

## 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:** Affordable Residential Unit Development Charge Exemption Agreements

**Date:** July 15, 2024

## Recommendation

That on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken:

- a) the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on July 23, 2024 to:
  - i. authorize and approve a template Affordable Residential Unit Rental Development Charge Exemption Agreement; and template Affordable Residential Unit Ownership Development Charge Exemption Agreement (together, the "Agreements");
  - ii. authorize the Deputy City Manager, Planning and Economic Development or their written designate to execute the Agreements;
  - iii. authorize the Deputy City Manager, Planning and Economic Development, or their written designate, to approve amendments to the Agreements.

## Executive Summary

The purpose of this report is to provide an update on a newly enacted affordable residential unit development charge exemption that is now contained in the Development Charges Act (DCA), 1997.

A property owner must enter into an agreement with the City that requires the residential unit to remain affordable for 25-years to be eligible for this exemption.

This report also seeks Council approval of two legal agreement templates for affordable residential unit rental units and another for affordable residential unit ownership. A delegation of authority to Civic Administration to enter into the agreements as part of the development approval process is also requested.

## 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

Outcome 1 - The City of London demonstrates leadership and builds partnerships to increase quality, affordable, and supportive housing options.

Expected Result 1.1 - Increased access to a range of quality, affordable and supportive housing options that meet the unique needs of Londoners.

## Strategy

(a) Increase the supply, range, and depth of affordability of quality housing options where people feel safe.

## **Analysis**

### **1.0 Background Information**

Since 2019, the Development Charges Act (DCA), 1997 has gone through some significant legislative changes, including expanding the types of development that would be subject to development charge (DC) exemptions. One of the exemptions, affordable residential units, was introduced in October 2022 through Bill 23, More Homes Built Faster Act, 2022. While components of Bill 23 have subsequently been enacted and incorporated into the DCA, the affordable residential unit exemption was a pending matter for the Provincial legislature. It should be noted that non-profit housing developments are now fully exempt as of November 28, 2022 when Bill 23 amended the DCA. As a result, the balance of this report will address the DC exemptions for affordable residential units that are not considered non-profit housing.

In September 2023, Bill 134, Affordable Homes and Good Jobs Act, 2023 was introduced, which amended the determination of when a residential unit would be considered an affordable residential unit. While Bill 134 received Royal Assent in December 2023, the affordable residential unit exemption was not legislated until the Provincial government released the Affordable Residential Units Bulletin and proclaimed the DCA amendment in force and effect as of June 1, 2024. The release of the Bulletin was critical because it is necessary when assessing whether a residential unit is deemed affordable and therefore eligible for the DC exemption, noting the Bulletin will be updated periodically by the Minister of Municipal Affairs and Housing.

#### When is a Residential Unit Considered Affordable in the Development Charges Act?

The affordable residential unit exemption is eligible for both rented units and owned units. Residential units are deemed exempt from DCs if the following conditions are met:

- Affordable Residential Units – Rental
  - The rent is no greater than the lesser of:
    - The income of a household that, in the Minister’s opinion, is at the 60th percentile of gross annual incomes for renter households in the applicable local municipality; and,
    - The rent that, in the Minister’s opinion, is equal to 30 per cent of the income of the household.
- Affordable Residential Units – Ownership
  - The price of the residential unit is no greater than the lesser of:
    - The income of a household that, in the Minister’s opinion, is at the 60th percentile of gross annual incomes for households in the applicable local municipality; and,
    - 90 per cent of the average purchase price identified for the residential unit and would result in annual accommodation costs equal to 30 per cent of the income of the household.
- Non-Profit Housing Exemption
  - A non-profit corporation whose primary focus is to provide housing.

#### Requirement for Affordable Residential Unit DC Agreement

In addition to meeting affordability thresholds, the property owner that would be required to pay DCs must enter into an agreement with the City that requires the residential unit

(both rental and ownership) to remain affordable for 25-years before the exemption is applied (Appendix A, Schedule 1 and Schedule 2). It should be noted that the 25-year agreement is a requirement in the DCA.

For Profit Developments:

- A development charge is not applied to units deemed affordable.
- An agreement is registered for 25-years, and delivery of affordable units is tracked year-over-year based on Ministry of Municipal Affairs and Housing period updates to the Affordable Housing Bulletin.
- In the event of default under the agreement, the methodology that will be applied by civic administration for the purposes of establishing an interest rate will be based on the lowest average prime rate from major Canadian banks plus 1% for the respective interest period, noting that the interest rate will be adjusted on January 1, April 1, July 1 and October 1. Interest will be applied and calculated using the lowest rate in effect at any point during the frozen DC period. If the frozen DC period has lapsed, then the interest rate will be the average prime rate from major Canadian banks plus 1% in effect at building permit issuance.
- Market units constructed in the building are subject to a DC.

Non-Profit Developments:

- A DC is not applied to the building permit for any units constructed.
- No agreement is registered on title for the DC exemption.
- Unit mixes in buildings could include both affordable and market units to ensure a viable operating proforma.
- Overall reduction to capital and operating by reducing the debt portion of the non-profit operator.

City-owned Properties:

- A DC is not applied to the building permit for any units constructed where the City is the owner.
- No agreement is necessary.

#### Ongoing Review and Approval of Affordable Housing Exemptions

In alignment with day-to-day activities to promote and support new affordable housing, Municipal Housing Development will be reviewing development applications and working with applicants to confirm eligibility for the affordable residential unit exemption. These processes have been assessed by Municipal Housing Development, Planning and Development, Building, Legal and Development Finance to ensure that the systems are modified to accommodate the tracking, recording and performance monitoring of these exemptions.

In many cases, there could be stacking of City funds through programs like the Roadmap to 3,000 to offset capital costs of the project. The typical Municipal Contribution Agreement would be modified to include the DC exemption where possible. The performance tracking and monitoring of affordable residential units and non-profit units will continue to be an activity under Municipal Housing Development.

## **2.0 Financial Impact/Considerations**

Since 2019, the Provincial government has made significant changes to the DCA. This included expanding the number and types of developments exempted from paying DCs. As a result, the 2024-2027 Multi-Year Budget provides a funding source for these statutory changes. However, since the affordable residential unit exemption was not in force and effect prior to the approval of the multi-year budget, additional funding was not allocated to support this specific exemption. Civic administration will continue to monitor developments that qualify for the exemption and will bring forward additional funding requests through the budget process if required.

## **Conclusion**

As of June 1, 2024, the DCA was amended to include an additional exemption for affordable residential units. This is a positive development for providing an additional tool that may be leveraged to promote more affordable residential units within private developments.

In order to expedite the process of exempting eligible developments, it is recommended that Council approve both Affordable Residential Unit Development Charge Exemption Agreement templates and grant civic administration delegated authority to enter into and amend such agreements.

**Prepared by:** Jason Senese, CPA, CGA, MBA  
Director, Capital Assets and Projects

**Prepared by:** Matt Feldberg, MPA, CET  
Director, Municipal Housing Development

**Concurred by:** Anna Lisa Barbon, CPA, CGA  
Deputy City Manager, Finance Supports

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

## APPENDIX 'A'

Bill No.  
2024

By-law No. A-

A by-law to approve template Affordable Residential Unit Development Charge Exemption Agreements and authorize the Deputy City Manager, Planning and Economic Development to execute and amend 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 *Development Charges Act, 1997* exempts affordable residential units that meet the criteria under s. 4.1 of the *Development Charges Act, 1997*;

AND WHEREAS s. 4.1(9) of the *Development Charges Act, 1997* requires a person who, but for s. 4.1(8) would be required to pay a devilment charge to enter into an agreement with The Corporation of the City of London that requires the residential unit to be an affordable residential unit for a period of 25 years from the date the unit is first sold or rented;

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

1. The Affordable Residential Unit Rental Development Charge Exemption Agreement template attached to this bylaw as Schedule "1" is hereby authorized and approved.
2. The Affordable Residential Unit Ownership Development Charge Exemption Agreement template attached to this bylaw as Schedule "2" is hereby authorized and approved.
3. The Deputy City Manager, Planning and Economic Development, or their written designate, is authorized to approve amendments to the agreements approved under section 1 and 2 of this bylaw.
4. The Deputy City Manager, Planning and Economic Development, or their written designate, is authorized to execute the agreements approved under section 1 and 2 of this bylaw, which may be amended pursuant to the Deputy City Manager, Planning and Economic Development's authority under section 3 of this bylaw.
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 July 23, 2024 subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan  
Mayor

Michael Schulthess  
City Clerk

First Reading – July 23, 2024  
Second Reading – July 23, 2024  
Third Reading – July 23, 2024

## SCHEDULE 1

### AFFORDABLE RESIDENTIAL UNIT RENTAL DEVELOPMENT CHARGE EXEMPTION AGREEMENT

(the "Owner")

-and-

The Corporation of the City of London

(the "City")

WHEREAS the *Development Charges Act, 1997* exempts the creation of residential units intended to be affordable residential units for a period of 25 years or more from the time the unit is first rented;

AND WHEREAS the Owner is the registered owner of the property municipally known as [INSERT ADDRESS];

AND WHEREAS the Owner intends to build [INSERT NUMBER] residential unit(s) and has made application [INSERT NUMBER] for a building permit from the City;

AND WHEREAS the Owner intends to develop and operate Affordable Residential Unit[s] within the above-referenced building permit application and has applied for an exemption of its development charges;

AND WHEREAS the Property must comply with the prescribed requirements under the *Development Charges Act, 1997* to qualify for the exemption;

NOW THEREFORE in consideration of the mutual covenants and other terms and conditions of this Agreement and the sum of Two Dollars (\$2.00) of lawful money of Canada now paid by each of the parties to each other (the receipt and sufficiency whereof are acknowledged), the parties agree as follows:

#### **Interpretation**

1. In this Agreement and its Schedules, the following terms have the following respective meanings:

"Act" or "*Development Charges Act, 1997*" means the *Development Charges Act, 1997*, S.O. 1997, c. 27, as may be amended.

"Affordable Residential Unit" means a residential unit that meets the criteria set out in s. 4.1(2) of the Act and rented in accordance with this Agreement.

"Arm's length" has the meaning set out in section 251 of the *Income Tax Act* (Canada) applied with necessary modifications.

"Affordable Residential Units bulletin" means the bulletin entitled the "Affordable Residential Units for the Purposes of the *Development Charges Act, 1997*

Bulletin”, as it is amended from time to time, which is published by the Minister of Municipal Affairs and Housing on a website of the Government of Ontario.

“average market rent” means the average market rent for the year in which the residential unit is occupied by a tenant, as identified in the Affordable Residential Units bulletin, as it is amended from time to time.

“Building Permit” is the building permit issued pursuant to the *Building Code Act*, S.O. 1992, c. 23 for the residential unit[s] the Owner proposes to build in respect of which development charges are payable.

“income-based affordable rent” means the income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin.

“Property” means the lands described in Schedule “A”.

## **TERM**

2. The term of the Agreement shall commence on the date the building is first occupied and end on the twenty-five anniversary of the Affordable Residential Unit first being rented.

## **EXEMPTION FROM DEVELOPMENT CHARGES**

3. The Owner will be exempt from Development Charge on the Affordable Residential Unit(s) on the Property if it complies with the terms and conditions of this Agreement and the requirements of the *Development Charges Act, 1997* for Affordable Residential Units.
4. The Development Charge payable on the Affordable Residential Unit(s) on the Property [INSERT AMOUNT] (“Development Charge”) will be payable upon an Event of Default together with any interest accrued in accordance with this Agreement.

## **AFFORDABLE RESIDENTIAL UNIT, RENTED**

5. The Owner shall build [insert number] Affordable Residential Unit(s) on the Property in accordance with the Building Permit issued to the Property.
6. The Affordable Residential Unit(s) shall meet the criteria for an Affordable Residential Unit set out in the *Development Charges Act* for the term of the agreement.
7. The Affordable Residential Unit(s) shall be rented at a rent no greater than the lesser of
  - a. the income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin, and
  - b. the average market rent identified for the residential unit set out in the Affordable Residential Units bulletin.
8. The Affordable Residential Unit(s) shall only be rented to a tenant that is dealing at Arm’s Length with the Owner.

## **ISSUANCE OF A BUILDING PERMIT**

9. If the City does not issue a building permit, the Owner and the City agree that this Agreement shall terminate and that the parties’ respective obligations under the Agreement shall end.



## **REGISTRATION OF AGREEMENT**

10. The Owner shall prepare and register the Agreement against the title to the Property at its own expense and provide written confirmation from the Owner's solicitor that the Agreement has been registered, together with a copy of the registered instrument prior to the Development Charge becoming payable under the Act or, if applicable, the first annual installment of the Development Charge becoming due under s. 26.1 of the Act.
11. Following the expiry of the term of the Agreement, the Owner may submit a written request to the City to have the Agreement discharged from title to the Property and the City shall consent to the discharge of this Agreement from title to the Property.

## **ANNUAL REPORTS AND INFORMATION SHARING**

12. The Owner shall obtain a Residential Rental Unit License prior to renting the residential unit.
13. The Owner shall submit an annual report to the City in the form set by the Director, Municipal Housing Development. The form will be sent to the Owner each year by email at [INSERT EMAIL] or by mail to the address for notice to the Owner and shall be completed and returned to the City by the date specified on the notice.
14. The Owner shall provide the City with a copy of the lease and rent receipts for the Affordable Residential Unit[s] on the Property and any other information or documents required by the City to review compliance with this Agreement within 30 days upon request.

## **EVENT OF DEFAULT**

15. Each of the following shall constitute an event of default ("Event of Default") under the Agreement:
  - i. The Owner fails to comply with a term or condition of this Agreement;
  - ii. The annual report submitted to the City is untrue or misleading.

## **CONSEQUENCES OF EVENTS OF DEFAULT**

16. If an Event of Default occurs,
  - i. The City shall provide notice of an Event of Default to the Owner;
  - ii. The entire Development Charge stated in clause 4 shall become due and payable by the Owner immediately and the Owner acknowledges and agrees that this Agreement shall be treated as an alternative payment agreement under section 27 of the Act;
  - iii. Interest will be charged on the Development Charge at a rate of interest of [INSERT RATE OF INTEREST] calculated from the date the building permit for the development was issued to the date of payment of the Development Charge together with the accrued interest and all other amounts owing under the Agreement;
  - iv. If the Development Charge, together with the interest accrued, remains unpaid after 90 days from the Owner receiving a Notice of Default it shall be added to the tax roll and be collected in the same manner as taxes;
  - v. The City may initiate any action or proceeding it considers necessary against the Owner to recover the Development Charge, together with any interest accrued.

17. The City shall have the option of waiving any and all of its remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided. If an Event of Default occurs, all the remedies in this Agreement are cumulative and not alternative and the City shall not be precluded from availing itself simultaneously of some or all of said remedies and any other remedies available in equity or in law.

## **COSTS**

18. The Owner shall be responsible for all legal costs and expenses incurred by the City in the event that it takes any legal action following an Event of Default or any action taken to enforce the terms and conditions of the Agreement.

## **INDEMNIFICATION**

19. The Owner shall indemnify and hold harmless the City, its elected officials, employees, agents, successors or assigns from all claims, costs, all matters of action, causes and causes of actions, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of or in connection with the Agreement.

## **ENTIRE AGREEMENT**

20. This Agreement and its Schedules constitute the entire agreement between the parties with respect to all matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made part hereof and may not be amended or modified in any respect except by a written agreement signed by both parties.

## **MUNICIPAL FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT**

21. The Owner acknowledges that the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M. 56 applies to this Agreement and any information and reports provided to the City pursuant to the Agreement, which may be subject to public access and disclosure.

## **INDEPENDENT LEGAL ADVICE**

22. The Owner acknowledges and confirms that they have had the opportunity to obtain independent legal advice on the Agreement. The Owner acknowledges that they have read this Agreement, understand the terms and conditions and the Owner's rights and obligations under the Agreement.

## **NOTICE**

23. 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 Ave  
PO Box 5035  
London, ON N6A 4L9

[INSERT OWNER INFORMATION]

All notices shall be deemed to have been received by the Owner on the date of delivery or on the fifth business day following the mailing of the notice, whichever is applicable. For the purpose of notice, "business day" means every day except Saturdays, Sundays and statutory holidays in the Province of Ontario.

The above address of either the City or the Owner may be changed by giving the other party written notice of the new address.

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.

#### **PARTIAL SEVERABILITY**

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

#### **HEADINGS**

25. 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.

#### **AMENDMENTS**

26. Any subsequent alteration, amendment, charge or addition to this Agreement shall not be binding on the City or the Owner unless in writing signed by each of them.

#### **ASSIGNMENT**

27. This Agreement may not be assigned without the prior written consent of the City, noting that any and all subsequent owners of the Property shall be bound by this Agreement and the municipality shall be entitled to enforce this Agreement against any and all subsequent owners of the Property pursuant to s. 4.1(13) of the Act.

#### **ENUREMENT**

28. This Agreement shall enure to the benefit of and be binding on the parties and their respective heirs, executors, successors and permitted assigns. Any and all subsequent owners of the Property shall be bound by this Agreement and the City shall be entitled to enforce the Agreement pursuant to s. 4.1(13) of the Act.

#### **GOVERNING LAW**

29. This Agreement shall be governed and interpreted in accordance with the laws of Ontario and Canada applicable to the 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.

#### **EXECUTION**

30. The Owner acknowledge that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

In witness whereof this Agreement has been executed by the Parties.

**SIGNED AND DELIVERED**

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Witness:

Print Name:

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[INSERT NAME OF OWNER]

OWNER

I have the authority to bind the  
Corporation

THE CORPORATION OF THE CITY OF  
LONDON

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Schedule "A"

Municipal Address:

Legal Description:

## SCHEDULE 2

### AFFORDABLE RESIDENTIAL UNIT OWNERSHIP DEVELOPMENT CHARGE EXEMPTION AGREEMENT

(the "Owner")

-and-

The Corporation of the City of London  
(the "City")

WHEREAS the *Development Charges Act, 1997* exempts the creation of residential units intended to be affordable residential units for a period of 25 years or more from the time the unit is first rented;

AND WHEREAS the Owner is the registered owner of the property municipally known as [INSERT ADDRESS];

AND WHEREAS the Owner intends to build an Affordable Residential Unit and has made application [INSERT NUMBER] for a building permit from the City;

AND WHEREAS the Owner intends to develop and sell the Affordable Residential Unit within the above-referenced application for a building permit from the City and has applied for an exemption of its development charges;

AND WHEREAS the Property must comply with the prescribed requirements under the *Development Charges Act, 1997* to qualify for the exemption;

NOW THEREFORE in consideration of the mutual covenants and other terms and conditions of this Agreement and the sum of Two Dollars (\$2.00) of lawful money of Canada now paid by each of the parties to each other (the receipt and sufficiency whereof are acknowledged), the parties agree as follows:

#### **Interpretation**

1. In this Agreement and its Schedules, the following terms have the following respective meanings:

"Act" or "*Development Charges Act, 1997*" means the *Development Charges Act, 1997*, S.O. 1997, c. 27, as may be amended.

"Arm's length" has the meaning set out in section 251 of the *Income Tax Act* (Canada) applied with necessary modifications.

"Affordable Residential Unit" means a residential unit that meets the criteria set out in s. 4.1(3) of the Act and sold in accordance with this Agreement.

"Affordable Residential Units bulletin" means the bulletin entitled the "Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin", as it is amended from time to time, which is published by the Minister of Municipal Affairs and Housing on a website of the Government of Ontario.

“average purchase price” means the average purchase price for the year in which the residential unit is sold, as identified in the bulletin entitled the “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin”, as it is amended from time to time.

“Building Permit” is the building permit issued pursuant to the *Building Code Act*, S.O. 1992, c. 23 for the residential unit[s] the Owner proposes to build in respect of which development charges are payable.

“income-based affordable purchase price” means the income-based affordable purchase price for the residential unit set out in the Affordable Residential Units bulletin.

“Property” means the lands described in Schedule “A”.

## **TERM**

2. The term of the Agreement shall commence on the date the Affordable Residential Unit is effectively sold and end on the twenty-fifth anniversary of each Affordable Residential Unit first being sold.

## **EXEMPTION FROM DEVELOPMENT CHARGES**

3. The Owner will be exempt from Development Charge on the Affordable Residential Unit(s) on the Property if it complies with the terms and conditions of this Agreement and the requirements of the *Development Charges Act, 1997* for affordable residential units, ownership.
4. The Development Charge payable on the Affordable Residential Unit(s) on the Property [INSERT AMOUNT] (“Development Charge”) will be payable upon an Event of Default together with any interest accrued in accordance with this Agreement.

## **AFFORDABLE RESIDENTIAL UNIT, OWNERSHIP**

5. The Owner shall build an Affordable Residential Unit on the Property in accordance with the Building Permit issued to the Property.
6. The Affordable Residential Unit shall meet the criteria for an Affordable Residential Unit, ownership set out in the *Development Charges Act* for the term of the agreement.
7. The Affordable Residential Unit shall not be used as a rented residential premises.
8. During the term of this Agreement, the Affordable Residential Unit shall only be sold to a person dealing at arm’s length with the seller.
9. During the term of this Agreement, if the Owner sells the Property, the purchase price of the Affordable Residential Unit shall not exceed the lesser of,
  - i. The income-based affordable purchase price for the residential unit set out in the Affordable Residential Units bulletin; and
  - ii. 90 per cent of the average purchase price identified for the residential unit set out in the Affordable Residential Units bulletin.

## **ISSUANCE OF A BUILDING PERMIT**

10. If the City does not issue a building permit, the Owner and the City agree that this Agreement shall terminate and that the parties' respective obligations under the Agreement shall end.

## **REGISTRATION OF AGREEMENT**

11. The Owner shall prepare and register the Agreement against the title to the Property at its own expense and provide written confirmation from the Owner's solicitor that the Agreement has been registered, together with a copy of the registered instrument prior to the Development Charge becoming payable under the Act.

12. Following the expiry of the term of the Agreement, the Owner may submit a written request to the City to have the Agreement discharged from title to the Property and the City shall consent to the discharge of this Agreement from title to the Property.

## **DECLARATION TO BE PROVIDED ON TRANSFER OF PROPERTY**

13. The Owner and the Purchaser shall complete and sign any forms, attestations or declarations required by the Director, Municipal Housing Development prior to the transfer of the Affordable Residential Unit. The Owner shall contact [housing@london.ca](mailto:housing@london.ca) to obtain the form, attestation or declaration 30 days prior to transferring the Affordable Residential Unit.

## **EVENT OF DEFAULT**

14. Each of the following shall constitute an event of default ("Event of Default") under the Agreement:

- i. The Owner fails to comply with a term or condition of this Agreement;
- ii. The attestation submitted to the City is untrue or misleading.

## **CONSEQUENCES OF EVENTS OF DEFAULT**

15. If an Event of Default occurs,

- i. The City shall provide notice of an Event of Default to the Owner;
- ii. The entire Development Charge stated in clause 4 shall become due and payable by the Owner immediately and the Owner acknowledges and agrees that this Agreement shall be treated as an alternative payment agreement under section 27 of the Act;
- iii. Interest will be charged on the Development Charge at a rate of interest of [INSERT RATE OF INTEREST] calculated from the date the building permit for the development was issued to the date of payment of the Development Charge together with the accrued interest and all other amounts owing under the Agreement;
- iv. If the Development Charge, together with the interest accrued, remains unpaid after 90 days from the Owner receiving a Notice of Default it shall be added to the tax roll and be collected in the same manner as taxes;
- v. The City may initiate any action or proceeding it considers necessary against the Owner to recover the Development Charge, together with any interest accrued.

16. The City shall have the option of waiving any and all of its remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of



any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided. If an Event of Default occurs, all the remedies in this Agreement are cumulative and not alternative and the City shall not be precluded from availing itself simultaneously of some or all of said remedies and any other remedies available in equity or in law.

## **COSTS**

17. The Owner shall be responsible for all legal costs and expenses incurred by the City in the event that it takes any legal action following an Event of Default or any action taken to enforce the terms and conditions of the Agreement.

## **INDEMNIFICATION**

18. The Owner shall indemnify and hold harmless the City, its elected officials, employees, agents, successors or assigns from all claims, costs, all matters of action, causes and causes of actions, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of or in connection with the Agreement.

## **ENTIRE AGREEMENT**

19. This Agreement and its Schedules constitute the entire agreement between the parties with respect to all matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made part hereof and may not be amended or modified in any respect except by a written agreement signed by both parties.

## **MUNICIPAL FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT**

20. The Owner acknowledges that the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M. 56 applies to this Agreement and any information provided to the City pursuant to the Agreement, which may be subject to public access and disclosure.

## **INDEPENDENT LEGAL ADVICE**

21. The Owner acknowledges and confirms that they have had the opportunity to obtain independent legal advice on the Agreement. The Owner acknowledges that they have read this Agreement, understand the terms and conditions and the Owner's rights and obligations under the Agreement.

## **NOTICE**

22. 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 Ave  
PO Box 5035  
London, ON N6A 4L9

Notice to the Owner shall be addressed to the Owner at the address for the Subject Lands. All notices shall be deemed to have been received by the Owner on the date of delivery or on the fifth business day following the mailing of the

notice, whichever is applicable. For the purpose of notice, "business day" means every day except Saturdays, Sundays and statutory holidays in the Province of Ontario.

The above address of either the City or the Owner may be changed by giving the other party written notice of the new address.

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.

#### **PARTIAL SEVERABILITY**

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

#### **HEADINGS**

24. 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.

#### **AMENDMENTS**

25. Any subsequent alteration, amendment, charge or addition to this Agreement shall not be binding on the City or the Owner unless in writing signed by each of them.

#### **ASSIGNMENT**

26. This Agreement may not be assigned without the prior written consent of the City, noting that any and all subsequent owners of the Property shall be bound by this Agreement and the municipality shall be entitled to enforce this Agreement against any and all subsequent owners of the Property pursuant to s. 4.1(13) of the Act.

#### **ENUREMENT**

27. This Agreement shall enure to the benefit of and be binding on the parties and their respective heirs, executors, successors and permitted assigns. Any and all subsequent owners of the Property shall be bound by this Agreement and the City shall be entitled to enforce the Agreement pursuant to s. 4.1(13) of the Act.

#### **GOVERNING LAW**

28. This Agreement shall be governed and interpreted in accordance with the laws of Ontario and Canada applicable to the 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.

#### **EXECUTION**

29. The Owner acknowledge that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

In witness whereof this Agreement has been executed by the Parties.

**SIGNED AND DELIVERED**

\_\_\_\_\_  
Witness:  
Print Name:

\_\_\_\_\_  
[INSERT NAME OF OWNER]  
OWNER  
I have the authority to bind the  
Corporation

THE CORPORATION OF THE CITY OF  
LONDON

\_\_\_\_\_

Schedule "A"

Municipal Address:  
Legal Description: