low Market Rent) – mortgage expires October 1, 2026.
- Ottaway Place (60 units: 54 rent-geared-to-income and 6 Low Market Rent) – mortgage expires October 1, 2029.

The board of directors for Odell-Jalna is the same board of directors for Homes Unlimited, a sister organization of Odell-Jalna. In 2019, the board reached out to the City of London, as the Service Manager, to request de-listing from the Housing Services Act in an effort to access favourable refinancing rates to unlock funding for capital repairs, streamline operations, and promote a broader mixed community approach across the Odell-Jalna and Homes Unlimited portfolio. The request contemplated de-listing all four properties at the same time.

Following the release of the new legislation on March 31, 2022, discussions have been focused on how to work within the legislative framework from the province while also fulfilling Odell-Jalna's request. Per the legislation, only housing projects no longer subject to a pre-reform operating agreement or a mortgage guaranteed by the Province of Ontario can enter into exit agreements. This prevents the City from permitting the three other housing projects operated by Odell-Jalna from entering into an exit agreement before their mortgages end.

Recognizing this legislative requirement, a consensus was reached to enter into an exit agreement for the first property to reach end of mortgage (Jalna Woods), and subject to Council approval, subsequently integrate remaining properties into the same agreement framework once each property reaches its end of mortgage date. For the property Jalna Woods, the exit agreement would be coupled with a rent supplement agreement to support existing rent-geared-to-income tenants. Through the rent supplement agreement, tenants continue to be selected from the City's waitlist and the RGI units would continue to be counted toward the Service Manager's service level targets. As the rent-geared-to-income units become vacant, a process under the Rent Supplement Agreement would permit the rent-geared-to-income unit to be moved to another building within the Odell-Jalna and Homes Unlimited (London) Inc. Portfolio to create mixed use buildings of social housing, affordable housing, and market rent units.

The level of subsidy funding provided through the rent supplement agreement is guided by the need to support rent-geared-to-income tenancy, to ensure the sustainability of social housing, and to work within the City's approved funding. To support the sustainability and capital repair needs of all four properties, the board of Odell-Jalna has requested subsidy funding for Jalna Woods equal to 80% of Average Market Rents for all rent-geared-to-income units. This will allow them to unlock almost \$6 Million in refinancing. These funds are intended for capital repairs across all four social housing projects. The board's request is to have the same level of subsidy funding for the remaining three housing projects as they reach end of mortgage. They have also committed to supporting the 210 rent-geared-to-income units but have requested that they be allowed to assign rent-geared-to-income units across all properties run by Odell-Jalna and Homes Unlimited, effectively creating better mixed communities.

The financial impact to the City will be discussed in Section 3 below.

2.2 Guiding Principles

As noted in Section 1.2, the funding formula in O. Reg. 369/11 under the Act represents the minimum Service Manager subsidy required for a housing provider. Service Managers have the discretion and flexibility to provide a subsidy greater than the minimum requirements from other municipal resources.

Conversations with the board have been progressing forward on the premise of these five shared values:

1. Protect existing rent-geared-to-income units.
2. Minimize additional government subsidies.
3. Address capital needs.
4. Support a sustainable financial model.
5. Support a mixed community approach.

Recognizing that all four Odell-Jalna properties support a sizeable volume of rent-geared-to-income tenants (approximately 210 units), protecting and maintaining these units within the community housing portfolio will continue to provide low-rent affordable housing options in the community. Every existing affordable housing unit that can be maintained reduces the need for a new unit to be constructed. The cost of maintaining an existing unit through subsidy funding is far more economical than the cost of building one new unit.

Development of joint financial plans and subsequent periodic reviews will be important to ensuring that the funding is sufficient to keep the project operationally sustainable during the term of the agreement. This property is not unique and the capital repair needs for these buildings as they reach end-of-mortgage can be significant. It is expected and encouraged that housing providers develop capital plans that prioritizes repair needs in combination with available funds. Subsidy funding from the City for any housing project will strive to help projects be sustainable post end of mortgage, but will inevitably be constrained by funding limits.

Supporting a mixed-community approach is a viable option for Odell-Jalna as they have access to other housing projects under Homes Unlimited. This innovative approach will integrate each housing project into the community and also provide for additional income stream from market units as rent-geared-to-income units are balanced off in other properties.

2.3 Framework for Exit Agreement

The strategy outlined is predicated on the above shared values and aims to promote operational sustainability while working within our existing funding levels.

The appropriateness of a service agreement was considered for the Odell-Jalna housing projects. However, the desire to create a better mixed community across both portfolios (Odell-Jalna and Homes Unlimited) cannot be supported through the service agreement framework as detailed under the new legislation. As Civic Administration has previously been directed to work with the Board of Odell-Jalna and the Ministry of Municipal Affairs and Housing to advance the provider's proposal, an Exit Agreement coupled with a Rent Supplement Agreement benefits both the City's intentions to improve community housing and the provider's operational viability.

The Exit Agreement for Odell-Jalna applies only to the property that has reached end of mortgage. Hence, the initial scope of the Exit Agreement refers specifically to the Jalna Woods property. The agreement would allow for Jalna Woods to be removed as a designated housing project from regulation O. Reg. 368/11 under the HSA. However, Jalna Woods would continue to accommodate households who occupy units in the housing project including a plan for the continued delivery of rent-geared-to-income assistance. The agreement has a twenty (20) year term, but it continues to be in effect until the parties enter into a new exit agreement. The continued delivery of rent-geared-to-income assistance is supported by way of a Rent Supplement Agreement that is included as a schedule to the Exit Agreement.

The Rent Supplement Agreement is structured as a tri-party agreement between the City, Odell-Jalna, and Homes Unlimited. It is through this mechanism that the Housing Provider will be able to move rent-geared-to-income units across any property within the two sister organizations. Consistent with the portfolio approach, the City's future subsidy commitment has been determined on a portfolio basis across all four Odell-Jalna social housing projects.

See Schedule I for a copy of the Exit Agreement and supporting Rent Supplement Agreement.

3.0 Financial Impact and Considerations

3.1 Funding Impact

The funding request from Odell-Jalna was evaluated through the lens of protecting existing rent-g geared-to-income units while minimizing additional government subsidies. The average actual subsidy over the last few years for all four Odell-Jalna properties is about \$1.4 million aligned to roughly 190 rent-g geared-to-income units delivered. The subsidy would have been closer to \$1.6 M if they delivered all of the 210 designated rent-g geared-to-income units.

As referenced above in section 2.1, the board of Odell-Jalna has requested subsidy funding for Jalna Woods equivalent to bridging the financial gap between the tenant’s 30% of income and 80% of average market rent. The board has further requested that this level of funding be extended to the remaining three properties as they reach end of mortgage and get incorporated into an Exit Agreement.

An analysis of the request by Odell-Jalna is outlined in Subsidy Model A. The recommended financial model is outlined in Subsidy Model Band is summarized in Table 1 below.

Table 1 – Subsidy Funding Models

Subsidy Model A			Subsidy Model B		
Property	% of AMR*	Annual Subsidy**	Property	% of AMR*	Annual Subsidy**
Jalna Woods	80%	\$537,552	Jalna Woods	80%	\$537,552
Odell Place	80%	\$610,805	Odell Place	60%	\$415,354
Wavell Village	80%	\$525,298	Wavell Village	60%	\$357,223
Ottaway Place	80%	\$431,856	Ottaway Place	60%	\$283,392
Total		\$2,105,510	Total		\$1,593,521
Historical Subsidy per HSA Funding Formula		\$1,563,000	Historical Subsidy per HSA Funding Formula		\$1,563,000
Additional Subsidy from the City		\$542,510	Additional Subsidy from the City		\$30,521

*Assumes October 2022 Average Market Rent (AMR) published by Canada Mortgage and Housing Corporation.

**Service Manager subsidy is the difference between 30% rent-g geared-to-income and agreed to Rent. Models assume 210 rent-g geared-to-income units delivered.

The request from the board (Subsidy Model A) results in a significant annual increase in subsidy commitment compared to what the City’s budget has previously supported under the Housing Services Act funding formula (\$542 K more than historical subsidy levels). This request is not supported by Civic Administration as the financial outcome is not aligned to one of the guiding principles. Civic Administration is recommending the alternative shown in Subsidy Model B where the City funds up to 80% of average market rent for Jalna Woods and looks to balance out the overall subsidy by setting the rent to 60% of average market rent for the remaining three properties. This approach remains consistent with the five guiding principles by allowing the board to access the value in the property by re-financing for capital repairs, while also enabling the City to minimize overall housing subsidy budget impacts. It is important to note that historical

funding levels also serviced the mortgage costs. As the City is maintaining subsidy funding to historical levels, the housing projects benefit through the mortgage savings which was the key deliverable in the regulations around the end of mortgage. The board's funding request could be accommodated within current funding levels, but only at the expense of reducing funding to other housing projects within the community housing portfolio. This approach would not be prudent as many of the other social housing projects face similar challenges.

3.2 Other Alternatives Considered

Other options were considered, but the outcomes are less favourable than the recommended approach.

- a. Apply 70% of Average Market Rent for consistency across all four properties.
 - Results in a larger financial variance (\$200 K more than historical levels).
 - Does not allow the provider to re-finance at the same level.
 - The Board preferred more flexibility than this option for Jalna Woods.
- b. Re-calculate the recommended subsidy using October 2023 Average Market Rent released by Canada Mortgage and Housing Corporation
 - Results in a larger financial variance (\$168 K more than historical levels)
 - Variance would need to be balanced out with subsidies for other housing providers and/or other sources.
- c. Reject the Exit Agreement Request
 - Financial subsidies would remain consistent or less than historical level.
 - High risk that the property will not be financially viable and the Service Manager (i.e. City) would be required to step in and be responsible for the day-to-day operations until a transition plan to another organization can be negotiated.
 - The capital repair issues would still exist.

4.0 Next Steps

4.1 Odell-Jalna

Jalna Woods – mortgage expired June 1, 2022

This agreement is the highest priority to complete so that the Odell-Jalna Board can re-finance and undertake necessary capital repairs at the property. Upon endorsement of the recommendations in this report, the following activities would occur.

- Notification to Province
- Execution of Agreement
- Set-up and disbursement of new subsidy
- Confirmation of reporting templates to support service levels

The same activities must generally be undertaken for the three additional Odell-Jalna properties. Activities to support this will commence within a few months of the expiration of the mortgage, and in the case of Odell Place, will start immediately.

- Odell Place – mortgage expires July 1, 2024
- Wavell Village – mortgage expires October 2026
- Ottaway Place – mortgage expires October 2029

Following the submission by Odell-Jalna in 2019, Civic Administration explored opportunities to accelerate the exit from the Act but were turned down by the Ministry of Municipal Affairs and Housing. Following the approval of the two exit agreements, Civic Administration will work with the Province again to see what options exist to expedite the exit of Wavell Village and Ottaway Place. The intention is to leverage the large affordable and rent-gear-to-income portfolio that Odell-Jalna and Home's Unlimited operates.

4.2 Strategy Next Steps

With the approval of business case P11 and P14 through the Multi-Year Budget process, Civic Administration are in the process of developing an overall strategy for the remaining social housing providers reaching end of mortgage or end of operating agreements.

Financial Analysis and Strategic Recommendations

Planned for Q2, the financial analysis will assess the long-term financial impact of end of mortgage as guided by the five principals in 2.2 and mandated by legislation. The results of the analysis are expected to provide insights into the viability of each housing project under current funding levels and where there may be risk to future sustainability. An assessment of all existing funding options will be explored to address funding gaps or anticipated risks.

Note that this analysis will look at all properties, not just the Odell-Jalna portfolio outlined in this report.

Service Agreement Template

Planned for late Q3, a report will be submitted to provide a high-level summary of the framework that would enable the City to negotiate a more flexible funding approach while incentivizing housing providers to stay in the system once their current obligations expire.

The objective will be to protect the community housing supply while ensuring the sustainability of this sector over the long-term.

Exit Agreement Template

There are no plans to develop an exit agreement template as of the writing of this report. Based on preliminary feedback from the local sector, many providers are better positioned to enter into service agreements and carry on activities similar to the those under the Housing Services Act. If, through ongoing day-to-day discussions with the sector, alternate feedback is provided, Civic Administration will bring a future report seeking direction for this form of agreement. The framework has been established in the Odell-Jalna agreement and will be used as the base from which to develop a future template.

Conclusion

Social Housing is an important component of the overall affordable community housing landscape. It is crucial to protect and maintain existing units with the system. The recommended approach for Odell-Jalna is unique and considers the need to keep housing providers engaged, address future project viability through capital repairs, and protect the existing affordable housing stock. The proposed approach also recognizes the portfolio and recent activities to build new affordable housing, for example 99 Pond Mills and Vision SOHO.

As it relates to the broader Service Manager portfolio, Civic Administration will be establishing the administrative activities and systems associated with the transitions of housing providers at end of mortgage and end of operating. This will include the negotiation and establishment of service agreements once the template has been approved by City Council.

On an annual basis, a report will be brought forward to provide a summary of the agreements that were entered into and a summary of terms. Timing has yet to be established but anticipate late Q1 or early Q2 of 2025.

Prepared by: Kate Lawrence, MBA, CPA, CMA
Manager, Housing Services

Submitted by: Matt Feldberg, MPA, CET
Director, Municipal Housing Development

Recommended by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

CC: Craig Cooper, Director, Housing Stability Services

Appendix A – Proposed By-law
Schedule “I” – Exit Agreement with Rent Supplement Agreement

A by-law to approve an Exit Agreement between The Corporation of the City of London and Odell-Jalna Residences of London and a Rent Supplement Agreement between Odell-Jalna Residences of London, Homes Unlimited (London) Inc. and The Corporation of the City of London and to authorize the Mayor and Clerk to execute same

WHEREAS section 5(3) of the *Municipal Act*, 2001 S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 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 *Housing Services Act*, 2011 permits housing projects to cease being a designated housing project if they enter into an exit agreement that complies with the prescribed requirements;

AND WHEREAS subsection 23.1(1) of the *Municipal Act*, 2001 authorizes a municipality to delegate its powers and duties under this or any other Act to a person subject to the restrictions in the Part thereunder;

AND WHEREAS The Corporation of the City of London and Odell-Jalna Residences of London wish to enter into a exit agreement and have the housing project, located at 870 Jalna Woods, known as Jalna Woods' project, exit the *Housing Services Act*, 2011;

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

1. The Exit Agreement between Odell-Jalna Residences of London and The Corporation of the City of London and its schedule, the Rent Supplement Agreement between Odell-Jalna Residences of London, Homes Unlimited (London) Inc. and The Corporation of the City of London attached hereto as Schedule "I" (the "Agreement") are hereby authorized and approved.
2. The Deputy City Manager, Planning and Economic Development is authorized to approve amendments to the Agreement approved under section 1 of this bylaw.
2. The Mayor and City Clerk are authorized to execute the Agreement.
3. The Deputy City Manager, Planning and Economic Development, or their written designate, is authorized to approve and execute future exit agreements and rent supplement agreements between The Corporation of the City of London, Odell-Jalna Residences of London and Homes Unlimited (London) Inc.
4. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Passed in Open Council on April 2, 2024 subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan

Mayor

Michael Schulthess

City Clerk

First Reading – April 2, 2024

Second Reading – April 2, 2024

Third Reading – April 2, 2024

EXIT AGREEMENT

BETWEEN:

ODELL-JALNA RESIDENCES OF LONDON

(Hereinafter called the " Odell-Jalna")

- and -

THE CORPORATION OF THE CITY OF LONDON

(Hereinafter called the " City")

WHEREAS section 68.1 of the *Housing Service Act*, 2011, S.O. 2011, c. 6, Sched. 1 permits the parties to enter into an exit agreement providing that a housing project ceases to be a designated housing project;

AND WHEREAS the City is the Service Manager under the *Housing Services Act*, 2001 S.O. 2011, c. 6, Sched. 1;

WHEREAS Odell-Jalna is the owner of the housing project on the Subject Lands;

AND WHEREAS The City and Odell-Jalna intend for the Odell-Jalna housing project to cease to be designated as a housing project and to be removed from regulation O. Reg. 368/11 as it has reached the end of its mortgage;

AND WHEREAS Odell-Jalna will continue to accommodate households who occupy units in the housing project and the parties have agreed to a plan whereby Odell-Jalna will continue to deliver rent-geared-to income assistance for the units;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency are expressly acknowledge, Odell-Jalna and the City agree as follows:

1. INTERPRETATION

1.1 In this Agreement, including its Schedules unless the context requires otherwise:

"Act" means *Housing Services Act*, 2011, S.O. 2011, c. 6, Sched. 1;

"Agreement" means this agreement entered into between The Corporation of the City of London herein described as the "City", and Odell-Jalna Residences of London, herein described as "Odell-Jalna", and includes all of the schedules listed and any amending agreement entered into;

"Effective Date" means the date set out in Section 2, on which the term of this Agreement commences;

"Housing Project" or "Project" means the project titled Jalna Woods municipally known as 870 Jalna Boulevard, London ON, N6E 3C7 on the Subject Lands;

"Minister" means the Minister of Municipal Affairs and Housing;

"Subject Lands" means the property and buildings as the context may require on the lands described in Schedule "B".

2. TERM

- 2.1 The Term of the Agreement will commence thirty (30) days following the date on which the notice under s. 2.2 is provided to the Minister and shall continue for a period of twenty (20) years.
- 2.2 Upon execution of this Agreement, Odell-Jalna and the City shall jointly provide notice to the Minister in writing of their intention that the housing project cease to be a designated housing project. The joint notice shall conform with the requirements of s. 86.2(1) of O.Reg 367/11 to the Act. The joint notice shall be signed by one (1) representative of the City and one (1) representative of Odell-Jalna.
- 2.3 This Agreement shall continue in effect after the end of the term until the parties enter into a new exit agreement and the exit agreement takes effect.

3. HOUSING PROJECT

- 3.1 Odell-Jalna confirms that the housing project is not subject to a pre-reform operating agreement that remains in effect and is not subject to a mortgage guaranteed by the Province of Ontario that relates to a transferred housing program. All households who occupy units in the housing project shall continue to receive rent-geared-to-income assistance.

4. REGISTRATION

- 4.1 Odell-Jalna shall register on title at its expense:
- a) This Agreement or a notice of the Agreement in the Land Registry Division or Land Titles Division of the appropriate Land Registry Office in respect of the lands described in Schedule "B";
 - b) A restriction, pursuant to section 118 of the *Land Titles Act*, R.S.O. 1990, c.L.5, that no transfer of the fee simple interest or leasehold interest be made unless the consent of the City is given.
- 4.2 Odell-Jalna's solicitor shall provide written confirmation to the City that the Agreement and restriction described above have been registered on title within fifteen (15) days of the effective date of the Agreement.

5. CONTINUED DELIVERY OF RENT-GEARED-TO-INCOME (RGI) ASSISTANCE

- 5.1 Odell-Jalna shall operate the housing project in accordance with the Rent Supplement Agreement attached as Schedule A.
- 5.2 If the Rent Supplement Agreement is terminated by the City, Odell-Jalna shall continue to provide all households who occupy units in the housing project as of the effective date of the Agreement rent-geared-to-income assistance for the term of this Agreement and the parties shall enter into a plan which complies with the requirements of the Act and its regulations prior to the date on which the Rent Supplement Agreement is terminated.

6. CORPORATE RESTRICTIONS

- 6.1 Odell-Jalna shall:

- a) Maintain itself as a non-profit corporation;
- b) Meet the legislative requirements of a non-profit corporation; and
- c) Not alter, supersede, or cancel its articles of incorporation or letters patent or any by-law which would create an inconsistency with this Agreement without the consent of the City. The City shall consent to a merger between Odell-Jalna and Homes Unlimited (London) Inc. with respect to this housing project only provided that Homes Unlimited (London) Inc. enters into an agreement of assignment and assumption for this Exit Agreement and the Rent Supplement Agreement.

7. OPERATION OF HOUSING PROJECT BY ANOTHER PROVIDER

- 7.1 Should Odell-Jalna wish to transfer the Subject Lands to Homes Unlimited (London) Inc. during the term of the Agreement, the City shall consent to such transfer, provided Homes Unlimited (London) Inc. enters into an agreement of assignment and assumption for this Exit Agreement and the Rent Supplement Agreement.

8. AUDIT AND ACCOUNTABILITY

- 8.1 The City may conduct an audit, investigation, or inquiry in relation to the Agreement and Odell-Jalna shall cooperate and provide free access to such staff, documents, books, records, and accounts as may be determined by the City within 15 days. For clarity, the audit shall not include the personal information of any tenants of Market Rent Units.

9. EXPENSES OF CITY

- 9.1 Should the City incur any expenses in exercising their remedies under this Agreement, the City may bill Odell-Jalna for expenses incurred and the Odell-Jalna shall reimburse the City. The parties agree that the City may elect to recover such debt by reducing the amount of any payment that would otherwise be payable by the City to Odell-Jalna pursuant to this Agreement.

10. ARBITRATION

- 10.1 In the event the parties are unable to resolve a dispute, difference of opinion or question relating to this Agreement, despite their best efforts at negotiations in good faith, the parties shall submit the matter to arbitration by a single arbitrator, chosen by the parties, who shall be a member in good standing of the Law Society of Ontario.
- 10.2 If the parties are unable to agree on an arbitrator, an arbitrator shall be appointed, pursuant to the *Arbitration Act, 1991*, S.O. 1991, c. 17, (hereinafter referred to as "AA").
- 10.3 The arbitration award shall be final and binding on the parties and shall not be subject to appeal.
- 10.4 Each party shall pay its own costs and one-half (1/2) of the fees and expenses of the arbitrator.
- 10.5 Except as otherwise provided for in this Section, the arbitration shall proceed in accordance with the AA.

11. NOTICE

- 11.1 All notices required by this Agreement shall be in writing and shall be delivered in person or by prepaid courier or mailed by certified or registered mail, return receipt requested, with postage prepaid.

Notice to the City shall be addressed to:

The City Clerk
The Corporation of the City of London
300 Dufferin Avenue, Box 5035 London, ON N6A 4L9

Notice to Odell-Jalna shall be addressed to:

Odell-Jalna Residences of London
c/o M.F. Arnsby Property Management
924 Oxford Street
London, ON N5Y 3J9

- 11.2 All notices so sent shall be deemed to have been received by either party on the date of delivery or on the fifth (5th) business day following the mailing thereof, whichever is applicable. For the purposes of notice, "business day" means every day except Saturdays, Sundays, and statutory holidays in the Province of Ontario.
- 11.3 The above address of either party may be changed by giving the other party written notice of the new address.
- 11.4 If postal service is interrupted, or threatened to be interrupted, or is substantially delayed, any notice shall only be sent by facsimile transmission or delivered by courier.

12. PARTIAL SEVERABILITY

- 12.1 If any part of this Agreement is rendered invalid or illegal, the remainder of this Agreement continues to apply.

13. HEADINGS

- 13.1 The headings in this Agreement are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions of this Agreement.

14. AMENDMENTS

- 14.1 No subsequent alteration, amendment, change or addition to this Agreement shall be binding on the parties unless made in writing signed by each of them.

15. ENUREMENT

- 15.1 This Agreement shall ensure to the benefit of and be binding on the parties and their respective heirs, executors, successors and permitted assigns. This Agreement may not be assigned by Odell-Jalna without the prior written consent of the City.

16. GOVERNING LAW

16.1 This Agreement shall be governed and interpreted in accordance with the laws of Ontario applicable to this Agreement and shall be treated in all respects as an Ontario contract. The parties specifically submit to the exclusive jurisdiction of the courts of Ontario.

17. EXECUTION

17.1 Odell-Jalna acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

18. SURVIVAL

18.1 The provisions relating to, indemnity shall survive termination or expiry of this Agreement.

19. SCHEDULES

19.1 The following Schedules are attached to and form part of this Agreement:

Schedule "A" Rent Supplement Agreement

Schedule "B" Subject Lands

In Witness Whereof the parties hereto have executed this Agreement.

Signed this ____ of _____, 2024

Odell-Jalna Residences of London

Per: _____

Per: _____

I / We have the authority to bind the Corporation

The Corporation of the City of London

Per: _____

Per: _____

Schedule “A”

RENT SUPPLEMENT AGREEMENT

BETWEEN:

ODELL-JALNA RESIDENCES OF LONDON

(Hereinafter called “Odell Jalna”)

-and-

HOMES UNLIMITED (LONDON) INC.

(Hereinafter called “Homes Unlimited”)

- and –

THE CORPORATION OF THE CITY OF LONDON

(Hereinafter called the “City”)

WHEREAS the City and Odell-Jalna have entered into an Exit Agreement pursuant to Section 68.1 of the Act providing that the designated housing project(s) owned by Odell-Jalna will cease to be a designated housing project pursuant to the *Housing Services Act*;

AND WHEREAS Odell-Jalna wishes to continue to provide the same total number of rent-gearred-to-income units at the Subject Lands;

AND WHEREAS Odell-Jalna and Homes Unlimited wish to fill vacancies in existing RGI units by distributing them in residential buildings owned by Odell-Jalna or Homes Unlimited in order to create mixed communities of RGI units, affordable housing units and market rent units within the portfolios of Odell-Jalna and Homes Unlimited;

NOW THEREFORE Odell-Jalna and the City agree with each other as follows:

1. INTERPRETATION

1.1 In this Agreement, including its Schedules unless the context requires otherwise:

“Agreement” means this Rent Supplement Agreement;

“2022 AMR” means the average market rent for a rental housing unit, by unit type, as published by CMHC for the London CMA for 2022

“AMR” means the average market rent for a rental housing unit, by unit type, as published by CMHC for the London CMA;

“Exit Agreement” means the Exit Agreement to which this Rent Supplement Agreement is attached as Schedule “A”;

“Owner” means the owner of the building in which an RGI Unit is located;

“PIPEDA” means the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5;

“PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined in PIPEDA;

“Market Rent Units” means the residential units in the building on the Subject Lands, municipally known as 870 Jalna Woods occupied by tenants not receiving rent-geared-to-income assistance;

“Rent Supplement Agreement” or “Agreement” means this agreement entered into between The City, Odell Jalna and Homes Unlimited;

“Rent” means rent as defined in the RTA;

“RTA” or “*Residential Tenancies Act*” means the *Residential Tenancies Act, 2006, S.O. 2006, c. 17*;

“Subject Lands” means the property and buildings as the context may require on the lands described in Schedule “2”.

“Tenant” means a tenant living in an RGI Unit;

“Rent-geared-to-income-assistance” means financial assistance provided in respect of a household to reduce the amount the household must otherwise pay to occupy a unit;

“RGI Unit” or “RGI Units” means a unit or units required to be provided under this Rent Supplement Agreement for households receiving rent-geared-to-income-assistance.

2. JALNA WOODS’ PROJECT MANDATE

2.1 870 Jalna Woods, known as Jalna Woods’, project mandate is Families.

3. TERM

3.1 The term of this Agreement shall commence on the effective date of the Exit Agreement and shall continue for a twenty (20) year term unless terminated in accordance with section 23.

3.2 If one or more households occupying units in the Housing project located on the Subject Lands are, on the date immediately before the effective date of this Agreement, receiving rent-geared-to-income assistance under Part V of the Act, such households shall continue to receive rent-geared-to-income assistance in accordance with their existing rights.

4. RENT GEARED TO INCOME UNITS

4.1 Odell-Jalna shall provide a minimum of fifty (50) RGI Units at eighty per cent (80%) of 2022 AMR on the Subject Lands.

4.2 If on the effective date of the Agreement, Odell-Jalna is not providing fifty (50) RGI Units due to vacancies, Odell-Jalna shall fill vacant units from the City’s waitlist until its obligations to provide fifty (50) RGI Units have been satisfied.

4.3 Odell-Jalna and the City may agree to provide further RGI units under the Agreement.

- 4.4 Once a household has vacated one of the fifty (50) RGI Units, Odell-Jalna may fill such vacancy in a residential building owned by Odell-Jalna or Homes Unlimited provided the following conditions have been met:
- i. Odell-Jalna provides notice of the vacancy within seven (7) days to the City;
 - ii. Odell-Jalna makes a written request to place the RGI Unit in a building owned by Odell-Jalna or Homes Unlimited; such request will identify the address of the property, the size of the unit and such further information as the City may require;
 - iii. Odell-Jalna receives approval from the City to move the RGI Unit to the building identified in the request.
- 4.5 The City's approval for an RGI Unit to be moved into a residential building owned by Odell-Jalna or Homes Unlimited shall not be unreasonably withheld, delayed, or conditioned.
- 4.6 If the City approves an RGI Unit moving to another building owned by Odell-Jalna or Homes Unlimited, the owner of such building shall comply with all obligations of the Owner under this Agreement.
- 4.7 The City's approval to move the RGI Unit to another building does not relieve Odell-Jalna of its obligations to provide a minimum of fifty (50) RGI Units in accordance with the Agreement; Should Odell-Jalna or Homes Unlimited fail to provide an RGI Unit which has been moved to another building during the term of this Agreement or comply with the obligations of the Owner under this Agreement, Odell-Jalna shall be responsible to provide the 50 RGI Unit(s) on the Subject Lands.
- 4.8 No more than thirty (30) RGI Units may be moved into a building owned by Homes Unlimited or Odell-Jalna.
- 4.9 The fifty (50) RGI Units provided by Odell-Jalna under this Agreement will at no time fulfill either Odell-Jalna's or Homes Unlimited's obligations under any funding agreement wherein Odell-Jalna or Homes Unlimited has agreed to provide affordable housing units in exchange for municipal funding. For clarity, no RGI Unit shall be considered an affordable unit under a funding agreement for affordable housing.

5. MARKET RENT UNITS

- 5.1 The Rent for the Market Rent Units at 870 Jalna Woods shall not exceed eighty (80%) AMR during the term of the Agreement.
- 5.2 The rent has been determined in accordance with the Financial Plan dated February 13, 2024 which is hereby incorporated into the Agreement.
- 5.3 The Financial Plan for Jalna Woods shall be reviewed at a minimum every five (5) years. The City may authorize a change in the rent for the Market Rent Units.

6. RENT SUPPLEMENT

- 6.1 The Owner shall provide the name and contact information for the Tenants living in the RGI Units as of the effective date of this Agreement to the City within thirty (30) days of the effective date of the Agreement.
- 6.2 The City shall determine the eligibility of the Tenants living in the RGI Units

during the term of the Agreement.

- 6.3 The City shall determine the eligibility of all future persons referred to the Owner in the event of a vacancy in an RGI Unit.
- 6.4 The Rent Supplement for the RGI Unit is conditional on the Owner complying with this Agreement.
- 6.5 The Rent for the RGI Units shall be 80% of the 2022 AMR. For clarity, the 2022 AMR for a two-bedroom unit is \$1,132 and the 2022 AMR for a three-bedroom unit is \$1,155. The Rent Supplement for the RGI Units will be calculated by the City and shall be the difference between the geared to income portion of the rent the City has stipulated be collected from the Tenant of an RGI Unit for a given month and the 2022 AMR for the RGI Unit.
- 6.6 The City shall make the Rent Supplement payment on a monthly basis, in advance, on the first day of the month.
- 6.7 The Owner shall collect from the Tenant(s) in an RGI Unit only that portion of the Rent set by the City.
- 6.8 The Owner shall change the portion of the rent collected from each Tenant in an RGI Unit, as directed by the City;
- 6.9 If an RGI Unit has been vacated or abandoned by a tenant without at least one (1) month's prior notification to the Owner, the City shall pay to the Owner, while the vacancy continues, an amount not exceeding 80% of the 2022 AMR for the unit for the month immediately following that in which the vacancy occurs. If the RGI Unit remains vacant despite diligent efforts by the Owner to lease same, the City shall pay an amount not exceeding fifty per cent (50%) of 80% of the 2022 AMR for the RGI Unit for the second month following the occurrence of such vacancy. The City shall make no further payments thereafter with respect to the RGI Unit, until the RGI Unit has been leased to and occupied by a Tenant.
- 6.10 If a vacancy of a RGI Unit occurs following at least one (1) month's prior notification given by the Tenant or occurs by reason of a notice of termination or an eviction served or carried out by the Owner, the City shall pay to the Owner an amount not exceeding fifty per cent (50%) of 80% of the 2022 AMR for the RGI Unit for the month immediately following the vacancy, but shall make no further payments thereafter, until the RGI Unit has been leased to and occupied by a Tenant.
- 6.11 The Owner shall submit its requests for rent supplements to the City, together with all required supporting reconciliation statements, in a form satisfactory to the City and at regular intervals established by the City, which intervals shall not be more often than monthly and not less often than annually. Following its review and approval of such requests and supporting statements, the City shall make any necessary adjustments to its applicable rent supplements to the Owner.
- 6.12 Notwithstanding the payments made by the City, pursuant to this Agreement, no relationship between landlord and tenant shall exist between the City and the Tenants or tenants of Market Rent Units.
- 6.13 The City shall not be responsible to the Owner for any breach of or failure by any Tenants or tenants of Market Rent Units to observe any of the terms of their lease with the Owner, including the covenant to pay rent.
- 6.14 The sole responsibility of the City to the Owner shall be limited to the payments required pursuant to this Agreement.
- 6.15 The City shall have no liability under this Agreement should Council fail to approve the budget for the Rent Supplement provided herein.

- 6.16 It is understood, for the purpose of this Agreement, that neither the City nor the Province are tenants or Tenants.

7. REPORTING

- 7.1 The Owner shall submit a completed annual report in the form satisfactory to the City annually by January 30th for the previous year.

8. ANNUAL FINANCIAL STATEMENTS, RECORDS RETENTION AND AUDIT

- 8.1 The Owner shall provide the City a copy of its annual audited financial statements annually within five (5) months of the end of its fiscal year.
- 8.2 The Owner shall retain its financial records and its records relating to the Agreement for at least seven (7) years after the end of the fiscal year to which the record relates.
- 8.3 The City may conduct an audit, investigation, or inquiry in relation to the Agreement and the Owner shall comply and provide the City free access to such staff, documents, books, records, and account as may be determined by the City within 15 days, but for clarity shall not include any personal information of tenants of Market Rent Units

9. LEASING OF UNITS

- 9.1 The Owner shall lease the RGI Units only to such persons as shall be referred to it by the City during the term of the Agreement.
- 9.2 The City shall refer a minimum of three (3) qualified applicants to the Owner from the City of London's internal waitlist every time an RGI Unit becomes available and in accordance with the Owner's mandate.
- 9.3 The Owner shall select one (1) of the applicants for the RGI Unit.
- 9.4 The Owner may refuse to offer an RGI Unit to a household solely on the grounds and in accordance with the process requirements outlined in section 50 of O. Reg. 367/11 to the Act. The Owner may not refuse to offer a unit to a household where a tenant is in arrears and:
- a) the tenant has entered into a repayment agreement;
 - b) the monthly payment set in the repayment agreement does not exceed ten per cent (10%) of the repayment amount; and
 - c) the tenant is in compliance with the monthly repayment agreement.
- 9.5 The Owner shall not require the payment of the last month's rent, in advance, from any Tenant in an RGI Unit.
- 9.6 The Owner shall after selecting one (1) of the applicants for a unit, prepare and have executed a lease, in its standard form, for the unit, with that applicant; each lease printed or stamped with the words Rent Supplement subsidized by The Corporation of The City of London.
- 9.7 The Owner shall provide the City with one (1) copy of the executed lease, within thirty (30) days of its execution;
- 9.8 The Owner shall give one (1) copy to the City of any order affecting an RGI Unit, made under the RTA, within fourteen (14) days of receipt by the Owner;

- 9.9 The Owner shall not allow a Tenant to sublet or assign their lease in an RGI Unit;
- 9.10 The Owner shall permit a Tenant to terminate their tenancy, at any time during the term, on sixty (60) days written notice, provided such notice is effective on the last day of a month, and forward to the City a copy of any notice given to the Owner, by the tenant, within five (5) business days;
- 9.11 The Owner shall notify the City, in writing, if the Owner gives a notice of termination to a Tenant or evicts a Tenant from an RGI unit, within five (5) business days of the event.

10. DISCLOSURE TO CITY

- 10.1 The City shall provide the Owner with a list of individuals in the household who are eligible to live in an RGI Unit.
- 10.2 The Owner shall notify the City within fifteen (15) days if an individual who is eligible to live in the subsidized unit vacates the RGI Unit.
- 10.3 The Owner shall notify the City within fifteen (15) days of an individual who is not eligible to live in the subsidized unit moving into said RGI Unit.
- 10.4 The Owner shall track and report vacancies and move-outs with any RGI Units within five (5) days. RGI Units are considered vacant if all members of the household cease to occupy the unit for a period of sixty (60) consecutive days.
- 10.5 The Owner shall notify the City of any market tenant living at 870 Jalna Blvd who has become unable to pay their rent and refer them to the City to determine if the household is eligible rent-geared-to-income-assistance. The City shall determine whether the unit will receive a Rent Supplement.
- 10.6 The Owner shall comply with any further disclosure requirements that the City may require from time to time.

11. CONFLICT OF INTEREST

- 11.1 The Owner shall have a Conflict of Interest Bylaw that contains at minimum the requirements of the local standard set by Housing Division Notice #2013-188, as may be amended or replaced by a subsequent local standard established by the City.

12. INTERNAL TRANSFER

- 12.1 Within fifteen (15) days of receiving a notice by the City that a household is overhoused and upon the City's request, the Owner shall place the household on an internal waitlist for a suitably sized RGI Unit.
- 12.2 When the Owner has identified that a suitable sized unit is available, Owner shall notify the City that the household from its internal waitlist will be offered said RGI Unit.
- 12.3 The Owner will offer the RGI Unit to the household from its internal waitlist for the suitable sized unit before accessing the City's internal waitlist.
- 12.4 The Owner will notify the City if the offer of housing was accepted or rejected by the household.

13. OPERATION OF THE UNITS

- 13.1 The City may establish and amend policies and provide the Owner thirty (30) days' notice of said policies or policy amendments by email.

- 13.2 The Owner shall operate all RGI Units in accordance with all policies as designated by the City.
- 13.3 The Owner shall treat the Tenants in the same manner and afford them the same privileges as are afforded to its other tenants.
- 13.4 The Owner shall keep the units and the building in which the units are located, in a good and substantial state of repair, clean and fit for habitation.
- 13.5 The Owner shall establish rules for temporary accommodation of guest in its RGI units and shall provide a copy of the rules to the City. The City shall approve the rules at its sole discretion and the Owner shall make any changes to its rules required by the City.

14. PROTECTION OF TENANT INFORMATION AND INFORMATION SHARING WITH CITY

- 14.1 The Owner shall treat as confidential and shall not divulge to anyone, except the City, at any time, during or following the term of this Agreement or any renewal or extension thereof, any information or document given to or acquired by it, relating to the Tenants, without the prior written consent of the City.
- 14.2 The Owner shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the City.
- 14.3 The Owner shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects during the course of completing its obligations pursuant to this Agreement.
- 14.4 The Owner shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the City.
- 14.5 The Owner shall provide the City with current rent rolls, when requested, for the building(s) in which the RGI Units are located.
- 14.6 The Owner shall assist and provide information and documentation to the City to allow the City to complete the City's Provincial and other reporting requirements for the Program.

15. INDEMNIFICATION

- 15.1 Odell-Jalna and Homes Unlimited shall indemnify and save harmless the City from all claims, costs, all matter of actions, cause and causes of action, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of this Agreement and out of the operation of the RGI Units including claims arising out of negligence of the Odell-Jalna or Homes Unlimited and specifically, all claims arising out of the intentional or criminal acts of any officers or directors, employees, agents, volunteers or independent contractors of the Odell-Jalna or Homes Unlimited. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this Agreement.
- 15.2 Odell-Jalna and Homes Unlimited agree to each purchase and maintain, during the term of this Agreement third-party liability insurance in a limit of not less than five million dollars (\$5,000,000) covering bodily injury, loss or property damage resulting from any activity related in any way to this Agreement. This insurance shall include the City as an additional insured, a cross liability clause, severability of interest clause, non-owned automobile insurance and personal injury liability clause.

15.3 Odell-Jalna and Homes Unlimited further agree to each purchase and maintain insurance policies that a prudent manager of similar premises would maintain for each property in which a RGI Unit is located and, without limiting those types of policies, at least the following:

- a) Broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000);
- b) All risks property insurance (including flood and earthquake) in an amount equal to the full replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000).=

15.4 Odell-Jalna and Homes Unlimited shall each advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Odell-Jalna or Homes Unlimited fails to effect and keep such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City shall have the right, upon notice to the Odell-Jalna or Homes Unlimited and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Odell-Jalna or Homes Unlimited and all outlays by the City shall be payable by Odell-Jalna or Homes Unlimited, as applicable, to the City forthwith upon demand without prejudice to any other rights and recourses of the City hereunder. No such insurance taken out by the City shall relieve the Odell-Jalna or Homes Unlimited of their respective obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Odell-Jalna or Homes Unlimited.

15.5 Odell-Jalna and Homes Unlimited shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Article. Evidence that the insurance described herein is in force shall be provided to the City prior to commencement of the Agreement and thereafter once annually at least ten (10) clear days prior to the renewal date of the policy, and that the insurance will not be cancelled or permitted to expire unless the insurer notifies the City in writing at least thirty (30) days prior to such cancellation.

15.6 Further, Odell-Jalna and Homes Unlimited shall require all professionals involved with the Project to carry professional (errors and omissions) liability insurance in an amount not less than two million dollars (\$2,000,000) and make reasonable efforts to verify such insurance is in force throughout the period of the work.

15.7 Odell-Jalna and Homes Unlimited agree to obtain for its employees and to require all designated consultants, designated contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons Workplace Safety and Insurance Board coverage and to ensure that such coverage continues in effect throughout the period of the work.

16. RESERVES

16.1 Odell-Jalna shall establish and fund annually a Replacement Capital Reserve Fund in such an amount adequate to address necessary future capital expenditure needs.

16.2 Odell-Jalna shall use the Replacement Capital Reserve Fund for replacement of capital expenditures to keep the units and the building in which the units are located, in a good and substantial state of repair, clean and fit for habitation.

17. EVENT OF DEFAULT

- 17.1 Any of the following events will constitute an event of default (each an “**Event of Default**”) by the Odell-Jalna or Homes Unlimited under this Agreement:
- a) Odell-Jalna or Homes Unlimited fails to observe or comply with any term of this Agreement, in whole or in part;
 - b) Odell-Jalna or Homes Unlimited fails to remain in good corporate standing;
 - c) Odell-Jalna or Homes Unlimited is in breach of or fails to comply with any applicable law, regulation, license, permit or City policy;
 - d) any representation or warranty made by the Odell-Jalna or Homes Unlimited under this Agreement is found to be untrue or incorrect;
 - e) Odell-Jalna or Homes Unlimited knew or ought to have known any information, statement, certificate, report or other document provided by, or on behalf of, the Odell-Jalna or Homes Unlimited pursuant to, or as a result of this Agreement, is untrue or incorrect;
 - f) Odell-Jalna or Homes Unlimited incurs an expenditure or an accumulated deficit that is, in the opinion of the City, substantial and excessive;
 - g) in the opinion of the City, acting reasonably, Odell-Jalna or Homes Unlimited has failed to operate the building on the Subject Lands properly.

18. NOTICE OF DEFAULT AND CURE PERIOD

- 18.1 On the occurrence of an Event of Default, the City will provide written notice to the Odell-Jalna or Homes Unlimited which sets out the nature of the default, what, if anything, the Odell-Jalna or Homes Unlimited must do or refrain from doing to rectify the default and the date by which the breach must be rectified (the “**Cure Period**”). The Cure Period shall be a minimum of thirty (30) days from the receipt of the notice of default.

19. MATERIAL DEFAULT

- 19.1 Any of the following events will constitute a material default (each a “**Material Default**”) by the Odell-Jalna or Homes Unlimited under this Agreement:
- a) Odell-Jalna or Homes Unlimited becomes bankrupt or insolvent, takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors;
 - b) steps are taken or proceedings are commenced by any person to dissolve or wind up the Odell-Jalna or Homes Unlimited;
 - c) Odell-Jalna or Homes Unlimited ceases or threatens to cease to carry on business in the normal course;
 - d) a trustee receiver, receiver and manager or similar person is appointed with respect to the business or assets of the Odell-Jalna or Homes Unlimited;
 - e) any assets of Odell-Jalna or Homes Unlimited are seized under execution or attachment;

- f) Odell-Jalna or Homes Unlimited has operated the Project in a way that has resulted in significant physical deterioration of the Project affecting its structural integrity or danger to the health or safety of the residents of the Project;
- g) Odell-Jalna or Homes Unlimited has not rectified an event of default following the Cure Period.

20. REMEDIES

- 20.1 In the event that a Material Default has occurred or Odell-Jalna or Homes Unlimited fails to remedy an Event of Default before the expiry of the applicable Cure Period, the City may, without prejudice to the City obtaining any other remedy they may be entitled to:
- a) reduce, suspend or discontinue payment of any Rent Supplement or contribution that would otherwise be payable by the City to Odell-Jalna or Homes Unlimited under this Agreement;
 - b) demand the repayment of an amount equal to any payment the City provided Odell-Jalna or Homes Unlimited following the event of Material Default or any amount that was not used for the purpose of the Rent Supplement;
 - c) demand the payment of the amount required to subsidize housing for individuals in the RGI units as of the effective date of the Agreement for the remaining term of the Agreement;
 - d) Odell-Jalna or Homes Unlimited will not be permitted to participate in any future affordable housing development opportunities.
- 20.2 Odell-Jalna and Homes Unlimited acknowledges that the City's remedies are cumulative and not mutually exclusive.

21. NON-WAIVER

- 21.1 No consent or waiver, expressed or implied, by the City of any default by Odell-Jalna or Homes Unlimited 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 of the City to complain of any act or failure to act by Odell-Jalna or Homes Unlimited or to declare Odell-Jalna or Homes Unlimited in default, irrespective of how long that failure continues, is not a waiver by the City of its rights under this Agreement.

22. RENEWAL

- 22.1 This Agreement shall automatically renew itself, on the same terms and conditions, including this provision for automatic renewal, unless:
- a) The City terminates this Agreement on sixty (60) days notice;
 - b) The Exit Agreement is replaced with an exit agreement that meets the prescribed requirements under the Act.

23. TERMINATION

- 23.1 The City may terminate the Agreement on sixty (60) days notice.
- 23.2 If the Rent Supplement Agreement is terminated by the City, Odell-Jalna shall continue to provide all households who occupy units on the Subject Lands as of the effective date of the agreement rent-gearred-to-income assistance for the term of this Agreement.

24. ARBITRATION

- 24.1 In the event the parties are unable to resolve a dispute, difference of opinion or question relating to this Agreement, despite their best efforts at negotiations in good faith, the parties shall submit the matter to arbitration by a single arbitrator, chosen by the parties, who shall be a member in good standing of the Law Society of Ontario.
- 24.2 If the parties are unable to agree on an arbitrator, an arbitrator shall be appointed, pursuant to the *Arbitration Act, 1991*, S.O. 1991, c. 17, (hereinafter referred to as "AA").
- 24.3 The arbitration award shall be final and binding on the parties and shall not be subject to appeal.
- 24.4 Each party shall pay its own costs and one-half (1/2) of the fees and expenses of the arbitrator.
- 24.5 Except as otherwise provided for in this Section, the arbitration shall proceed in accordance with the AA.

25. NOTICE

- 25.1 All notices required by this Agreement shall be in writing and shall be delivered in person or by prepaid courier or mailed by certified or registered mail, return receipt requested, with postage prepaid.

Notice to the City shall be addressed to:

The City Clerk
The Corporation of the City of London
Dufferin Avenue, Box 5035 London, ON N6A 4L9

Notice to the Owner shall be addressed to:

Odell-Jalna Residences of London
c/o M.F. Arnsby Property Management
924 Oxford Street
London, ON N5Y 3J9

Homes Unlimited
[insert]

- 25.2 All notices so sent shall be deemed to have been received by the Owner on the date of delivery or on the fifth (5th) business day following the mailing thereof, whichever is applicable. For the purposes of notice, "business day" means every

day except Saturdays, Sundays, and statutory holidays in the Province of Ontario.

- 25.3 The above address of either the City or the Owner may be changed by giving the other party written notice of the new address.
- 25.4 If postal service is interrupted, or threatened to be interrupted, or is substantially delayed, any notice shall only be sent by facsimile transmission or delivered by courier.

26. PARTIAL SEVERABILITY

- 26.1 If any part of this Agreement is rendered invalid or illegal, the remainder of this Agreement continues to apply.

27. HEADINGS

- 27.1 The headings in this Agreement are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions of this Agreement.

28. AMENDMENT

- 28.1 No subsequent alteration, amendment, change or addition to this Agreement shall be binding on the City or the Owner unless in writing signed by each of them.

29. ENUREMENT

- 29.1 This Agreement shall ensure to the benefit of and be binding on the parties and their respective heirs, executors, successors and permitted assigns. This Agreement may not be assigned by Odell-Jalna or Homes Unlimited without the prior written consent of the City.

30. GOVERNING LAW

- 30.1 This Agreement shall be governed and interpreted in accordance with the laws of Ontario and Canada applicable to this Agreement, and shall be treated in all respects as an Ontario contract. The Owner and the City specifically submit to the exclusive jurisdiction of the courts of Ontario and Canada.

31. EXECUTION

- 31.1 Odell Jalna and Homes Unlimited each acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

32. SURVIVAL

- 32.1 The provisions relating to, indemnity shall survive termination or expiry of this Agreement.

33. SCHEDULES

- 33.1 The following Schedules are attached to and form part of this Agreement:

Schedule "1" Project Information Form

Schedule "2" Subject Lands

In Witness Whereof the parties hereto have executed this Rent Supplement Agreement.

Signed this _____ of _____, 2024

Odell-Jalna Residences of London

Per: _____

Per: _____

I / We have the authority to bind the Corporation

Homes Unlimited (London) Inc.

Per: _____

Per: _____

I / We have the authority to bind the Corporation

The Corporation of the City of London

Per: _____

Per: _____

SCHEDULE “1”

PROJECT INFORMATION FORM

Rent Supplement Agreement

City – City of London

Project Name: Jalna Woods

Official Name of Odell-Jalna: ODELL-JALNA RESIDENCES OF LONDON

Odell-Jalna Address and Contact Information: XXXXXXX, 870 Jalna Boulevard,
London ON, N6E 3C7

Phone: (XXX)XXX-XXXX Fax: (XX)XXX-XXXX Email:

Odell-Jalna Type:

- private sector municipal non-profit co-operative partnership
 private non-profit, charitable corporation other
-

Project Information

Total Number of Units in Project: Sixty-Four (64) with fifty (50) designated as RGI

Included in Rent: Parking Heat Electricity Water

Total Project Units

Unit Type	Number of Units	Unit Sizes	2022 Rents	Included in Rent
Two bedroom	26	XXX sf	\$1,132	
Three bedroom	38	XXX sf	\$1,155	
Total	64			

RGI Market Rents (50 RGI Units)

Unit Type	Number of Units	Unit Sizes	2022 Rents	Included in Rent
Two bedroom	20	XXX sf	\$1,132	
Three bedroom	30	XXX sf	\$1,155	
Total	50			

Note: minimum designated RGI units can be any combination of the unit type available

Schedule "2"

Subject Lands

Municipal Address: 870 Jalna Blvd.

PIN: 08498-0351 (LT)

Description:

PARCEL A-3, SECTION M14 PT BLK A PLAN M14, PTS 1, 2 & 3 33R6976; S/T PT 2
33R6976 AS IN WU25902, 145699 & 363134 LONDON/WESTMINSTER

Schedule “B”

Subject Lands

Municipal Address: 870 Jalna Blvd.

PIN: 08498-0351 (LT)

Description:

PARCEL A-3, SECTION M14 PT BLK A PLAN M14, PTS 1, 2 & 3 33R6976; S/T PT 2
33R6976 AS IN WU25902, 145699 & 363134 LONDON/WESTMINSTER