

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee
From: Scott Mathers, MPA, P.Eng.
Subject: Deputy City Manager, Housing and Community Growth
Amendments and Additions to the Affordable Housing
Community Improvement Program Guidelines
Date: January 28, 2025

Recommendation

That, on the recommendation of the Deputy City Manager, Housing and Community Growth, the following actions **BE TAKEN** with respect to amending financial incentive programs to be administered through the Affordable Housing Community Improvement Plan:

- a) That the proposed by-law attached as Appendix "A" to this report BE INTRODUCED at the Municipal Council meeting on February 11, 2025, to amend By-law No. C.P.-1545-41, being "A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area", by:
 - i) DELETING Schedule "2" and replacing it with a REVISED Schedule "2" to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Additional Residential Unit Loan Program;
 - ii) Adding a NEW Schedule "3" to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Detached Additional Residential Unit Program;
 - iii) Adding a NEW Schedule "4" to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Dollars to Doors Affordable Units Program;
 - iv) Adding a NEW Schedule "5" to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Highly Supportive Housing Units Program;
 - v) Approving the following loan agreement templates:
 - i. The Additional Residential Unit Loan Agreement template;
 - ii. The Detached Additional Residential Unit Forgivable Loan Agreement template;
 - iii. The Detached Additional Residential Unit Loan Agreement (Affordable) template;
 - iv. The Detached Additional Residential Unit Loan Agreement (Indigenous) template
 - v. The Dollars to Doors Affordable Units Loan Agreement template;
 - vi. The Highly Supportive Housing Units Loan Agreement template
 - vi) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to amend, enter into and execute the above-referenced agreements provided the terms of the agreement conform with the applicable Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines.
 - vii) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to approve, enter into and execute amending agreements;

- viii) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to approve an agreement or amend existing agreements that incorporates two or more grants or loans for programs under the Affordable Housing Community Improvement Plan, where practicable, and to authorize the Deputy City Manager, Housing and Community Growth, or their written designate to enter into and execute these agreements;
- b) That the proposed by-law attached as Appendix “B” to this report BE INTRODUCED at the Municipal Council meeting on February 11, 2025 to repeal By-law No. C.P.-1561-107 A bylaw to approve and authorize the use of the Additional Residential Unit Loan Agreement template between The Corporation of the City of London (the “City”) and the Registered Owner of a property providing affordable rental units (the ‘Borrower”) to provide for a loan to address affordability of home ownership and to create more long-term, stable rental housing supply to help address low rental vacancy rates, and to delegate the authority to enter into such Agreements to the City Planner or delegate;
- c) That Civic Administration BE DIRECTED to review and report back on Schedule 1 of By-law No. C.P.-1545-41, being the existing Affordable Housing Community Improvement Plan – Financial Incentive Guidelines – Affordable Housing Development Loan Program.

Executive Summary

On January 28, 2020, Municipal Council approved a city-wide Affordable Housing Community Improvement Plan (CIP) and established two financial incentive programs to implement it. The purpose of this report is to amend one of the existing programs and add three programs to leverage Canada Mortgage and Housing Corporation’s (CMHC) Housing Accelerator Fund (HAF) funding.

The two existing programs are the Affordable Housing Development Loan Program and the Additional Residential Unit (ARU) Loan Program. Civic Administration are recommending further review of the former program as it has not been achieving its objectives. Changes are proposed to the ARU Loan program - in addition to housekeeping amendments, the existing loan amount of \$20,000 is proposed to be increased to \$45,000.

Five new programs featuring forgivable loans are proposed:

Detached Additional Residential Unit Program (3 incentives): funding for detached ARUs ranging from \$20,000 for market rate rentals to \$45,000 for affordable rentals at a maximum of 100% Average Market Rent, as defined by CMHC, with a minimum affordability period of 10 years. The program also proposes a stream for Indigenous housing providers with a grant of \$45,000 per ARU.

Dollars to Doors Affordable Units Program: up to \$45,000 per unit capped at 80% CMHC Average Market Rent for a minimum affordability period of 25 years.

Highly Supportive Housing Units Program: up to \$45,000 per unit capped at 80% CMHC Average Market Rent for a minimum affordability period of 25 years aligned with *London’s Health & Homelessness Response: Highly Supportive Housing Plan*.

Linkage to the Corporate Strategic Plan

The 2023-2027 Strategic Plan identifies Council’s priorities and implementing strategies to inform the associated Multi-Year Budget. The efforts described in this report address the following Area of Focus along with the associated relevant outcomes and strategies.

Wellbeing and Safety

Outcome 2: London is an affordable and supportive community for individuals and families.

Expected Result 2.1 Housing in London is affordable and attainable.

Strategies: a. Prioritize approval of housing projects that increase the depth of affordability in available housing options.

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 meets the unique needs of Londoners.

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

b. Align policies and programs recognizing the broad range of factors that contribute to accessing and maintaining transitional, supportive, community, affordable and market housing.

c. Address the specific needs of populations, including equity-denied groups, and prioritize housing initiatives that are affordable.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [Affordable Housing Community Improvement Plan \(CIP\) and Program Guidelines](#) (PEC, January 20, 2020)
- [Additional Residential Unit Amendments as a Result of More Homes Built Faster Act, 2022 \(Bill 23\)](#) (PEC, May 23, 2023)
- [5-Year Review – Community Improvement Plans and Financial Incentive Programs](#) (PEC, June 12, 2023).
- [London's Approved Housing Accelerator Fund Application](#) (SPPC, September 19, 2023)
- [City-Wide 5-Bedroom Limits and Increased Permissions for Additional Residential Units \(OZ-9661\)](#) (PEC, January 30, 2024)
- [London's Health & Homelessness Whole of Community System Response Proposed Highly Supportive Housing Plan](#) (SPPC, March 26, 2024)
- [Community Improvement Plans Review for Increasing Affordable Housing](#) (PEC, June 11, 2024)
- [Update to the Roadmap to 3,000 Affordable Units: "Roadmap 2.0"](#) (CPSC, July 15, 2024)

1.2 Affordable Housing Community Improvement Plan

A Community Improvement Plan (CIP) is a policy tool a municipality may adopt under the *Planning Act* to coordinate specified community improvements in a defined community improvement project area. To achieve the strategy, CIPs allow a municipality to take actions such as:

- Identify changes needed to land use planning policy, zoning, other by-laws, and practices;
- Acquire, rehabilitate, and dispose of land;

- Provide grants and loans to property owners that would otherwise be unavailable;
- Direct investments made to infrastructure and public space.

The City of London currently has eight geographically focused and four city-wide CIPs. One of the city-wide CIPs is the Affordable Housing CIP, which was approved by Municipal Council in 2020, and has the following purpose:

- Define affordable housing needs based on household incomes and address different the need for varied housing choices across the city.
- Establish CIP objectives to address the provision of affordable housing and other city-building objectives.
- Identify opportunities to develop incentives and/or programs to support the development of affordable housing; and
- Identify monitoring measures to assist with future housing monitoring reports and to identify successes of any programs offered under this CIP.

The Affordable Housing CIP provides the legislative and policy framework to provide municipally funded financial incentive programs to private property owners that support the goals of the CIP. It is one piece in a larger toolkit and policy framework that addresses affordable housing and homelessness in London. Under the City's *Roadmap to 3,000 Affordable Units* strategy, Civic Administration has been actively preparing land for disposition to potential affordable housing developers in addition to supporting projects brought forward by groups like Vision SOHO. In addition to this strategy, the Affordable Housing CIP has the potential to provide another mechanism whereby a developer of affordable housing units can receive financial assistance and close the gap between the cost required to develop and/or operate a residential unit and the revenue available to offset that capital cost.

Municipal Council provided the following direction on June 27, 2023 for enhancements to the Affordable Housing CIP following the 5-year CIP review:

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the evaluation of Community Improvement Plan and Financial Incentives Programs:

- (d) *the Civic Administration BE DIRECTED to submit business cases for all recommendations requiring additional investment through the 2024-2027 Multi-Year Budget Process:*

The Civic Administration BE DIRECTED to investigate improving the functionality of the existing Additional Residential Unit Loan Program to encourage the construction of Additional Residential Units in alignment with the multi-year budget process.

1.3 Additional Residential Units

The Provincial Government enacted Bill 108, the *More Homes More Choice Act, 2019*, which introduced new legislation to allow up to three ARUs on a single semi-detached, or street townhouse lot as-of-right. Revised requirements were then implemented through Bill 23, the *More Homes Built Faster Act, 2022*, and subsequent amendments were approved by Municipal Council to conform to additional *Planning Act* changes. All Council-approved ARU policies and regulations are now in force.

On January 28, 2020, Municipal Council approved the Affordable Housing CIP, which included the ARU Loan Program with a loan amount of \$20,000 to encourage the construction of new ARU rental housing units and offset the upfront costs of development.

On June 25, 2024, Council received the "Community Improvement Plan Review for Increasing Affordable Housing Supply" report prepared by Tim Welch Consulting Inc., and directed staff to report back on the financial implications of a number of the report's

recommendations, including the direction to “amend the existing Additional Residential Unit (ARU) Loan Program to introduce a forgivable loan (Consultant Recommendation #7) and create an ARU grant pilot project (Consultant Recommendation #8).”

Since the commencement of the ARU program in January 2020 until December 31, 2024, 1,190 ARU building permits have been issued, of which 32 have been for detached ARUs (i.e., units in separate ancillary buildings). Moreover, during the same time period, 699 ARU building permits have been closed, of which 15 have been for detached ARUs. Therefore, it is reasonable to assume that a total of 699 ARUs, with 15 being detached, have been constructed since the program’s inception.

1.4 Incubating Projects Under the Roadmap to 3,000 Affordable Units

Following Municipal Council’s endorsement of the changes outlined in the Roadmap 2.0 on July 15, 2024, Civic Administration have been assessing more efficient ways to support the local sector with their affordable housing project goals. Since the fall of 2024, almost 400 units of affordable housing were awarded to various proponents through procurements under the Affordable Housing Development Partners RFPQ. One of the constraints to the process is the ability of a proponent to approach the City outside of a procurement process. Where the property owner has undertaken the project planning independently and is looking for a Roadmap grant to help establish project viability, the process was restricted by the timing of the City’s procurement and approval process.

Through the permissions established through the Community Improvement Plan, the City can support the incubation of affordable housing projects and allow project partners to come forward on their schedule. Within the guidelines, the CIP provides a set of criteria that can be discussed over the course of project design and execution. By allowing an iterative application process, the City can help the proponent “turn the dials and pull the levers” to find the most effective project scope that meets lending requirements and achieves the City’s housing goals.

1.5 Incubating Projects for New Highly Supportive Housing Units

The Whole of Community System Response is a community plan endorsed by Municipal Council in March 2023 that aims to create key pillars to support the most marginalized members of the community through the construction of 24/7 hubs and highly supportive housing. Highly supportive housing provides a combination of affordable housing and 24/7 onsite supportive services to assist individuals at risk of or experiencing homelessness to achieve housing stability. On July 23, 2024, Civic Administration was authorized to direct \$10 Million of HAF funding to the *London’s Health & Homelessness Response: Highly Supportive Housing Plan* and programs under the Whole of Community System Response. As of the end of 2024, 93 units have been created with 92 more units under development.

Providing Civic Administration with the ability to incubate highly supportive housing projects helps simplify the approval process for these sites. With the added complexity of long-term operational funding to support the supportive housing, it is difficult to anticipate all of the permutations that may impact project viability in a procurement. Similar to the Dollars to Doors program, the iterative approach in this new program could lead to more highly supportive housing in the community.

2.0 Discussion and Considerations

Commentary regarding the two existing financial incentive programs and the terms and conditions of the three new programs, along with a brief rationale for the new programs, are identified below.

2.1 Existing Affordable Housing CIP Programs

Affordable Housing Development Loan Program

- No changes are proposed to this program as part of this report. Civic Administration will review and report back to Municipal Council regarding changes to the program.

Additional Residential Unit (ARU) Loan Program

- As of December 31, 2024, five loan agreements and three letters of commitment have been signed since the program's commencement.
- An increase in the loan amount from \$20,000 to \$45,000 is proposed to encourage increased uptake of the program. If detached ARU structures are proposed, this loan amount can be stacked with the new proposed Detached ARU program described below.
- Housekeeping changes to the existing Schedule 2 of By-law No. C.P.-1545-41 were also made to clarify language and improve document flow, as outlined in Schedule 2 of this report.

2.2 Detached ARU Program

The new proposed detached ARU program responds to the recommendation from the "Community Improvement Plan Review for Increasing Affordable Housing Supply" report prepared by Tim Welch Consulting Inc., who recommended a grant pilot program to encourage the construction of detached ARUs. The proposed program will be structured as a forgivable loan, assuming no defaults, and includes the following three streams to incentivize the construction of new detached ARUs. Detailed program guidelines are found in Schedule 3 of this report:

- **Detached ARU Forgivable Loan (no rent cap)** – up to \$20,000 per unit at any rent with a lien on title for a period of 10 years to ensure the ARU is constructed and operational for this 10 year-period, at a minimum.
- **Indigenous Detached ARU Forgivable Loan (no rent cap)** – up to \$45,000 per unit to Indigenous-led providers or homeowners with a minimum rental period of 10-years. This stream is similar to the Detached ARU Loan program identified above, except that there is dedicated funding for Indigenous-led providers and homeowners.
- **Affordable Detached ARU Forgivable Loan (100% Average Market Rent)** – up to \$45,000 per unit with a minimum rental affordability period of 10 years capped at 100% CMHC Average Market Rent, as adjusted annually.

Summary of Program General Terms and Conditions

- Eligible projects for all project streams include development of a new detached ancillary building containing an ARU, as well as servicing to an ARU located in a detached ancillary building.
- Conversions of existing detached structures (e.g., garages) to create ARUs are not eligible.
- Only one ARU on a property is eligible for the program.
- The primary dwelling unit on the property is owner-occupied, however, this is not required for the Indigenous-led detached ARU stream.

- Each ARU must comply with all applicable zoning regulations outlined in the City of London Zoning By-law, as amended.
- A valid Residential Rental Unit Licence (RRUL) for the detached ARU must be received and renewed with the City, regardless of the amount of rent charged (if any).
- ARUs are not permitted to be used as short-term rental accommodations such as “Airbnb” or similar.
- The funding is issued after the ARU is constructed, the RRUL is granted, and the City’s loan agreement is executed.
- In the event of a default, the funding converts into a loan and becomes fully payable to the City on demand, along with accrued interest up to the default date.

Encouraging the construction of ARUs is one of the City’s HAF initiatives and is promoted by Provincial planning legislation. These types of dwellings are relatively affordable to construct, maintain, and offer housing choice while providing opportunities for residential diversity and intensification. As such, accelerating their construction through amendments to the Affordable Housing CIP is appropriate as a way of helping the City of London meet its target of creating 47,000 new dwelling units by 2031.

2.3 Dollars to Doors Affordable Units Program

On July 23, 2024, Municipal Council authorized Civic Administration to allocate up to \$45,000 per affordable rental housing unit under the Roadmap for new projects. The purpose of the Dollars to Doors Program is to implement Council’s direction through the Affordable Housing CIP and to encourage the construction of new affordable rental housing units by helping third parties to offset the capital costs of developing new units. A summary of the program terms and conditions is provided below – detailed program guidelines are found in Appendix A – Schedule 4 of this report.

Summary of Program General Terms and Conditions

- The maximum funding amount is \$45,000 per affordable rental housing unit constructed.
- Eligible projects include new development, redevelopment, and/or renovation that create a minimum of five affordable rental units. Funding is per affordable unit created.
- Program funding is available retroactively for permits issued after September 8, 2024 to align with HAF reporting requirements.
- Eligible applicants are private for-profit organizations, charitable and non-profit organizations, and Indigenous-led housing providers.
- Applicants must enter into a loan agreement registered on title for the units to remain affordable for a minimum period of 25 years.
- Units are capped at 80% CMHC Average Market Rent, as adjusted annually.
- Tenants must be selected from the City of London’s Centralized Wait List.
- In the event of a default, the funding converts into a loan and becomes fully payable to the City on demand, along with accrued interest up to the default date.

2.4 Highly Supportive Housing Units Program

The purpose of this program is to implement Council's direction through the Affordable Housing CIP and assist eligible organizations with the capital costs of development and create more long-term, stable, supportive rental housing supply for individuals at risk of homelessness.

This program is essentially the same as the Dollars to Doors program described above, except for the added requirement of 24/7 onsite services supporting those at risk of or experiencing homelessness in accordance with the definition of highly supportive housing units in *London's Health & Homelessness Response: Highly Supportive Housing Plan*. A summary of the program terms and conditions is provided below – detailed program guidelines are found in Appendix A – Schedule 5 of this report.

Summary of Program General Terms and Conditions

- The maximum funding amount is \$45,000 per highly supportive housing unit.
- Eligible projects are capital costs associated with development and/or redevelopment, as well as development-related fees associated with new highly supportive housing units.
- Program funding is available retroactively for permits issued after September 8, 2024 to align with HAF reporting requirements.
- Operations and services associated with highly supportive housing units are not eligible.
- Highly supportive housing units must be constructed in accordance with the design and functional elements outlined in the *London's Health & Homelessness Response: Highly Supportive Housing Plan*.
- Applicants must enter into a loan agreement registered on title for the units to remain affordable for a minimum period of 25 years.
- Units are capped at 80% CMHC Average Market Rent, as adjusted annually.
- Tenants must be selected from the City of London's Centralized Wait List.
- In the event of a default, the funding converts into a loan and becomes fully payable to the City on demand, along with accrued interest up to the default date.

3.0 Financial Impact/Considerations

The funding sources for the five financial incentive programs under the Affordable Housing CIP are as follows:

Additional Residential Unit Loan Program

This program continues to be funded through the allocation for additional residential units in the community improvement plan. There is approximately \$3.9 Million available to support the new \$45,000 loans.

Detached Additional Residential Units Programs

Further to the Roadmap 2.0 report in July of 2024, these programs are funded with the following allocations:

- \$2 Million Detached ARU programs – forgivable loans of \$20,000 or \$45,000 per unit.

- \$500,000 Indigenous ARU program – forgivable loan of \$45,000 per unit.

The detached program is expected to support the construction of between 44 and 100 ARUs depending on the affordability selected by the homeowner.

The Indigenous ARU program is intended to contribute up to 12 new units.

Program funding allocations will be reviewed subject to interest and uptake by Londoners. If the program is successful, additional funds can be allocated to support more ARU construction.

Dollars to Doors Affordable Units Program

In July of 2024, Council endorsed the addition of \$10 Million from the HAF to the Roadmap to 3,000 Affordable Unit capital budget. To fund the Dollar's to Doors program, a \$20 Million allocation under the Community-Led Development stream of the Roadmap has been established. These projects are intended to be those where the City has not contributed land and the proponent has an interest in building new affordable housing units. In addition to assisting through the business planning, Civic Administration will support the application through the development approvals process.

This program is intended to contribute approximately 444 affordable units to the community.

Highly Supportive Housing Units Program

Similar to the Dollars to Doors program, this program supports private landowners and supportive housing operators through the development approvals and business planning process. Civic Administration will work with the proponent's development team to establish viable operating proformas and alignment with Council's Highly Supportive Housing plan. The funds for this program were established in July of 2024 when Council endorsed the allocation of \$10 Million of the HAF for highly supportive housing projects. To date, approximately \$4 Million have been allocated with \$6 Million remaining.

This program is intended to contribute approximately 130 highly supportive and affordable units to the community.

4.0 Next Steps

Subject to Council endorsement and approval of the CIP program amendments on February 11th, 2025, Civic Administration will work towards the following dates to open the programs to the general public:

March 1st, 2025 – ARU loans and forgivable loans

April 1st, 2025 – Dollars to Doors and Highly Supportive Housing

Overall Program(s)

Recognizing the crucial need for affordable housing in the community, program materials such as updates to the City's website, applications, communications materials, etc. will be developed over time. Some activities are already underway, but below is a high-level overview of the timing and next steps Civic Administration will be undertaking for each program.

This report will be forwarded to the Affordable Housing External Reference Group and the Customer Service and Process Improvement Table, which includes interested parties within our local non-profit and for-profit development sector along with tenant advocacy groups.

ARU Program(s) – begins March 1st, 2025

In support of this new CIP program and the HAF initiatives, Civic Administration completed the milestones in Initiative 2 and Initiative 4 by establishing a pre-review process for manufacturers of modular ARU products and developing a website with information about the City's ARU programs and policies (www.london.ca/aru).

A broader public engagement campaign will be developed and delivered through various media sources.

Dollars to Doors and Highly Supportive Housing – begins April 1st, 2025

Civic Administration will reach out to pre-qualified organizations under the Affordable Housing Development Partners RFPQ to inform them of this new stream. Pre-qualified partners will be given the opportunity to submit their project through the Dollars for Doors and Highly Supportive Housing Forgivable Loan Programs ahead of the April 1st start date. Following the start of the program, applications will be prioritized based on the submission of a complete application.

Civic Administration will forward this report to the Strategy and Accountability Table which governs the Whole of Community System Response for information on how to progress highly supportive housing projects.

Conclusion

These programs under the Affordable Housing CIP will increase the supply of available rental units and intensity existing residential areas to meet the City's housing targets established through the Housing Pledge, Housing Accelerator Fund and the Roadmap to 3,000 Affordable Units.

These new funding programs offer an opportunity to incubate and work directly with proponents interested in constructing new affordable units within the community. Civic Administration can support the development approval process in addition to aligning the City's process with those of lenders and proponents. Providing targeted funding to encourage Indigenous-led providers to construct ARUs opens the door for collaborations to intensify properties and support the family-unit staying in-place.

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Concurred by: **Heather McNeely, MCIP, RPP**
Director, Planning and Development

Recommended by: **Scott Mathers, MPA, P.Eng.**
Deputy City Manager, Housing and Community Growth

cc: Kevin Dickins, Deputy City Manager, Social and Health Development
Strategy and Accountability Table, c/o Kevin Dickins
Alan Dunbar, Manager, Financial Planning & Policy
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Melissa Espinoza, Manager, Housing Programs and Partnerships
Kevin Edwards, Manager, Community Planning

Attachments:

Appendix A – Affordable Housing Community Improvement Plan Amending Bylaw

Schedule 2 – Additional Residential Unit Loan Program Guidelines

Schedule 3 – Detached Additional Residential Unit Program Guidelines

Schedule 4 – Dollars to Doors Affordable Units Program Guidelines

Schedule 5 – Highly Supportive Housing Units Program Guidelines

Appendix 1 – Additional Residential Unit Loan Agreement

Appendix 2 – Detached Additional Residential Unit Loan Agreement

Appendix 3 – Detached Additional Residential Unit Loan Agreement (Affordable)

Appendix 4 – Detached Additional Residential Unit Loan Agreement (Indigenous)

Appendix 5 – Dollars to Doors Affordable Units Loan Agreement

Appendix 6 – Highly Supportive Housing Units Loan Agreement

Appendix B – A bylaw to repeal by-law C.P. 1561-107, a bylaw to approve and authorize the use of the Additional Residential Unit Loan Agreement Template

Appendix A

Bill No.
2025

By-law No. C.P. **XXXX**

A by-law to amend C.P.-1545-41, being
“A by-law to establish financial incentives
for the Affordable Housing Community
Improvement Project Area”.

WHEREAS by subsection 28(2) of the *Planning Act*, the Council of a municipal corporation may, by by-law, designate the whole or any part of an area as a community improvement project area;

AND WHEREAS subsection 28(4) of the *Planning Act* enables the Council of a municipal corporation to adopt a community improvement plan for a community improvement project area;

AND WHEREAS *The London Plan*, 2016, the Official Plan for the City of London, contains provisions relating to community improvement within the City of London;

AND WHEREAS the Municipal Council of The Corporation of the City of London has, by by-law, designated a community improvement project area identified as the Affordable Housing Community Improvement Project Area;

AND WHEREAS the Municipal Council of The Corporation of the City of London has, by by-law, adopted the Affordable Housing Community Improvement Plan;

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

1. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area” is amended by deleting Schedule “2” and replacing it with the attached Schedule “2” attached to this bylaw, the new Affordable Housing Community Improvement Plan – Financial Improvement Program Guidelines – Additional Residential Unit Loan Program which is hereby adopted.

2. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area” is amended by adding section 2:

2. The Affordable Housing Community Improvement Project Area Financial Guidelines attached hereto as Schedule “3” to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Detached Additional Residential Unit Program is hereby adopted;

3. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area” is amended by adding section 3:

3. The Affordable Housing Community Improvement Project Area Financial Guidelines attached hereto as Schedule “4” to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Dollars to Doors Program attached to this by-law, which is hereby adopted;

4. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area” is amended by adding section 4:

4. The Affordable Housing Community Improvement Project Area Financial Guidelines attached hereto as Schedule "5" to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines Highly Supportive Housing Program attached to this by-law, which is hereby adopted;

5. By-law C.P.-1545-41, as amended, being "A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area" is amended by adding section 5:

5. The agreements attached as Appendices 1, 2, 3, 4, 5, and 6 are hereby authorized and approved.

6. By-law C.P.-1545-41, as amended, being "A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area" is amended by adding section 6:

6. The Deputy City Manager, Housing and Community Growth, or their written designate, is authorized to amend, enter into and execute agreements authorized and approved under section 5 of this bylaw.

7. By-law C.P.-1545-41, as amended being "A bylaw to establish financial incentives for the Affordable Community Improvement Project Area" is amended by adding section 7:

7. The Deputy City Manager, Housing and Community Growth, or their written designate, is authorized to approve, enter into and execute amending agreements to agreements entered into pursuant to the authority under section 6 of this bylaw.

8. By-law C.P.-1545-41, as amended, being "A by-law to establish financial incentives for the Affordable Community Improvement Project Area" is amended by adding section 8:

8. The Deputy City Manager, Housing and Community Growth is authorized to approve agreements or amend existing agreements so that the loans and grants in the Affordable Housing Community Improvement Program guidelines are incorporated into one agreement where practicable. The Deputy City Manager, Housing and Community Growth, or their written designate, is authorized to enter into and execute agreements approved pursuant to the delegated authority under this section.

9. This by-law comes into force and 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 February 11, 2025 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – February 11, 2025

Second Reading – February 11, 2025

Third Reading – February 11, 2025

Schedule 2: Additional Residential Unit Loan Program

Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Additional Residential Unit Loan Program

Effective April 1, 2020
Revised February 11, 2025

This program guideline package provides details on the “Additional Residential Unit Loan Program”, which is a financial incentive program provided by the City of London through the Affordable Housing Community Improvement Plan (CIP).

Each financial incentive program has its own specific Purpose and Eligible Improvements. The program guidelines also include Definitions, Eligibility Criteria, Appeal of Refusal, Relationship to other Financial Incentive Programs, as well as Monitoring & Discontinuation of Programs. Italicized words are either defined terms in section 1 of this document or document titles.

1. Definitions

Additional Residential Unit or “ARU”, formerly known as “Secondary Dwelling Unit”, is a *Dwelling Unit* ancillary and subordinate to a primary *Dwelling Unit*, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof. ARUs must comply with all applicable laws, including relevant regulations in the City of London Zoning By-law, as amended.

Applicant – The person who makes a formal application for a financial incentive program offered through the City’s Community Improvement Plans. The person may be the *Property Owner*, or an authorized agent, including a business owner who is occupying space on the *Property* or contractor who has been retained to undertake improvements on the *Property*. If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a *Complete Application*.

Approved Works – the materials, labour and/or effort made to improve a property that are determined to meet eligibility criteria under the incentive program requirements.

Commitment Letter – a document prepared by the City of London outlining its agreement with a *Property Owner*, to provide a future financial incentive – in this case, a loan - based on a redevelopment, rehabilitation and/or renovation project that has yet to be undertaken. The letter describes the specific scope of *Approved Works* the *Applicant* will undertake to receive the loan.

Complete Application – includes a completed application form for financial incentive program(s) with the *Applicant’s* signature and date.

Dwelling Unit – as defined in the City of London Zoning Bylaw, a suite operated as a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping, and sanitary facilities.

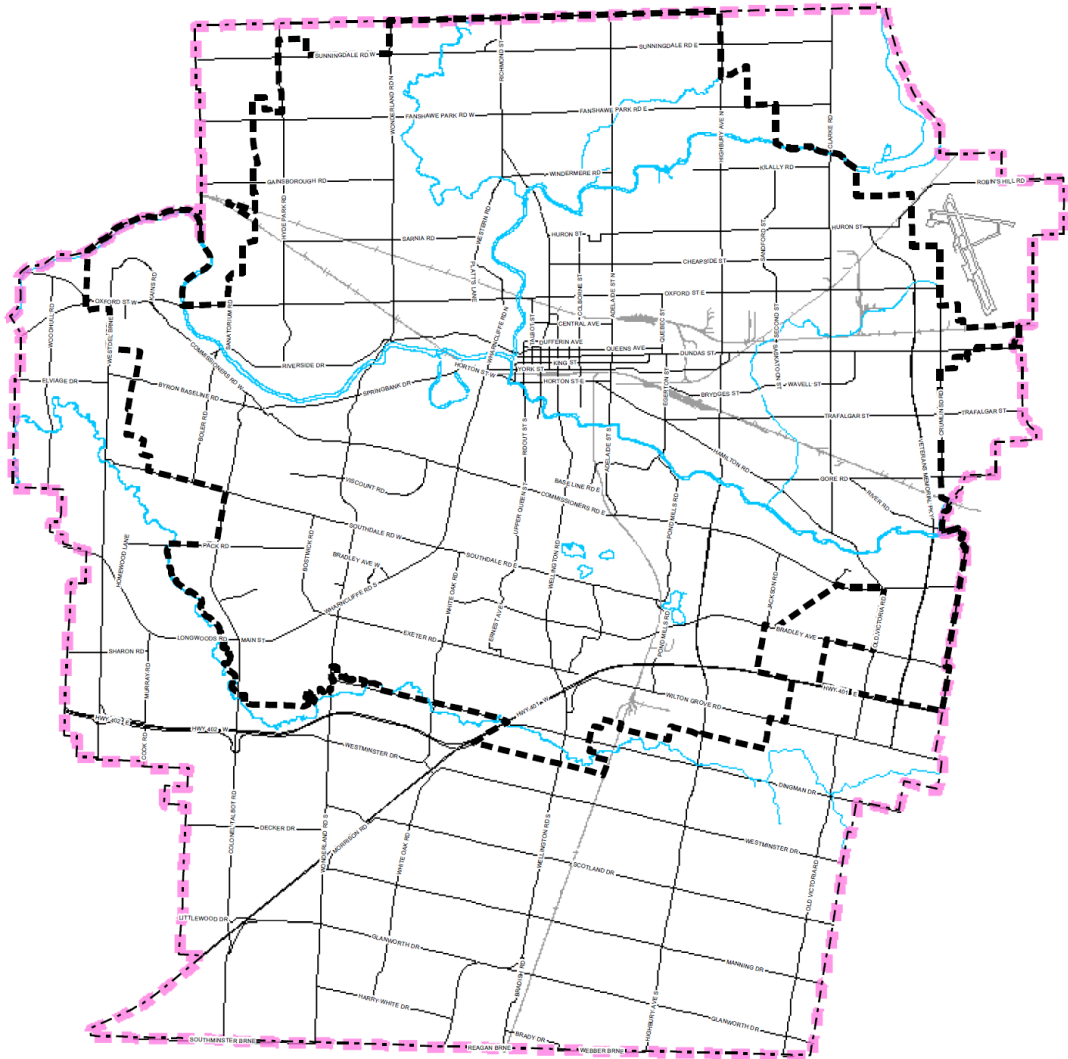
Loan Repayments – the total value of the loan repayment made by the *Applicant* to the City at scheduled milestones in accordance with the Loan Agreement. The Loan Agreement shall include the terms and conditions included in the program guidelines and a loan schedule outlining when loan repayment begins as well as the amount of each repayment installment.

Property Owner – the registered owner of the *Property*.

Property – land that permits *Additional Residential Units*, as identified by the City of London Zoning By-law, as amended, with a municipal address (including distinct unit numbers, if applicable), located in a place type and zoning that permits residential uses

and is located within the Affordable Housing Community Improvement Project Area, as defined in the Affordable Housing Community Improvement Area By-law per Map 1 below.

Rental Unit – a *Dwelling Unit* that generates rental income.



Map 1: Affordable Housing Community Improvement Project Area (Pink) and Urban Growth Boundary (Black)

2. Program Purpose

The purpose of the *Additional Residential Unit* (ARU) Loan Program is to address affordability of home ownership and to create more long-term, stable rental housing supply to help address low rental vacancy rates. This ARU program can be provided at market rent and is not tied to specific affordability thresholds.

Objectives of this program include the creation of more mixed-income communities; providing opportunities for urban regeneration and intensification; providing opportunities for aging in place; and supporting and implementing the policy goals and frameworks of the Official Plan and the *Housing Stability Plan*.

3. Eligible Works

Eligible works include the following:

- Development, redevelopment, and/or renovations that creates new ARUs;
- Servicing to an ARU located in an ancillary building (e.g. converted garage or gate house);

- Works may include upgrades to meet identified deficiencies, such as Building Code and Fire Code.

4. Works Not Eligible

- Additional rehabilitation, demolition, or interior works in the main dwelling unit not related to the ARU;
- Loans will not apply retroactively for works undertaken prior to entering the Loan Agreement.

5. Program Terms and Conditions

- The ARU must comply with all applicable zoning regulations set out in the City of London Zoning By-law, as amended;
- Owner-occupancy of the *Property* is required;
- The loan is issued after the *Approved Works* are completed;
- The ARU must receive and maintain a valid Residential Rental Unit License, which must be renewed with the City every year. The Owner shall use commercially reasonable efforts to ensure the ARU is rented or occupied;
- ARUs that use this incentive program are not permitted to be used as short-term accommodation as defined under the City of London's Business Licensing bylaw;
- Repayment begins 12 months after the loan is issued;
- The maximum loan amount is \$45,000 per *ARU* or the cost of the *Approved Works*, whichever is lesser;
- The *Property* is eligible for multiple incentive programs provided through the various Community Improvement Plans (for example, applications for the Detached Additional Residential Unit Forgivable Loan and/or the Upgrade to Building Code Loan if located within a program area identified in another CIP);
- All City of London property taxes must be paid in full prior to the loan being issued and all property taxes must be paid for the duration of the term of the agreement.

6. Eligibility Criteria

Applicant Requirements

- The *Applicant* must be the *Property Owner* of the *Property* or an authorized agent (including building tenant or contractor who has been retained to undertake improvements). If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a complete application. For clarity, the *Property Owner* shall enter into the Loan Agreement with the City and the City will provide the loan to the *Property Owner*;
- The *Property Owner* and/or *Applicant* of the *Property* must have no outstanding debts, including property taxes, to the City of London;
- All mortgages and charges, including the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement);

- The *Property Owner* and/or *Applicant* must not have ever defaulted on any City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation.

Property Requirements

- There are no City of London Building Division orders or deficiencies on the *Property* prior to the loan being issued, unless the deficiencies are to be addressed as part of the eligible works associated with the loan;

Building Requirements

- There must be no City of London Building Division orders or deficiencies and no by-law infractions prior to the loan being issued, with the exception that the loan is for eligible works to address identified deficiencies (e.g. fire code or building code), as determined by Staff.

7. Financial Incentive Approval

Once all eligibility criteria and conditions are met, and if funds are available in the supporting reserve fund, Staff will approve the incentive application. Approval by means of a letter to the *Applicant* will represent a commitment by the City of London.

Commitment Letters will be valid for one year and will expire if the building permit is not issued within that time period. The Deputy City Manager, Housing and Community Growth, may, at their discretion, provide a written time extension of up to one (1) year. It is important to note that the consideration of such an extension will require a written request from the *Applicant* detailing the reasons the extension is being sought.

8. Application Process

Step 1: The *Applicant* contacts Staff to discuss the proposed project, who will provide information about incentive programs, review the application form(s) and assist with the application process. This meeting will also help to identify what permits or permissions may be required to complete the proposed improvement project.

Applications made for financial incentive programs do not in any way replace the need for obtaining any necessary approvals. Prior to undertaking building improvements, the *Applicant* is required to obtain any necessary approvals and/or permits. Heritage Alteration Permits (if applicable) will be required before financial incentive applications are accepted.

Discussions with Staff are encouraged early in the process to ensure proposals comply with City regulations and guidelines, and the proposed improvements are eligible under the incentive program criteria.

Step 2: A *Complete Application* is submitted to the City of London. Typically, it includes the following:

- 1) Complete drawings of the works to be undertaken (e.g. site plan of development).
- 2) Itemized list of specific improvements.
- 3) Cover letter that summarizes the work to be completed.
- 4) Signed copy of the Addendum including the Hold Harmless Agreement, General Liability Insurance, and Contractor qualifications.
- 5) Copy of the Heritage Alteration Permit (if required).
- 6) Property Owner authorization letter (if applicable).
- 7) Any other documents deemed necessary by Staff.

Step 3: Staff will review the application for completeness and inform the *Applicant* in writing that either more information is required, or the application is accepted. If accepted, the City will provide a *Commitment Letter* which outlines the *Approved Works*, related costs, and monetary commitment that the City is making to the project. The City's commitment is valid for one year from the date of issuance of the *Commitment Letter*, at which time the first available building permit must be issued and construction begun. The

City's commitment applies only to the project as submitted. Any subsequent changes to the project will require review and approval by appropriate Staff.

Step 4: The *Applicant* can start the *Approved Works* when the necessary approvals and/or permits have been received (e.g. building permit), as identified in the *Commitment Letter* from the City, which serves as a pre-approval.

Step 5: The Applicant will notify Staff once the *Approved Works* has been completed and all necessary final approvals have been granted (e.g., building permit is closed).

Step 6: Staff will confirm the *Approved Works* have been completed as outlined in the *Commitment Letter*. Staff may visit the *Property* and take photographs before and after the *Approved Works* are completed.

Step 7: Before entering into any Loan Agreement, Staff must ensure the terms and conditions outlined in the City's Commitment Letter have been met. Typically, it includes the following:

- 1) *Approved Works* are completed;
- 2) All City of London property taxes must be paid in full and the account deemed in good standing;
- 3) There must be no outstanding debts to the City;
- 4) The Property Owner and/or Applicant must not have defaulted on any City loans or grants;
- 5) There must be no outstanding Building Division orders or deficiencies against the Property.

Step 8: The *Applicant* and the City will sign the Loan Agreement.

Step 9: The City will register the amount of the loan as a lien against the *Property*

Step 10: Staff will provide the *Applicant* with a cheque in the amount of the loan.

Step 11: The *Applicant* will begin loan repayment, on a monthly basis, one (1) year after the loan is issued. Please contact Staff to make full or partial payments above the standard repayment schedule, or to vary payment amounts from the initially agreed-upon repayment schedule.

9. Additional Rehabilitation and Demolition

Additional work to the interior of the building can be undertaken subject to obtaining a building and/or heritage alteration permit, when required.

10. Inspection of Completed Works

The loan will be paid to the *Applicant* after the *Approved Works* are completed. The *Applicant* must inform the City when the *Approved Works* are complete and Staff will inspect and verify they have been completed per the Loan Agreement.

11. Incentive Application Refusal and Appeal

If an application is refused, the *Applicant* may, in writing, appeal the decision of the Deputy City Manager, Housing and Community Growth to the City Clerk's Office who will provide direction to have the matter heard before Municipal Council through the Planning and Environment Committee.

12. Relationship to other Financial Incentive Programs

It is intended that this program will complement other incentive programs offered by the City of London. *Property Owners* may also qualify for financial assistance under those programs specifically detailed within the program guidelines. However, the funding from these programs cannot be used to subsidize the property owner's share of the total cost of the loan programs property improvements.

13. Monitoring & Discontinuation of Programs

As part of the program administration, Staff will monitor all the financial incentive programs. In receiving and processing applications, Staff will enter relevant information into a monitoring database. This information will be included in incentive monitoring reports which will be prepared to determine if programs should continue, be modified, or cease to issue any new commitments. Each program is monitored to ensure it implements the goals and objectives of the CIP which the program supports. The City may discontinue the financial incentive programs at any time; however, any existing loan will continue in accordance with the agreement. A CIP program's success in implementing its goals will be based on the ongoing monitoring and measurement of a series of identified targets that represent indicators of the CIP's goals and objectives, as noted in the Program Monitoring Data section.

14. Program Monitoring data and Activity Reports

Information may be collected and serve as indicators to monitor the ARU Loan Program offered through the Affordable Housing CIP. These measures are to be flexible allowing for the removal of, or the addition of new measures that better indicate if the goals and objectives of the CIP have been met.

15. Loan Distribution

The City will provide the *Applicant* with one cheque in the full amount of the approved loan after the following have occurred: (1) the City has completed its due diligence to ensure the *Applicant* and *Property* remain eligible for the loan, (2) the Loan Agreement has been signed, and (3) the loan amount has been added as a lien on title for repayment and the conditions precedent in the Loan Agreement have been met. The City will not provide partial loan amounts or progress payments.

16. Loan Security and Postponement

Loans will be secured through the registration of a lien placed on the *Property's* title for the total amount of the loan. Staff may postpone the lien (subordination of an encumbrance to another encumbrance on the same *Property*) which is given as security for the loan in circumstances where any of the registered mortgages are being replaced, consolidated or renewed and the total value of all mortgages and charges including the City's encumbrance does not exceed 90% of the appraised value of the *Property*.

17. Loan Agreement

Participating *Property Owners* in financial incentive programs shall be required to enter into a Loan Agreement with the City which shall specify such items as (but not limited to) the loan amount, the term of the loan, and the *Property Owner's* obligation to repay the City for any monies received if the *Property* is demolished before the term of the loan elapses.

18. Repayment Provisions and Interest

The loan will accrue interest at a rate of 8% per annum, compounded and calculated every 30 days, commencing upon the advance date of the loan. Provided the *Property Owner* has complied with the terms and conditions of the Loan Agreement, the interest shall be forgiven at the end of the term.

The *Loan Repayments* will begin twelve (12) months after the advancement of funds. Repayment of the loan will be on a monthly basis and does not include interest. The monthly payment amount will be calculated based on the total loan amount divided by 108 payments. Full repayment of the outstanding balance of the loan can be made at any time without penalty.

If a repayment installment is missed, or an *Applicant* is otherwise found in non-

compliance with the terms of their Loan Agreement, then the City may exercise options set out in the Loan Agreement or as permitted by law to enforce the Loan Agreement and/or recover the loan, including adding the loan and accrued interest to the tax roll.

19. Transferable Loans

At the discretion of the City, loans may be transferred to a new *Property Owner* provided the new owner meets the eligibility criteria and agrees to the terms and conditions of the loan. The new owner may be required to enter into a new Loan Agreement with the City for the outstanding loan value at the time of purchase. Should a transfer occur without the City's consent, the City may declare the *Property Owner* in default and enforce the Loan Agreement against the new and any subsequent owners, including requiring the loan and accrued interest to be immediately due and payable.

Schedule 3: Detached Additional Residential Unit Program

Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Detached Additional Residential Unit Program

Effective February 11, 2025

This program guideline package provides details on the “Detached Additional Residential Unit Program”, which is a financial incentive program provided by the City of London through the Affordable Housing Community Improvement Plan (CIP).

Each financial incentive program has its own specific Purpose and Eligible Improvements. The program guidelines also include Definitions, Eligibility Criteria, Appeal of Refusal, Relationship to other Financial Incentive Programs, as well as Monitoring & Discontinuation of Programs. Italicized words are either defined terms in section 1 of this document or document titles

1. Definitions

Affordable Rental Unit: for the purposes of this program, a *Detached Additional Residential Unit (ARU)* with a rent capped at 100% of Canada Mortgage and Housing Corporation *Average Market Rent*, as adjusted annually.

Applicant: The person who makes a formal application for a financial incentive program offered through the City’s Community Improvement Plans. The person may be the *Property Owner*, or an authorized agent, including a business owner who is occupying space on the *Property* or contractor who has been retained to undertake improvements on the *Property*. If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a *Complete Application*.

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

Average Market Rent (AMR): the most current average monthly market rent for a rental unit, by unit type, published by the Canada Mortgage and Housing Corporation for the London CMA.

Approved Works: the materials, labour and/or effort made to improve a property that are determined to meet eligibility criteria under the incentive program requirements.

Commitment Letter: a document prepared by the City of London outlining its agreement with a *Property Owner* to provide a future financial incentive – in this case, a loan- based on a redevelopment, rehabilitation and/or renovation project that has yet to be undertaken. The letter describes the specific scope of *Approved Works* the *Applicant* will undertake to receive the loan.

Complete Application: includes a completed application form for financial incentive program(s) with the *Applicant’s* signature and date.

Detached Additional Residential Unit (ARU): formerly known as “Secondary Dwelling Unit”, is a *Dwelling Unit* ancillary, subordinate and located in a physically separate structure separate from the primary *Dwelling Unit*, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof. For the purposes of this program, a detached ARU does not include a conversion of an existing ancillary structure (e.g., garage) into an ARU.

Dwelling Unit: a suite operated as a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping, and sanitary facilities.

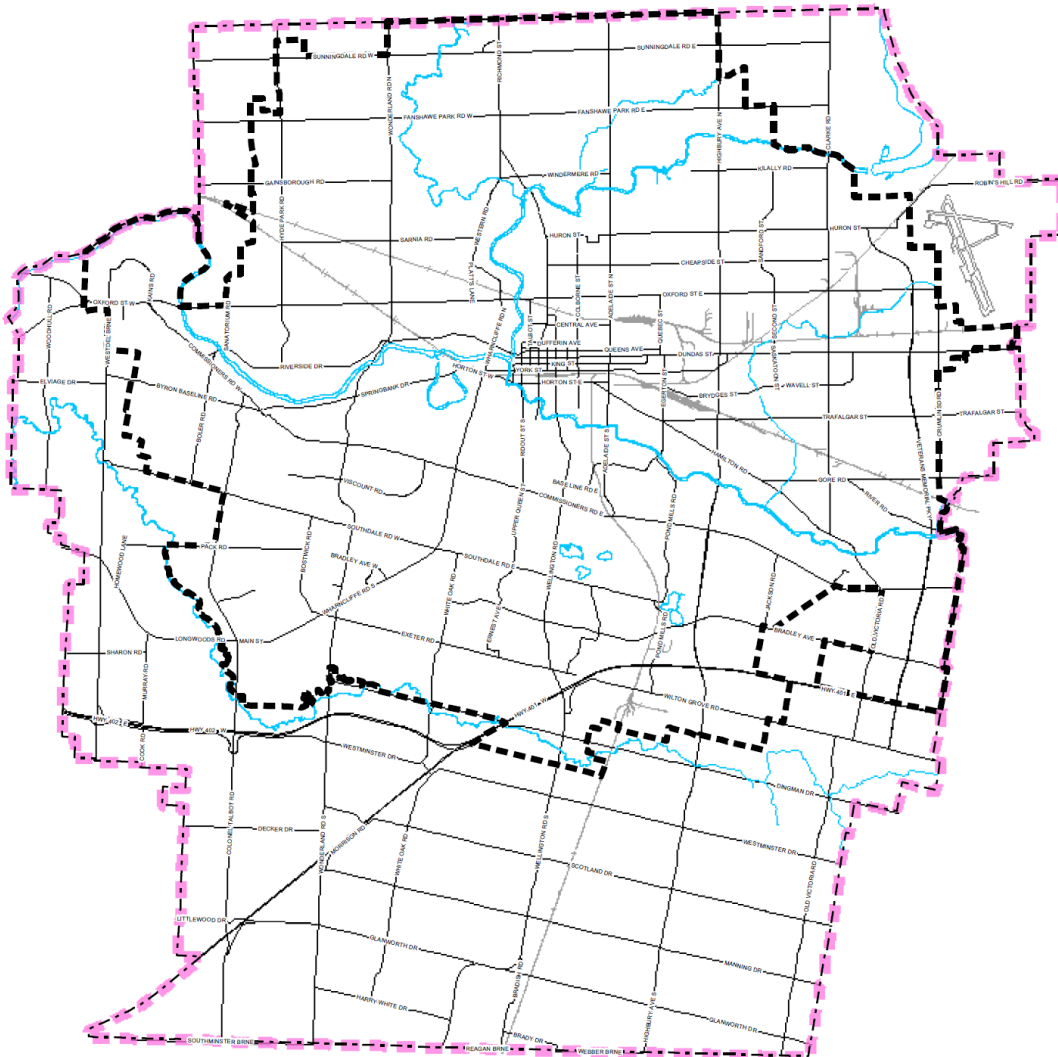
Loan Agreement: an agreement to be registered on title signed by both the *Property Owner* and the City outlining the terms and conditions associated with the program.

Market Rent: a monthly occupancy cost for a *Detached Additional Residential Unit* that a willing, prudent, and informed tenant would pay to a landlord in the open market.

Property Owner: the registered owner of the *Property*.

Property: land that permits *Detached Additional Residential Units*, as identified by the City of London Zoning By-law, as amended, with a municipal address (including distinct unit numbers, if applicable) located in a place type and zoning that permits residential uses and is located within the Affordable Housing Community Improvement Project Area, as defined in the Affordable Housing Community Improvement Area By-law per Map 1 below.

Rental Unit: a *Dwelling Unit* that generates rental income.



Map 1: Affordable Housing Community Improvement Project Area (Pink) and Urban Growth Boundary (Black)

2. Program Purpose

The purpose of the Detached Additional Residential Unit Grant Program is intended to create more long-term, stable rental housing supply to help address low rental vacancy rates. Objectives of this program include creation of more mixed-income communities, providing opportunities for urban regeneration and intensification, providing opportunities for aging in place, and supporting and implementing the policy goals and frameworks of *The London Plan* and the *Housing Stability Action Plan*.

3. Program Streams

The program includes three streams to support the construction of *Detached ARUs* at *Market Rent* and reduced rental rates:

1. Detached ARU Forgivable Loan– no rent cap

A forgivable loan up to \$20,000 if the ARU remains operational for a minimum period of 10 years.

2. Indigenous Detached ARU Loan – no rent cap

A forgivable loan to Indigenous homeowners or housing providers up to \$45,000 with no rent cap if the ARU remains operational for a minimum period of 10 years.

3. Affordable Detached ARU Forgivable Loan – maximum rent capped at 100% Average Market Rent

A forgivable loan up to \$45,000 with rent capped at 100% CMHC Average Market Rent with a minimum affordability period of 10 years.

4. Eligible Works

Eligible works include the following for all program streams:

- Development of a new detached ancillary building containing a new ARU;
- Servicing to an ARU located in a detached ancillary building

5. Works Not Eligible

- Additional rehabilitation, demolition, or interior works in the primary *Dwelling Unit* or an existing detached ancillary building;
- Forgivable loans will not apply retroactively for works undertaken prior to entering the agreement;
- Conversions of existing detached structures (e.g., garages)

6. Program Terms and Conditions

- Only one ARU per *Property* is eligible for a loan.
- The primary *Dwelling Unit* on the *Property* is owner-occupied, however, this is not required for the Indigenous Detached ARU stream.
- The project must comply with all applicable laws, including all relevant regulations in the City of London Zoning By-law, as amended.
- Multi-unit buildings that may be eligible under this program must have an existing Residential Rental Unit License (RRUL) where an associated Additional Residential Unit is proposed on the same property.
- The ARU must receive and maintain a valid Residential Rental Unit License, which must be renewed with the City every year. The *Property Owner* shall use commercially reasonable efforts to ensure the ARU is rented or occupied. For *Property Owners* receiving the Detached ARU Loan with rent limited to 100% Average Market Rent, the ARU must be rented to a person at *Arm's length* from the *Property Owner*.

- Detached ARUs that use this incentive program are not permitted to be used as short-term accommodation as defined under the City of London's Business Licensing bylaw.
- The loan which is issued after the ARU is constructed and the RRUL is granted, is registered on title as a forgivable loan and is the lesser of the maximum applicable loan amount, or the cost of the project. The loan will accrue interest at a rate of 8% per annum, compounded and calculated every 30 days. Provided the *Property Owner* has complied with the terms and conditions of the Loan Agreement, the loan and accrued interest shall be forgiven at the end of the term.
- In the case of default, the loan and accrued interest shall become payable to the City of London on demand. The City may add the loan and accrued interest to the tax roll.
- On properties where units are not subject to the *Residential Tenancies Act*, eligibility will be considered on a case-by-case basis subject to the approval of the Deputy City Manager, Housing and Community Growth or written designate.
- All mortgages and charges, including the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement).
- All City of London property taxes must be paid in full prior to the loan being issued and remain so for the lifetime of the loan.

7. Eligibility Criteria

Applicant Requirements

- The *Applicant* must be the *Property Owner* of the *Property* or an authorized agent (including building tenant or contractor who has been retained to undertake improvements). If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a complete application;
- All mortgages and charges, including the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement);
- All City of London property taxes must be paid in full prior to the loan being issued and remain so for the lifetime of the loan;
- The *Property Owner* and/or *Applicant* of the *Property* must have no outstanding debts to the City of London;
- The *Property Owner* and/or *Applicant* must not have ever defaulted on any City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation;
- For the Indigenous Detached ARU Loan program, the City may require applicants to provide evidence of eligibility in accordance with the City's procedures.

Property Requirements

- There are no City of London Building Division orders or deficiencies on the *Property* prior to the loan being issued, unless the deficiencies are to be addressed as part of the eligible works associated with the loan;
- The *Property* may be eligible for multiple incentive programs provided through the

various Community Improvement Plans (for example, applications for the Affordable Housing Development Loan and the Upgrade to Building Code Loan if located within a program area identified in another CIP).

Building Requirements

There must be no City of London Building Division orders or deficiencies and no by-law infractions prior to the loan being issued, with the exception that the loan is for eligible works to address identified deficiencies (e.g. fire code or building code), as determined by Staff.

8. Financial Incentive Approval

Once all eligibility criteria and conditions are met, and if funds are available in the supporting reserve fund, Staff will approve the incentive application. Approval by means of a letter to the *Applicant* will represent a commitment by the City of London. *Commitment Letters* will be valid for one year and will expire if the building permit is not issued within that time period. The Deputy City Manager, Housing and Community Growth, or written designate, may, at their discretion, provide a written time extension of up to one (1) year. It is important to note that the consideration of such an extension will require a written request from the *Applicant* detailing the reasons the extension is being sought.

9. Application Process

Step 1: The *Applicant* contacts Staff to discuss the proposed project, who will provide information about incentive programs, review the application form(s) and assist with the application process. This meeting will also help to identify what permits or permissions may be required to complete the proposed improvement project.

Applications made for financial incentive programs do not in any way replace the need for obtaining any necessary approvals. Prior to undertaking building improvements, the *Applicant* is required to obtain any necessary approvals and/or permits. Heritage Alteration Permits (if applicable) will be required before financial incentive applications are accepted.

Discussions with Staff are encouraged early in the process to ensure proposals comply with City regulations and guidelines, and the proposed improvements are eligible under the incentive program criteria.

Step 2: A *Complete Application* is submitted to the City of London which typically includes:

1. Complete drawings of the works to be undertaken;
2. Itemized list of specific improvements and budget;
3. Cover letter that summarizes the work to be completed;
4. Signed copy of the Addendum including the Hold Harmless Agreement, General Liability Insurance, and Contractor qualifications;
5. A copy of the Building Permit (if required);
6. A copy of the Heritage Alteration Permit (if required);
7. *Property Owner* authorization letter (if applicable)
8. Any other information that may be deemed necessary by the Deputy City Manager, Housing and Community Growth, or designate.

Step 3: Staff will review the application for completeness and inform the *Applicant* in writing that either more information is required, or the application is accepted. If accepted, the City will provide a *Commitment Letter* which outlines the *Approved Works*, related costs, and monetary commitment that the City is making to the project.

The City's commitment is valid for one year from the date of issuance of the *Commitment Letter*, at which time the first available building permit must be issued and

construction begun. The City's commitment applies only to the project as submitted. Any subsequent changes to the project will require review and approval by appropriate Staff.

Step 4: The *Applicant* can start the *Approved Works* when the necessary approvals and/or permits have been received (e.g. building permit), as identified in the *Commitment Letter* from the City, which serves as a pre-approval.

Step 5: The Applicant will notify Staff once the *Approved Works* has been completed and all necessary final approvals have been granted (building permit is closed).

Step 6: Staff will confirm the *Approved Works* have been completed as outlined in the *Commitment Letter*. Staff may visit the *Property* and take photographs before and after the *Approved Works* are completed.

Step 7: Before entering into any Loan Agreement, Staff must ensure the terms and conditions outlined in the City's *Commitment Letter* have been met. Typically, this includes:

- Completing the *Approved Works*
- All City of London property taxes must be paid in full and the account deemed in good standing;
- There must be no outstanding debts to the City;
- The *Property Owner* and/or *Applicant* must not have defaulted on any City loans or grants;
- There must be no outstanding Building Division orders or deficiencies against the *Property*.

Step 8: The *Applicant* and the City will sign the Loan Agreement.

Step 9: The City will register the amount of the forgivable loan as a lien against the *Property* in case of default. If the Applicant defaults on the terms and conditions in the Loan Agreement, the loan becomes payable to the City on demand.

Step 10: Staff will provide the *Applicant* with a cheque in the amount of the forgivable loan once the *Approved Works* are complete and all relevant building permits are closed.

10. Additional Rehabilitation and Demolition

Additional work to the interior of the building can be undertaken subject to obtaining a building and/or heritage alteration permit, when required.

11. Incentive Application Refusal and Appeal

If an application is refused, the *Applicant* may, in writing, appeal the decision of the Deputy City Manager, Housing and Community Growth to the City Clerk's Office who will provide direction to have the matter heard before Municipal Council through the Planning and Environment Committee.

12. Relationship to other Financial Incentive Programs

It is intended that this program will complement other incentive programs offered by the City of London. *Property Owners* may also qualify for financial assistance under those programs specifically detailed within the program guidelines. However, the funding from these programs cannot be used to subsidize the property owner's share of the total cost of the loan programs property improvements.

13. Monitoring & Discontinuation of Programs

As part of the program administration, Staff will monitor all the financial incentive programs. In receiving and processing applications, Staff will enter relevant information

into a Monitoring Database. This information will be included in Incentive Monitoring Reports which will be prepared to determine if programs should continue, be modified, or cease to issue any new commitments. Each program is monitored to ensure it implements the goals and objectives of the CIP which the program supports. The City may discontinue the financial incentive programs at any time; however, any existing loan will continue in accordance with the agreement. A CIP program's success in implementing its goals will be based on the ongoing monitoring and measurement of a series of identified targets that represent indicators of the CIP's goals and objectives, as noted in the Program Monitoring Data section.

14. Program Monitoring Data and Activity Reports

Information may be collected and serve as indicators to monitor the Detached ARU Program(s) offered through the Affordable Housing CIP. These measures are to be flexible allowing for the removal of, or the addition of new measures that better indicate if the goals and objectives of the CIP have been met.

15. Loan Distribution and Interest

The City will provide the *Applicant* with one cheque in the full amount of the approved loan after the following have occurred: (1) the City has completed its due diligence to ensure the *Applicant* and *Property* remain eligible for the loan, (2) the Loan Agreement has been signed, and (3) the loan amount has been added as a lien on title for repayment. The City will not provide partial loan amounts or progress payments.

The Loan will accrue interest at a rate of 8% per annum, compounded and calculated every 30 days, commencing upon the advance date of the Loan. Provided the *Property Owner* has complied with the terms and conditions of the Loan Agreement, the interest shall be forgiven at the end of the term.

16. Loan Security and Postponement

Loans will be secured through the registration of a lien placed on the *Property's* title for the total amount of the loan. Staff may postpone the lien (subordination of an encumbrance to another encumbrance on the same *Property*) which is given as security for the loan in circumstances where any of the registered mortgages are being replaced, consolidated or renewed and the total value of all mortgages and charges including the City's encumbrance does not exceed 90% of the appraised value of the *Property*.

17. Loan Agreement

Participating *Property Owners* in financial incentive programs shall be required to enter into a Loan Agreement with the City which shall specify such items as (but not limited to) the loan amount, the term of the loan, and the *Property Owner's* obligation to repay the City for any monies received if the *Property* is demolished before the term of the loan elapses.

18. Transferable Loans

At the discretion of the City, loans may be transferred to a new *Property Owner* provided the new owner meets the eligibility criteria and agrees to the terms and conditions of the loan. The new owner may be required to enter into a new Loan Agreement with the City for the outstanding loan value at the time of purchase. Should a transfer occur without the City's consent, the City may declare the *Property Owner* in default and enforce the Loan Agreement against the new and any subsequent owners, including requiring the loan and accrued interest to be immediately due and payable.

Schedule 4: Dollars to Doors Affordable Units Program

Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Dollars to Doors Affordable Units Program

Effective February 11, 2025

This program guideline package provides details on the “Dollars to Doors Program”, which is a financial incentive program provided by the City of London through the Affordable Housing Community Improvement Plan (CIP).

Each financial incentive program has its own specific Purpose and Eligible Improvements. The program guidelines also include Definitions, Eligibility Criteria, Appeal of Refusal, Relationship to other Financial Incentive Programs, as well as Monitoring & Discontinuation of Programs. Italicized words are either defined terms in section 1 of this document or document titles.

1. Definitions

Accessible Unit: Affordable Rental Housing Unit located in a barrier-free accessible building that can be approached, entered, and used by persons with disabilities, including but not limited to, persons with physical or sensory disabilities.

Affordability Period: the period during which the rent for the *Affordable Rental Housing Units* is required to be maintained at an affordable level. For the purposes of this program, the *Affordability Period* shall be maintained for a term of 25 years commencing on the first day of the month following occupancy.

Affordable Rental Housing Unit: with a monthly rent at or below 80% of the *Average Market Rent* by unit type for the relevant City of London zone (geographic area), as defined by the most recent Canada Mortgage and Housing Corporation data. The rent must also include, at a minimum, the provisions of heat, air conditioning, water, a fridge, and a stove.

Annual Occupancy Report: document completed on an annual basis by the *Applicant* to ensure compliance with the terms outlined in the Loan Agreement.

Applicant: The person who makes a formal application for a financial incentive program offered through the City’s Community Improvement Plans. The person may be the *Property Owner*, or an authorized agent, including a business owner who is occupying space on the *Property* or contractor who has been retained to undertake improvements on the *Property*. If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a *Complete Application*.

Approved Works: the materials, labour and/or effort made to improve a property that are determined to meet eligibility criteria under the incentive program requirements.

Average Market Rent (AMR): the most current average monthly market rent for a rental unit, by unit type, published by the Canada Mortgage and Housing Corporation for the relevant City of London zone (geographic area). The rent must also include, at a minimum, the provisions of heat, air conditioning, water, a fridge, and a stove.

Dwelling Unit: for the purposes of this program, it means a self-contained residential dwelling that includes, at minimum, the provisions of heat, air conditioning, water, a fridge, and a stove, and, without limiting the generality of the foregoing, may include:

- supportive rental housing where service funding is secured from sources other than Federal Funds and Provincial Funds provided under the program.

- multi-bedroom residential dwelling that is used for congregate living that includes shared communal rooms and spaces such as kitchen, washroom and amenity spaces while providing individual bedrooms for individual residents; and
- an *Accessible Unit*

Capital Audit: detailed review of all the money that has been spent on a construction or development project.

City of London Waitlist: centralized housing waitlist of all applicants eligible for social housing in compliance with the *Housing Services Act, 2011*.

Commitment Letter: a document prepared by the City of London outlining its agreement with a *Property Owner* to provide a future financial incentive – in this case, a forgivable loan - based on a redevelopment, rehabilitation and/or renovation project that has yet to be undertaken. The letter describes the specific scope of *Approved Works* the *Applicant* will undertake to receive the forgivable loan.

Complete Application: includes a completed application form for financial incentive program(s) with the *Applicant's* signature and date.

Loan Agreement: an agreement to be entered into between an *Applicant* and the City to be registered on title outlining the terms and conditions under which financial assistance in the form of funding will be provided.

Market Rent: a monthly occupancy cost for a *Dwelling Unit* that a willing, prudent, and informed tenant would pay to a landlord in the open market.

Property: land that permits *Affordable Rental Housing Units*, as identified by the City of London Zoning By-law, as amended, with a municipal address (including distinct unit numbers, if applicable) located in a place type and zoning that permits residential uses and is located within the Affordable Housing Community Improvement Project Area, as defined in the Affordable Housing Community Improvement Area By-law per Map 1 below. The *Affordable Rental Housing Unit* must be constructed on the *Property*.

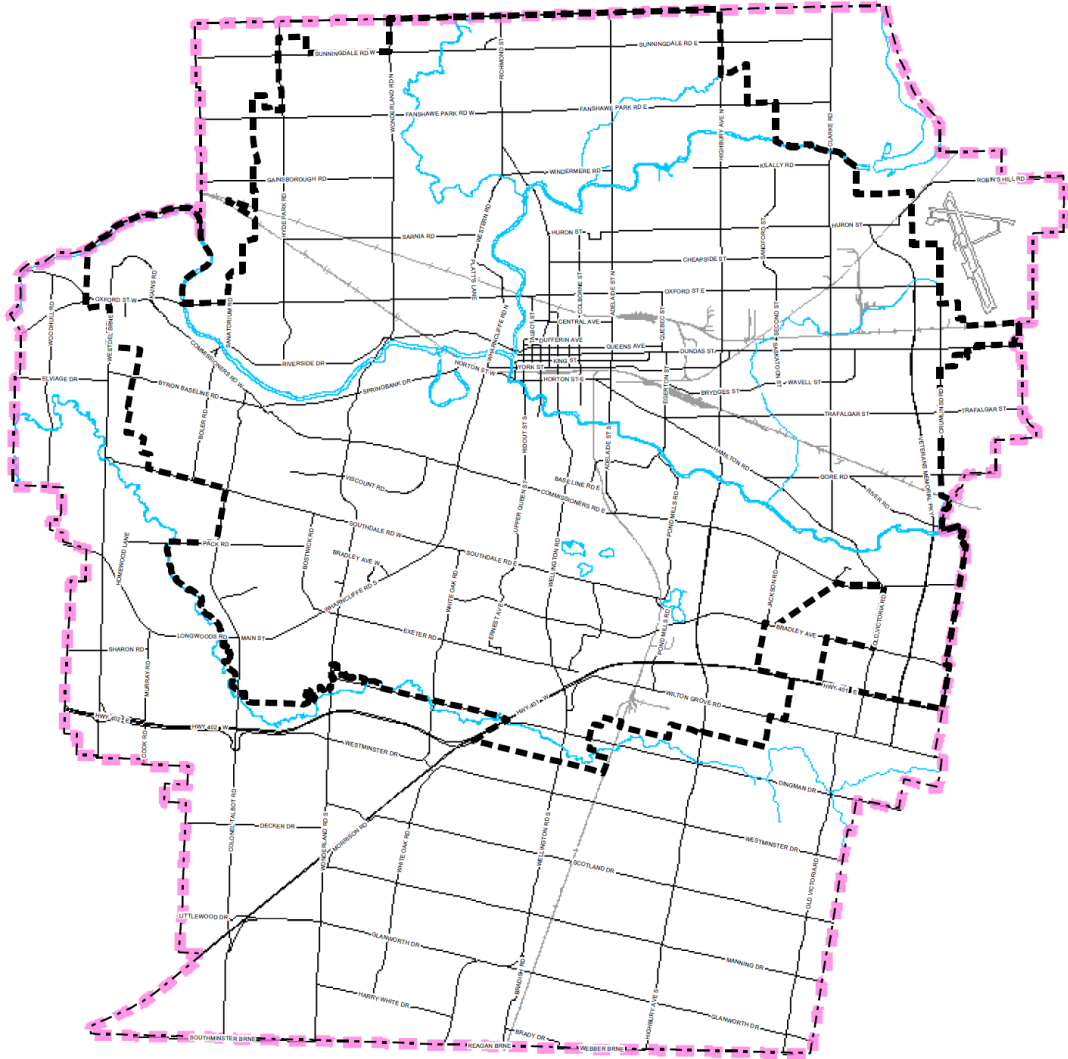
Property Owner: the registered owner of the *Property*.

Rental Unit: a *Dwelling Unit* that generates rental income.

Rental Housing Unit: new, purpose-built, residential housing accommodation on the *Property*. It may include supportive housing with onsite services but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or other similar facilities.

Residential Tenancies Act (RTA): Residential Tenancies Act, 2006, S.O. 2006, c.17.

Roadmap: The Roadmap to 3,000 Affordable Housing Units Action Plan is the City of London's strategy to guide, plan, and allocate City funding in the delivery of the City's housing-related programs and services.



Map 1: Affordable Housing Community Improvement Project Area (Pink) and Urban Growth Boundary (Black)

2. Program Purpose

The purpose of the Dollars to Doors Program is to encourage the construction of *Affordable Rental Housing Units* by offsetting costs of development. In alignment with strategies and initiatives outlined in the Council-approved Roadmap and the Housing Accelerator Fund Action Plan, the City is offering funding as a municipal contribution to support the construction of new *Affordable Rental Housing Units*.

3. Eligible Works

- Development, redevelopment, and/or renovation that creates *Affordable Rental Housing Units*;
- Funding will not be granted for the Market Rent units within a mixed (affordable and market) building.

4. Program Terms and Conditions

- Eligible projects include new development, redevelopment, and/or renovation that create a minimum of five *Affordable Rental Housing Units*. The forgivable loan is per *Affordable Rental Housing Unit* constructed.
- Eligible applicants are private for-profit, charitable and non-profit organizations.
- The Financial Incentive Programs will apply retroactively to work completed after September 8, 2024, subject to the approval of the application by the Deputy City Manager, Housing and Community Growth, or designate.

- Maximum funding amount per *Affordable Rental Housing Unit* is \$45,000.
- *Affordable Rental Housing Units* must have a minimum affordability period of 25 years.
- The *Affordable Rental Housing Unit* rent will be capped at 80% *Average Market Rent*.
- Tenants must be selected from the *City of London's Waitlist*.
- The funding under this program will be given as a forgivable loan and becomes payable to the City on demand, with accrued interest, in event of a default under the *Loan Agreement*. The City may add the outstanding loan and accrued interest to the tax roll.
- The *Applicant's* solicitor must register the forgivable loan as a mortgage in favour of the City, at no cost to the City.
- All mortgages and charges, include the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement).
- All City of London property taxes must be paid in full prior to the loan and/or grant being issued and remain so for the lifetime of the loan.

5. Eligibility Criteria

Applicant Requirements

- The Applicant must be the *Property Owner* of the Property or an authorized agent (including building tenant or contractor who has been retained to undertake improvements). If the Applicant is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a complete application.
- The *Applicant* must be the *Property Owner* of the *Property* or an authorized agent (including building tenant or contractor who has been retained to undertake improvements). If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a complete application;
- All mortgages and charges, including the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement);
- All City of London property taxes must be paid in full prior to the loan and/or grant being issued and remain so for the lifetime of the loan;
- The *Property Owner* and/or *Applicant* of the *Property* must have no outstanding debts to the City of London;
- The *Property Owner* and/or *Applicant* must not have ever defaulted on any City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation;

Property Requirements

- There are no City of London Building Division orders or deficiencies on the Property prior to the loan being issued, unless the deficiencies are to be addressed as part of the eligible works associated with the loan;

- The *Property* may qualify and be eligible for multiple incentive programs provided through various Community Improvement Plans, for example, funding through the Office to Residential Conversion and/or the Upgrade to Building Code Loan

Building Requirements

- There must be no City of London Building Division orders or deficiencies and no by-law infractions prior to the loan being issued, with the exception that the loan is for eligible works to address identified deficiencies (e.g. fire code or building code).

6. Application Process

Step 1: It is strongly recommended the *Applicant* consult with Staff before submitting a formal application to discuss the proposed project. Staff can discuss other incentive programs that may be relevant, provide application form(s) and assist with the application process. This meeting may also help to identify what permits or permissions may be required to complete the proposed project.

Step 2: A *Complete Application* is submitted to the City of London, which typically includes the following:

- Proof of ownership;
- Property eligibility confirmation (e.g., residential land use and zoning);
- Project description, including financial details (e.g., capital and operating budget);
- Organizational information (e.g., Articles of Incorporation, financial statements);
- Project team resources and experience;
- Any other information deemed necessary by Staff

Step 3: Staff will review the application for completeness and advise if either more information is required, or the application is accepted. If the application is not accepted, Staff will provide feedback and assistance to the Applicant.

Step 4: If the application is approved, the *Applicant* and the City sign a *Loan Agreement* noting the terms and conditions for the funding.

Step 5: The funds will be released in stages according to a funding schedule outlined in the *Loan Agreement*. Typically, it will follow the process outlined below:

Step 6: Payment #1 - Construction Start

On Building Permit issuance and after a mortgage is placed on the *Property* in the amount of the entire loan amount, the City will advance 50% of the loan to the *Applicant*. To receive the first advance, the *Applicant* shall provide the following list of documents:

- Signed *Loan Agreement*
- CMHC or other financial institution pre-approval letter
- First available building permit
- Confirmation of registration of mortgage
- Confirmation of construction start
- Copy of revised development schedule
- Certificate of insurance
- Any other documents deemed necessary by Staff or required under the *Loan Agreement*

Step 7: Payment #2 - Substantial Completion

35% of the forgivable loan will be paid to the Applicant once substantial completion of the *Approved Works* is achieved. The *Applicant* will provide the following list of documents to receive the second advance.

- Payment Certifier Certificate
- Certificate of Substantial Completion
- Any other documents deemed necessary by Staff

Step 8: Payment #3 - Occupancy

The remaining 15% of the forgivable loan will be paid at this stage; the *Applicant* will provide the following list of documents to receive the final advance:

- Occupancy permit or letter from the City's Building Services department and confirmation that all project development requirements have been fulfilled
- Initial Occupancy Report part I and part II
- Certificate of Insurance – General Liability
- Any other documents deemed necessary by Staff

Staff may visit the *Property* and take photographs, both before and after the project is completed, to ensure the *Approved Works* have been completed as outlined in the application and *Loan Agreement*.

Step 9: After the *Affordable Rental Housing Units* are constructed and the project is finished, the *Applicant* will provide a *Capital Audit* within 90 days of the construction lien being published.

Step 10: The *Applicant* will provide an *Annual Occupancy Report* confirming compliance with the terms and conditions in the *Loan Agreement*.

7. Incentive Application Refusal and Appeal

If an application is refused, the *Applicant* may, in writing, appeal the decision of the Deputy City Manager, Housing and Community Growth or designate, to the City Clerk's Office who will provide direction to have the matter heard before Municipal Council through the appropriate Committee.

8. Relationship to other Financial Incentive Programs

It is intended that this incentive program will complement and be stackable with other incentive programs offered by the City of London. *Property Owners* may also qualify for financial assistance under those programs specifically detailed within the program guidelines. However, the funding from these programs cannot be used to subsidize the *Property Owner's* required minimum equity contribution.

9. Monitoring & Discontinuation of Programs

Staff will monitor the financial incentive program. In receiving and processing applications Staff will enter relevant information into a monitoring database. This information will be included in the reports prepared to determine if programs should continue, be modified, or cease to issue any new commitments. Each program is monitored to ensure it implements the goals and objectives of the CIP within which the program applies. The City may discontinue the program at any time; however, any existing funding will continue in accordance with the agreement. A program's success in implementing a CIP's goals will be based on the ongoing monitoring and measurement of a series of identified targets that represent indicators of the CIP's goals and objectives.

10. Loan

The funding will be disbursed as a forgivable loan secured by way of a mortgage (charge) registered on title at the *Property Owner's* expense. The loan will accrue interest at a rate of 8% per annum on the total amounts advanced under the loan from the advance date of the loan. The interest so calculated shall compound annually, not in advance, until the interest adjustment date. Provided the *Property Owner* has complied with the terms and conditions of the *Loan Agreement*, the accrued interest shall be automatically forgiven on the interest adjustment date (one year following first occupancy). Thereafter, interest shall continue to accrue on the total amount of the loan at a rate of 8% per annum, compounded annually, not in advance. On each anniversary of the interest adjustment date, the amount of interest shall be automatically forgiven provided the *Property Owner* has complied with the terms and conditions of the *Loan Agreement*. Provided the *Property Owner* has complied with the terms and conditions of the *Loan Agreement*, the loan shall be forgiven at the end of the affordability period of 25 years.

11. Security and Postponement

The loan will be secured through a mortgage conveyed to the City for the total loan amount, which shall be registered on the *Property's* title at the *Property Owner's* cost. The City will also register a certificate on title for the total loan amount and applicable interest rate. The City may postpone the mortgage (subordination of the mortgage to another encumbrance on the same property) to the *Property Owner's* primary mortgage financing in circumstances where the total value of all mortgages and encumbrances including the City's encumbrances does not exceed 90% of the appraised value of the *Property*.

12. Loan Agreement

Property Owners shall be required to enter into a *Loan Agreement* with the City that will specify such items as (but not limited to) the funding amount, the duration of the funding and the *Property Owner's* obligation to repay the City for any monies received if the property is demolished before the funding period elapses or the unit(s) no longer meeting the affordability requirements of the funding. The *Loan Agreement* shall include the terms and conditions included in the program guidelines.

13. Transferable Loans

At the discretion of the City, loans may be transferred to a new owner provided the new owner meets the eligibility criteria and agrees to the terms and conditions of the loan. The new owner may be required to enter into a new *Loan Agreement* with the City for the outstanding loan value at the time of purchase. Should a transfer occur without the City's consent, the City may declare the *Property Owner* in default and enforce the *Loan Agreement* against the new and any subsequent owners, including requiring the loan and accrued interest to be immediately due and payable.

Schedule 5: Highly Supportive Housing Units Program

Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Highly Supportive Housing Units Program

Effective February 11, 2025

This program guideline package provides details on the “Highly Supportive Housing Units Program”, which is a financial incentive program provided by the City of London through the Affordable Housing Community Improvement Plan (CIP).

Each financial incentive program has its own specific Purpose and Eligible Improvements. The program guidelines also include Definitions, Eligibility Criteria, Appeal of Refusal, Relationship to other Financial Incentive Programs, as well as Monitoring & Discontinuation of Programs. Italicized words are either defined terms in section 1 of this document or document titles.

1. Definitions

Accessible Unit: Affordable Rental Housing Unit located in a barrier-free accessible building that can be approached, entered, and used by persons with disabilities, including but not limited to, persons with physical or sensory disabilities.

Affordability Period: the period during which the rent for the *Affordable Rental Housing Units* is required to be maintained at an affordable rent. For the purposes of this program, the *Affordability Period* shall be maintained for a term of 25 years commencing on the first day of the month following occupancy.

Affordable Rental Housing Unit: means a rental housing unit with a monthly rent at or below 80% of the *Average Market Rent* by unit type for the relevant City of London zone (geographic area), as defined by the most recent Canada Mortgage and Housing Corporation data. The rent must also include, at a minimum, the provisions of heat, air conditioning, water, a fridge, and a stove. The rental housing unit must be new, purpose-built residential housing accommodation but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or other similar facilities.

Annual Occupancy Report: document completed annually by the *Applicant* to ensure compliance with the terms outlined in the *Loan Agreement*.

Applicant: The person who makes a formal application for a financial incentive program offered through the City’s Community Improvement Plans. The person may be the *Property Owner*, or an authorized agent, including a business owner who is occupying space on the *Property* or contractor who has been retained to undertake improvements on the *Property*. If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner* as part of a *Complete Application*.

Approved Works: the materials, labour and/or effort made to improve a property that are determined to meet eligibility criteria under the incentive program requirements.

Average Market Rent (AMR): the most current average monthly market rent for a rental unit, by unit type, published by the Canada Mortgage and Housing Corporation for the relevant City of London zone (geographic area), as defined by the most recent Canada Mortgage and Housing Corporation data. The rent must also include, at a minimum, the provisions of heat, air conditioning, water, a fridge, and a stove.

Dwelling Unit: for the purposes of this program, it means a self-contained residential dwelling that includes, at minimum, the provisions of heat, air conditioning, water, a fridge, and a stove, and, without limiting the generality of the foregoing, may include:

- supportive rental housing where service funding is secured from sources other than Federal Funds and Provincial Funds provided under the program.
- multi-bedroom residential dwelling that is used for congregate living that includes shared communal rooms and spaces such as kitchen, washroom and amenity spaces while providing individual bedrooms for individual residents; and
- an *Accessible Unit*

Capital Audit: detailed review of all the money that has been spent on a construction or development project.

City of London Waitlist: centralized housing waitlist of all applicants eligible for social housing in compliance with the *Housing Services Act, 2011*.

Commitment Letter: a document prepared by the City of London outlining its agreement with a *Property Owner* to provide a future financial incentive – in this case, a forgivable loan - based on a redevelopment, rehabilitation and/or renovation project that has yet to be undertaken. The letter describes the specific scope of *Approved Works* the *Applicant* will undertake to receive the forgivable loan.

Highly Supportive Housing Unit: Affordable Rental Housing Unit located in a *Highly Supportive Housing Project* designed to assist individuals and families who require a significant level of onsite support to achieve housing stability.

Highly Supportive Housing Plan: on April 2, 2024, through the Whole of Community System Response, Municipal Council endorsed a plan that will help bring 600 new highly supportive housing units to London. This document sets specific standards and expectations while serving as a guide for future highly supportive housing projects within the community.

Highly Supportive Housing Project: a new rental housing accommodation development designed to assist individuals and families who require a significant level of support to achieve housing stability. The *Highly Supportive Housing Project* must comply with the requirements of the *Highly Supportive Housing Plan* passed by Municipal Council.

Housing Stability Action Plan: London and Middlesex's Council endorsed plan to support housing and homelessness responses within the community.

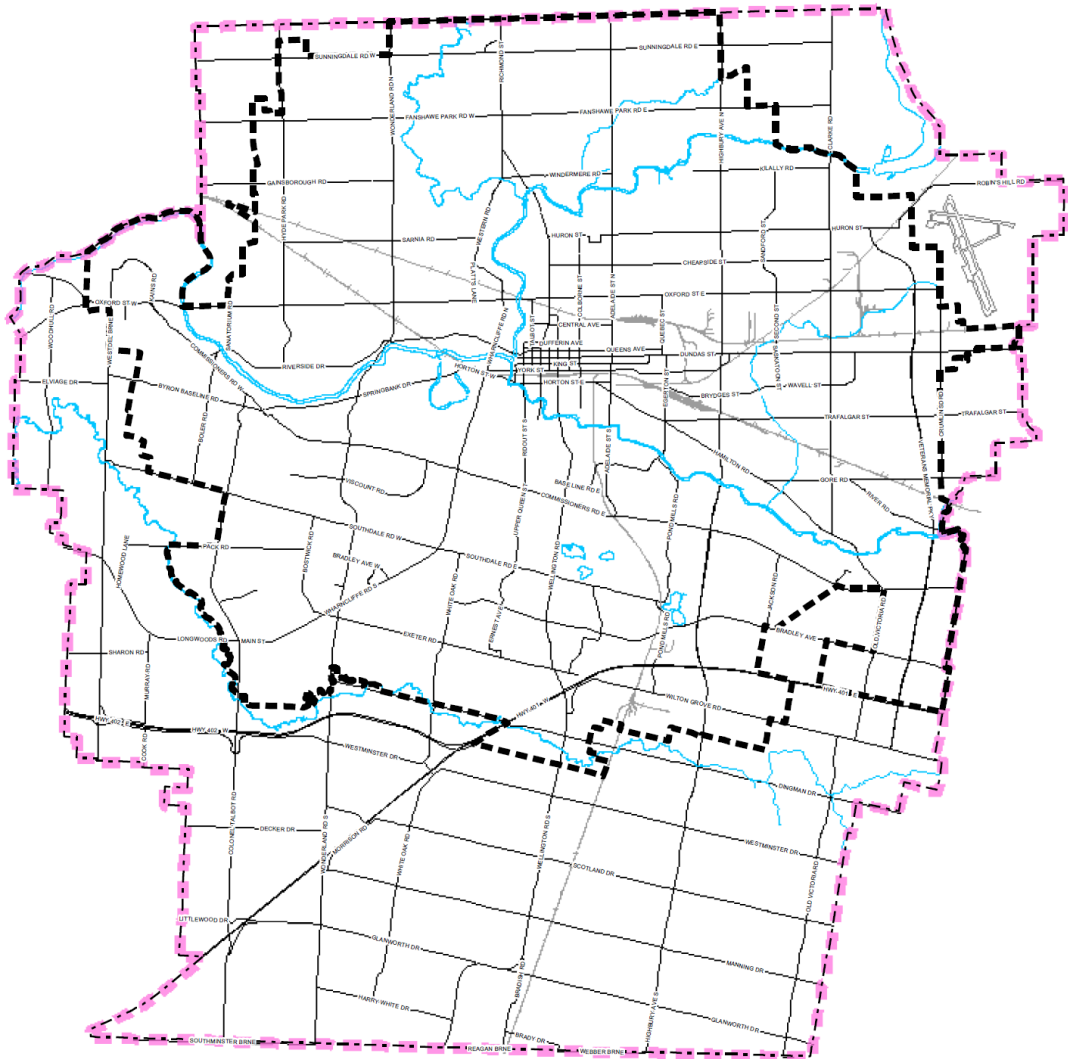
Loan Agreement: an agreement to be entered into between an *Applicant* and the City to be registered on title outlining the terms and conditions under which financial assistance in the form of funding will be provided.

Market Rent: a monthly occupancy cost for a *Dwelling Unit* that a willing, prudent, and informed tenant would pay to a landlord in the open market.

Property: land that permits *Affordable Rental Housing Units*, as identified by the City of London Zoning By-law, as amended, with a municipal address (including distinct unit numbers, if applicable) located in a place type and zoning that permits residential uses and is located within the Affordable Housing Community Improvement Project Area, as defined in the Affordable Housing Community Improvement Area By-law per Map 1 below. The *Affordable Rental Housing Unit* must be constructed on the *Property*.

Residential Tenancies Act (RTA): Residential Tenancies Act, 2006, S.O. 2006, c.17.

Roadmap: The Roadmap to 3,000 Affordable Housing Units Action Plan is the City of London's strategy to guide, plan, and allocate City funding in the delivery of the City's housing-related programs and services.



Map 1: Affordable Housing Community Improvement Project Area (Pink) and Urban Growth Boundary (Black)

2. Program Purpose

The purpose of the Highly Supportive Housing Program is to address housing stability and to create more long-term, stable, supportive rental housing supply for individuals at risk of homelessness. In alignment with strategies and initiatives outlined in the *Roadmap, Housing Stability Action Plan* and Council's Whole of Community System Response, the City is offering funding as a municipal contribution to support the construction of new *Highly Supportive Housing Units* based on the *Highly Supportive Housing Plan*.

3. Eligible Works

Capital costs related to development, redevelopment, and/or renovation that creates *Highly Supportive Housing Units*.

4. Works Not Eligible

- Funding will not be granted for the *Market Rent* units within a mixed (affordable and market) building;
- Operations and services associated with *Highly Supportive Housing Units* are not eligible.

5. Program Terms and Conditions

- Eligible applicants are private for-profit, charitable and non-profit organizations.

- Maximum forgivable loan amount is \$45,000 per *Highly Supportive Housing Unit* created.
- *Highly Supportive Housing Units* must be constructed in accordance with the design and functional elements outlined in the *London's Whole of Community System Response: Highly Supportive Housing Plan*.
- *Highly Supportive Housing Units* must have a minimum affordability period of 25 years.
- The *Highly Supportive Housing Unit* rent will be capped at 80% Average Market Rent.
- Tenants must be selected from the *City of London's Waiting List*.
- In the event of a default, the forgivable loan becomes payable, with interest, to the City on demand. The City may add the outstanding loan and interest to the tax roll.
- The *Applicant's* solicitor must register the forgivable loan as a mortgage in favour of the City, at no cost to the City.
- All mortgages and charges, including the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement).
- All City of London property taxes must be paid in full prior to the loan and/or grant being issued and remain so for the lifetime of the loan.

6. Eligibility Criteria

Applicant Considerations

- The *Applicant* must be the *Property Owner* of the *Property* or an authorized agent (including building tenant or contractor who has been retained to undertake improvements). If the *Applicant* is not the *Property Owner*, they will be required to provide authorization in writing from the *Property Owner*, as part of a complete application;
- All mortgages and charges, including the subject financial incentive(s), must not exceed 90% of the post-rehabilitation appraised value of the property (i.e. the *Property Owner* must maintain 10% equity in the property post-improvement);
- All City of London property taxes must be paid in full prior to the loan and/or grant being issued and remain so for the lifetime of the loan;
- The *Property Owner* and/or *Applicant* of the *Property* must have no outstanding debts to the City of London;
- The *Property Owner* and/or *Applicant* must not have ever defaulted on any City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation;
- The Financial Incentive Programs will apply retroactively to work completed after September 8, 2024, subject to the approval of the application by the Deputy City Manager, Housing and Community Growth, or designate.

Property Considerations

- There are no City of London Building Division orders or deficiencies on the

Property prior to the loan being issued, unless the deficiencies are to be addressed as part of the eligible works associated with the loan;

- The *Property* may qualify and be eligible for multiple incentive programs provided through various Community Improvement Plans, for example, funding through the Office to Residential Conversion and/or the Upgrade to Building Code Loan.

Building Considerations

There must be no City of London Building Division orders or deficiencies and no by-law infractions prior to the loan being issued, with the exception that the loan is for eligible works to address identified deficiencies (e.g. fire code or building code), as determined by Staff.

7. Application Process

Step 1: It is strongly recommended the *Applicant* consult with Staff before submitting a formal application to discuss the proposed project. Staff can discuss other incentive programs that may be relevant, provide application form(s) and assist with the application process. This meeting may also help to identify what permits or permissions may be required to complete the proposed project.

Step 2: A *Complete Application* is submitted to the City of London, which typically includes the following:

1. The *Applicant's* solicitor must register the forgivable loan as a mortgage in favour of the City, at no cost to the City.
2. Proof of ownership
3. Property eligibility confirmation (e.g., residential land use and zoning)
4. Project description, including financial details (e.g., capital and operating budget)
5. Organizational information (e.g., Articles of Incorporation, financial statements)
6. Project team resources and experience
7. Applicant's Highly Supportive Housing Plan
8. Any other information deemed necessary by Staff

Step 3: Staff will review the application for completeness and advise if either more information is required, or the application is accepted. If the application is not accepted, Staff will provide feedback and assistance to the *Applicant*.

Step 4: If the application is approved, the *Applicant* and the City sign a *Loan Agreement* noting the terms and conditions for the funding.

Step 5: The payment will be released in stages according to a funding schedule outlined in the *Loan Agreement*. Typically, it will follow the process outlined below:

Step 6: Payment #1 - Construction Start

On Building Permit issuance and after a mortgage is placed on the *Property* in the amount of the entire loan amount, the City will advance 50% of the loan to the *Applicant*. To receive the first advance, the *Applicant* shall provide the following list of documents:

1. Signed *Loan Agreement*
2. CMHC or other financial institution pre-approval letter
3. First available building permit
4. Confirmation of registration of security/lien
5. Confirmation of construction start
6. Copy of revised development schedule
7. Certificate of insurance
8. Any other documents deemed necessary by Staff

Step 7: Payment #2 - Substantial Completion

35% of the loan will be paid to the Applicant once substantial completion of the *Approved Works* is achieved. The *Applicant* will provide the following list of documents to receive the second advance:

1. Payment Certifier Certificate
2. Certificate of Substantial Completion
3. Any other documents deemed necessary by Staff

Step 8: Payment #3 - Occupancy

The remaining 15% of the loan will be paid at this stage; the *Applicant* will provide the following list of documents to receive the final advance:

1. Proof of occupancy or letter from the City's Building Services department and confirmation that all project development requirements have been fulfilled.
2. Initial Occupancy Report part I and part II
3. Certificate of Insurance – General Liability
4. Any other documents deemed necessary by Staff

Staff may visit the *Property* and take photographs, both before and after the project is completed, to ensure the *Approved Works* have been completed as outlined in the application and *Loan Agreement*.

Step 9: After the *Highly Supportive Housing Units* are constructed and the project is finished, the *Applicant* will provide a *Capital Audit* within 90 days of the construction lien being published.

Step 10: The *Applicant* will provide an *Annual Occupancy Report* confirming compliance with the terms and conditions in the *Loan Agreement*.

9. Incentive Application Refusal and Appeal

If an application is refused, the *Applicant* may, in writing, appeal the decision of the Deputy City Manager, Housing and Community Growth or designate, to the City Clerk's Office who will provide direction to have the matter heard before Municipal Council through the appropriate Committee.

10. Relationship to other Financial Incentive Programs

It is intended that this incentive program will complement and be stackable with other incentive programs offered by the City of London. *Property Owners* may also qualify for financial assistance under those programs specifically detailed within the program guidelines. However, the funding from these programs cannot be used to subsidize the *Property Owner's* required minimum equity contribution.

11. Monitoring & Discontinuation of Programs

Staff will monitor the financial incentive program. In receiving and processing applications Staff will enter relevant information into a monitoring database. This information will be included in the reports prepared to determine if programs should continue, be modified, or cease to issue any new commitments. Each program is monitored to ensure it implements the goals and objectives of the CIP within which the program applies. The City may discontinue the program at any time; however, any existing funding will continue in accordance with the agreement. A program's success in implementing a CIP's goals will be based on the ongoing monitoring and measurement of a series of identified targets that represent indicators of the CIP's goals and objectives.

12. Loan

The funding will be disbursed as a forgivable loan secured by way of a mortgage/charge registered on title at the *Property Owner's* expense. The loan will accrue interest at a rate of 8% per annum on the total amounts advanced under the loan from the advance date of the loan. The interest so calculated shall compound annually, not in advance, until the interest adjustment date. Provided the *Property Owner* has complied with the terms and conditions of the *Loan Agreement*, the accrued interest shall be automatically forgiven on the interest adjustment date (one year following first occupancy). Thereafter, interest shall continue to accrue on the total amount of the loan at a rate of 8% per annum, compounded annually, not in advance. On each anniversary of the interest adjustment date, the amount of interest shall be automatically forgiven provided the *Property Owner* has complied with the terms and conditions of the *Loan Agreement*. Provided the *Property Owner* has complied with the terms and conditions of the *Loan Agreement*, the loan shall be forgiven at the end of the affordability period of 25 years.

13. Security and Postponement

The loan will be secured through a mortgage conveyed to the City for the total loan amount, which shall be registered on the *Property's* title at the *Property Owner's* cost. The City will also register a certificate on title for the total loan amount and applicable interest rate. The City may postpone the mortgage (subordination of the mortgage to another encumbrance on the same property) to the *Property Owner's* primary mortgage financing in circumstances where the total value of all mortgages and encumbrances including the City's encumbrances does not exceed 90% of the appraised value of the *Property*.

14. Loan Agreement

Property Owners shall be required to enter into a *Loan Agreement* with the City that will specify such items as (but not limited to) the funding amount, the duration of the funding and the *Property Owner's* obligation to repay the City for any monies received if the *Property* is demolished before the funding period elapses or the unit(s) are no longer meeting the affordability requirements of the funding. The *Loan Agreement* shall include the terms and conditions included in the program guidelines.

15. Transferable Loans

At the discretion of the City, loans may be transferred to a new property owner provided the new owner meets the eligibility criteria and agrees to the terms and conditions of the loan. The new owner may be required to enter into a new *Loan Agreement* with the City for the outstanding loan value at the time of purchase. Should a transfer occur without the City's consent, the City may declare the *Property Owner* in default and enforce the *Loan Agreement* against the new and any subsequent owners, including requiring the loan and accrued interest to be immediately due and payable.

Appendix "1"

LOAN AGREEMENT ADDITIONAL RESIDENTIAL UNIT LOAN PROGRAM

This Agreement made in triplicate this xx day of xxxxx, 20xx.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON.
hereinafter called "the City" OF THE FIRST PART;

- and -

Xxxxxxxx

hereinafter called "the Owner" OF THE SECOND PART;

WHEREAS the Owner represents that they are the registered owner of the property, known municipally as [XXXX], located in the City of London, in the County of Middlesex and more particularly described in **Schedule "A"** attached hereto (the "Property");

AND WHEREAS section 28(7) of the Planning Act , R.S.O. 1990, c. P.13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registered owners within a community improvement project area;

AND WHEREAS the City has established the Additional Residential Unit Loan Program within the Affordable Housing Community Improvement Plan to improve low rental vacancy rates in London by encouraging the creation of more long-term, stable rental housing supply;

AND WHEREAS the Owner has applied for a financial loan from the City pursuant to the terms of the City's Additional Residential Unit Loan Program and the City has provisionally accepted the Owner's application pursuant to the City's Commitment Letter dated [insert date] as contained in the **Schedule "B"** attached hereto;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the parties hereto covenant and agree each with the other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them, and the same shall ensure to the benefit of and shall be binding upon their respective heirs, executors, administrators, successors and assigns.

1. **Definitions:** The words and phrases defined in this section shall, for all purposes of this Agreement and of any subsequent agreement supplemental hereto, have ascribed to them the meanings herein specified unless the context expressly or by necessary implication otherwise requires:

"Additional Residential Unit" is a dwelling unit ancillary and subordinate to a primary dwelling unit, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof.

"Commitment Letter" is the document prepared by the City attached hereto as **Schedule "B"**.

"Dwelling Unit" means a suite operated as a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping and sanitary facilities.

“Short-Term Accommodation” means a Short-Term Accommodation as defined by the City of London’s Business Licensing bylaw.

2. Loan Amount: The City shall loan the Owner the total amount of [XXXXX] (the “Loan”) by way of a single lump-sum payment to be advanced subsequent to the Owner’s construction of the Additional Residential Unit, in accordance with the scope of work described in the Commitment Letter. The Loan is subject to conditions precedent set out in section 9.
3. Term of Loan: The Loan shall have a term of ten (10) years, commencing as of the advance date of the Loan. For clarity, this Agreement shall also have a term of ten (10) years commencing as of the advance date of the Loan.
4. Repayment of Loan: The Owner shall repay the Loan in accordance with the Loan Repayment Schedule attached hereto as **Schedule “C”** to this Agreement. Failure to render any payment owing under this Loan once due and payable shall constitute a default under this Agreement.
5. Interest: Interest shall accrue on the principal amount of the Loan at a rate of 8% per annum, compounded and calculated every 30 days, commencing upon the advance date of the Loan. Provided the Owner has complied with the terms and conditions of the Loan Agreement, at the end of the term of the Loan, the City shall forgive the accrued interest.
6. Lien Registered on Property: The Owner acknowledges and agrees that the City shall register a certificate signed by the Clerk of the City setting out the amount loaned to the Owner together with applicable interest on the Property. The Loan shall constitute a lien or charge on the Property. The registered certificate shall be discharged from the Property upon full repayment of the Loan, including interest if applicable.
7. Additional Residential Unit: In consideration for the Loan, the Owner shall construct and maintain a new Additional Residential Unit on the Property in accordance with the terms of this Agreement, including the scope of work contained in the Commitment Letter. The Owner shall comply with the following requirements during the term of the Loan:
 - i. The Property shall be owner-occupied as the primary residence of the Owner until the termination of this Agreement. The Owner shall confirm that they occupy the primary residence every year;
 - ii. The Additional Residential Unit must maintain a valid Residential Rental Unit Licence, which must be renewed with the City every year;
 - iii. The Additional Residential Unit on the Property shall not be operated as a Short-Term Accommodation at any time during the term of the Loan;
 - iv. All tenants occupying an Additional Residential Unit on the Property shall be required to enter into a formal residential lease agreement with the Owner, with a minimum term of thirty-one (31) days; and
 - v. The Owner shall use commercially reasonable efforts to ensure the Additional Residential Unit is rented or occupied.
 - vi. The Owner shall ensure that the Additional Residential Unit complies with municipal bylaws and provincial law.
8. Insurance: Fire and liability insurance shall be maintained by the Owner at all material times indicating the City as a mortgagee and loss payee with minimum coverage representing guaranteed replacement cost or full replacement value of the subject property and shall be produced to the City annually. The Owner acknowledges that any non-payment, default, cancellation, or reduction below the minimum amount of the insurance policy shall constitute a default under this Agreement.
9. Conditions Precedent: The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City:
 - a) There being no claim for lien under the *Construction Act* registered against the Property;
 - b) There being no work orders issued against the Property by any governmental entity, agency or official;
 - c) There are no City of London Building Division issued orders or deficiencies on the Property and the Owner has not received notice or warning of a bylaw contravention or been charged with a bylaw contravention;

- d) The City of London has confirmed and inspected the approved Additional Residential Unit(s);
 - e) All property taxes must be paid to date;
 - f) The Owner not having any outstanding debts to the City;
 - g) The Owner must not have defaulted on any City loans or grants;
 - h) The Owner shall ensure they apply for and are issued a Residential Rental Unit Licence for the Additional Residential Unit prior to occupancy.
10. Representations and Warranties of the Owner: The Owner represents and warrants that they have not ever defaulted on a City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation, property taxes are paid in full and there are no City of London Orders or by-law infractions currently outstanding in relation to the Property. The Owner represents and warrants that the cumulative balance owing on all mortgages and charges (including the Loan) registered against the Property shall not exceed 90.00% of the post rehabilitation appraised value of the Property at any time prior to full repayment of the Loan.
11. Assignment, Transfer and Postponement: In the event that the Owner transfers any interest in the Property, in whole or in part, to any person other than the Owner, the full amount of the Loan shall become immediately due and payable. Notwithstanding, the City may, at its sole discretion, consent to the assignment of the Loan to a transferee prior to a transfer being completed. The City may, at its sole discretion, consent to the postponement of the lien registered on title to the Property in favour of another encumbrance on the condition that the total value of all registered mortgages and charges continues to not exceed 90% of the post rehabilitation appraised value of the Property.
12. Reporting: The Owner shall, on forty-eight (48) hours' notice, give the City free access to such documents, books, records and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement. The City may require the Owner to complete an information report in the form set by the City on the Additional Residential Unit demonstrating compliance with the Agreement on the timeline set by the City which shall not be less than fourteen (14) days. This provision shall continue to apply for a period of seven (7) years following the end of the term of the Loan or the early termination of this Agreement.
- Termination: The parties acknowledge and agree that this Agreement and all obligations of the parties hereunder, excluding those which expressly survive this Agreement, shall be terminated upon the repayment in full of the Loan, together with any and all interest or penalties accrued, if applicable, and the subsequent discharge of the lien registered against the Property.
13. Default: Time shall be of the essence in this Agreement. Upon breach by the Owner of any covenant, term, condition or requirement of this Agreement, if any representation or warranty made by the Proponent in this Agreement proves to be untrue or misleading in any material respect as of the date it was made, or upon the Owner becoming insolvent or making an assignment for the benefit of creditors, the Owner shall be in default under this Agreement. Notice of such default shall be given in accordance with this Agreement and if the Owner has not remedied such default within such time, as provided in the notice, the City may direct that the full amount of the Loan together with accrued interest be immediately due and payable. Interest shall continue to accrue at a rate of 8% per annum, compounded and calculated every 30 days, from the date of the event of default until the Loan and accrued interest are repaid. The City may add the amount of the Loan and accrued interest to the collector's roll and collect the Loan in like manner as municipal taxes.
14. Enforcing Performance of Requirements: In addition to any remedy authorized or permitted by this Agreement or by law, the City may, in the event of a default by the Owner under this Agreement, do such matter or thing at the Owner' expense to correct the default, and the City may recover the expense incurred in doing it by action, from any security posted by the Owner, or by recovery in like manner as municipal taxes.
15. Remedies No proceeding by the City and no waiver under any provision of this Agreement shall prejudice the rights of the City in respect of any subsequent default by the Owner under this Agreement. The rights of the City may be enforced by any remedy authorized or permitted by this Agreement or by law, and no such remedy shall be exclusive of or dependent on any other remedy.

16. Notice: Any notices required or permitted to be given pursuant to the terms of this Agreement shall be given in writing sent by prepaid registered post, addressed in the case of notice given by the City to the Owner at the municipal address of the Property, and in the case of notice given by the Owner, addressed to: The City Clerk, P.O. Box 5035, 300 Dufferin Avenue, London, Ontario N6A 4L9. Notice shall conclusively be deemed to have been given seven days following the day that the same is posted.
17. Separate Covenants: All of the provisions of this Agreement are, and are to be construed as, covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the agreement and its remaining provisions as though the unlawful or unenforceable provision had never been included.
18. Entire Agreement: This Agreement (including any Schedules, Exhibits and Attachments) shall constitute the entire agreement of the parties with respect to, and supersedes all prior written and oral agreements, understandings and negotiation with respect to, the subject matter hereof.
19. Number and Gender: This Agreement shall be read with all changes to gender and number required by the context.
20. Agreement Registered on Land: The Owner acknowledges and agrees that the City shall register this Agreement upon the Land pursuant to Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13. This Agreement shall be discharged upon the expiry of the term of the Loan provided the Owner has complied with the terms and conditions of the Agreement.
21. Subsequent Owners Bound: Subject to the provisions of the *Registry Act* and the *Land Titles Act*, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Owner", wherever used in this Agreement, is intended and shall be construed to include such subsequent owners and occupiers) in accordance with Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13.

IN WITNESS WHEREOF the City has executed this Agreement by its authorized officers and the Owner has hereunto set its hand and seal, or hereunto affixed its corporate seal attested by the hands of its duly authorized officers.

THE CORPORATION OF THE CITY OF LONDON
by its authorized officers:

XXXXXXXXXX

Schedule "A"

DESCRIPTION OF THE PROPERTY

Property Address: Street Address
Legal Description: [Lot/Part Lot/33R Plan/ etc.]
Place Type: [Name of Place Type, from London Plan]
Zoning: [Zone from Zoning By-law]

Number of "Additional Residential Units" on property: [Insert number]

1. Description of ARU for this loan: [i.e. location within building, garage, etc.].

Current Property Indebtedness	Owed To	Amount To
1st Mortgage:	[Bank Name]	[\$]
2nd Mortgage:		
Other encumbrances:		

Schedule "C"

LOAN REPAYMENT SCHEDULE

Total Loan Amount: \$_____

Maturity Date: ____ / ____ / ____

First Payment Date: 1 year following the provision of the Loan

Appendix "2"

DETACHED ADDITIONAL RESIDENTIAL UNIT LOAN AGREEMENT

This Agreement made in triplicate this xx day of xxxxx, 20xx.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON.

hereinafter called "the City" OF THE FIRST PART;

- and –

Xxxxxxxx

hereinafter called "the Owner" OF THE SECOND PART;

WHEREAS the Owner represents that they are the registered owner of the property, known municipally as [XXXX], located in the City of London, in the County of Middlesex and more particularly described in **Schedule "A"** attached hereto (the "Property");

AND WHEREAS section 28(7) of the Planning Act, R.S.O. 1990, c. P.13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registered owners within a community improvement project area;

AND WHEREAS the City has established the Detached Additional Residential Unit Loan Program within the Affordable Housing Community Improvement Plan to improve low rental vacancy rates in London by encouraging the creation of more long-term, stable rental housing supply;

AND WHEREAS the Owner has applied for a financial loan from the City pursuant to the terms of the City's Detached Additional Residential Unit Loan Program and the City has provisionally accepted the Owner's application pursuant to the City's Commitment Letter dated [XXXX] as contained in the **Schedule "B"** attached hereto;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the parties hereto covenant and agree each with the other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them, and the same shall ensure to the benefit of and shall be binding upon their respective heirs, executors, administrators, successors and assigns.

1. Definitions: The words and phrases defined in this section shall, for all purposes of this Agreement and of any subsequent agreement supplemental hereto, have ascribed to them the meanings herein specified unless the context expressly or by necessary implication otherwise requires:

“Additional Residential Unit” is a dwelling unit ancillary, subordinate and located in a physically separate structure from the primary dwelling unit, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof.

“Agreement” means this Detached Additional Residential Unit Loan Agreement entered into between the City and Owner;

“Commitment Letter” is the document prepared by the City attached hereto as Schedule “B”.

“Dwelling Unit” means a suite operated as a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping and sanitary facilities.

“Short-Term Accommodation” means a Short-Term Accommodation as defined by the City of London’s Business Licensing bylaw.

2. Loan Amount: The City shall loan the Owner the total amount of [XXXX] (the “Loan”) by way of a single lump-sum payment to be advanced subsequent to the Owner’s construction of the Additional Residential Unit, in accordance with the scope of work described in the Commitment Letter. The Loan is subject to conditions precedent set out in section 9.
3. Term of Loan: The Loan shall have a term of ten (10) years, commencing as of the advance date of the Loan. For clarity, this Agreement shall also have a term of ten (10) years commencing as of the advance date of the Loan.
4. Forgiveness of Loan: On the last day of the month at the end of the term of the Loan, the Loan and accrued interest shall be forgiven provided the Owner has complied with all terms and conditions of this Agreement.
5. Interest: Interest shall accrue on the principal amount of the Loan at a rate of 8% per annum, compounded and calculated every 30 days, commencing upon the advance date of the Loan.
6. Lien Registered on Property: The Owner acknowledges and agrees that the City shall register a certificate signed by the Clerk of the City setting out the amount loaned to the Owner and the applicable interest rate on the Loan on the Property. The Loan shall constitute a lien or charge on the Property. The registered certificate shall be discharged from the Property upon forgiveness of the Loan or upon repayment of the Loan and accrued interest in accordance with this Agreement.

7. Additional Residential Unit: In consideration for the Loan, the Owner shall construct and maintain a new Additional Residential Unit on the Property in accordance with the terms of this Agreement, including the scope of work contained in the Commitment Letter. The Owner shall comply with the following requirements during the term of the Loan:
 - i. The Property shall be owner-occupied as the primary residence of the Owner until the termination of this Agreement. The Owner shall confirm that they occupy the primary residence every year.
 - ii. The Additional Residential Unit shall be constructed on or before [insert date].
 - iii. The Additional Residential Unit must maintain a valid Residential Rental Unit License, which must be renewed with the City every year.
 - iv. The Additional Residential Unit on the Property shall not be operated as a Short-Term Rental accommodation at any time prior to the termination of this Agreement.
 - v. All tenants occupying an Additional Residential Unit on the Property shall be required to enter into a formal residential lease agreement with the Owner, with a minimum term of thirty-one (31) days.
 - vi. The Owner shall use commercially reasonable efforts to ensure the Affordable Residential Unit(s) are rented or occupied.
 - vii. The Owner shall ensure that the Additional Residential Unit complies with municipal bylaws and provincial law.

8. Insurance: Fire and liability insurance shall be maintained by the Owner at all material times indicating the City as a mortgagee and loss payee with minimum coverage representing guaranteed replacement cost or full replacement value of the subject property and shall be produced to the City annually. The Owner acknowledges that any non-payment, default, cancellation, or reduction below the minimum amount of the insurance policy shall constitute a default under this Agreement.

9. Conditions Precedent: The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City:
 - a) There being no claim for lien under the *Construction Act* registered against the Property;
 - b) There being no work orders issued against the Property by any governmental entity, agency or official;
 - c) There are no City of London Building Division issued orders or deficiencies on the Property and the Owner has not received notice or warning of a bylaw contravention or been charged with a bylaw contravention;
 - d) The City of London has confirmed and inspected the approved Additional Residential Unit(s);
 - e) All property taxes must be paid to date;
 - f) The Owner not having any outstanding debts to the City;
 - g) The Owner must not have defaulted on any City loans or grants;
 - h) The Owner having been issued a Residential Rental Unit Licence for the Additional Residential Unit.

10. Representations and Warranties of the Owner: The Owner represents and warrants that they have not ever defaulted on a City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation, property taxes are paid in full and there are no City of London Orders or by-law infractions currently outstanding in relation to the Property. The Owner represents and warrants that the cumulative balance owing on all mortgages and charges (including the Loan) registered against the Property shall not exceed 90.00% of the post rehabilitation appraised value of the Property at any time prior to the end of the term of the Loan.
11. Assignment, Transfer and Postponement: In the event that the Owner transfers any interest in the Property, in whole or in part, to any person other than the Owner, the full amount of the Loan shall become immediately due and payable. Notwithstanding, the City may, at its sole discretion, consent to the assignment of the Loan to a transferee prior to a transfer being completed. The City may, at its sole discretion, consent to the postponement of the lien registered on title to the Property in favour of another encumbrance on the condition that the total value of all registered mortgages and charges continues to not exceed 90% of the post rehabilitation appraised value of the Property.
12. Reporting: The Owner shall, on forty-eight (48) hours' notice, give the City free access to such documents, books, records and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement. The City may require the Owner to complete an information report in the form set by the City on the Affordable Residential Unit(s) demonstrating compliance with the Agreement on the timeline set by the City which shall not be less than fourteen (14) days. This provision shall continue to apply for a period of seven (7) years following the end of the term of the Loan or the early termination of this Agreement.
13. Termination: The parties acknowledge and agree that this Agreement and all obligations of the parties hereunder, excluding those which expressly survive this Agreement, shall be terminated upon either the repayment in full of the Loan, together with any and all interest or penalties accrued, if applicable, and the subsequent discharge of the charge registered against the Property or upon forgiveness of the Loan and accrued interest, and the subsequent discharge of the lien registered against the Property.
14. Default: Time shall be of the essence in this Agreement. Upon breach by the Owner of any covenant, term, condition or requirement of this Agreement, if any representation or warranty made by the Proponent in this Agreement proves to be untrue or misleading in any material respect as of the date it was made, or upon the Owner becoming insolvent or making an assignment for the benefit of creditors, the Owner shall be in default under this Agreement. Notice of such default shall be given in accordance with this Agreement and if the Owner has not remedied such default within such time, as provided in the notice, the City may direct that the full amount of the Loan together with accrued interest be immediately due and payable. Interest shall continue to accrue at a rate of 8% per annum, compounded and calculated every 30 days, from the date of the event of default until the Loan and accrued interest are repaid. The City may add the amount of the Loan to the collector's roll and collect the loan in like manner as municipal taxes.

15. Enforcing Performance of Requirements: In addition to any remedy authorized or permitted by this Agreement or by law, the City may, in the event of a default by the Owner under this Agreement, do such matter or thing at the Owner' expense to correct the default, and the City may recover the expense incurred in doing it by action, from any security posted by the Owner, or by recovery in like manner as municipal taxes.
16. Remedies No proceeding by the City and no waiver under any provision of this Agreement shall prejudice the rights of the City in respect of any subsequent default by the Owner under this Agreement. The rights of the City may be enforced by any remedy authorized or permitted by this Agreement or by law, and no such remedy shall be exclusive of or dependent on any other remedy.
17. Notice: Any notices required or permitted to be given pursuant to the terms of this Agreement shall be given in writing sent by prepaid registered post, addressed in the case of notice given by the City to the Owner at the municipal address of the Property, and in the case of notice given by the Owner, addressed to: The City Clerk, P.O. 5035, London, Ontario N6A 4L9. Notice shall conclusively be deemed to have been given seven days following the day that the same is posted.
18. Separate Covenants: All of the provisions of this Agreement are, and are to be construed as, covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the agreement and its remaining provisions as though the unlawful or unenforceable provision had never been included.
19. Entire Agreement: This Agreement (including any Schedules, Exhibits and Attachments) shall constitute the entire agreement of the parties with respect to, and supersedes all prior written and oral agreements, understandings and negotiation with respect to, the subject matter hereof.
20. Number and Gender: This Agreement shall be read with all changes to gender and number required by the context.
21. Agreement Registered on Land: The Owner acknowledges and agrees that the City shall register this Agreement upon the Land pursuant to Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13. This Agreement shall be discharged upon the expiry of the term of the Loan provided the Owner has complied with the terms and conditions of the Agreement.
22. Subsequent Owners Bound: Subject to the provisions of the *Registry Act* and the *Land Titles Act*, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Owner", wherever used in this Agreement, is intended and shall be construed to

include such subsequent owners and occupiers) in accordance with Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13.

IN WITNESS WHEREOF the City has executed this Agreement by its authorized officers and the Owner has hereunto set its hand and seal, or hereunto affixed its corporate seal attested by the hands of its duly authorized officers.

THE CORPORATION OF THE CITY OF LONDON
by its authorized officers:

We have the authority to bind the Corporation

XXXXXXXXXX

(seal)

Schedule "A"

DESCRIPTION OF THE PROPERTY

Property Address: Street Address
Legal Description: [Lot/Part Lot/33R Plan/ etc.]
Place Type: [Name of Place Type, from London Plan]
Zoning: [Zone from Zoning By-law]

Number of "Additional Residential Units" on property: [Insert number]

1. Description of ARU for this loan: [i.e. location within building, garage, etc.].

Current Property Indebtedness	Owed To	Amount To
1st Mortgage:	[Bank Name]	[\$]
2nd Mortgage:		
Other encumbrances:		

Appendix "3"

DETACHED ADDITIONAL RESIDENTIAL UNIT LOAN AGREEMENT (AFFORDABLE)

This Agreement made in triplicate this xx day of xxxxx, 20xx.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON.
hereinafter called "the City" OF THE FIRST PART;

- and –

Xxxxxxxx

hereinafter called "the Owner" OF THE SECOND PART;

WHEREAS the Owner represents that they are the registered owner of the property, known municipally as [XXX], located in the City of London, in the County of Middlesex and more particularly described in **Schedule "A"** attached hereto (the "Property");

AND WHEREAS section 28(7) of the Planning Act , R.S.O. 1990, c. P.13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registered owners within a community improvement project area;

AND WHEREAS the City has established the Detached Additional Residential Unit Loan Program (Affordable Rent) within the Affordable Housing Community Improvement Plan to improve low rental vacancy rates in London by encouraging the creation of more long-term, stable rental housing supply;

AND WHEREAS the Owner has applied for a financial loan from the City pursuant to the terms of the City's Detached Additional Residential Unit Loan Program (Affordable Rent) and the City has provisionally accepted the Owner's application pursuant to the City's Commitment Letter dated [xxxx] as contained in **Schedule "B"** attached hereto;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the parties hereto covenant and agree each with the other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them, and the same shall ensure to the benefit of and shall be binding upon their respective heirs, executors, administrators, successors and assigns.

1. Definitions: The words and phrases defined in this section shall, for all purposes of this Agreement and of any subsequent agreement supplemental hereto, have ascribed to them the meanings herein specified unless the context expressly or by necessary implication otherwise requires:

“Additional Residential Unit” is a dwelling unit ancillary, subordinate and located in a physically separate structure from the primary dwelling unit, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof;

“Agreement” means this Additional Residential Unit Loan Agreement (Affordable Rent) entered into between the City and Owner;

“Arm’s length” has the meaning set out in section 251 of the *Income Tax Act (Canada)* applied with necessary modifications;

“Average Market Rent” or **“AMR”** means the most current average monthly market rent for a rental housing unit, by unit type, published by CMHC for the London CMA;

“CMHC” means the Canada Mortgage and Housing Corporation;

“Commitment Letter” is the document prepared by the City attached hereto as **Schedule “B”**;

“Dwelling Unit” means a suite operated as a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping and sanitary facilities;

“Short-Term Accommodation” means a Short-Term Accommodation as defined by the City of London’s Business Licensing bylaw.
2. Loan Amount: The City shall loan the Owner the total amount of [XXXX] (the “Loan”) by way of a single lump-sum payment to be advanced subsequent to the Owner’s construction of the Additional Residential Unit, in accordance with the scope of work described in the Commitment Letter. The provision of the Loan is subject to conditions precedent set out in section 10.
3. Term of Loan: The Loan shall have a term of ten (10) years commencing as of the advance date of the Loan. For clarity, this Agreement shall also have a term of ten (10) years commencing as of the advance date of the Loan.
4. Forgiveness of Loan: On the last day of the month at the end of the term of the Loan, the Loan and accrued interest shall be forgiven provided the Owner has complied with all terms and conditions of this Agreement.
5. Interest: Interest shall accrue on the principal amount of the Loan at a rate of 8% per annum, compounded and calculated every 30 days, commencing from the advance date of the Loan.

6. Lien Registered on Property: The Owner acknowledges and agrees that the City shall register a certificate signed by the Clerk of the City setting out the amount loaned to the Owner and the applicable interest rate on the Loan on the Property. The Loan shall constitute a lien or charge on the Property. The registered certificate shall be discharged from the Property upon forgiveness of the Loan or upon repayment of the Loan and accrued interest in accordance with this Agreement.
7. Additional Residential Unit: In consideration for the Loan, the Owner shall construct and maintain a new Additional Residential Unit on the Property in accordance with the terms of this Agreement, including the scope of work contained in the Commitment Letter. The Owner shall comply with the following requirements during the term of the Loan:
 - i. The Property shall be owner-occupied as the primary residence of the Owner until the termination of this Agreement. The Owner shall confirm that they occupy the primary residence every year.
 - ii. The Additional Residential Unit must maintain a valid Residential Rental Unit Licence, which must be renewed with the City every year.
 - iii. The Additional Residential Unit on the Property shall not be operated as a Short-Term Accommodation at any time during the term of the Loan.
 - iv. All tenants occupying an Additional Residential Unit on the Property shall be required to enter into a formal residential lease agreement with the Owner, with a minimum term of thirty-one (31) days.
 - v. The Owner shall rent the Additional Residential Unit on the Property at no more than 100% Average Market Rent during the term of the Loan.
 - vi. The Owner shall use commercially reasonable efforts to ensure the Affordable Residential Unit is rented.
 - vii. The Owner shall ensure that the Additional Residential Unit complies with municipal bylaws and provincial law.
8. Conflict of Interest: The Owner is prohibited from renting the Affordable Residential Housing Unit to themselves, family members or any other individual that is not at Arm's length from the Owner.
9. Insurance: Fire and liability insurance shall be maintained by the Owner at all material times indicating the City as a mortgagee and loss payee with minimum coverage representing guaranteed replacement cost or full replacement value of the subject property and shall be produced to the City annually. The Owner acknowledges that any non-payment, default, cancellation, or reduction below the minimum amount of the insurance policy shall constitute a default under this Agreement.
10. Conditions Precedent: The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City:
 - i. There being no claim for lien under the *Construction Act* registered against the Property;
 - ii. There being no work orders issued against the Property by any governmental entity, agency or official;

- iii. There are no City of London Building Division issued orders or deficiencies on the Property and the Owner has not received notice or warning of a bylaw contravention or been charged with a bylaw contravention;
 - iv. The City of London has confirmed the construction of and inspected the approved Additional Residential Unit;
 - v. All property taxes must be paid to date;
 - vi. The Owner not having any outstanding debts to the City;
 - vii. The Owner must not have defaulted on any City loans or grants.
 - viii. The Owner shall ensure they have applied for and been issued a Residential Rental Unit Licence for the Additional Residential Unit.
11. Representations and Warranties of the Owner: The Owner represents and warrants that they have not ever defaulted on a City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation, property taxes are paid in full and there are no City of London Orders or by-law infractions currently outstanding in relation to the Property. The Owner represents and warrants that the cumulative balance owing on all mortgages and charges (including the Loan) registered against the Property shall not exceed 90.00% of the post rehabilitation appraised value of the Property at any time prior to the end of the term of the Loan.
12. Assignment, Transfer and Postponement: In the event that the Owner transfers any interest in the Property, in whole or in part, to any person other than the Owner, the full amount of the Loan shall become immediately due and payable. Notwithstanding, the City may, at its sole discretion, consent to the assignment of the Loan to a transferee prior to a transfer being completed. The City may, at its sole discretion, consent to the postponement of the lien registered on title to the Property in favour of another encumbrance on the condition that the total value of all registered mortgages and charges continues to not exceed 90% of the post rehabilitation appraised value of the Property.
13. Reporting: Each year following the date of the distribution of the Loan, the Owner shall provide an annual information report in the form required by the City identifying the unit type, rent, tenant names and move-in date for the Affordable Rental Housing Unit; the current annual report form is attached as Schedule "C" to the Agreement. The annual information report will be filled out by the Owner and the Owner shall declare that the information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted.
14. Inspecting Records: The Owner shall, on forty-eight (48) hours' notice, give the City free access to such documents, books, records and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement. This provision shall continue to apply for a period of seven (7) years following the end of the term of the Loan or the early termination of this Agreement.
15. Termination: The parties acknowledge and agree that this Agreement and all obligations of the parties hereunder, excluding those which expressly survive this Agreement, shall be terminated upon either the repayment in full of the Loan, together with any and all interest or

penalties accrued, if applicable, and the subsequent discharge of the lien registered against the Property or upon forgiveness of the Loan and accrued interest, and the subsequent discharge of the lien registered against the Property.

16. Default: Time shall be of the essence in this Agreement. Upon breach by the Owner of any covenant, term, condition or requirement of this Agreement, if any representation or warranty made by the Proponent in this Agreement proves to be untrue or misleading in any material respect as of the date it was made, or upon the Owner becoming insolvent or making an assignment for the benefit of creditors, the Owner shall be in default under this Agreement. Notice of such default shall be given in accordance with this Agreement and if the Owner has not remedied such default within such time, as provided in the notice, the City may direct that the full amount of the Loan together with accrued interest be immediately due and payable. Interest shall continue to accrue at a rate of 8% per annum, compounded and calculated every 30 days, from the date of the event of default until the Loan and accrued interest are repaid. The City may add the amount of the Loan and accrued interest to the collector's roll and collect the Loan in like manner as municipal taxes.
17. Enforcing Performance of Requirements: In addition to any remedy authorized or permitted by this Agreement or by law, the City may, in the event of a default by the Owner under this Agreement, do such matter or thing at the Owner' expense to correct the default, and the City may recover the expense incurred in doing it by action, from any security posted by the Owner, or by recovery in like manner as municipal taxes.
18. Remedies No proceeding by the City and no waiver under any provision of this Agreement shall prejudice the rights of the City in respect of any subsequent default by the Owner under this Agreement. The rights of the City may be enforced by any remedy authorized or permitted by this Agreement or by law, and no such remedy shall be exclusive of or dependent on any other remedy.
19. Notice: Any notices required or permitted to be given pursuant to the terms of this Agreement shall be given in writing sent by prepaid registered post, addressed in the case of notice given by the City to the Owner at the municipal address of the Property, and in the case of notice given by the Owner, addressed to: The City Clerk, P.O. Box 5035, 300 Dufferin Avenue, London, Ontario N6A 4L9. Notice shall conclusively be deemed to have been given seven days following the day that the same is posted.
20. Separate Covenants: All of the provisions of this Agreement are, and are to be construed as, covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the agreement and its remaining provisions as though the unlawful or unenforceable provision had never been included.
21. Entire Agreement: This Agreement (including any Schedules, Exhibits and Attachments) shall constitute the entire agreement of the parties with respect to, and supersedes all prior written and oral agreements, understandings and negotiation with respect to, the subject matter hereof.

22. Number and Gender: This Agreement shall be read with all changes to gender and number required by the context.
23. Agreement Registered on Land: The Owner acknowledges and agrees that the City shall register this Agreement upon the Land pursuant to Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13. This Agreement shall be discharged upon the expiry of the term of the Loan provided the Owner has complied with the terms and conditions of the Agreement.
24. Subsequent Owners Bound: Subject to the provisions of the *Registry Act* and the *Land Titles Act*, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Owner", wherever used in this Agreement, is intended and shall be construed to include such subsequent owners and occupiers) in accordance with Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13.

IN WITNESS WHEREOF the City has executed this Agreement by its authorized officers and the Owner has hereunto set its hand and seal, or hereunto affixed its corporate seal attested by the hands of its duly authorized officers.

THE CORPORATION OF THE CITY OF LONDON
by its authorized officers:

XXXXXXXXXX

Schedule "A"

DESCRIPTION OF THE PROPERTY

Property Address: Street Address
Legal Description: [Lot/Part Lot/33R Plan/ etc.]
Place Type: [Name of Place Type, from London Plan]
Zoning: [Zone from Zoning By-law]

Number of "Additional Residential Units" on property: [Insert number]

1. Description of ARU for this loan: [i.e. location within building, garage, etc.].

Current Property Indebtedness	Owed To	Amount To
1st Mortgage:	[Bank Name]	[\$]
2nd Mortgage:		
Other encumbrances:		

Appendix "4"

DETACHED ADDITIONAL RESIDENTIAL UNIT LOAN AGREEMENT (INDIGENOUS)

This Agreement made in triplicate this xx day of xxxxx, 20xx.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON.

hereinafter called "the City" OF THE FIRST PART;

- and –

Xxxxxxxx

hereinafter called "the Owner" OF THE SECOND PART;

WHEREAS the Owner represents that they are the registered owner of the property, known municipally as [XXXX], located in the City of London, in the County of Middlesex and more particularly described in **Schedule "A"** attached hereto (the "Property");

AND WHEREAS section 28(7) of the Planning Act , R.S.O. 1990, c. P.13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registered owners within a community improvement project area;

AND WHEREAS the City has established the Detached Additional Residential Unit Loan Program (Indigenous) within the Affordable Housing Community Improvement Plan to improve low rental vacancy rates in London by encouraging the creation of more long-term, stable rental housing supply;

AND WHEREAS the Owner has applied for a financial loan from the City pursuant to the terms of the City's Detached Additional Residential Unit Loan Program (Indigenous) and the City has provisionally accepted the Owner's application pursuant to the City's Commitment Letter dated [insert date] as contained in the **Schedule "B"** attached hereto;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the parties hereto covenant and agree each with the other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them, and the same shall ensure to the benefit of and shall be binding upon their respective heirs, executors, administrators, successors and assigns.

1. Definitions: The words and phrases defined in this section shall, for all purposes of this Agreement and of any subsequent agreement supplemental hereto, have ascribed to them the meanings herein specified unless the context expressly or by necessary implication otherwise requires:

“Additional Residential Unit” is a dwelling unit ancillary, subordinate and located in a physically separate structure from the primary dwelling unit, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof.

“Agreement” means this Detached Additional Residential Unit Loan Agreement (Indigenous) entered into between the City and the Owner;

“Commitment Letter” is the document prepared by the City attached hereto as **Schedule “B”**.

“Dwelling Unit” means a suite operated as a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping and sanitary facilities.

“Short-Term Accommodation” means a Short-Term Accommodation as defined by the City of London’s Business Licensing bylaw.
2. Loan Amount: The City shall loan the Owner the total amount of [\$XXXX] (the “Loan”) by way of a single lump-sum payment to be advanced subsequent to the Owner’s construction of the Additional Residential Unit, in accordance with the scope of work described in the Commitment Letter. The provision of the Loan is subject to conditions precedent set out in section 9.
3. Term of Loan: The Loan shall have a term of ten (10) years, commencing as of the advance date of the Loan. For clarity, this Agreement shall also have a term of ten (10) years commencing as of the advance date of the Loan.
4. Forgiveness of Loan: On the last day of the month at the end of the term of the Loan, the Loan and accrued interest shall be forgiven provided the Owner has complied with all terms and conditions of this Agreement.
5. Interest: Interest shall accrue on the principal amount of the Loan at a rate of 8% per annum, compounded and calculated every 30 days, commencing upon the advance date of the Loan.
6. Lien Registered on Property: The Owner acknowledges and agrees that the City shall register a certificate signed by the Clerk of the City setting out the amount of the Loan and the applicable interest rate on the Property. The Loan shall constitute a lien or charge on the Property. The registered certificate shall be discharged from the Property upon forgiveness of the Loan or upon repayment of the Loan and accrued interest in accordance with this Agreement.

7. Additional Residential Unit: In consideration for the Loan, the Owner shall construct and maintain the new Additional Residential Unit on the Property in accordance with the terms of this Agreement, including the scope of work contained in the Commitment Letter. The Owner shall comply with the following requirements during the term of the Loan:
 - i. The Additional Residential Unit must maintain a valid Residential Rental Unit License, which must be renewed with the City every year.
 - ii. The Additional Residential Unit on the Property shall not be operated as a Short-Term Accommodation at any time during the term of the Loan.
 - iii. All tenants occupying an Additional Residential Unit on the Property shall be required to enter into a formal residential lease agreement with the Owner, with a minimum term of thirty-one (31) days.
 - iv. The Owner shall use commercially reasonable efforts to ensure the Affordable Residential Unit is rented or occupied.
 - v. The Owner shall ensure that the Additional Residential Unit complies with municipal bylaws and provincial law.

8. Insurance: Fire and liability insurance shall be maintained by the Owner at all material times indicating the City as a mortgagee and loss payee with minimum coverage representing guaranteed replacement cost or full replacement value of the subject property and shall be produced to the City annually. The Owner acknowledges that any non-payment, default, cancellation, or reduction below the minimum amount of the insurance policy shall constitute a default under this Agreement.

9. Conditions Precedent: The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City:
 - i. There being no claim for lien under the *Construction Act* registered against the Property;
 - ii. There being no work orders issued against the Property by any governmental entity, agency or official;
 - iii. There are no City of London Building Division issued orders or deficiencies on the Property and the Owner has not received notice or warning of a bylaw contravention or been charged with a bylaw contravention;
 - iv. The City of London has confirmed and inspected the approved Additional Residential Unit(s);
 - v. All property taxes must be paid to date;
 - vi. The Owner not having any outstanding debts to the City;
 - vii. The Owner must not have defaulted on any City loans or grants;
 - viii. The Owner shall ensure they have applied for and been issued a Residential Rental Unit Licence for the Additional Residential Unit.

10. Representations and Warranties of the Owner: The Owner represents and warrants that they have not ever defaulted on a City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation, property taxes are paid in full and there are no City of London Orders or by-law infractions currently outstanding in relation to the Property. The Owner represents and warrants that the cumulative balance owing on all mortgages and charges (including the

Loan) registered against the Property shall not exceed 90.00% of the post rehabilitation appraised value of the Property at any time prior to the full repayment of the Loan. The Owner represents and warrants they are an Indigenous person according to the following definition: Indigenous Peoples are people who are First Nations, Inuit or Métis.

11. Assignment, Transfer and Postponement: In the event that the Owner transfers any interest in the Property, in whole or in part, to any person other than the Owner, the full amount of the Loan shall become immediately due and payable. Notwithstanding, the City may, at its sole discretion, consent to the assignment of the Loan to a transferee prior to a transfer being completed. The City may, at its sole discretion, consent to the postponement of the lien registered on title to the Property in favour of another encumbrance on the condition that the total value of all registered mortgages and charges continues to not exceed 90% of the post rehabilitation appraised value of the Property.
12. Reporting: The Owner shall, on forty-eight (48) hours' notice, give the City free access to such documents, books, records and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement. The City may require the Owner to complete an information report in the form set by the City on the Affordable Residential Unit demonstrating compliance with the Agreement on the timeline set by the City which shall not be less than fourteen (14) days. This provision shall continue to apply for a period of seven (7) years following the end of the term of the Loan or the early termination of this Agreement.
13. Termination: The parties acknowledge and agree that this Agreement and all obligations of the parties hereunder, excluding those which expressly survive this Agreement, shall be terminated upon either the repayment in full of the Loan, together with any and all interest or penalties accrued, if applicable, and the subsequent discharge of the lien registered against the Property or upon forgiveness of the Loan and accrued interest, and the subsequent discharge of the lien registered against the Property.
14. Default: Time shall be of the essence in this Agreement. Upon breach by the Owner of any covenant, term, condition or requirement of this Agreement, if any representation or warranty made by the Proponent in this Agreement proves to be untrue or misleading in any material respect as of the date it was made, or upon the Owner becoming insolvent or making an assignment for the benefit of creditors, the Owner shall be in default under this Agreement. Notice of such default shall be given in accordance with this Agreement and if the Owner has not remedied such default within such time, as provided in the notice, the City may direct that the full amount of the Loan together with interest be immediately due and payable. Interest shall continue to accrue at a rate of 8% per annum, compounded and calculated every 30 days, from the date of the event of default until the Loan and accrued interest are repaid. The City may add the amount of the Loan to the collector's roll and collect the Loan in like manner as municipal taxes over a period fixed by the City. The City may add the amount of the Loan and accrued interest to the collector's roll and collect the Loan in like manner as municipal taxes.
15. Enforcing Performance of Requirements: In addition to any remedy authorized or permitted by this Agreement or by law, the City may, in the event of a default by the Owner under this Agreement, do such matter or thing at the Owner' expense to correct the default, and the

City may recover the expense incurred in doing it by action, from any security posted by the Owner, or by recovery in like manner as municipal taxes.

16. Remedies No proceeding by the City and no waiver under any provision of this Agreement shall prejudice the rights of the City in respect of any subsequent default by the Owner under this Agreement. The rights of the City may be enforced by any remedy authorized or permitted by this Agreement or by law, and no such remedy shall be exclusive of or dependent on any other remedy.
17. Notice: Any notices required or permitted to be given pursuant to the terms of this Agreement shall be given in writing sent by prepaid registered post, addressed in the case of notice given by the City to the Owner at the municipal address of the Property, and in the case of notice given by the Owner, addressed to: The City Clerk, P.O. Box 5035, 300 Dufferin Avenue, London, Ontario N6A 4L9. Notice shall conclusively be deemed to have been given seven days following the day that the same is posted.
18. Separate Covenants: All of the provisions of this Agreement are, and are to be construed as, covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the agreement and its remaining provisions as though the unlawful or unenforceable provision had never been included.
19. Entire Agreement: This Agreement (including any Schedules, Exhibits and Attachments) shall constitute the entire agreement of the parties with respect to, and supersedes all prior written and oral agreements, understandings and negotiation with respect to, the subject matter hereof.
20. Number and Gender: This Agreement shall be read with all changes to gender and number required by the context
21. Agreement Registered on Land: The Owner acknowledges and agrees that the City shall register this Agreement upon the Land pursuant to Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13. This Agreement shall be discharged upon the expiry of the term of the Loan provided the Owner has complied with the terms and conditions of the Agreement.
22. Subsequent Owners Bound: Subject to the provisions of the *Registry Act* and the *Land Titles Act*, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Owner", wherever used in this Agreement, is intended and shall be construed to include such subsequent owners and occupiers) in accordance with Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13.

IN WITNESS WHEREOF the City has executed this Agreement by its authorized officers and the Owner has hereunto set its hand and seal, or hereunto affixed its corporate seal attested by the hands of its duly authorized officers.

THE CORPORATION OF THE CITY OF LONDON
by its authorized officers:

XXXXXXXXXX

Schedule "A"

DESCRIPTION OF THE PROPERTY

Property Address: Street Address
Legal Description: [Lot/Part Lot/33R Plan/ etc.]
Place Type: [Name of Place Type, from London Plan]
Zoning: [Zone from Zoning By-law]

Number of "Additional Residential Units" on property: [Insert number]

1. Description of ARU for this loan: [i.e. location within building, garage, etc.].

Current Property Indebtedness	Owed To	Amount To
1st Mortgage:	[Bank Name]	[\$]
2nd Mortgage:		
Other encumbrances:		

Appendix "5"

Dollars to Doors Affordable Units Loan Agreement

This Agreement made the [XXX] day of [XXX].

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "City")

-and-

(hereinafter called the "Proponent")

AND WHEREAS section 28(7) of the *Planning Act*, R.S.O. 1990 c. P. 13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registers owners within a community improvement project area;

AND WHEREAS the City has established the Dollars to Doors Program within the Affordable Housing Community Improvement Plan to encourage the creation of new affordable rental housing units by off-setting up-front costs associated with developing new affordable housing;

AND WHEREAS the Proponent has applied to the City under the Dollars to Doors Program;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and for other good and valuable consideration, the parties hereto covenant and agree each with other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them.:

1. INTERPRETATION

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

- "Accessible Units" means a unit located in a fully accessible building that provides items such as grab bars, roll-in shower, counter-top stove, and lower cabinets as well as provisions for persons with hearing and vision impairments;
- "Affordability Period" means the period during which the rent for the Affordable Rental Housing Units in the Project is required to be maintained at an affordable level, as determined in accordance with this Loan Agreement;
- "Affordable Rent" means the monthly rent for a unit that does not exceed 80% of the AMR for that Unit. The Affordable Rent must include at least the unit heat, water, fridge, and stove;
- "Affordable Rental Housing Unit" means a new, purpose-built, rental housing accommodation Unit in a building on the Subject Lands which is modest in terms of

floor area and amenities, based on household needs and community norms which is rented in accordance with the Loan Agreement, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility;

- “Average Market Rent” or “AMR” means the most current average monthly market rent for a rental housing unit, by unit type, as published by CMHC for the [XXXX] zone;
- “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
- “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;
- “CMHC” means the Canada Mortgage and Housing Corporation;
- “Loan Agreement” or “Agreement” means this Dollars to Doors Affordable Units Loan Agreement entered into between The Corporation of the City of London and the Proponent;
- “Development Activities” means the development, construction, repair, renovation, rehabilitation or conversion of building(s) for the Project in accordance with the Plans and Specifications approved by the City of London;
- “First Occupancy” means the first day of the month immediately following the month in which the Affordable Rental Housing Units are rented for the first rental period following Substantial Completion;
- “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, pandemic, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Loan Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees;
- “Funding Schedule” means the schedule of funding setting out progress payments for the type of Project attached as Schedule “A”;
- “Funds” means the Loan;
- “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation
- “Interest Adjustment Date (IAD)” means the date which is one year following First Occupancy;
- “Improvements” means the improvements to be made on the Subject Lands required for the Project, consisting of a building and other improvements to be constructed by the Proponent on the property in accordance with the Plans and Specifications;
- “Loan” means the total amount of funds to be advanced to the Proponent, in

accordance with the Funding Schedule and subject to the terms of the Loan Agreement;

- “Minister” means the Minister of Municipal Affairs and Housing;
- “National Housing Act Approved Lenders” means the National Housing Act Approved Lenders designated by CMHC under the *National Housing Act*, R.S.C. 1985, c. N-11;
- “Occupancy Date” means the date on which initial occupancy of an Affordable Rental Housing Unit in the Project is permitted by the City;
- “Parties” means the Proponent, the City and “Party” means either of them, as the context may require;
- “Permitted Encumbrances” means the encumbrances encumbering the Affordable Housing Units listed in Schedule “C”, together with such renewals or replacement financing that may be approved by the City, acting reasonably, during the term of this Loan Agreement;
- “PIPEDA” means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;
- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;
- “Plans and Specifications” means the plans and specifications for the development of the Project that have been approved and reviewed by all appropriate governmental authorities for the issuance of all permits necessary to construct and occupy the Improvements and as certified by a Quantity Surveyor;
- “Project” means the development, construction, repair, renovation, rehabilitation, conversion of the Building(s) on the Subject Lands, which shall have the minimum number of Affordable Rental Housing Units required under the Loan Agreement and facilities ancillary thereto provided and operated in accordance with the terms of this Loan Agreement;
- “Security Documents” means the security documents attached to and forming part of the Loan Agreement;
- “Service Manager” means The Corporation of the City of London;
- “Subject Lands” means the property and the buildings as the context may require on lands described in Schedule “F”;
- “Substantial Completion” means the substantial performance, within the meaning of the Construction Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Loan Agreement;
- “Supportive Housing Units” means units that are occupied by households receiving formal support services from support service agencies. Supportive Housing Units may be either integrated into projects or dedicated to a single Project;
- “Quantity Surveyor” means such architect, engineer, or other professional duly licensed to practice in the Province of Ontario as the Proponent may from time to time appoint to supervise, direct, monitor, inspect or assess the Project or a specified aspect of the Development Activities;
- “Unit” means a self-contained residential dwelling.

- 1.2 All references in this Loan Agreement including without limitation, the Schedules hereto, to “rent” are deemed to include housing charges paid by members of non-profit housing cooperatives and “rental” is deemed to have a corresponding meaning.
- 1.3 The following Schedules are attached to and form part of this Agreement:
- Schedule “A” Funding Schedule
 - Schedule “B-1” City Charge/Mortgage of Land
 - Schedule “B-2” Assignment of Rents
 - Schedule “B-3” Security Agreement
 - Schedule “C” Permitted Encumbrances
 - Schedule “D” Initial Occupancy Report
 - Schedule “E” Annual Occupancy Report
 - Schedule “F” Legal Description of Property
 - Schedule “G” Development Schedule
- 1.4 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.
- 1.5 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. FUNDING FOR AFFORDABLE HOUSING

- 2.1 The Proponent agrees to advance as its equity contribution to the Project the amount of [XXX] on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.
- 2.2 Subject to the terms and conditions of this Loan Agreement, the City will provide a Loan in the amount of [XXXX].
- 2.3 The City shall have the option of withholding from the amount to be disbursed under section 2.1 the amount of the cost of construction necessary to complete the construction of the Project and, in such case, the City shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is substantially complete within the meaning of the Construction Act and provided that the Construction Act is complied with.
- 2.4 The Proponent shall use the amount of the Loan solely for the purpose of its Development Activities in connection with the Project.
- 2.5 Subject to the terms and conditions of the Loan Agreement, the City shall disburse the Loan in accordance with the Funding Schedule attached as Schedule “A”.

3. SPECIAL CONDITIONS

- 3.1 The Proponent shall provide the City with a revised construction schedule and construction budget for its review and approval four (4) weeks prior to the start of construction. The construction budget shall include soft costs, and the cost of each item of the Project. The Proponent shall be solely responsible for any cost overruns and shall immediately notify the City if cost overruns cannot be covered by the Proponent's financing.
- 3.2 The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with the provisions relating to the development of the Project in conformity with the Plans and Specifications.
- 3.3 The Proponent shall, subject to Force Majeure, achieve substantial completion of the Development Activities by [XXXX]. The City may, acting reasonably, extend this date.
- 3.4 Without limiting the condition set out in section 6, the Proponent shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under section 2.
- 3.5 The Proponent shall ensure property taxes are paid up to date.
- 3.6 The Proponent shall not at any time during the term of this Loan Agreement breach any City loan or grant program and shall not, through any breach on its part, cause the City to terminate an agreement under a City loan or grant program for cause. The Proponent agrees that a breach by it of any City loan or grant agreement, that has not been corrected, shall constitute a breach of this Loan Agreement. The Proponent shall provide the City with evidence of its good standing under any such City loan or grant agreement within ten (10) Business Days following its receipt of a written request from the City.
- 3.7 The Proponent acknowledges and agrees that the City shall register on title to the Subject Lands:
 - i. This Agreement pursuant to Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13;
 - ii. A certificate signed by the Clerk of the City setting out the amount loaned to the Owner and the applicable interest rate on the Loan on the Subject Lands pursuant to subsection 32(3) of the *Planning Act*, R.S.O. 1990 c. P.13.

Upon the entirety of the Loan being forgiven and provided the Proponent has otherwise satisfied its obligations under this Loan Agreement in favour of the City, the City shall discharge the Agreement and certificate from title.

4. OPERATION OF AFFORDABLE HOUSING

- 4.1 The Proponent agrees to provide [____] of Affordable Rental Housing Units rented at no more than 80% of Average Market Rent during the Affordability Period of 25 years commencing at First Occupancy. The initial rents shall be:
- i. [insert amount] for a one-bedroom Affordable Rental Housing Unit;
 - ii. [insert amount] for a two-bedroom Affordable Rental Housing Unit;
 - iii. [insert amount] for a three-bedroom Affordable Rental Housing Unit.
- 4.2 The Affordable Rent for the Project shall include a fridge, stove, water and heat.
- 4.3 The Proponent shall contribute a minimum of 4% of rental income annually to a designated reserve fund account and provide account information to the City annually, if requested.

5. TENANT SELECTION

- 5.1 The Proponent shall fill the Affordable Rental Housing Units from referrals from the City of London's Central Waiting List in accordance with the process set by the City. The City's current process is:
- i. As soon as the Proponent is aware of a vacancy or a notice to vacate, the Proponent will contact the City employee designated by the City, or if no person has been designated, Deputy City Manager, Social and Health Development or their written designate ("City Contact") and provide the required information on the unit, including information on the size of the unit;
 - ii. The City Contact then notifies the next City Client on the Housing Stability Services waiting list and provides that City Client with a referral letter, with the City Contact's card attached, indicating they are being referred for housing under this agreement.
 - iii. The City Contact asks the City Client on the waiting list to contact the Owner directly, if the City Client is interested in applying.
 - iv. The City Client will provide the Owner with the referral letter.
 - v. For greater certainty, the Owner makes the final decision with respect to filling a vacancy in a designated unit, and, acting reasonably, the Owner can accept or reject a referral from the City. The Owner shall notify the City if they reject the referral from the City, provide the rationale for the rejection and the City will provide further referrals using the process outlined above until the Owner accepts a referral.
 - vi. If a City Client is at risk of eviction, the Owner shall reach out to the City employee designated by the City to work through a variety of prevention measures to try and maintain the housing placement.

- 5.2 The gross tenant household income from all sources for tenants for the Affordable Rental Housing Units shall be no greater than five (5) times the monthly rent for the Affordable Rental Housing Unit. The City will verify the maximum household income at initial occupancy and refer only households that comply with the maximum household income and occupancy standards for the vacant unit(s).
- 5.3 The Proponent shall ensure that the following occupancy standards are observed when entering into a tenancy agreement for an Affordable Rental Housing Unit:
- i. A minimum of one and a maximum of two persons per bedroom for adult household members;
 - ii. A minimum of one and a maximum of two children per bedroom under the age of 18.
- 5.4 An additional bedroom may be provided, if requested by the household under the following specific circumstances:
- i. If a member of the household requires a separate bedroom due to a disability or medical condition (Written verification: a doctor's note describing the nature of the disability or medical condition clearly specifying why an extra room is required);
 - ii. Store equipment required by a member of the household due to a disability or medical condition (Written verification: a doctor's note describing the equipment required clearly specifying why an extra room is needed);
 - iii. Accommodate an individual who is not a member of the household and who provides a member of the household with support services that are required due to the member's disability or medical condition (Written verification: a letter from the support service agency or person providing support services, describing the nature of the service and hours of service);
 - iv. If a member of the household is pregnant (Written verification: a doctor's note specifying why an extra room is needed);
 - v. If a member of the household has joint custody over a child who is not a member of the household, however, the member is required to provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation); and
 - vi. If a member of the household has overnight access to a child who is not a member of the household, the member provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation).

6. CONDITIONS

- 6.1 The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City by written notice to the Proponent:
- i. Any Loan Agreement referred to in s. 3.5 remaining in force and the Proponent being in good standing thereunder;

- ii. the Proponent is the registered owner in fee simple of the lands described in Schedule "F";
- iii. the Proponent providing the City with a capital budget and operating budget satisfactory to it;
- iv. the Proponent providing the City with confirmed sources of financing for the Project satisfactory to it;
- v. the Loan Agreement remaining in force and the Proponent being in good standing thereunder;
- vi. there being no Claim for Lien under the *Construction Act* registered against the Project;
- vii. there being in existence no unregistered lien or statutory claim having priority against the Project;
- viii. the Proponent's title to the Project being free from any encumbrances other than Permitted Encumbrances;
- ix. the Proponent having provided the City with the security documents required in section 8 and in accordance with the said section;
- x. the Proponent being in good standing under all the Permitted Encumbrances;
- xi. there being no work orders issued against the Project by any governmental entity, agency or official;
- xii. the Proponent not having been issued or notified of a deficiency on the Subject Lands from the City of London building division;
- xiii. the Proponent not having any outstanding defaults under a City loan or grant program;
- xiv. the Proponent not having any outstanding debts to the City of London;
- xv. All City of London property taxes must be paid in full as of the date of the payment; and
- xvi. Such further other conditions listed in Schedule "A".

6.2 If any of the conditions contained in section 6.1 have not been fulfilled on the date for the disbursement of the Loan by the City pursuant to section 2 and are not waived by the City pursuant to section 6.1, the City shall be under no obligation to make any advance of the Loan to the Proponent and the City shall thereupon have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the City may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the City in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent.

7. TERMS OF THE FUNDING: FORGIVEABLE PORTION OF THE LOAN

7.1 The portion of the Loan shall have an Affordability Period of twenty-five (25) years,

commencing as of the date of First Occupancy for the Project. On the last day of the month at the end of the term of the Affordability Period of twenty-five (25) years, the Loan will be forgiven provided the Proponent has fulfilled all the requirements of the Loan Agreement.

- 7.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight percent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.
- 7.3 On the Interest Adjustment Date, the amount of interest accrued on the Loan as calculated in section 7.2 shall be forgiven, provided that the Proponent has satisfied all requirements of the Loan Agreement.
- 7.4 Following the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance.
- 7.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the City the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in this section, so accrued during the previous year; provided, however, if in the opinion of the City, acting reasonably, the Proponent has satisfied, as of such anniversary date, the requirements of this Loan Agreement, the amount of the interest so owing shall automatically be forgiven.
- 7.6 The Proponent shall provide the City with such information respecting the Proponent's permanent financing obligations for the Project as the City may require from time to time.

8. SECURITY

- 8.1 Prior to the City disbursing the Loan proceeds to the Proponent pursuant to section 2.1, the Proponent shall provide the City with executed registerable security documents in the form attached hereto as Schedules "B-1", "B-2" and "B-3" (the "Security"), completed in accordance with this Agreement.
- 8.2 The Security shall be collateral to this Agreement. The amount of all contributions from the City shall be included in the Security documents.
- 8.3 Without limiting the Proponent's covenants and the remedies of the City under the Loan Agreement and the Security, the Proponent agrees that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.
- 8.4 The City acknowledge and agree that notwithstanding that the Security provides that the principal and interest secured thereunder are payable on demand, the City shall have no

right to demand payment thereunder except in accordance with the provisions of this Loan Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the City.

8.5 The Security shall rank immediately behind the registered security for the Proponent's Permitted Encumbrances obligations for the Project unless the City has determined that the Security shall have lesser priority or as provided for under this Loan Agreement.

8.6 Provided:

- i. there is no event of default by the Proponent under this Loan Agreement that is continuing; and
- ii. the Proponent has provided the City with a professional appraisal from the current year and documentation to the City's sole satisfaction that the registered amount of the current balance outstanding on the registered encumbrances, together with the proposed encumbrance on the property do not exceed 90% of the professional appraised value of the Subject Lands,

the City shall consent to and subordinate and postpone the Security to charges in favour of National Housing Act Approved Lenders and enter into a standstill agreement which the City shall approve at its sole discretion, which may be requested by the Proponent or the holder of a charge on the Subject Lands. The Proponent shall provide the City a minimum of thirty (30) days to review a request for postponement. The Proponent shall not increase the balance outstanding on the registered encumbrances without the City's consent.

8.7 Upon the Proponent's request, the City shall provide a Status Certificate to the Proponent within thirty (30) days, confirming whether to its knowledge there is an outstanding event of default and setting out the unforgiven balance of the Loan.

8.8 Upon the entirety of the Loan being forgiven and provided the Proponent has otherwise satisfied its obligations under this Loan Agreement in favour of the City, the City will execute and deliver to the Proponent a full and final discharge of the Security together with such documentation that will permit the Proponent to register the discharge on title to the Lands within thirty (30) days of receiving a written request from the Proponent.

9. ACCOUNTABILITY FRAMEWORK

9.1 In the event:

- i. The City is advised that the Project will not proceed;
- ii. the City determines, acting reasonably, that the Proponent is not proceeding with the construction due to delays likely to cause depreciation or deterioration of the Improvements the Proponent shall return all funds to the City, forthwith upon demand;
- iii. the City is of the opinion that the Proponent is not proceeding in an

expeditious manner with the Development Activities for which the Funds have been provided; or

- iv. the Proponent is not complying with the requirements a of the Agreement;

the Proponent will be in default and shall return all disbursed amount of the Loan to the City, forthwith upon demand.

- 9.2 The Proponent shall submit to the City, an audited statement with respect to the expenditure of capital Funds provided to it pursuant to this Agreement, within one hundred and twenty (120) days following the date on which the City is advised that the Development Activities related to the Project have been fully completed or the Project will not proceed.
- 9.3 Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the City a completed occupancy report identifying the number of units, unit types, rents, tenant names, gross household income and move-in date for all the Affordable Rental Housing Units. The gross household income shall not be required for units that were filled from the City of London's Central Waitlist. The initial occupancy report will be filled out by an officer of the corporation and the officer shall declare that the information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted. Annually thereafter, the Proponent shall provide an annual occupancy report identifying the number of units, unit types, rent, tenant names, gross household income and move-in date for all the Affordable Rental Housing Units. The annual occupancy report will be filled out by an officer of the corporation and the officer shall declare that the information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted. The current initial occupancy report and annual occupancy reports are attached as Appendix "D" and "E". The Proponent acknowledges the City's right to amend these forms and information required by it and agrees that it will fill out any updated forms required by the City.
- 9.4 Without limiting the Proponent's obligations under section 9.3, the Proponent, if requested by the City, shall forthwith submit to the City the material required to be submitted to the City pursuant to section 9.3 and any rent roll or verification of initial tenant eligibility or such other information as the City deems necessary, in addition to any such material that the Proponent may have previously submitted to the City.
- 9.5 If requested by the City, the Proponent shall submit to the City an audited financial statement within ninety (90) days following the fiscal year-end of the Project.
- 9.6 The Proponent represents that it has not provided any false or misleading information in relation to the Project and agrees that it shall not provide any false or misleading information to the City under this Agreement.
- 9.7 The Proponent shall, on forty-eight (48) hours written notice, give the City free access to the Project and to such staff, documents, books, records, and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement.
- 9.8 The City may conduct an audit, investigation, or inquiry in relation to the Project or any larger development or project of which the Project is a part of and the Proponent shall cooperate with the City and provide free access to the Project and to such staff, documents, book, records and accounts as may be determined by the City.

9.9 The provisions of section 9.1, 9.2, 9.3, 9.4 and 9.8 shall continue to apply for a period of seven (7) years following the end of the Affordability Period or the date of any early termination of this Agreement.

10. REMEDIES

10.1 Upon the occurrence of any one or more of the following events (each an “Event of Default”):

- i. the failure of the Proponent to perform, observe or comply with any other term, covenant, condition or provision of this Loan Agreement within ten (10) days of receipt of written notice of the “failure” from the City provided the Proponent shall not be deemed to be in default if within the said period of ten (10) days, the Proponent commences the necessary action to remove the “failure” and such action is diligently prosecuted;
- ii. any representation or warranty made by the Proponent in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;
- iii. the Improvements have not been substantially completed in accordance with the Plans and Specifications and such substantial completion is not certified to the City by the Quantity Surveyor on or before six (6) months following the date for substantial completion set out in subsection 3.3;
- iv. any person commences an action, suit or proceeding materially affecting the Project or file a lien against the Property, or any person shall commence an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponent shall diligently contest such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably;
- v. the Proponent ceases to carry on business;
- vi. the Proponent:
 - a) becomes insolvent or unable to pay its debts as they become due; or
 - b) files a petition in bankruptcy or voluntary petition seeking reorganization or effect a plan or other arrangement with creditors; or
 - c) makes an assignment for the benefit of creditors under the *Bankruptcy Act* (Canada) or any other insolvent debtors' legislation; or
 - d) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or
 - e) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;
- vii. any of:

- a) an involuntary petition seeking the adjudication of the Proponent as bankrupt or insolvent not removed within thirty (30) days; or
 - b) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or
 - c) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponent to perform its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponent or in respect of its property and assets, and such petition, order, writ or judgment is not vacated or stayed within fifteen (15) days after its date;
- viii. the occurrence of a material adverse change in the financial condition of the Proponent which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponent to meet its obligations to the City; and
- ix. if the Improvements shall be entirely destroyed or damaged to such an extent that, in the opinion of the Quantity Surveyor, acting reasonably, they are no longer fit for the purpose for which they were intended, and the insurance proceeds, if any, held by the City, in the opinion of the Quantity Surveyor, acting reasonably, are insufficient to repair such destruction or damage, and the Proponent has not provided evidence satisfactory to the City of the timely availability of such sufficient funds;

then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other moneys owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponent, the Property or assets of the Proponent as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponent hereby acknowledges that the City remedies are cumulative and not mutually exclusive.

10.2 During Term of Agreement: Should the Proponent be in default under the terms of the Loan or under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the Loan due and payable immediately. Interest will be payable only from the date of default until the Loan is paid in full. The interest rate shall be eight per cent (8%) per annum.

10.3 The City may add the Loan, together with interesting accruing at a rate of eight per cent (8%) per annum from the date of the Event of Default to the collector's roll and collect it in like manner as municipal taxes.

10.4 Complete Construction: If an Event of Default shall occur, the City may, at its option, in addition to any other remedy available to it, enter upon and take charge of the Project and assume full charge of the Improvements and may complete the Improvements or enter into a contract with another to complete the same, and all amounts advanced for such purpose, including reasonable legal fees incurred by the incident to the enforcement of any provisions hereof, shall be indebtedness of the Proponent to the City. All such

amounts, even though they may, when added to the monies advanced and disbursed under this agreement, exceed the Loan shall be secured by the Mortgage and other Security Documents.

- 10.5 Costs and Expenses of Collection: All reasonable costs and expenses of collection (including legal fees, disbursements and court costs) of all amounts owing hereunder or of enforcement of any security created in favour of the City pursuant hereto, shall be for the account of the Proponent and shall be repayable on demand.
- 10.6 All of the remedies in this Agreement and the Security are cumulative and are not alternative and the City shall not be precluded from availing itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.
- 10.7 Notwithstanding any of the terms of this Agreement, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

11. ENERGY EFFICIENCY AND BUILDING DESIGN

- 11.1 Municipal Council of the City declared a Climate Emergency. The Proponent shall make reasonable efforts to design, construct and operate the buildings on the Subject Lands with the highest energy efficiency possible.
- 11.2 The Proponent confirms that the Project does not impose adverse impacts that cannot be mitigated.

12. REPRESENTATION AND WARRANTIES

The Proponent represents and warrants to the City that:

- 12.1 The Proponent is a duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder, and is duly qualified and in good standing in each jurisdiction in which the character of the property owned or leased or the nature of the business carried on by it makes such qualification necessary or desirable.
- 12.2 The Proponent has full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.
- 12.3 Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor the compliance with the terms, conditions and provisions hereof and of the mortgage will conflict with, or result in a breach of any of the

terms, conditions or provisions of the constating documents of the Proponent or of any agreement or instrument to which it is now a party, or constitute a default thereunder, or (except as contemplated by this Agreement) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Proponent (whether such properties or assets are owned legally or beneficially) pursuant to the terms of any agreement or instrument to which it is a party.

- 12.4 There is not now pending against the Proponent any litigation, action, suit or other proceeding of a material nature by or before any court, tribunal or other governmental agency or authority or any other such pending or threatened action, suit or other proceeding against the Proponent or against or affecting any of the properties or assets of the Proponent (whether such property or assets are owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the business operations, properties or assets, or the condition, financial or otherwise, of the Proponent.
- 12.5 Except as previously disclosed in writing to the City, the Proponent is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Proponent.
- 12.6 The construction contract is in full force and effect and neither the Proponent nor any other party thereto is in default thereunder.
- 12.7 None of the information, financial or otherwise, provided by the Proponent to the City and to induce the City to make the Loan and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

13. COVENANTS OF THE PROPONENT

- 13.1 The proponent covenants and agrees with the City that, it shall:
- a) Take all such actions and do all such things required to develop and continuously carry on the construction of the Improvements in a good and workmanlike manner and in accordance with the Plans and Specifications and to complete such construction not later than the [XXXXXX], subject to Force Majeure;
 - b) do or cause to be done all acts and things necessary to preserve in full force and effect the existence of the Proponent and all licences and permits required for the carrying on of the operations of the Proponent at and from the Property and to preserve and protect all of the properties, real and personal owned and used by the Proponent in connection with the Project and to cause the same to be properly maintained and to be kept in good state of repair;

- c) pay and discharge or cause to be paid and discharged all taxes and other levies of the Province of Ontario, the City, or of any other entity having jurisdiction to impose such taxes or levies, when the same become due and payable, except such taxes as are being contested in good faith by appropriate proceedings and provided that, in such case the Proponent shall have provided the City with appropriate security; and
- d) deliver to the City the statements and reports as required by the Loan Agreement.

13.2 The Proponent covenants and agrees with the City that, so long as any obligation is outstanding by the Proponent to the City hereunder the Proponent will not, without the prior written consent of the City, which consent may be unreasonably withheld:

- (a) create, incur, assume or permit to exist, after knowledge of the existence thereof, any mortgage, pledge, lien, hypothecation, charge (fixed or floating), security interest or other encumbrance whatsoever on the Property or any personal property or fixtures thereon except:
 - i. The Permitted Encumbrances listed in Schedule “C”;
 - ii. Encumbrances created in favour of or assigned or pledged to the City;
 - iii. inchoate or statutory liens for taxes which have not been assessed, or if assessed, which are either not delinquent or which are being contested by bona fide proceedings in good faith, and sufficient security for the payment of same has been given to the City, if requested;
 - iv. inchoate or statutory liens of contractors, sub-contractors, mechanics, suppliers, workers and others in respect of the construction, maintenance, repair and operation of the Improvements, provided that the same are not registered encumbrances against title to the Property or any personal property, or, if so registered, have been postponed to all charges in favour of the City contained in the Security Documents or are being contested by bona fide proceedings in good faith with sufficient security for the payment thereof having been given to the City or paid into Court to prevent effectively in the City opinion realization by disposal or other alienation from the Proponent of its legal or beneficial title to or interest in any such property.
- (b) become a party, without the prior written consent of the City, to any transaction whereby the Project would become the property of any other person, whether by way of reorganization, amalgamation, merger, transfer, sale, lease, sale and leaseback, or otherwise;
- (c) permit any change in the beneficial ownership of the Proponent;
- (d) make any material change to the number or type of residential dwelling units of the project without the prior written approval of the City.

14. INDEMNIFICATION

- 14.1 The Proponent 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 Units including claims arising out of negligence of the Proponent 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 Proponent. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this Agreement.
- 14.2 The Proponent agrees to 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.
- 14.3 The Proponent further agrees, upon Substantial Completion, to purchase and maintain insurance policies that a prudent manager of similar premises would maintain 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).
- 14.4 In addition, during the design and construction period of the contract the Proponent will obtain and maintain the following policies of insurance:
- (a) All risk builder's risk property insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City, and with a deductible of not more than one hundred thousand dollars (\$100,000) and remaining in effect until the completion of construction;
 - (b) Construction wrap-up liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers liability, non-owned automobile liability and shoring, blasting, excavating, under-pinning, demolition, pile driving and caisson work, work below and above ground surface, tunnelling and grading, and similar operations

associated with the construction work, as applicable; to an inclusive limit of not less than five million dollars (\$5,000,000) and in the joint names of the Proponent, City, designated consultants, designated contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the Project) which the City reasonably may require to be added as insured parties.

- 14.5 The Proponent shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponent 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 Proponent and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponent and all outlays by the City shall be payable by the Proponent 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 Proponent of its obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponent.
- 14.6 The Proponent 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.
- 14.7 Further, the Proponent 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.
- 14.8 The Proponent agrees 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.

15. NOTICE

- 15.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:
 - (a) delivered personally;
 - (b) sent by prepaid courier service; or
sent by e-mail communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:
 - (i) in the case of notice to the City:

The Corporation of the City of London
300 Dufferin Ave
P.O. Box 5035
London, ON N6A 4L9

(ii) in the case of notice to the Proponent:

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:20 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

16. GENERAL

- 16.1 Any power, right or function of the City, contemplated by this Agreement, may be exercised by any employee or agent of the City, who is specifically authorized.
- 16.2 It is understood that the *Municipal Freedom of Information and Protection of Privacy Act* shall apply to all records submitted to or created by the City pursuant to this Agreement.
- 16.3 The Proponent represents and warrants that:
- a) it shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;
 - (b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and
 - (c) it shall ensure the PIPEDA compliance of all PIPEDA protected information that it transfers to the City.
- 16.4 The disbursement of Funds by the City to the Proponent pursuant to section 2 is subject to the necessary appropriations from the Municipal Council. The City shall have no liability in the event the respective appropriation is insufficient to meet the funding obligations.

16.5 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the City and the Proponent as partners of each other.

16.6 No member of:

- (a) the House of Commons or Senate of Canada; or
- (b) the Legislative Assembly of Ontario; or
- (c) the Municipal Council constituting the Service Manager or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any such municipalities;

shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement.

16.7 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the City, and the Proponent or their respective solicitors on their behalf, who are hereby expressly authorized in this regard.

16.8 Any tender of documents or money hereunder may be made by the City, or the Proponent or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.

16.9 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed, and which has the effect of supplementing or superseding such statute or regulations.

16.10 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

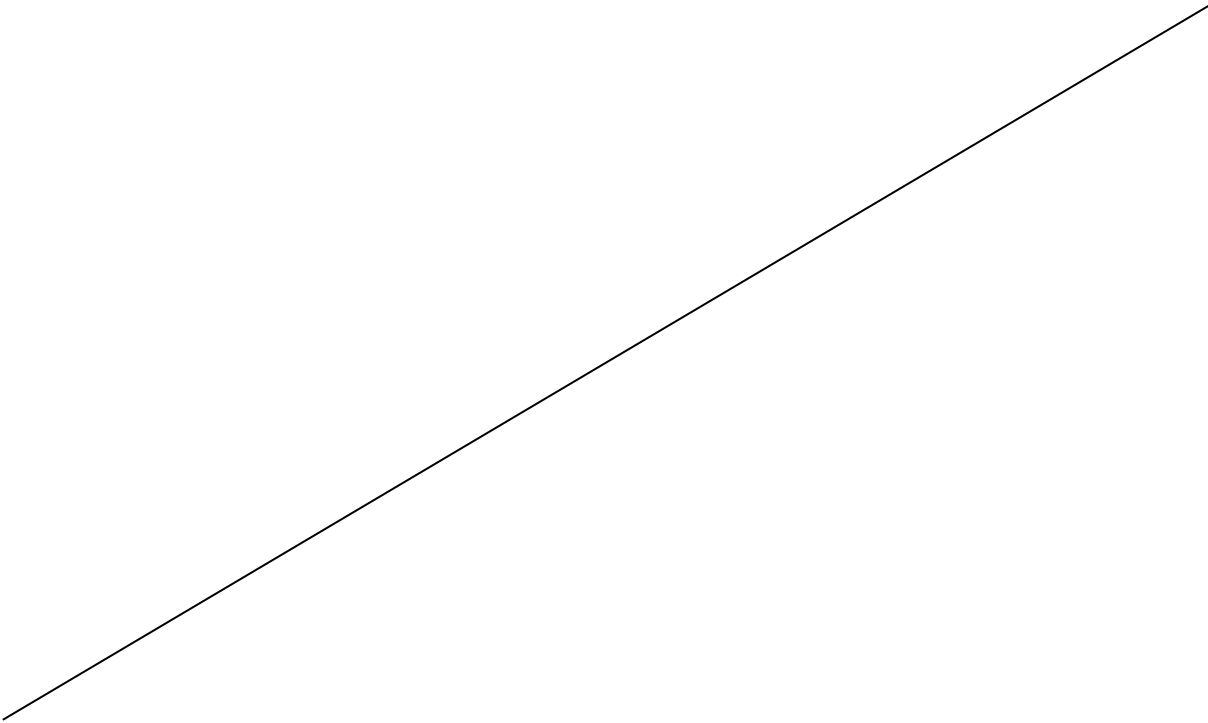
16.11 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

16.12 This Agreement shall be read with all changes of gender and number required by the context.

16.13 The Proponent shall not transfer or convey its interest in all or any part of the Project without, simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the City, in a form satisfactory

to the City to assume all of the Proponent's obligations under this Agreement and to provide the City with Security in accordance with this Agreement.

- 16.14 The Proponent shall not assign its interest in this Agreement without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld;
- 16.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.
- 16.16 If more than one entity is a party to this Agreement as a Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.
- 16.17 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 17.14 restricting the Proponent's ability to assign this Agreement.
- 16.18 Subject to the provisions of the *Registry Act* and the *Land Titles Act*, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Proponent", wherever used in this Agreement, is intended and shall be construed to include such subsequent owners and occupiers) in accordance with Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13.



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

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan
Mayor

Michael Schulthess
City Clerk

I/We have the authority to bind the Corporation.

SCHEDULE ‘A’
FUNDING SCHEDULE

1. Loan Disbursement Milestones

Construction Milestones	Progress Payments
Confirmation of Construction Start with First Available Permit	50 per cent (less 10% holdback)
Confirmation of structural framing for new construction or 50 percent completion for conversion projects.	35 per cent (less 10% holdback)
Confirmation of Occupancy	15 per cent (less 10% holdback)
Holdback	Released 60 days after lien publication

No funds shall flow if an order has been issued under subsection 12(2) of the *Building Code Act* and there has been no compliance with the order.

2. Disbursement of the Contribution

2.1 Payment – City Funds

- (a) The City shall make advances of the Loan at the following times upon at least ten (10) days prior notice to the City, provided that the conditions in the Loan Agreement, including this schedule and those set forth below have been satisfied:
- (i) an amount equal to 50% of the Loan at first available permit, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are, in the opinion of the City properly secured;
 - (ii) an amount equal to 35% of the Loan at completion of structural framing/50% completion for conversion projects, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are in the opinion of the City properly secured;
 - (iii) the balance of the Loan upon Occupancy (less ten percent (10%) holdback) as evidenced by the Occupancy Certificate as provided by the City, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are in the opinion of the City properly secured;
 - (iv) the holdback of the Loan will be released sixty (60) days after publication notice in the Daily Commercial News or as determined

by the City, subject to the following conditions: If requested by the City, the Proponent agrees to provide a breakdown of expenditures charged to the hard construction contingency prior to the release of the ten percent (10%) holdback. If requested by the City, the Proponent agrees to provide a breakdown of expenditures for Accessible Units prior to releasing the ten percent (10%) holdback.

- (b) the City shall not be liable to suppliers, contractors, sub-contractors, craftsmen, labourers or others for goods and services delivered by them in or upon the Property, or employed in the construction of the Improvements, or for any debts or claims accruing to any of the parties against the Proponent or against the Property;
- (c) it is distinctly understood and agreed by the parties hereto that there is no contractual relationship either express or implied, between the City and any supplier, contractor, sub-contractor, craftsman, labourer or person supplying any work, services or material to the Improvements. There shall be no third-party beneficiary of this Agreement, express or implied.

3. CONDITIONS

3.1 The obligation of the City to make the payment of the Loan is conditional upon prior compliance with such of the following conditions precedent:

- (a) the Proponent shall have submitted the Project budget and Project Construction Schedule to the City in a form and content satisfactory to the City;
- (b) the Proponent shall have delivered to the City evidence satisfactory to the City that the Proponent's equity has been paid, delivered or pledged;
- (c) the Proponent not having been issued or notified of a deficiency on the Subject Lands from the City of London building division;
- (d) the Proponent not having any outstanding defaults under a City loan or grant program;
- (e) the Proponent not having any outstanding debts to the City of London;
- (f) all City of London property taxes must be paid in full as of the date of the payment;
- (g) the City shall have received the following documents and materials each of which shall be satisfactory in substance and in form to the City:
 - i. certificates of incumbency of the persons signing on behalf of the Proponent;
 - ii. certified copies of such corporate documents of the Proponent as the City may reasonably require including, without limitation, letters patent, articles of incorporation, certified abstracts from by-laws, and certified copies of relevant directors' resolutions;

- iii. an opinion of the Proponent's counsel addressed to the City Solicitor's Office,
- (B) that the Proponent:
- (a) is a body corporate, duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;
 - (b) is qualified to do business in the Province of Ontario;
 - (c) has all the necessary corporate power and authority to carry on the business to be conducted by it in respect of the development, operation and management of the Project; and
 - (d) has all the necessary corporate power and authority to enter into and perform its obligations under this Agreement and each of the Security Documents to which it is a party in accordance with their respective terms;
- B) that this Agreement to which the Proponent is a party has been duly and validly authorized, executed and delivered by the Proponent and are valid and binding obligations of the Proponent enforceable in accordance with their respective terms;
- C) that neither the execution and delivery by the Proponent of this Agreement to which it is a party nor compliance by the Proponent with any of their respective terms will contravene the charter documents or by-laws of the Proponent or, to the best of such counsel's knowledge, after having made due enquiry of the Proponent, contravene or result in a default under any other agreement or instrument by which Proponent may be bound or affected;
- D) that, to the best of such counsel's knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court or administrative agency;
- E) that the Proponent has or will have good and marketable title to the Property, subject only to Permitted Encumbrances, and that the Project complies in all respects with and is not in contravention of any relevant municipal, provincial or federal law, by-law, statute, ordinance or regulation;
- F) that no instrument containing a charge on any of the undertaking, property or assets of the Proponent, or notice thereof, has been registered in the Province of Ontario;
- G) that this Agreement and financing statements, notices and other documents relative thereto have been duly registered or filed in all places in Ontario where such registration or filing is required by law or is necessary to make effective, preserve and protect the security which they purport to create;

H) as to such other matters as the City or its counsel may reasonably request.

SCHEDULE "B-1", "B-2", "B-3"

SECURITY DOCUMENTS

Schedule B-1: City Charge/Mortgage of Land - register in land titles/land registry system

Schedule B-2: Assignment of Rents - register in land titles/land registry system and PPSA

Schedule B-3: Security Agreement (chattels) - register in PPSA

**SCHEDULE
B-1**

ADDITIONAL PROVISIONS: Continued from Page 1 - Box 10 (TERAVEIW)

1. Section 24 of the Standard Charge Terms filed as No. 200033 is deemed to be excluded.
2. This Charge/Mortgage of Land is collateral security for a Loan Agreement made between the Chargor and the Corporation of the City of London ("Chargee"), dated the _____; (the "Loan Agreement") under which the City contributed for a total [_____] towards the Project and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
3. In the event of a breach of the terms of the Security Agreement or the Assignment of Leases and Rents being given by the Chargor to the Chargee simultaneously with this Charge, the principal balance then outstanding, together with any other amounts payable pursuant to the terms of this Charge, shall forthwith become due and payable at the option of the Chargee and all powers conferred by this Charge shall become exercisable by the Chargee.
4. With respect to the portion of the Principal Amount advanced by the Chargee:
 - (a) Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced by the City to the Chargor under the Loan Agreement at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, until the Interest Adjustment Date.
 - (b) On the Interest Adjustment Date, the amount of interest accrued shall be forgiven, provided that the Chargor has satisfied all requirements as set out in the Loan Agreement.
 - (c) On each anniversary date of the Interest Adjustment Date, the Chargor shall pay the City the amount of interest, as calculated according to the interest rate stipulated in paragraph 4(a), so accrued during the previous year; provided, however, if the Chargor has satisfied, as of such anniversary date, the requirements of the Loan Agreement, the amount of the interest so owing shall automatically be forgiven.
 - (d) The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Chargor has fulfilled all the requirements of in the Loan Agreement.
5. Upon the occurrence of any one or more of the Events of Default described in the Loan Agreement, the City, at its option, may declare the outstanding principal amount

of the Loan then advanced, together with all other moneys owing to the City under the Loan Agreement, due and payable forthwith.

6. The Chargor covenants with the Chargee that upon request in writing from the Chargee, it will provide the Chargee, within thirty (30) days of receipt of such request, a schedule containing the names of all tenants in the building constructed on the Charged Premises, accompanied by a certificate of an officer of the Chargor confirming the terms of all existing leases, that the same are in full force and effect, that the Chargor has complied with all terms thereof, and that the Chargor will not amend, modify or cancel any lease or receive any prepayment of rent other than the current and last month's rent without the prior written consent of the Chargee, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Chargor and the tenant, that no money other than a maximum of two (2) months rent has been prepaid by the tenant to the Chargor, and that the tenant is aware of the assignment by the Chargor of all rents and leases affecting the Charged Premises.
7. The Chargor covenants with the Chargee that if the Chargee make any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Charged Premises and shall be added to the debt hereby secured and shall bear interest at the said rate, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to them under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.
8. The Chargor covenants with the Chargee that in the event of the Chargor selling, conveying, transferring or entering into an agreement for the sale or transfer of title of the Charged Premises to a purchaser or transferee not approved in writing by the Chargee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon, at the option of the Chargee, shall forthwith become due and payable.
9. Subject to the renewals, replacements and consolidations permitted in paragraph 15 below, the Chargor shall not further mortgage or encumber the Charged Premises without the prior written approval of the Chargee.
10. The Chargor shall take out and maintain throughout the term of the Charge the following insurance, all in a form and with insurers acceptable to the Chargee:
 - (a) all policies shall include thirty (30) days written notice to the Chargees of material alternation or cancellation and must be signed by the insurer(s) or their authorized representative(s). Brokers signing on behalf of the insurer(s) must provide the Chargee with a letter of authority from the insurer(s);

- (b) the policies shall include the Chargee as loss payees, as their interest may appear, and shall contain the Insurance Bureau of Canada approved standard mortgage clause endorsement;
- (c) all risks, including extended coverage and flood, to full one hundred per cent (100%) replacement cost, and boiler and pressure vessel and machinery insurance;
- (d) comprehensive or commercial general liability insurance to a limit of not less than five million dollars (\$5,000,000.00) per occurrence;
- (e) general liability coverage for non-owned automobile to a limit of not less than two million dollars (\$2,000,000.00); and
- (f) co-insurance shall not be acceptable.

11.

- (a) To the best of the Chargor's knowledge and belief, the Charged Premises contain no asbestos, urea formaldehyde insulation, polychlorinated biphenyls (PCB's), radioactive substances or other materials deemed to be hazardous under any applicable environmental legislation, there are no outstanding orders or notices and any required permits or licences are in good standing.
- (b) The Chargor, at its sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders, with respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment. The Chargor shall pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Charged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Chargor fails to do so, after notice to the Chargor and the expiration of the earlier of (i) any applicable cure period under the Charge or (ii) the cure period under the applicable law, rule, regulation or order, the Chargee at their sole option may declare the Charge to be in default.
- (c) The Chargor shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.

11. The Chargee or its agents may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Charged Premises to inspect the lands and buildings thereon. Without limiting the generality of the foregoing, the Chargee or its agents may enter upon the Charged Premises to conduct any environmental testing, site assessment, investigation or study deemed

necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall be payable by the Chargor forthwith and shall be a charge upon the said Charged Premises. The exercise of any of the powers enumerated in this paragraph shall not deem the Chargee or its agents to be in possession, management or control of the said lands and buildings.

12. At any time after the security hereby constituted becomes enforceable, or the moneys hereby secured shall have become payable, the Chargee may appoint in writing a receiver or receiver-manager (the "Receiver") of the Charged Premises, with or without bond, and may from time to time remove the Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:
 - (a) To take possession of the Charged Premises and to collect the rents and such property, undertaking and assets of the Chargor assigned and/or charged to the Chargee herein and for such purpose to enter into and upon any lands, buildings and premises and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary, specifically including, but not limited to managing, operating, repairing, altering or extending the Charged Premises or any part thereof;
 - (b) To employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, to repair and keep in repair the Charged Premises and to do all necessary acts and things for the protection of the said Charged Premises;
 - (c) To sell or lease or concur in selling or leasing any or all of the Charged Premises, or any part thereof; and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver; and any such sale may be made from time to time as to the whole or any part or parts of the Charged Premises; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which it shall deem proper; and it may buy or rescind or vary any contracts for the sale of any part of the Charged Premises and may resell the same, and it may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in its sole opinion to be most advantageous and at such prices as can reasonably be obtained thereof; and in the event of a sale on credit, neither the Receiver nor the Chargee shall be accountable for or charged with any moneys until actually received;
 - (d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
 - (e) To borrow money to carry on the operations of the Chargor at the Charged Premises and to charge the whole or any part of the Charged Premises in such amounts as the

Receiver may from time to time deem necessary, and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall constitute a Charge against the Charged Premises in priority to this Charge;

- (f) To execute and prosecute all suits, proceedings and actions which the Receiver, in its opinion, considers necessary for the proper protection of the Charged Premises, and to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (g) To execute and deliver to the purchaser of any part or parts of the Charged Premises, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;
- (h) The net profits of the operations of the Chargor at the Charged Premises and the net proceeds of any sale of the Charged Premises or part thereof shall be applied by the Receiver, subject to the claims of any creditor ranking in priority to this Charge:
 - (i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid, including the reasonable remuneration of the Receiver and all amounts properly payable by it;
 - (ii) Secondly, in payment of all costs, charges and expenses payable hereunder;
 - (iii) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
 - (iv) Fourthly, in payment to the Chargee of all interest and arrears of interest, if any, and any other monies remaining unpaid hereunder; and
 - (v) Fifthly, any surplus shall be paid to the Chargee, provided that in the event any party claims a Charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.
- (i) During any period wherein the Chargee or any receiver or receiver and manager appointed by it shall manage the Charged Premises or any part thereof, upon or after entry, as provided herein, the Chargee shall not, nor shall any receiver or receiver and manager, be responsible or liable for any debts contracted by it, for damages to any other property or person, or for salaries or non-fulfilment of any contract, save and except as to claims at law or in equity to an accounting; and the Chargee shall not be bound to do, observe, or perform or to see the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor nor in any other way supervise or interfere with the conduct of the Chargor's operations of the Charged Premises;

- (j) The Chargee shall not be liable to the Receiver for his remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising, unless the same shall be caused by his own gross negligence or wilful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor, and the Chargor shall be solely responsible for his acts and defaults and for his remuneration;
 - (k) Save as to claims for an accounting contained in this paragraph, the Chargor hereby releases and discharges any such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such Receiver, unless such claim be in direct and proximate result of dishonesty or fraud;
 - (l) The Chargee may, at any time and from time to time, terminate any Receiver by notice in writing to the Chargor and to the Receiver;
 - (m) The statutory declaration of an employee or agent of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the Receiver through its ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;
 - (n) The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.
13. The Charge is hereby postponed to all mortgages registered against the Charged Premises as of the date of registration of this Charge and shall be continued to be postponed to any renewal or replacement or consolidation of such mortgages, with or without an increased rate of interest, provided the Chargor maintains sufficient equity in the Charged Premises as determined by the Chargee acting reasonably.

SCHEDULE B-2

THIS ASSIGNMENT made this day of XXX, XXX

BETWEEN:

[INSERT PROPONENT NAME]

(hereinafter called the "Assignor")

- and -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "Assignee")

WHEREAS:

- A. The Assignor is the owner of the lands and premises hereof (the "Premises"), subject to a charge to the Assignee of even date (the "Charge");
- B. The Assignor has leased or granted a right of use, occupation or license with respect to parts of the Premises and will from time to time lease or grant a right of use, occupation or license with respect to parts of the Premise

NOW THEREFORE, the Assignor and the Assignee agree with each other as follows:

- 1. In consideration of Two Dollars (\$2.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignee, the Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, as security for payment of the principal and interest and other moneys secured by the Charge and for performance of the obligations of the Assignor thereunder, all rents, charges and other moneys (the "Rents") now due and payable or hereafter to become due and payable,
 - (a) under every existing and future lease of and agreement to lease the whole or any portion of the Premises,
 - (b) under every existing and future tenancy, use, occupation or license granted by the Assignor, its successors and assigns, in respect of the whole or any portion of the Premises, whether or not pursuant to a lease, agreement to lease or license,
 - (c) under every existing and future guarantee of all or any of the obligations of existing or future tenants, users, occupiers or licensees of the whole or any portion of the Premises,

including all rents and other moneys under every lease, agreement to lease, use, occupancy, license and guarantee (the "Leases"), with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents, and to enforce payment of the same in the name of the Assignor, its successors and assigns, or otherwise.

2. The Assignor shall be permitted to collect and receive the Rents as and when the same shall become due and payable according to the terms of the Leases, unless and until the Assignor is in default under any of the provisions of the Charge and thereafter, the Assignee shall give notice to the tenant, user, occupier, licensee or guarantor, requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it.
3. The Assignor represents, warrants, covenants and agrees that, subject to the provisions of paragraph
 - (a) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have been or will be amended (except in the ordinary course of business), assigned, encumbered, discounted (save and except in connection with any settlement with a defaulting tenant in the ordinary course of business) or anticipated in priority to this Assignment, without the prior written consent of the Assignee;
 - (b) it has not and will not do or omit to do any act having the effect of terminating, canceling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
 - (c) none of the rights, remedies and obligations are or will be affected by any reduction, abatement, defense, set-off or counterclaim;
 - (d) none of the Rents under any of the Leases has been or will be paid in advance, except rent for the ensuing month and rent for the last month of the term of the lease;
 - (e) none of the Rents under any of the Leases has been paid prior to the due date for payment thereof;
 - (f) there has been no default under any of the Leases;
 - (g) there is no outstanding dispute under any of the Leases between the Assignor and any other party thereto;
 - (h) each of the Leases is valid, enforceable and in full force and effect;

- (i) the Assignor shall observe and perform all of its obligations under the Leases.
4. Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of the Rents or any of them or for the performance of any obligations or provisions under or in respect of the Leases or any of them to be observed and performed by the Assignor; and the Assignee shall not, by virtue of this Assignment or their receipt of the Rents or any of them, become or be deemed to be a mortgagee in possession; and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
 5. In the event the Assignee shall have exercised its rights under paragraph 2 and shall have received any of the Rents and if the Assignor shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee shall provide the Assignor with details of all Rents received by them prior to such resumption.
 6. The Assignor covenants and agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and without limiting the generality of the foregoing, upon the request of the Assignee made at any time, it shall assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid assignment thereof and shall give any other parties thereto a notice of such assignment and shall obtain from them acknowledgements of such notice, and the Assignor hereby irrevocably appoints the Assignee its attorney to effect and execute such assignment.
 7. A full and complete Discharge of the Charge shall operate as a full and complete release and re-assignment of all of the Assignee's rights and interest hereunder, and after the Charge has been fully discharged, this instrument shall be void and of no further effect. In the event further documentation is required for such release and re-assignment, the Assignees shall execute the same promptly, upon request by the Assignor.
 8. This Assignment is given in addition to and not in substitution for any other security held by the Assignee for all or any part of the monies secured under the Charge. It is understood and agreed that the Assignee may pursue its remedies under the Charge or hereunder or under any other security, concurrently or successively, at its option. Any judgment or recovery

hereunder or under any other security held by the Assignee for the monies secured under the Charge shall not affect the right of the Assignee to realize upon this or any other security.

9. This Assignment is hereby postponed to the Assignment of Rents registered against the Premises as of the date of registration of this Assignment and any extension or renewal thereof and any specific assignment of Rents made thereunder from time to time.

10. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

I/We have the authority to bind the Corporation.

SCHEDULE B-3

THIS AGREEMENT made this day of

BETWEEN:

(hereinafter called the "Assignor")

- and -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "Assignees")

1. SECURITY INTEREST

1.1 **IN CONSIDERATION** of Two Dollars (\$2.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignees, the Assignor hereby grants, bargains, assigns and transfers to the Assignees a fixed and specific mortgage and charge, as and by way of a continuing security interest (the "Security Interest") in the following property now or hereafter owned or acquired by or on behalf of the Assignor:

Equipment - All tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, fixed goods, chattels or assets of the kind, nature or description of the property particularly described in Schedule "B" hereto (the "Collateral").

1.2 The Security Interest is given for the payment of all obligations, indebtedness and liabilities, direct and indirect, of the Assignor to the Assignee, pursuant to the charge/mortgage (the "Charge") given by the Assignor to the Assignee, registered on [*insert date and Registry Office:* [] as Instrument No. [*insert number:*], including extensions or renewals thereof (the "Obligations").

2. LOCATION OF PROPERTY

2.1 The Assignor confirms and warrants that the Collateral shall be kept at TBD, London, Ontario more particularly described in Schedule "A" hereto, and that the Assignor shall not remove any of the Collateral from said location, without the prior written consent of the Assignee.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 The Assignor hereby represents, warrants and covenants to or with the Assignee, as the case may be, that:

- (a) the Assignor shall reimburse the Assignee for all costs and expenses, (including legal fees on a solicitor and his own client basis), incurred by them in the filing of this Agreement and the taking, recovering or possessing the Collateral, and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations, and all such costs and expenses shall be payable on demand;
- (b) at the time of execution and delivery of this Security Agreement, the Assignor is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title to the Collateral, free of any charge, lien, charge, security interest or encumbrance, except for any held by the currently registered first mortgagee of the lands and premises described in Schedule "A";
- (c) the Assignor shall not remove any of the Collateral from the lands and premises described in paragraph 2, without the Assignee's prior written consent, unless such Collateral is worn out or obsolete and provided that prior to such removal such Collateral is replaced with other Collateral of comparable quality, which shall be free of any mortgage, lien, charge, security interest or encumbrance, except for any held by any registered first mortgagee, from time to time, of the said lands and premises;
- (d) the Assignor shall care for, protect and preserve the Collateral and shall not permit its value to be impaired, and shall not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein, except to any registered first mortgagee, from time to time, of the lands and premises described in Schedule "A", without the prior written consent of the Assignee;
- (e) the Assignor shall keep the Collateral insured under the policies provided for in the Charge;
- (f) the Assignee shall be entitled, from time to time and at any time, to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Assignor shall defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Assignor in accordance with its terms.

4. USE OF SPECIFICALLY CHARGED PROPERTY

4.1 Until the occurrence of an event of default, as hereinafter provided, the Assignor may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement.

5. EVENTS OF DEFAULT

5.1 Obligations not payable on demand shall immediately become payable upon the occurrence of one (1) or more of the following events of default:

- (a) the Assignor fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations, warranties or covenants of this Agreement or of the Charge;
- (b) the Assignor ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (d) indebtedness or liability of the Assignor, other than to the Assignee, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof, or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or any guarantee given by the Assignor is not honoured when due and called upon;

and the Assignee shall have all rights and remedies under the applicable laws, as well as any other rights and remedies provided by this Agreement.

6. ADDITIONAL POWERS UPON DEFAULT

6.1 In addition to the rights and powers provided in paragraphs 5 and 8 and under the *Personal Property Security Act*, the Assignees and the Receiver, as defined in paragraph 8, shall have the following rights and powers, if the security hereby constituted becomes enforceable:

to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition; and the Assignor shall from time to time forthwith on the Assignee's request, execute, do and make all such agreements, statements, further assignments, acts, matters and things which may, from time to time, in the opinion of the Assignee, be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Assignee in the collateral; and the Assignee and any of its managers or acting

managers are by the Assignor hereby irrevocably constituted and appointed the true and lawful attorney of the Assignor, with full power of substitution for the Assignee, at its option, whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things, with the right to use the name of the Assignor.

7. WAIVER BY THE ASSIGNEE

7.1 Any breach by the Assignor of any of the provisions contained in this Agreement or any default by the Assignor in the observance or performance of any covenant or condition required to be observed or performed by the Assignor hereunder may only be waived by the Assignee in writing, provided that no such waiver by the Assignee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

8. APPOINTMENT OF RECEIVER AND MANAGER

8.1 The Assignee may appoint in writing any person, whether an employee or employees of the Assignee or not, to be a receiver or a receiver and manager (the "Receiver") of the Collateral or any part of parts thereof.

8.2 A receiver so appointed shall have power:

- (i) to take possession of, collect and get in the Collateral or any part thereof, and for that purpose to take any proceedings in the name of the Assignor or otherwise; and
- (j) to sell or concur in selling any of the Collateral.

8.3 Any Receiver so appointed shall be deemed to be the agent of the Assignor. The Assignor shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Assignees shall not, in any way, be responsible for any misconduct or negligence on the part of the Receiver.

8.4 All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest.

8.5 The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Assignees may have from time to time.

9. NOTICE

9.1 The Assignor shall be entitled to not less than fifteen (15) days notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Assignor.

10. APPROPRIATION

10.1 The Assignee shall have the right, at any time, to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

11. TERM

11.1 This Agreement shall be a continuing agreement, in every respect, for the payment of the Obligations and it shall remain in full force until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

12. NON-SUBSTITUTION

12.1 The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Assignee.

13. ACKNOWLEDGEMENT

13.1 The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

I/We have the authority to bind the Corporation.

SCHEDULE "A"

Location of the Collateral

Property Address:

PIN:

Description:

SCHEDULE "B"

Property Comprising the Collateral

All refrigerators, stoves, washers, dryers and all other items of personal property owned by the Assignor and located on or used in connection with the operation of the lands and premises described in Schedule "A".

SCHEDULE "C"

PERMITTED ENCUMBRANCES

[This schedule in the executed Charge/Mortgage will contain the registration details of all registered

documents which fit into the categories listed below.]

1. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Rental Housing.
2. Municipal agreements relating to the Development Activities in connection with the Project.

SCHEDULE "D"
INITIAL OCCUPANCY REPORT

The Initial Occupancy Report (IOR) will be signed by the Proponent and City.

The following information will be required for the IOR form:

- Section A – Project Information
- Section B – Tenant Information
- Section C – Units and Rent Information
- Section D – Project Certification

NOTE: The IOR is required to be submitted by the Proponent to City, for approval, before receiving final payment. The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Section 4 of this agreement.

INITIAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Contribution Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

1. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
2. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.

3. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
4. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
5. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name/Position
Company/Organization

Date

SCHEDULE “E” ANNUAL OCCUPANCY REPORT

The AOR will be generated on an annual basis for the term of the Loan Agreement. The AOR will be signed by the Proponent and the City.

The following information will be required for the AOR form:

- Section A – Project Information
- Section B – Units and Rent Information
- Section C – Depth of Affordability
- Section D – Project Certification

ANNUAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Loan Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

- a. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
- b. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to

signing of leases.

- c. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
- d. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
- e. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name/Position
Company/Organization

Date

SCHEDULE "F"

LEGAL DESCRIPTION OF PROPERTY

Number of Units: [_____] Affordable Rental Housing Units

Property Address: PIN:

Description:

SCHEDULE "G"

DEVELOPMENT SCHEDULE

Purchase Property Site Plan Approval Building Permit Construction Start Foundation

Completed

Structural Framing Completed Substantial Completion

Lien Publication First Occupancy Full Rent-up

Capital Audit Report – Must be submitted within one hundred and twenty (120) days of construction completion

Appendix "6"

Highly Supportive Housing Units Loan Agreement

This Agreement made the [XXX] day of [XXX].

BETWEEN:

THE CORPORATION OF THE CITY OF
LONDON

(hereinafter called the "City")

-and-

(hereinafter called the "Proponent")

AND WHEREAS section 28(7) of the *Planning Act*, R.S.O. 1990 c. P. 13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registers owners within a community improvement project area;

AND WHEREAS the City has established the Highly Supportive Housing Program within the Affordable Housing Community Improvement Plan to encourage the creation of new highly supportive housing units by off-setting up-front costs associated with developing new affordable housing;

AND WHEREAS the Proponent has applied to the City under the Highly Supportive Housing Program and has been selected to receive funding;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and for other good and valuable consideration, the parties hereto covenant and agree each with other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them:

1. INTERPRETATION

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

- "Accessible Units" means a unit located in a fully accessible building that provides items such as grab bars, roll-in shower, counter-top stove, and lower cabinets as well as provisions for persons with hearing and vision impairments;
- "Affordability Period" means the period during which the rent for the Highly Supportive

Housing Units in the Project is required to be maintained at an affordable level, as determined in accordance with this Loan Agreement;

- “Affordable Rent” means the monthly rent for a unit that does not exceed 80% of the AMR for that Unit. The Affordable Rent must include at least the unit heat, water, fridge, and stove;
- “Average Market Rent” or “AMR” means the average monthly market rent for a rental housing unit, by unit type, as published by CMHC for the London CMA;
- “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
- “CMHC” means the Canada Mortgage and Housing Corporation;
- “Loan Agreement” or “Agreement” means this Highly Supportive Housing Units Loan agreement entered into between The Corporation of the City of London and the Proponent;
- “Development Activities” means the development, construction, repair, renovation, rehabilitation or conversion of building(s) for the Project in accordance with the Plans and Specifications approved by the City of London;
- “First Occupancy” means the first day of the month immediately following the month in which the Highly Supportive Housing Units are rented for the first rental period following Substantial Completion;
- “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, pandemic, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Loan Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees;
- “Funding Schedule” means the schedule of funding setting out progress payments for the type of Project attached as Schedule “A”;
- “Funds” means the Loan;
- “Highly Supportive Housing Project” means a new rental housing accommodation development on the Subject Lands designed to assist individuals and families who require a significant level of support to achieve housing stability. The Highly Supportive Housing Project must comply with the requirements set out in Schedule “B”;
- “Highly Supportive Housing Unit” means a new rental housing accommodation Unit in a Highly Supportive Housing Project on the Subject Lands designed to assist individuals and families who require a significant level of support to achieve housing stability. A Highly Supportive Housing Unit must comply with the requirements of this Agreement, including the requirements set out in Schedule “B”;
- “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services,

social support or public recreation;

- “Interest Adjustment Date (IAD)” means the date which is one year following First Occupancy;
- “Improvements” means the improvements to be made on the Subject Lands required for the Project, consisting of a building and other improvements to be constructed by the Proponent on the property in accordance with the Plans and Specifications;
- “Loan” means the total amount of funds to be advanced to the Proponent, in accordance with the Funding Schedule and subject to the terms of the Loan Agreement;
- “Minister” means the Minister of Municipal Affairs and Housing;
- “National Housing Act Approved Lenders” means the National Housing Act Approved Lenders designated by CMHC under the *National Housing Act*, R.S.C. 1985, c. N-11;
- “Occupancy Date” means the date on which initial occupancy of a Highly Supportive Housing Unit in the Project is permitted by the City;
- “Parties” means the Proponent, the City and “Party” means either of them, as the context may require;
- “Permitted Encumbrances” means the encumbrances encumbering the Affordable Housing Units listed in Schedule “D”, together with such renewals or replacement financing that may be approved by the City, acting reasonably, during the term of this Loan Agreement;
- “PIPEDA” means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;
- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;
- “Plans and Specifications” means the plans and specifications for the development of the Project that meet the design and functional elements outlined by the City for the Highly Supportive Housing Project, which been approved and reviewed by all appropriate governmental authorities for the issuance of all permits necessary to construct and occupy the Improvements and as certified by a Quantity Surveyor;
- “Project” means the development, construction, repair, renovation, rehabilitation, conversion of the Building(s) on the Subject Lands, which shall have the minimum number of Highly Supportive Housing Units required under the Loan Agreement and facilities ancillary thereto provided and operated in accordance with the terms of this Loan Agreement;
- “Security Documents” means the security documents attached to and forming part of the Loan Agreement;
- “Service Manager” means The Corporation of the City of London;
- “Subject Lands” means the property and the buildings as the context may require on lands described in Schedule “G”;
- “Substantial Completion” means the substantial performance, within the meaning of the Construction Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Loan Agreement;

- “Supportive Housing Units” means units that are occupied by households receiving formal support services from support service agencies. Supportive Housing Units may be either integrated into projects or dedicated to a single Project;
- “Quantity Surveyor” means such architect, engineer, or other professional duly licensed to practice in the Province of Ontario as the Proponent may from time to time appoint to supervise, direct, monitor, inspect or assess the Project or a specified aspect of the Development Activities;
- “Unit” means a self-contained residential dwelling.

1.2 All references in this Loan Agreement including without limitation, the Schedules hereto, to “rent” are deemed to include housing charges paid by members of non-profit housing cooperatives and “rental” is deemed to have a corresponding meaning.

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

Schedule “A”	Funding Schedule
Schedule “B”	Highly Supportive Housing Project Requirements
Schedule “C-1”	City Charge/Mortgage of Land
Schedule “C-2”	Assignment of Rents
Schedule “C-3”	Security Agreement
Schedule “D”	Permitted Encumbrances
Schedule “E”	Initial Occupancy Report
Schedule “F”	Annual Occupancy Report
Schedule “G”	Legal Description of Property
Schedule “H”	Development Schedule

1.4 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.5 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. FUNDING FOR AFFORDABLE HOUSING

2.1 The Proponent agrees to advance as its equity contribution to the Project the amount of [insert number] on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.

2.2 Subject to the terms and conditions of this Loan Agreement, the City will provide a Loan in the amount of [XXX].

2.3 The City shall have the option of withholding from the amount to be disbursed under section 2.1 the amount of the cost of construction necessary to complete the construction of the Project and, in such case, the City shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is substantially complete within the meaning of the Construction Act and provided that the Construction Act is complied with.

2.4 The Proponent shall use the amount of the Loan solely for the purpose of its Development Activities in connection with the Project.

2.5 Subject to the terms and conditions of the Loan Agreement, the City shall disburse the Loan in accordance with the Funding Schedule attached as Schedule "A".

3. SPECIAL CONDITIONS

3.1 The Proponent shall provide the City with a revised construction schedule and construction budget for its review and approval four (4) weeks prior to the start of construction. The construction budget shall include soft costs, and the cost of each item of the Project. The Proponent shall be solely responsible for any cost overruns and shall immediately notify the City if cost overruns cannot be covered by the Proponent's financing.

3.2 The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with the provisions relating to the development of the Project in conformity with the Plans and Specifications.

3.3 The Proponent shall, subject to Force Majeure, achieve substantial completion of the Development Activities by [XXXX]. The City may, acting reasonably, extend this date.

3.4 Without limiting the condition set out in section 6, the Proponent shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under section 2.

3.5 The Proponent shall not at any time during the term of this Loan Agreement breach any City loan or grant program and shall not, through any breach on its part, cause the City to terminate an agreement under a City loan or grant program for cause. The Proponent agrees that a breach by it of any City loan or grant agreement, that has not been corrected, shall constitute a breach of this Loan Agreement. The Proponent shall provide the City with evidence of its good standing under any such City loan or grant agreement within ten (10) Business Days following its receipt of a written request from the City.

3.6 The Proponent acknowledges and agrees that the City shall register on title to the Subject Lands:

- i. This Agreement pursuant to Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13;
- ii. A certificate signed by the Clerk of the City setting out the amount loaned to the Owner and the applicable interest rate on the Loan on the Subject Lands.

Upon the entirety of the Loan being forgiven and provided the Proponent has otherwise

satisfied its obligations under this Loan Agreement in favour of the City, the City shall discharge the Agreement and certificate from title.

4. OPERATION OF HIGHLY SUPPORTIVE HOUSING

- 4.1 The Proponent shall operate a Highly Supportive Housing Project on the Subject Lands during the Affordability Period of 25 years commencing on First Occupancy in accordance with the requirements for the Highly Supportive Housing Project set out in Schedule “B”.
- 4.2 The Proponent agrees to provide [XXXXX] Highly Supportive Housing Units rented at no more than 80% of Average Market Rent during the Affordability Period of 25 years commencing on First Occupancy.
- 4.3 The Proponent shall ensure that the Highly Supportive Housing Units meet the requirements in Schedule “B” and that the residents residing in the Highly Supportive Housing Units are provided with supports required in Schedule “B” during the Affordability Period of 25 years.
- 4.4 The Proponent shall provide [XXXXX] Highly Supportive Housing Units for marginalized individuals from the City’s waitlist who require 24/7 onsite supports during the Affordability Period of 25 years.
- 4.5 Of the [XXXX] Highly Supportive Housing Units, the Proponent agrees to provide [XXXXX] Accessible Units during the Affordability Period of 25 years.
- 4.6 The Affordable Rent for the Project shall include a fridge, stove, water and heat.
- 4.7 Should the Proponent not receive funding for the support services in order to meet the requirements set out in Schedule “B” for the Highly Supportive Housing Project at any time following initial occupancy, the Proponent shall, within 60-days submit a request to the City to operate the [XXX] Highly Supportive Housing Units as affordable housing units at 80% Average Market Rent during the Affordability Period for 25 years. For clarity, should the City approve the Proponent providing affordable housing units in place of the Highly Supportive Housing Units, the Proponent shall comply with all other terms and conditions of this Agreement.

The Proponent’s request to operate the Highly Supportive Housing Units as affordable units shall include:

- i. Detailed operating pro forma;
- ii. What services are no longer provided;
- iii. Demonstrated consideration to offer other service providers the space to provide the highly supportive housing services in the building; and
- iv. Demonstrated efforts to pursue funding from all levels of government, any charitable sources or other organizations for the support services.

- 4.8 The Proponent shall contribute a minimum of 4% of rental income annually to a designated reserve fund account and provide account information to the City annually, if requested.

5. TENANT SELECTION

- 5.1 The Proponent shall fill all Highly Supportive Housing Units from referrals from the City of London's Central Waiting List in accordance with the process set by the City. When filling a vacant unit, the Proponent shall use the process approved by the City. The City's current process is:

- i. As soon as the Proponent is aware of a vacancy or a notice to vacate, the Proponent will contact the City employee designated by the City, or if no person has been designated, Deputy City Manager, Social and Health Development or their written designate ("City Contact") and provide the required information on the unit, including information on the size of the unit;
- ii. The City Contact then notifies the next City Client on the Housing Stability Services waiting list and provides that City Client with a referral letter, with the City Contact's card attached, indicating they are being referred for housing under this agreement;
- iii. The City Contact asks the City Client on the waiting list to contact the Owner directly, if the City Client is interested in applying;
- iv. The City Client will provide the Owner with the referral letter;
- v. For greater certainty, the Owner makes the final decision with respect to filling a vacancy in a designated unit, and, acting reasonably, the Owner can accept or reject a referral from the City. The Owner shall notify the City if they reject the referral from the City, provide the rationale for the rejection and the City will provide further referrals using the process outlined above until the Owner accepts a referral;
- vi. If a City Client is at risk of eviction, the Owner shall reach out to the City employee designated by the City to work through a variety of prevention measures to try and maintain the housing placement.

- 5.2 The gross tenant household income from all sources for tenants for the Highly Supportive Housing Units shall be no greater than five (5) times the monthly rent for the Highly Supportive Housing Unit. The City will verify the maximum household income at initial occupancy and refer only households that comply with the maximum household income and occupancy standards for the vacant unit(s).

- 5.3 The Proponent shall ensure that the following occupancy standards are observed when entering into a tenancy agreement for a Highly Supportive Housing Unit:

- i. A minimum of one and a maximum of two persons per bedroom for adult household members;
- ii. A minimum of one and a maximum of two children per bedroom under the age of 18.

5.4 An additional bedroom may be provided, if requested by the household under the following specific circumstances:

- i. If a member of the household requires a separate bedroom due to a disability or medical condition (Written verification: a doctor's note describing the nature of the disability or medical condition clearly specifying why an extra room is required);
- ii. Store equipment required by a member of the household due to a disability or medical condition (Written verification: a doctor's note describing the equipment required clearly specifying why an extra room is needed);
- iii. Accommodate an individual who is not a member of the household and who provides a member of the household with support services that are required due to the member's disability or medical condition (Written verification: a letter from the support service agency or person providing support services, describing the nature of the service and hours of service);
- iv. If a member of the household is pregnant (Written verification: a doctor's note specifying why an extra room is needed);
- v. If a member of the household has joint custody over a child who is not a member of the household, however, the member is required to provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation); and
- vi. If a member of the household has overnight access to a child who is not a member of the household, the member provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation).

6. CONDITIONS

6.1 The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City by written notice to the Proponent:

- (a) Any Loan Agreement referred to in s. 3.5 remaining in force and the Proponent being in good standing thereunder;
- (b) The Proponent is the registered owner in fee simple of the lands described in Schedule "F";
- (c) the Proponent providing the City with a capital budget and operating budget satisfactory to it;
- (d) The Proponent providing the City with confirmed sources of financing for the Project satisfactory to it;
- (e) the Loan Agreement remaining in force and the Proponent being in good standing thereunder;
- (f) There being no Claim for Lien under the Construction Act registered against the Project;
- (g) there being in existence no unregistered lien or statutory claim having priority against the Project;

- (h) The Proponent's title to the Project being free from any encumbrances other than Permitted Encumbrances;
- (i) The Proponent having provided the City with the security documents required in section 8 and in accordance with the said section;
- (j) The Proponent being in good standing under all the Permitted Encumbrances;
- (k) There being no work orders issued against the Project by any governmental entity, agency or official;
- (l) Such further and other conditions listed in Schedule "A".

6.2 If any of the conditions contained in section 6.1 have not been fulfilled on the date for the disbursement of the Loan by the City pursuant to section 2 and are not waived by the City pursuant to section 6.1, the City shall be under no obligation to make any advance of the Loan to the Proponent and the City shall thereupon have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the City may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the City in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent.

7. TERMS OF THE LOAN

- 7.1 The Loan shall have an Affordability Period of twenty-five (25) years, commencing as of the date of First Occupancy for the Project. On the last day of the month at the end of the term of the Affordability Period of twenty-five years, the Loan will be forgiven provided the Proponent has fulfilled all the requirements of the Loan Agreement.
- 7.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight percent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.
- 7.3 On the Interest Adjustment Date, the amount of interest accrued on the Loan as calculated in section 7.2 shall be forgiven, provided that the Proponent has satisfied all requirements of the Loan Agreement.
- 7.4 Following the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance.
- 7.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the City the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in this section, so accrued during the previous year; provided, however, if

in the opinion of the City, acting reasonably, the Proponent has satisfied, as of such anniversary date, the requirements of this Loan Agreement, the amount of the interest so owing shall automatically be forgiven.

7.6 The Proponent shall provide the City with such information respecting the Proponent's permanent financing obligations for the Project as the City may require from time to time.

8. SECURITY

8.1 Prior to the City disbursing the Loan proceeds to the Proponent pursuant to section 2.1, the Proponent shall provide the City with executed registerable security documents in the form attached hereto as Schedules "C-1", "C-2" and "C-3" (the "Security"), completed in accordance with this Agreement.

8.2 The Security shall be collateral to this Agreement. The amount of all contributions from the City shall be included in the Security documents.

8.3 Without limiting the Proponent's covenants and the remedies of the City under the Loan Agreement and the Security, the Proponent agrees that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.

8.4 The City acknowledges and agree that notwithstanding that the Security provides that the principal and interest secured thereunder are payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Loan Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the City.

8.5 The Security shall rank immediately behind the registered security for the Proponent's Permitted Encumbrances obligations for the Project unless the City has determined that the Security shall have lesser priority or as provided for under this Loan Agreement.

8.6 Provided:

- i. there is no event of default by the Proponent under this Loan Agreement that is continuing; and
- ii. the Proponent has provided the City with a professional appraisal from the current year and documentation to the City's sole satisfaction that the registered amount of the current balance outstanding on the registered encumbrances, together with the proposed encumbrance on the property do not exceed 90% of the professional appraised value of the Subject Lands,

the City shall consent to and subordinate and postpone the Security to charges in favour of National Housing Act Approved Lenders and enter into a standstill agreement which the City shall approve at its sole discretion, which may be requested by the Proponent or the holder of a charge on the Subject Lands. The Proponent shall provide the City a

minimum of 30 days to review a request for postponement. The Proponent shall not increase the balance outstanding on the registered encumbrances without the City's consent.

- 8.7 Upon the Proponent's request, the City shall provide a Status Certificate to the Proponent within 30 days, confirming whether to its knowledge there is an outstanding event of default and setting out the unforgiven balance of the Loan.
- 8.8 The Owner acknowledges and agrees that the City shall register a certificate signed by the Clerk of the City setting out the amount loaned to the Proponent on the Subject Lands. The registered certificate shall be discharged upon forgiveness of the Loan.
- 8.9 Upon the entirety of the Loan being forgiven and provided the Proponent has otherwise satisfied its obligations under this Loan Agreement in favour of the City, the City will execute and deliver to the Proponent a full and final discharge of the Security together with such documentation that will permit the Proponent to register the discharge on title to the Lands within 30 days of receiving a written request from the Proponent.

9. ACCOUNTABILITY FRAMEWORK

9.1 In the event:

- i. The City is advised that the Project will not proceed;
- ii. The City determines, acting reasonably, that the Proponent is not proceeding with the construction due to delays likely to cause depreciation or deterioration of the Improvements the Proponent shall return all funds to the City, forthwith upon demand;
- iii. City is of the opinion that the Proponent is not proceeding in an expeditious manner with the Development Activities for which the Funds have been provided; or
- iv. The Proponent is not complying with the requirements a of the Agreement;

the Proponent will be in default and shall return all disbursed amount of the Loan to the City, forthwith upon demand.

- 9.2 The Proponent shall submit to the City, an audited statement with respect to the expenditure of capital Funds provided to it pursuant to this Agreement, within one hundred and twenty (120) days following the date on which the City is advised that the Development Activities related to the Project have been fully completed or the Project will not proceed.
- 9.3 Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the City a completed occupancy report identifying the number of units, unit types, rents, tenant names, gross household income and move-in date for all the Highly Supportive Housing Units. The gross household income shall not be required for units that were filled from the City of London's Central Waitlist. The initial occupancy report will be filled out by an officer of the corporation and the officer shall declare that the

information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted. Annually thereafter, the Proponent shall provide an annual occupancy report identifying the number of units, unit types, rent, tenant names, gross household income and move-in date for all the Highly Supportive Housing Units. The annual occupancy report will be filled out by an officer of the corporation and the officer shall declare that the information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted. The current initial occupancy report and annual occupancy reports are attached as Appendix E and F. The Proponent acknowledges the City's right to amend these forms and information required by it and agrees that it will fill out any updated forms required by the City.

- 9.4 Without limiting the Proponent's obligations under section 9.3, the Proponent, if requested by the City, shall forthwith submit to the City the material required to be submitted to the City pursuant to section 9.3 and any rent roll or verification of initial tenant eligibility or such other information as the City deems necessary, in addition to any such material that the Proponent may have previously submitted to the City.
- 9.5 If requested by the City, the Proponent shall submit to the City an audited financial statement within ninety (90) days following the fiscal year-end of the Project.
- 9.6 The Proponent represents that it has not provided any false or misleading information in relation to the Project and agrees that it shall not provide any false or misleading information to the City under this Agreement.
- 9.7 The Proponent shall, on forty-eight (48) hours written notice, give the City free access to the Project and to such staff, documents, books, records, and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement.
- 9.8 The City may conduct an audit, investigation, or inquiry in relation to the Project or any larger development or project of which the Project is a part of and the Proponent shall cooperate with the City and provide free access to the Project and to such staff, documents, book, records and accounts as may be determined by the City. The provisions of section 9.1, 9.2, 9.3, 9.4 and 9.8 shall continue to apply for a period of seven (7) years following the end of the Affordability Period or the date of any early termination of this Agreement.

10. REMEDIES

- 10.1 Upon the occurrence of any one or more of the following events (each an "Event of Default"):
 - (a) the failure of the Proponent to perform, observe or comply with any other term, covenant, condition or provision of this Loan Agreement within ten (10) days of receipt of written notice of the "failure" from the City provided the Proponent shall not be deemed to be in default if within the said period of ten (10) days, the Proponent commences the necessary action to remove the "failure" and such action is diligently prosecuted;

- (b) any representation or warranty made by the Proponent in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;
- (c) the Improvements have not been substantially completed in accordance with the Plans and Specifications and such substantial completion is not certified to the City by the Quantity Surveyor on or before six (6) months following the date for substantial completion set out in subsection 3.3;
- (d) any person commences an action, suit or proceeding materially affecting the Project or file a lien against the Property, or any person shall commence an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponent shall diligently contest such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably;
- (e) the Proponent ceases to carry on business;
- (f) the Proponent:
 - (i) becomes insolvent or unable to pay its debts as they become due; or
 - (ii) files a petition in bankruptcy or voluntary petition seeking reorganization or effect a plan or other arrangement with creditors; or
 - (iii) makes an assignment for the benefit of creditors under the *Bankruptcy Act* (Canada) or any other insolvent debtors' legislation; or
 - (iv) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or
 - (v) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;
- (g) any of:
 - (i) an involuntary petition seeking the adjudication of the Proponent as bankrupt or insolvent not removed within thirty (30) days; or
 - (ii) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or
 - (iii) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponent to perform its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponent or in respect of its property and assets, and such petition, order, writ or judgment

is not vacated or stayed within fifteen (15) days after its date;

- (f) the occurrence of a material adverse change in the financial condition of the Proponent which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponent to meet its obligations to the City; and
- (g) if the Improvements shall be entirely destroyed or damaged to such an extent that, in the opinion of the Quantity Surveyor, acting reasonably, they are no longer fit for the purpose for which they were intended, and the insurance proceeds, if any, held by the City, in the opinion of the Quantity Surveyor, acting reasonably, are insufficient to repair such destruction or damage, and the Proponent has not provided evidence satisfactory to the City of the timely availability of such sufficient funds;

then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other moneys owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponent, the Property or assets of the Proponent as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponent hereby acknowledges that the City remedies are cumulative and not mutually exclusive.

- 10.2 During Term of Agreement: Should the Proponent be in default under the terms of the Loan or under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the Loan due and payable immediately. Interest will be payable only from the date of default until the Loan is paid in full. The interest rate shall be eight per cent (8%) per annum.
- 10.3 The City may add the Loan, together with interest accruing at a rate of eight per cent (8%) per annum from the date of the Event of Default, to the collector's roll and collect it in like manner as municipal taxes.
- 10.4 Complete Construction: If an Event of Default shall occur, the City may, at its option, in addition to any other remedy available to it, enter upon and take charge of the Project and assume full charge of the Improvements and may complete the Improvements or enter into a contract with another to complete the same, and all amounts advanced for such purpose, including reasonable legal fees incurred by the incident to the enforcement of any provisions hereof, shall be indebtedness of the Proponent to the City. All such amounts, even though they may, when added to the monies advanced and disbursed under this agreement, exceed the Loan shall be secured by the Mortgage and other Security Documents.
- 10.5 Costs and Expenses of Collection: All reasonable costs and expenses of collection (including legal fees, disbursements and court costs) of all amounts owing hereunder or of enforcement of any security created in favour of the City pursuant hereto, shall be for the account of the Proponent and shall be repayable on demand.

- 10.6 All of the remedies in this Agreement and the Security are cumulative and are not alternative and the City shall not be precluded from availing itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.
- 10.7 Notwithstanding any of the terms of this Agreement, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

11. ENERGY EFFICIENCY AND BUILDING DESIGN

- 11.1 Municipal Council of the City declared a Climate Emergency. The Proponent shall make reasonable efforts to design, construct and operate the buildings on the Subject Lands with the highest energy efficiency possible.
- 11.2 The Proponent confirms that the Project does not impose adverse impacts that cannot be mitigated.

12. REPRESENTATION AND WARRANTIES

The Proponent represents and warrants to the City that:

- 12.1 The Proponent is a duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder, and is duly qualified and in good standing in each jurisdiction in which the character of the property owned or leased or the nature of the business carried on by it makes such qualification necessary or desirable.
- 12.2 The Proponent has full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.
- 12.3 Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor the compliance with the terms, conditions and provisions hereof and of the mortgage will conflict with, or result in a breach of any of the terms, conditions or provisions of the constating documents of the Proponent or of any agreement or instrument to which it is now a party, or constitute a default thereunder, or (except as contemplated by this Agreement) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Proponent (whether such properties or assets are owned legally or beneficially) pursuant to the terms of any agreement or instrument to which it is a party.

- 12.4 There is not now pending against the Proponent any litigation, action, suit or other proceeding of a material nature by or before any court, tribunal or other governmental agency or authority or any other such pending or threatened action, suit or other proceeding against the Proponent or against or affecting any of the properties or assets of the Proponent (whether such property or assets are owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the business operations, properties or assets, or the condition, financial or otherwise, of the Proponent.
- 12.5 Except as previously disclosed in writing to the City, the Proponent is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Proponent.
- 12.6 The construction contract is in full force and effect and neither the Proponent nor any other party thereto is in default thereunder.
- 12.7 None of the information, financial or otherwise, provided by the Proponent to the City and to induce the City to make the Loan and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

13. COVENANTS OF THE PROPONENT

- 13.1 The proponent covenants and agrees with the City that, it shall:
- a) Take all such actions and do all such things required to develop and continuously carry on the construction of the Improvements in a good and workmanlike manner and in accordance with the Plans and Specifications and to complete such construction not later than the [XXXX], subject to Force Majeure;
 - b) do or cause to be done all acts and things necessary to preserve in full force and effect the existence of the Proponent and all licences and permits required for the carrying on of the operations of the Proponent at and from the Property and to preserve and protect all of the properties, real and personal owned and used by the Proponent in connection with the Project and to cause the same to be properly maintained and to be kept in good state of repair;
 - c) pay and discharge or cause to be paid and discharged all taxes and other levies of the Province of Ontario, the City, or of any other entity having jurisdiction to impose such taxes or levies, when the same become due and payable, except such taxes as are being contested in good faith by appropriate proceedings and provided that, in such case the Proponent shall have provided the City with appropriate security; and

d) deliver to the City the statements and reports as required by the Loan Agreement.

13.2 The Proponent covenants and agrees with the City that, so long as any obligation is outstanding by the Proponent to the City hereunder the Proponent will not, without the prior written consent of the City, which consent may be unreasonably withheld:

(a) create, incur, assume or permit to exist, after knowledge of the existence thereof, any mortgage, pledge, lien, hypothecation, charge (fixed or floating), security interest or other encumbrance whatsoever on the Property or any personal property or fixtures thereon except:

i. the Permitted Encumbrances listed in Schedule "D";

ii. encumbrances created in favour of or assigned or pledged to the City;

iii. inchoate or statutory liens for taxes which have not been assessed, or if assessed, which are either not delinquent or which are being contested by bona fide proceedings in good faith, and sufficient security for the payment of same has been given to the City, if requested;

iv. inchoate or statutory liens of contractors, sub-contractors, mechanics, suppliers, workers and others in respect of the construction, maintenance, repair and operation of the Improvements, provided that the same are not registered encumbrances against title to the Property or any personal property, or, if so registered, have been postponed to all charges in favour of the City contained in the Security Documents or are being contested by bona fide proceedings in good faith with sufficient security for the payment thereof having been given to the City or paid into Court to prevent effectively in the City opinion realization by disposal or other alienation from the Proponent of its legal or beneficial title to or interest in any such property.

(b) become a party, without the prior written consent of the City, to any transaction whereby the Project would become the property of any other person, whether by way of reorganization, amalgamation, merger, transfer, sale, lease, sale and leaseback, or otherwise;

(c) permit any change in the beneficial ownership of the Proponent;

(d) make any material change to the number or type of residential dwelling units of the project without the prior written approval of the City.

14. INDEMNIFICATION

14.1 The Proponent 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 Units including claims arising out of negligence of the Proponent 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 Proponent. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this Agreement.

14.2 The Proponent agrees to 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.

14.3 The Proponent further agrees, upon Substantial Completion, to purchase and maintain insurance policies that a prudent manager of similar premises would maintain 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).

14.4 In addition, during the design and construction period of the contract the Proponent will obtain and maintain the following policies of insurance:

- a) All risk builder's risk property insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City, and with a deductible of not more than one hundred thousand dollars (\$100,000) and remaining in effect until the completion of construction;
- b) Construction wrap-up liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers liability, non-owned automobile liability and shoring, blasting, excavating, under-pinning, demolition, pile driving and caisson work, work below and above ground surface, tunnelling and grading, and similar operations associated with the construction work, as applicable; to an inclusive limit of not less than five million dollars (\$5,000,000) and in the joint names of the Proponent, City, designated consultants, designated contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers,

architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the Project) which the City reasonably may require to be added as insured parties.

- 14.5 The Proponent shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponent 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 Proponent and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponent and all outlays by the City shall be payable by the Proponent 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 Proponent of its obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponent.
- 14.6 The Proponent 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.
- 14.7 Further, the Proponent 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.
- 14.8 The Proponent agrees 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.

15. NOTICE

- 15.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:
- a) delivered personally;
 - b) sent by prepaid courier service; or
sent by e-mail communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:
 - (i) in the case of notice to the City:

The Corporation of the City of London
300 Dufferin Ave

(ii) in the case of notice to the Proponent:

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:20 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

16. GENERAL

16.1 Any power, right or function of the City, contemplated by this Agreement, may be exercised by any employee or agent of the City, who is specifically authorized.

16.2 It is understood that the *Municipal Freedom of Information and Protection of Privacy Act* shall apply to all records submitted to or created by the City pursuant to this Agreement.

16.3 The Proponent represents and warrants that:

- a) it shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;
- b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and
- c) it shall ensure the PIPEDA compliance of all PIPEDA protected information that it transfers to the City.

16.4 The disbursement of Funds by the City to the Proponent pursuant to section 2 is subject to the necessary appropriations from the Municipal Council. The City shall have no liability in the event the respective appropriation is insufficient to meet the funding obligations.

16.5 Nothing in this Agreement is to be construed as authorizing one Party to contract for or

incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the City and the Proponent as partners of each other.

16.6 No member of:

- a) the House of Commons or Senate of Canada; or
- b) the Legislative Assembly of Ontario; or
- c) the Municipal Council constituting the Service Manager or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any such municipalities;

shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement.

16.7 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the City, and the Proponent or their respective solicitors on their behalf, who are hereby expressly authorized in this regard.

16.8 Any tender of documents or money hereunder may be made by the City, or the Proponent or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.

16.9 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed, and which has the effect of supplementing or superseding such statute or regulations.

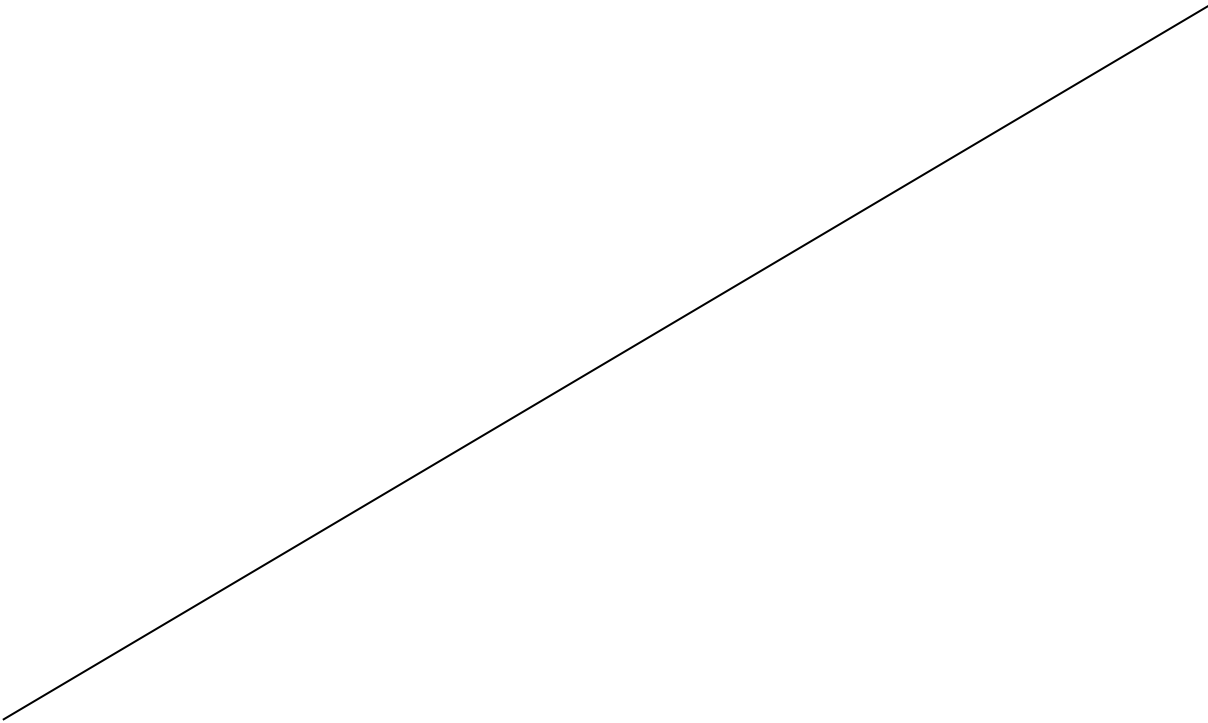
16.10 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

16.11 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

16.12 This Agreement shall be read with all changes of gender and number required by the context.

16.13 The Proponent shall not transfer or convey its interest in all or any part of the Project without, simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the City, in a form satisfactory to the City to assume all of the Proponent's obligations under this Agreement and to provide the City with Security in accordance with this Agreement.

- 16.14 The Proponent shall not assign its interest in this Agreement without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld;
- 16.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.
- 16.16 If more than one entity is a party to this Agreement as a Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.
- 16.17 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 17.14 restricting the Proponent's ability to assign this Agreement.
- 16.18 Subject to the provisions of the *Registry Act* and the *Land Titles Act*, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Proponent", wherever used in this Agreement, is intended and shall be construed to include such subsequent owners and occupiers) in accordance with Subsection 28 (11) of the *Planning Act*, R.S.O. 1990, c. P. 13.



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

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan
Mayor

Michael Schulthess
City Clerk

I/We have the authority to bind the Corporation.

SCHEDULE 'A'
FUNDING SCHEDULE

1. Loan Disbursement Milestones

Construction Milestones	Progress Payments
Confirmation of construction Start with First Available Permit	50 per cent (less 10% holdback)
Confirmation of structural framing for new construction or 50 percent completion for conversion projects.	35 per cent (less 10% holdback)
Confirmation of Occupancy	15 per cent (less 10% holdback)
Holdback	Released 60 days after lien publication

No funds shall flow if an order has been issued under subsection 12(2) of the *Building Code Act* and there has been no compliance with the order.

2. Disbursement of the Contribution

2.1 Payment – City Funds

- (a) The City shall make advances of the Loan at the following times upon at least ten (10) days prior notice to the City, provided that the conditions in the Loan Agreement, including this schedule and those set forth below have been satisfied:
- (i) an amount equal to 50% of the Loan at first available permit, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are, in the opinion of the City properly secured;
 - (ii) an amount equal to 35% of the Loan at completion of structural framing, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are in the opinion of the City properly secured;
 - (iii) the balance of the Loan upon the City on Occupancy (less 10% holdback) as evidenced by the Occupancy Certificate as provided by the City, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are in the opinion of the City properly secured;

- (iv) the holdback of the Loan will be released 60 days after publication notice in the Daily Commercial News or as determined by the City, subject to the following conditions: If requested by the City, the Proponent agrees to provide a breakdown of expenditures charged to the hard construction contingency prior to the release of the 10% holdback. If requested by the City, the Proponent agrees to provide a breakdown of expenditures for Accessible Units prior to releasing the 10% holdback.
- (b) the City shall not be liable to suppliers, contractors, sub-contractors, craftsmen, labourers or others for goods and services delivered by them in or upon the Property, or employed in the construction of the Improvements, or for any debts or claims accruing to any of the parties against the Proponent or against the Property;
- (c) it is distinctly understood and agreed by the parties hereto that there is no contractual relationship either express or implied, between the City and any supplier, contractor, sub-contractor, craftsman, labourer or person supplying any work, services or material to the Improvements. There shall be no third-party beneficiary of this Agreement, express or implied.

3. CONDITIONS

3.1 The obligation of the City to make the payment of the Loan is conditional upon prior compliance with such of the following conditions precedent:

- (a) the Proponent shall have submitted the Project budget and Project Construction Schedule to the City in a form and content satisfactory to the City;
- (b) the Proponent shall have delivered to the City evidence satisfactory to the City that the Proponent's equity has been paid, delivered or pledged;
- (c) The Proponent not having been issued or notified of a deficiency on the Subject Lands from the City of London building division;
- (d) The Proponent not having any outstanding defaults under a City loan or grant program;
- (e) The Proponent not having any outstanding debts to the City of London;
- (f) All City of London property taxes must be paid in full as of the date of the payment;
- (g) the City shall have received the following documents and materials each of which shall be satisfactory in substance and in form to the City:
 - i. certificates of incumbency of the persons signing on behalf of the Proponent;
 - ii. certified copies of such corporate documents of the Proponent as the City may reasonably require including, without limitation, letters patent, articles of

incorporation, certified abstracts from by-laws, and certified copies of relevant directors' resolutions;

iii. an opinion of the Proponent's counsel addressed to the City Solicitor's Office,

(B) that the Proponent:

- (a) is a body corporate, duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;
 - (b) is qualified to do business in the Province of Ontario;
 - (c) has all the necessary corporate power and authority to carry on the business to be conducted by it in respect of the development, operation and management of the Project; and
 - (d) has all the necessary corporate power and authority to enter into and perform its obligations under this Agreement and each of the Security Documents to which it is a party in accordance with their respective terms;
- B) that this Agreement to which the Proponent is a party has been duly and validly authorized, executed and delivered by the Proponent and are valid and binding obligations of the Proponent enforceable in accordance with their respective terms;
- C) that neither the execution and delivery by the Proponent of this Agreement to which it is a party nor compliance by the Proponent with any of their respective terms will contravene the charter documents or by-laws of the Proponent or, to the best of such counsel's knowledge, after having made due enquiry of the Proponent, contravene or result in a default under any other agreement or instrument by which Proponent may be bound or affected;
- D) that, to the best of such counsel's knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court or administrative agency;
- E) that the Proponent has or will have good and marketable title to the Property, subject only to Permitted Encumbrances, and that the Project complies in all respects with and is not in contravention of any relevant municipal, provincial or federal law, by-law, statute, ordinance or regulation;
- F) that no instrument containing a charge on any of the undertaking, property or assets of the Proponent, or notice thereof, has been registered in the Province of Ontario;
- G) that this Agreement and financing statements, notices and other documents relative thereto have been duly registered or filed in all places in Ontario

where such registration or filing is required by law or is necessary to make effective, preserve and protect the security which they purport to create;

H) as to such other matters as the City or its counsel may reasonably request.

Schedule “B”

Highly Supportive Housing Project Requirements

1. DEFINITIONS

In this Schedule, unless the context requires otherwise:

- 1.1 “Care Planning” means single housing-centric support planning for each individual, which is client driven and based in autonomy, empowerment and dignity, and ensuring coordination with necessary services that are flexible and fluid as individual needs change. It is based on consent and a shared data system.
- 1.2 “Harm Reduction” means a continuum of support that focuses on mitigating the potential harms of substance use and the structures which create harm for people who use drugs.
- 1.3 “Low-Barrier Services” means services and mechanisms in place to allow for residents and staff to assess and address barriers as they arise and fosters a fluid environment that can address and adapt to unforeseen circumstances. This includes adapting to housing needs and supporting individuals as they move in and out of Highly Supportive Housing Projects.
- 1.4 “Staff” shall mean the employees of the Proponent.
- 1.5 “Transitional Support Services” means services that help residents successfully move into or out of Highly Supportive Housing Projects and along the housing continuum. These services match the most appropriate housing to each individual to meet their needs and preferences.

2. SUPPORT STAFF

- 2.1 There must be staff available to help residents of the Highly Supportive Housing Units maintain their housing, improve their mental and physical health, increase their income and employment, and foster connections within the community. The amount of support staff will depend on the number of participants and the needs of the community. Some of the support staff will need to be available 24/7 on site of the Highly Supportive Housing Project.

3. BASIC NEEDS

- 3.1 Each Highly Supportive Housing Unit must include a space to sleep, access to clean water, a washroom, a shower, and access to laundry facilities.
- 3.2 The Proponent shall provide education about food security and accessible food options, and choices that are culturally relevant/resonant. The programming must include where to access food resources and information about healthy foods and how to cook them.
- 3.3 The Highly Supportive Housing Project must include kitchen amenities.

Support to access food banks or grocery apps/stores, etc. must be made available if no food

programs, such as a shared food cupboard, exist on site of the Highly Supportive Housing Project.

- 3.4 Pathways to basic life skills programming must be integrated within the Highly Supportive Housing Project based on individual needs and supports for skill building and independence are offered to support autonomy and self-efficacy.

[Optional Additional Services]:

- Meals may be included as part of the Highly Supportive Housing Project
- A community around food is created that includes:
 - o Integrating community meals;
 - o Building food-based partnerships (e.g., field trips to community gardens);
 - o Providing a community garden space on site, if space allows; and
 - o Offering individualized programming to suit the needs of residents.
- Staff to provide finance-related support such as budgeting, money management, navigation of financial systems, etc.
- Education sessions on basic life skills for residents (e.g., financial literacy, cooking classes) are organized to empower residents with essential skills to enhance their self-sufficiency and quality of life]

4. COMMUNITY ENGAGEMENT AND RELATIONSHIPS

- 4.1 Community integration must be facilitated through connections with local community resources and relationship-building activities within the Highly Supportive Housing Project and with neighbours.
- 4.2 There must be a balance of resident rights versus collective rights through multiple channels (e.g., policies, agreements, etc.)
- 4.3 The Highly Supportive Housing Project must have built in security considerations to create a sense of safety (e.g., intercoms, fobs, etc.)
- 4.4 Routine Highly Supportive Housing Unit inspections must be conducted with a focus on safety. The Proponent shall ensure that residents expect that staff will be in their units on occasion (with notice), and that these inspections will balance safety with their privacy and sense of home.
- 4.5 The Proponent shall promote the development of support networks both within and outside the Highly Supportive Housing Project community.
- 4.6 The Proponent shall facilitate communication and engagement between the Highly Supportive Housing Project, residents, and neighbours.
- 4.7 There must be avenues for residents to voice their suggestions and concerns. This shall be done by the Proponent facilitating resident engagement programs to ensure the building remains responsive to residents' evolving needs.
- 4.8 A sense of belonging must be fostered by the Proponent within the Highly Supportive Housing Project and within the broader community to provide a sense of safety through:
- Communication and engagement;
 - Intake conversations that include strengths-based and interests-based components;

- Staff being highly skilled in resident engagement and striving to build relationships;
- Resident-led and resident-informed programming being provided based on residents' interests;
- Diverse programs and community spaces, such as shared kitchens, multi-purpose community rooms, and outdoor/indoor green spaces with seating areas, which serve as venues for workshops, resident community meetings, and social functions and provide residents with opportunities to connect with each other and foster a vibrant, inclusive community;
- Property management being attuned to building/property upkeep;
- Staff being visible and accessible; and
- Fire safety procedures and fire safety education and training being built into the programming with the support of the London Fire Department.

4.9 The Proponent shall ensure staff are trained in social prescribing practices and refer residents to local, non-clinical services that are chosen according to the resident's interests, goals, and gifts to empower residents to improve their health by developing new skills, participating in meaningful activities, and becoming more connected to their communities.

[Optional Additional Services]:

- Regular internal community meeting occur to promote positive relationship within the Highly Supportive Housing Project
- Awareness and partnerships are developed with emergency services
- Resident integration includes communicating clear Highly Supportive Housing community expectations
- An understanding that Highly Supportive Housing requires an occupancy agreement and it is not the same as regular private market residential tenancies.
- Residents are offered opportunities to take on compensated part-time roles within the Highly Supportive Housing program, such as gardening, yard work, or cleaning up the surrounding neighbourhood

5. CULTURAL COMPETENCE

- 5.1 The Proponent shall ensure staff undertake mandatory, ongoing, and adaptive cultural sensitivity training.
- 5.2 Staff must liaise with community agencies to provide phone/video translation and interpretation, legal, and settlement services.
- 5.3 The Proponent shall ensure that in its meetings on the Highly Supportive Housing Project, intentional conversations occur about culture, needs, and expectations, with the intention that work to accommodate language, literacy, and accessibility of materials and services will be ongoing.
- 5.4 The Proponent shall develop strong working relationships with external agencies, allowing residents to meet with agencies who have cultural expertise.
- 5.5 Equity language must be included in all documents associated with the Highly Supportive Housing Project.

- 5.6 There must be a formal process in place to promote resident involvement in the local community, including providing equitable access to City-run programming.
- 5.7 There must be flex space within the Highly Supportive Housing Project that can be used for culturally specific needs, activities, and traditional practices.

[Optional Additional Services]

- Access to outdoor space/land is provided
- Culturally-led programming is made available

6. FAMILY AND NATURAL SUPPORTS

- 6.1 There must be a high level of partnership with family-based and/or natural support providers.
- 6.2 Connections must be made with culturally appropriate supports/agencies with expertise in the background and culture of the individual resident and their families and/or natural supports (e.g., Indigenous-led parenting programs)
- 6.3 There must be a community room available where residents can invite their families and natural supports to visit in a space outside of their Highly Supportive Housing Unit.

[Optional Additional Services]

- Additional considerations are determined based on the demographics of the site (e.g., flex space for childcare based on the needs of the building, considering there might be family specific Highly Supportive Housing projects).
- Support is available for residents to identify resources in the system for reunification.
- Parenting information and parenting classes are provided.

7. HARM REDUCTION

- 7.1 Naloxone training for staff and residents must be provided.
- 7.2 There must be Naloxone available on site of the Highly Supportive Housing Project.
- 7.3 Clinical supports must be available on site to support accessible health care.
- 7.4 Safer use kits and disposal must be available on site.
- 7.5 Resident-led safety planning around substance use must be conducted.
- 7.6 Crisis Plan(s) must be developed by the Proponent for each resident of a Highly Supportive Housing Unit.
- 7.7 Standard Operating Procedures regarding Care Planning must be in place.
- 7.8 Staff, agencies working with the Highly Supportive Housing Project, and the community must be educated about Harm Reduction, including a shared understanding of Harm Reduction.
- 7.9 Residents must be assisted to access a continuum of recovery options.

[Optional Additional Services]

- Daily check-ins regarding safety, needs, and education are conducted
- On-site, in-person visits by addiction workers and/or groups are facilitated

8. LOW-BARRIER SERVICES

- 8.1 The Proponent shall develop and implement a process to work through conflict and crisis.
- 8.2 Staff must be highly skilled and trained in trauma-informed care.
- 8.3 There must be risk policies in place and staff must be effectively trained to respond to all levels of risk.
- 8.4 The Proponent must demonstrate resilience and a high capacity to respond effectively to emerging and evolving needs.
- 8.5 Highly Supportive Housing Projects must be inclusive of couples, individuals with pets, and gender-diverse individuals.
- 8.6 Education must be provided about any agreements that exist within the Highly Supportive Housing Project.
- 8.7 Continued support must be available for residents to obtain ID, income, and other required assistance.
- 8.8 Damage deposits may be required prior to move-in.
- 8.9 There must be staff support in place to connect residents to other housing opportunities, services, etc.
- 8.10 There must be partnerships between agencies to offer Highly Supportive Housing Units through a coordinated intake process to individuals being released from custody, individuals leaving the hospital to no fixed address, individuals who have been identified by groups like the Situation Table or Circle of Support, and other community-identified priority populations.
- 8.11 There must be partnerships with emergency services to meet resident needs (e.g., fire education, community paramedicine).
- 8.12 There must be strong partnerships with behavioural support teams (e.g., Developmental Services Ontario, Regional Support Associations) to support the most complex individuals and effectively triage and flow resources to these individuals in a timely manner to provide adequate support.
- 8.13 Each Highly Supportive Housing Unit must be personalized to consider the risks of the individual.

9. [Optional Additional Services]

- Program meetings occur to create opportunities to meet as a collective within the Highly Supportive Housing building.
- Options are available to access external mediation services.
- Accessibility features (e.g., ramps, elevators, wider doorways) are built into projects to ensure

community members of all abilities can move freely on the premises.

- There is flexibility for 'paper readiness' as a prerequisite to be offered or move into housing (e.g., once an individual is offered a unit within Highly Supportive Housing, assistance is to be provided toward paper readiness). Paper readiness is defined as having all required documents to apply for and move into housing.

10. NON-RESIDENT GUEST AND VISITOR MANAGEMENT

- 10.1 Staff must be available to support visitor and guest management.
- 10.2 There must be policies in place for each Highly Supportive Housing Project community to ensure the safety and wellbeing of all residents, while allowing for flexibility for residents to make their own decisions related to guests and visitors.
- 10.3 There must be guest and visitor policies that have been developed with input from residents and include clear processes if the policy is broken.
- 10.4 There must be criteria that exists for the use of no-trespass orders to be established.
- 10.5 Education must be provided about what a safe guest and visitor is, identification of risk factors with residents, and continued assessment and ongoing education.
- 10.6 There must be availability or accessibility of staff for 24-hour supports.

[Optional Additional Services]

- Building access and security systems are in place to navigate guest issues, such as secure entry, camera systems, security presence, a staffed front desk, etc.
- Best practices for guest management are included in occupancy agreements, where occupancy agreements exist.
- Positive neighbourhood relations are established to support guest and visitor management that impacts the external community.
- Diversion Workers/System Navigators are available for those guests and visitors who are regularly attending Highly Supportive Housing and housing deprived (e.g., preventative for unit takeovers and supportive to individuals without housing).

11. QUICK ACCESS AND INTENTIONAL CONNECTIONS TO ACUTE AND PRIMARY CARE

- 11.1 There must be connections made to ambulatory psychiatric supports.
- 11.2 Overdose prevention protocols and supports must be in place.
- 11.3 The Harm Reduction and substance use continuum of care must be implemented, from distribution of harm reduction equipment to referrals for evidence-based treatment and support programs.
- 11.4 Connection to interdisciplinary primary care must be facilitated.
- 11.5 Referrals to home-based care and supports must be made, including:
 - PSW availability 24/7;
 - Nursing availability 24/7; and

- OT availability within 5 days of referral.

11.6 Referrals to acute care with support and follow-up must be provided.

11.7 There must be collaboration with local healthcare providers to establish on-site or nearby healthcare and mental health services to provide residents with convenient access to primary care and preventive health services.

[Optional Additional Services]

- Episodic health care may be offered to residents.

12. TRANSITIONAL SUPPORT SERVICES

12.1 There must be 24/7 supports available on-site.

12.2 Relationships must be developed with health and housing programs so that residents in Highly Supportive Housing Projects and service providers are familiar with the models of specialized supports that exist in the community.

12.3 Residents must set goals and there must be a checklist with touchpoints in place.

12.4 Pre-existing supports must remain in place during the transition into housing for a period to improve the continuity of care (e.g., Circle of Support, ACT team, etc.).

12.5 Strength-based resident-driven plans and goals must be established to support an individual's whole health needs (physical, spiritual, mental, emotional, environmental, social, cultural, economic, etc.).

12.6 Staff must support smooth and successful transitions between hospitalization, incarceration, housing, etc., including supportive move-ins.

12.7 If an individual is undertaking a lease, education must be provided about renters' rights.

[Optional Additional Services]

- Access or referral to education, volunteer opportunities, and job/skills training programs is facilitated

13. TRANSPORTATION ASSISTANCE

[Optional Additional Services]

- Support is available to coordinate transportation or purchase bus passes.
- Shuttle services or a minivan are offered to access hospitals, appointments, mental health services, grocery stores, and food banks where possible and sustainable (through partnership or funding).
- Staff accompany residents on the bus to support skill building. Staffing models need to be in place to allow for this type of in-community support.
- Highly Supportive Housing is built in areas with easy access to public transportation options to make commuting more convenient and contribute to a reduced reliance on private vehicles.

SCHEDULE “C-1”, “C-2”, “C-3”

SECURITY DOCUMENTS

Schedule C-1: City Charge/Mortgage of Land - register in land titles/land registry system

Schedule C-2: Assignment of Rents - register in land titles/land registry system and PPSA

Schedule C-3: Security Agreement (chattels) - register in PPSA

SCHEDULE "C-1"

ADDITIONAL PROVISIONS: Continued from Page 1 - Box 10 (TERAVEIW)

1. Section 24 of the Standard Charge Terms filed as No. 200033 is deemed to be excluded.
2. This Charge/Mortgage of Land is collateral security for a Loan Agreement made between the Chargor and the Corporation of the City of London ("Chargee"), dated the [_____], (the "Loan Agreement") under which the City contributed for a total [_____] towards the Project and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
3. In the event of a breach of the terms of the Security Agreement or the Assignment of Leases and Rents being given by the Chargor to the Chargee simultaneously with this Charge, the principal balance then outstanding, together with any other amounts payable pursuant to the terms of this Charge, shall forthwith become due and payable at the option of the Chargee and all powers conferred by this Charge shall become exercisable by the Chargee.
4. With respect to the portion of the Principal Amount advanced by the Chargee:
 - (a) Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced by the City to the Chargor under the Loan Agreement at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, until the Interest Adjustment Date.
 - (b) On the Interest Adjustment Date, the amount of interest accrued shall be forgiven, provided that the Chargor has satisfied all requirements as set out in the Loan Agreement.
 - (c) On each anniversary date of the Interest Adjustment Date, the Chargor shall pay the City the amount of interest, as calculated according to the interest rate stipulated in paragraph 4(a), so accrued during the previous year; provided, however, if the Chargor has satisfied, as of such anniversary date, the requirements of the Loan Agreement, the amount of the interest so owing shall automatically be forgiven.
 - (d) The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Chargor has fulfilled all the requirements of in the Loan Agreement.
5. Upon the occurrence of any one or more of the Events of Default described in the Loan Agreement, the City, at its option, may declare the outstanding principal amount of the Loan then advanced, together with all other moneys owing to the City under the Loan Agreement, due and payable forthwith.

6. The Chargor covenants with the Chargee that upon request in writing from the Chargee, it will provide the Chargee, within thirty (30) days of receipt of such request, a schedule containing the names of all tenants in the building constructed on the Charged Premises, accompanied by a certificate of an officer of the Chargor confirming the terms of all existing leases, that the same are in full force and effect, that the Chargor has complied with all terms thereof, and that the Chargor will not amend, modify or cancel any lease or receive any prepayment of rent other than the current and last month's rent without the prior written consent of the Chargee, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Chargor and the tenant, that no money other than a maximum of two (2) months rent has been prepaid by the tenant to the Chargor, and that the tenant is aware of the assignment by the Chargor of all rents and leases affecting the Charged Premises.
7. The Chargor covenants with the Chargee that if the Chargee make any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Charged Premises and shall be added to the debt hereby secured and shall bear interest at the said rate, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to them under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.
8. The Chargor covenants with the Chargee that in the event of the Chargor selling, conveying, transferring or entering into an agreement for the sale or transfer of title of the Charged Premises to a purchaser or transferee not approved in writing by the Chargee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon, at the option of the Chargee, shall forthwith become due and payable.
9. Subject to the renewals, replacements and consolidations permitted in paragraph 15 below, the Chargor shall not further mortgage or encumber the Charged Premises without the prior written approval of the Chargee.
10. The Chargor shall take out and maintain throughout the term of the Charge the following insurance, all in a form and with insurers acceptable to the Chargee:
 - (a) all policies shall include thirty (30) days written notice to the Chargees of material alternation or cancellation and must be signed by the insurer(s) or their authorized representative(s). Brokers signing on behalf of the insurer(s) must provide the Chargee with a letter of authority from the insurer(s);
 - (b) the policies shall include the Chargee as loss payees, as their interest may appear, and shall contain the Insurance Bureau of Canada approved standard

mortgage clause endorsement;

- (c) all risks, including extended coverage and flood, to full one hundred per cent (100%) replacement cost, and boiler and pressure vessel and machinery insurance;
- (d) comprehensive or commercial general liability insurance to a limit of not less than five million dollars (\$5,000,000.00) per occurrence;
- (e) general liability coverage for non-owned automobile to a limit of not less than two million dollars (\$2,000,000.00); and
- (f) co-insurance shall not be acceptable.

11.

- (a) To the best of the Chargor's knowledge and belief, the Charged Premises contain no asbestos, urea formaldehyde insulation, polychlorinated biphenyls (PCB's), radioactive substances or other materials deemed to be hazardous under any applicable environmental legislation, there are no outstanding orders or notices and any required permits or licences are in good standing.
- (b) The Chargor, at its sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders, with respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment. The Chargor shall pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Charged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Chargor fails to do so, after notice to the Chargor and the expiration of the earlier of (i) any applicable cure period under the Charge or (ii) the cure period under the applicable law, rule, regulation or order, the Chargee at their sole option may declare the Charge to be in default.
- (c) The Chargor shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.

12. The Chargee or its agents may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Charged Premises to inspect the lands and buildings thereon. Without limiting the generality of the foregoing, the Chargee or its agents may enter upon the Charged Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall be payable by the Chargor forthwith and shall be a charge upon the said Charged Premises. The exercise of any of the

powers enumerated in this paragraph shall not deem the Chargee or its agents to be in possession, management or control of the said lands and buildings.

13. At any time after the security hereby constituted becomes enforceable, or the moneys hereby secured shall have become payable, the Chargee may appoint in writing a receiver or receiver-manager (the "Receiver") of the Charged Premises, with or without bond, and may from time to time remove the Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:
 - (a) To take possession of the Charged Premises and to collect the rents and such property, undertaking and assets of the Chargor assigned and/or charged to the Chargee herein and for such purpose to enter into and upon any lands, buildings and premises and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary, specifically including, but not limited to managing, operating, repairing, altering or extending the Charged Premises or any part thereof;
 - (b) To employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, to repair and keep in repair the Charged Premises and to do all necessary acts and things for the protection of the said Charged Premises;
 - (c) To sell or lease or concur in selling or leasing any or all of the Charged Premises, or any part thereof; and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver; and any such sale may be made from time to time as to the whole or any part or parts of the Charged Premises; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which it shall deem proper; and it may buy or rescind or vary any contracts for the sale of any part of the Charged Premises and may resell the same, and it may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in its sole opinion to be most advantageous and at such prices as can reasonably be obtained thereof; and in the event of a sale on credit, neither the Receiver nor the Chargee shall be accountable for or charged with any moneys until actually received;
 - (d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
 - (e) To borrow money to carry on the operations of the Chargor at the Charged Premises and to charge the whole or any part of the Charged Premises in such amounts as the Receiver may from time to time deem necessary, and in so doing

the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall constitute a Charge against the Charged Premises in priority to this Charge;

- (f) To execute and prosecute all suits, proceedings and actions which the Receiver, in its opinion, considers necessary for the proper protection of the Charged Premises, and to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (g) To execute and deliver to the purchaser of any part or parts of the Charged Premises, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;
- (h) The net profits of the operations of the Chargor at the Charged Premises and the net proceeds of any sale of the Charged Premises or part thereof shall be applied by the Receiver, subject to the claims of any creditor ranking in priority to this Charge:
 - Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid, including the reasonable remuneration of the Receiver and all amounts properly payable by it;
 - Secondly, in payment of all costs, charges and expenses payable hereunder;
 - Thirdly, in payment to the Chargee of the principal sum owing hereunder;
 - Fourthly, in payment to the Chargee of all interest and arrears of interest, if any, and any other monies remaining unpaid hereunder; and
 - Fifthly, any surplus shall be paid to the Chargee, provided that in the event any party claims a Charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.
- (i) During any period wherein the Chargee or any receiver or receiver and manager appointed by it shall manage the Charged Premises or any part thereof, upon or after entry, as provided herein, the Chargee shall not, nor shall any receiver or receiver and manager, be responsible or liable for any debts contracted by it, for damages to any other property or person, or for salaries or non-fulfilment of any contract, save and except as to claims at law or in equity to an accounting; and

- the Chargee shall not be bound to do, observe, or perform or to see the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor nor in any other way supervise or interfere with the conduct of the Chargor's operations of the Charged Premises;
- (j) The Chargee shall not be liable to the Receiver for his remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising, unless the same shall be caused by his own gross negligence or wilful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor, and the Chargor shall be solely responsible for his acts and defaults and for his remuneration;
 - (k) Save as to claims for an accounting contained in this paragraph, the Chargor hereby releases and discharges any such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such Receiver, unless such claim be in direct and proximate result of dishonesty or fraud;
 - (l) The Chargee may, at any time and from time to time, terminate any Receiver by notice in writing to the Chargor and to the Receiver;
 - (m) The statutory declaration of an employee or agent of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the Receiver through its ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;
 - (n) The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.
14. The Charge is hereby postponed to all mortgages registered against the Charged Premises as of the date of registration of this Charge and shall be continued to be postponed to any renewal or replacement or consolidation of such mortgages, with or without an increased rate of interest, provided the Chargor maintains sufficient equity in the Charged Premises as determined by the Chargee acting reasonably.

SCHEDULE “C-2”

THIS ASSIGNMENT made this day of XXXX, XXX

BETWEEN:

[INSERT PROPONENT NAME]

(hereinafter called the “Assignor”)

- and -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the “Assignee”)

WHEREAS:

- A. The Assignor is the owner of the lands and premises hereof (the “Premises”), subject to a charge to the Assignee of even date (the “Charge”);
- B. The Assignor has leased or granted a right of use, occupation or license with respect to parts of the Premises and will from time to time lease or grant a right of use, occupation or license with respect to parts of the Premise

NOW THEREFORE, the Assignor and the Assignee agree with each other as follows:

- 1. In consideration of Two Dollars (\$2.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignee, the Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, as security for payment of the principal and interest and other moneys secured by the Charge and for performance of the obligations of the Assignor thereunder, all rents, charges and other moneys (the “Rents”) now due and payable or hereafter to become due and payable,
 - (a) under every existing and future lease of and agreement to lease the whole or any portion of the Premises,
 - (b) under every existing and future tenancy, use, occupation or license granted by the Assignor, its successors and assigns, in respect of the whole or any portion of the Premises, whether or not pursuant to a lease, agreement to lease or license, a
 - (c) under every existing and future guarantee of all or any of the obligations of existing or future tenants, users, occupiers or licensees of the whole or any portion of the Premises

- (d) including all rents and other moneys under every lease, agreement to lease, use, occupancy, license and guarantee (the "Leases"), with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents, and to enforce payment of the same in the name of the Assignor, its successors and assigns, or otherwise.
2. The Assignor shall be permitted to collect and receive the Rents as and when the same shall become due and payable according to the terms of the Leases, unless and until the Assignor is in default under any of the provisions of the Charge and thereafter, the Assignee shall give notice to the tenant, user, occupier, licensee or guarantor, requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it.
3. The Assignor represents, warrants, covenants and agrees that, subject to the provisions of paragraph
- (a) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have been or will be amended (except in the ordinary course of business), assigned, encumbered, discounted (save and except in connection with any settlement with a defaulting tenant in the ordinary course of business) or anticipated in priority to this Assignment, without the prior written consent of the Assignee;
 - (b) it has not and will not do or omit to do any act having the effect of terminating, canceling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
 - (c) none of the rights, remedies and obligations are or will be affected by any reduction, abatement, defense, set-off or counterclaim;
 - (d) none of the Rents under any of the Leases has been or will be paid in advance, except rent for the ensuing month and rent for the last month of the term of the lease;
 - (e) none of the Rents under any of the Leases has been paid prior to the due date for payment thereof;
 - (f) there has been no default under any of the Leases;
 - (g) there is no outstanding dispute under any of the Leases between the Assignor and any other party thereto;
 - (h) each of the Leases is valid, enforceable and in full force and effect;
 - (i) the Assignor shall observe and perform all of its obligations under the

Leases.

4. Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of the Rents or any of them or for the performance of any obligations or provisions under or in respect of the Leases or any of them to be observed and performed by the Assignor; and the Assignee shall not, by virtue of this Assignment or their receipt of the Rents or any of them, become or be deemed to be a mortgagee in possession; and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
5. In the event the Assignee shall have exercised its rights under paragraph 2 and shall have received any of the Rents and if the Assignor shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee shall provide the Assignor with details of all Rents received by them prior to such resumption.
6. The Assignor covenants and agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and without limiting the generality of the foregoing, upon the request of the Assignee made at any time, it shall assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid assignment thereof and shall give any other parties thereto a notice of such assignment and shall obtain from them acknowledgements of such notice, and the Assignor hereby irrevocably appoints the Assignee its attorney to effect and execute such assignment.
7. A full and complete Discharge of the Charge shall operate as a full and complete release and re-assignment of all of the Assignee's rights and interest hereunder, and after the Charge has been fully discharged, this instrument shall be void and of no further effect. In the event further documentation is required for such release and re-assignment, the Assignees shall execute the same promptly, upon request by the Assignor.
8. This Assignment is given in addition to and not in substitution for any other security held by the Assignee for all or any part of the monies secured under the Charge. It is understood and agreed that the Assignee may pursue its remedies under the Charge or hereunder or under any other security, concurrently or successively, at its option. Any judgment or recovery hereunder or under any other security held by the Assignee for the monies secured under the Charge shall not affect the right of the Assignee to realize

upon this or any other security.

9. This Assignment is hereby postponed to the Assignment of Rents registered against the Premises as of the date of registration of this Assignment and any extension or renewal thereof and any specific assignment of Rents made thereunder from time to time.
10. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

I/We have the authority to bind the Corporation.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 The Assignor hereby represents, warrants and covenants to or with the Assignee, as the case may be, that:

- (a) the Assignor shall reimburse the Assignee for all costs and expenses, (including legal fees on a solicitor and his own client basis), incurred by them in the filing of this Agreement and the taking, recovering or possessing the Collateral, and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations, and all such costs and expenses shall be payable on demand;
- (b) at the time of execution and delivery of this Security Agreement, the Assignor is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title to the Collateral, free of any charge, lien, charge, security interest or encumbrance, except for any held by the currently registered first mortgagee of the lands and premises described in Schedule "A";
- (c) the Assignor shall not remove any of the Collateral from the lands and premises described in paragraph 2, without the Assignee's prior written consent, unless such Collateral is worn out or obsolete and provided that prior to such removal such Collateral is replaced with other Collateral of comparable quality, which shall be free of any mortgage, lien, charge, security interest or encumbrance, except for any held by any registered first mortgagee, from time to time, of the said lands and premises;
- (d) the Assignor shall care for, protect and preserve the Collateral and shall not permit its value to be impaired, and shall not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein, except to any registered first mortgagee, from time to time, of the lands and premises described in Schedule A, without the prior written consent of the Assignee;
- (e) the Assignor shall keep the Collateral insured under the policies provided for in the Charge;
- (f) the Assignee shall be entitled, from time to time and at any time, to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Assignor shall defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Assignor in accordance with its terms.

4. USE OF SPECIFICALLY CHARGED PROPERTY

- 4.1 Until the occurrence of an event of default, as hereinafter provided, the Assignor may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement.

5. EVENTS OF DEFAULT

- 5.1 Obligations not payable on demand shall immediately become payable upon the occurrence of one (1) or more of the following events of default:

- (a) the Assignor fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations, warranties or covenants of this Agreement or of the Charge;
- (b) the Assignor ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (d) indebtedness or liability of the Assignor, other than to the Assignee, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof, or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or any guarantee given by the Assignor is not honoured when due and called upon;

and the Assignee shall have all rights and remedies under the applicable laws, as well as any other rights and remedies provided by this Agreement.

6. ADDITIONAL POWERS UPON DEFAULT

- 6.1 In addition to the rights and powers provided in paragraphs 5 and 8 and under the *Personal Property Security Act*, the Assignees and the Receiver, as defined in paragraph 8, shall have the following rights and powers, if the security hereby constituted becomes enforceable:

to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition; and the Assignor shall from time to time forthwith on the Assignee's request, execute, do and make all such agreements, statements, further assignments, acts, matters and things which may, from time to time, in the opinion of the Assignee, be necessary

or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Assignee in the collateral; and the Assignee and any of its managers or acting managers are by the Assignor hereby irrevocably constituted and appointed the true and lawful attorney of the Assignor, with full power of substitution for the Assignee, at its option, whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things, with the right to use the name of the Assignor.

7. WAIVER BY THE ASSIGNEE

8. Any breach by the Assignor of any of the provisions contained in this Agreement or any default by the Assignor in the observance or performance of any covenant or condition required to be observed or performed by the Assignor hereunder may only be waived by the Assignee in writing, provided that no such waiver by the Assignee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

9. APPOINTMENT OF RECEIVER AND MANAGER

9.1 The Assignee may appoint in writing any person, whether an employee or employees of the Assignee or not, to be a receiver or a receiver and manager (the "Receiver") of the Collateral or any part of parts thereof.

9.2 A receiver so appointed shall have power:

- (i) to take possession of, collect and get in the Collateral or any part thereof, and for that purpose to take any proceedings in the name of the Assignor or otherwise; and
- (j) to sell or concur in selling any of the Collateral.

9.3 Any Receiver so appointed shall be deemed to be the agent of the Assignor. The Assignor shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Assignees shall not, in any way, be responsible for any misconduct or negligence on the part of the Receiver.

9.4 All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest.

9.5 The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Assignees may have from time to time.

10. NOTICE

10.1 The Assignor shall be entitled to not less than fifteen (15) days notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Assignor.

11. APPROPRIATION

11.1 The Assignee shall have the right, at any time, to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

12. TERM

12.1 This Agreement shall be a continuing agreement, in every respect, for the payment of the Obligations and it shall remain in full force until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

13. NON-SUBSTITUTION

13.1 The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Assignee.

14. ACKNOWLEDGEMENT

14.1 The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

I/We have the authority to bind the Corporation.

SCHEDULE "A"

Location of the Collateral

Property Address:

PIN:

Description:

SCHEDULE "B"

Property Comprising the Collateral

All refrigerators, stoves, washers, dryers and all other items of personal property owned by the Assignor and located on or used in connection with the operation of the lands and premises described in Schedule "A".

SCHEDULE “D”

PERMITTED ENCUMBRANCES

[This schedule in the executed Charge/Mortgage will contain the registration details of all registered documents which fit into the categories listed below.]

1. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Rental Housing.
2. Municipal agreements relating to the Development Activities in connection with the Project.

SCHEDULE "E"
INITIAL OCCUPANCY REPORT – PART 1

The Initial Occupancy Report (IOR) will be signed by the Proponent and City.

The following information will be required for the IOR form:

- Section A – Project Information
- Section B – Tenant Information
- Section C – Units and Rent Information
- Section D – Project Certification

NOTE: The IOR is required to be submitted by the Proponent to City, for approval, before receiving final payment. The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Section 4 of this agreement.

INITIAL OCCUPANCY REPORT

A. Project Information

Initial Occupancy	
Loan Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of All Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

*Where there are units that have not been funded under this agreement but have development charges waved under the Affordable Residential Unit Development Charge Exemption, the Proponent must meet the maximum rents from the Affordable Residential Units bulletin.

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

1. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
2. All new tenants have been appropriately screened for program eligibility and unit

occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.

3. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
4. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
5. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name/Position
Company/Organization

Date

NOTE: The “permitted rents” must be consistent with the formula for determining the initial rents, set out in Section 4 of this agreement. This form is subject to change without notice.

Proponents are required to attach current income verification documentation for each new tenant to this report. Income verification documentation will include the most recent Notice of Assessment or other such documentation acceptable to the City. Proponents are not required or expected to check incomes for approved tenants once they have taken possession of their units.

**SCHEDULE “F”
ANNUAL OCCUPANCY REPORT**

The AOR will be generated on an annual basis for the term of the Loan Agreement. The AOR will be signed by the Proponent and the City.

The following information will be required for the AOR form:

- Section A – Project Information
- Section B – Tenant Information
- Section C – Units and Rent Information
- Section D – Project Certification

ANNUAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Loan Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

- a. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
- b. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.

- c. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
- d. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
- e. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name/Position

Date

and Solemn Declaration hereby declare and certify the following statements to be true and correct: best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls. new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Loan Agreement and Residential Tenancies Act prior to signing of leases. additional fees, charges, or lease costs are required of tenants outside of the requirements of the Loan Agreement. increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Loan Agreement. am aware of the controls and remedies outlined within the Loan Agreement related to compliance with the agreement and affordable housing program. understand that, in accordance with the Loan Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes. declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

NOTE: The “permitted rents” must be consistent with the formula for determining the initial rents, set out in Section 4 of this Agreement. This form is subject to change without notice.

SCHEDULE "G"

LEGAL DESCRIPTION OF PROPERTY

Number of Units: [_____] Highly Supportive Housing Units

Property Address: PIN:

Description:

SCHEDULE “H”

DEVELOPMENT SCHEDULE

Purchase Property Site Plan Approval Building Permit Construction Start Foundation
Completed

Structural Framing Completed Substantial Completion

Lien Publication First Occupancy Full Rent-up

Capital Audit Report – Must be submitted within one hundred and twenty (120) days of
construction completion

Appendix B

Bill No.
2025

By-law No.

A by-law to repeal By-law No. C.P.-1561-107 being A bylaw to approve and authorize the use of the Additional Residential Unit Loan Agreement template between The Corporation of the City of London (the "City") and Registered Owner of a property providing affordable rental units (the "Borrower") to provide for a loan to address affordability of home ownership and to create more long-term, stable rental housing supply to help address low vacancy rates, and to delegate the authority to enter into such Agreements to the City Planner or delegate

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 Municipal Council wishes to repeal By-law C.P.-1561-107 being A bylaw to approve and authorize the use of the Additional Residential Unit Loan Agreement template between The Corporation of the City of London (the "City") and Registered Owner of a property providing affordable rental units (the "Borrower") to provide for a loan to address affordability of home ownership and to create more long-term, stable rental housing supply to help address low vacancy rates, and to delegate the authority to enter into such Agreements to the City Planner or delegate;

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

1. By-law C.P.-1561-107 being A bylaw to approve and authorize the use of the Additional Residential Unit Loan Agreement template between The Corporation of the City of London (the "City") and Registered Owner of a property providing affordable rental units (the "Borrower") to provide for a loan to address affordability of home ownership and to create more long-term, stable rental housing supply to help address

low vacancy rates, and to delegate the authority to enter into such Agreements to the City Planner or delegate is hereby repealed as of the effective date of this bylaw.

2. 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 February 11, 2025 subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – February 11, 2025
Second Reading – February 11, 2025
Third Reading – February 11, 2025