

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Housing and Community Growth

Subject: Approval of Service Agreement with Whiteoak Heritage Housing Co-operative Inc.

Date: April 13, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Housing and Community Growth, the proposed by-law, attached as Appendix “A”, **BE INTRODUCED** at Municipal Council on April 28, 2026 to:

- i. **APPROVE** the Service Agreement between The Corporation of the City of London and Whiteoak Heritage Housing Co-operative Inc. attached as Schedule “1” (the “Service Agreement”);
- ii. **AUTHORIZE** the Mayor and City Clerk to execute the Service Agreement;
- iii. **AUTHORIZE** the Deputy City Manager, Housing and Community Growth, or their written designate to approve and execute any future amending agreements to the Service Agreement;

Executive Summary

Following Council’s endorsement of the End of Mortgage/End of Agreement (EOM/EOA) strategic framework and funding model, staff began working with various housing providers to determine project specific needs for operational and capital funding. The Service Agreement in this report reflect the outcome of each negotiation.

The proposed Service Agreement for Whiteoak Heritage Housing Co-operative Inc. (Whiteoak Heritage) reflects a financial subsidy commitment that is comparable to the level of subsidy that the housing provider would have received prior to their End of Mortgage. The actual subsidy commitment is directly tied to the level of Rent-Geared-to-Income (RGI) households served, up to a maximum of 37 households. The proposed Service Agreement is a 20-year term with a commitment to continue filling any vacant RGI units from the centralized waitlist.

The townhouse complex managed by the Whiteoak Heritage Housing Co-Op was built in 1986. It is located at 1414 Ernest Ave in London, and provides 75 affordable units, of which 37 are RGI units. To support the aging infrastructure, the agreement also requires the housing provider to re-direct at least 95% of annual surpluses to the capital reserve. The particulars of this agreement are the outcome of many meetings with Housing Provider’s Board of Directors and administrative staff.

Linkage to the Corporate Strategic Plan

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

- Housing and Homelessness
- Well-Run City

Housing and Homelessness Strategic Area of Focus:

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

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

The following strategies are intended to decrease the number of Londoners at risk of or experiencing homelessness:

- Implement a program of continuous review of policies, procedures, and by-laws to create accountability and opportunities for balanced and compassionate solutions to homelessness.

Well-Run City Strategic Area of Focus:

The following strategies are intended for Londoners to have trust and confidence in their municipal government:

- Increase transparency and accountability in decision making, financial expenditures, and the delivery of municipal programs and services.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [End of Mortgage/End of Agreement Strategic Framework and Funding Model for Social Housing](#) (CPSC January 6, 2025)
- [End of Mortgage/End of Agreement Service Agreement Template](#) (CPSC January 6, 2025)

1.2 Background

Service Agreement

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

Progress Update

Following council approval of the EOM/EOA Strategic Framework and Funding model in January 2025, City staff have been actioning the framework activities, many of which will be ongoing as housing providers migrate to a Service Agreement operating model. The following activities have been completed or in progress:

- Developed and implemented a housing provider engagement plan for those who have reached their end of mortgage date,
- Developed, in partnership with a third party, board training materials and a plan to deliver in-person sessions for Q4 2025 and Q1 2026,
- Developed, in partnership with a third party, capital training sessions for Housing Boards and property managers,
- Completed several building condition assessments, with more anticipated in 2026,

- Completed detailed financial viability analysis, provider risk assessment, and capital plan analysis for those providers that are ready to enter into a Service Agreement,
- Developed standardized reporting templates for annual reporting for post Service Agreement operations.

1.3 Current Social Housing Inventory

A priority for the EOM/EOA Framework is to protect the current social housing inventory and the corresponding rent-geared-to-income units. Table 1 reflects the current state of social housing for London and Middlesex County. With the exception of London Middlesex Community Housing (LMCH), all provincial reform and federal housing providers are in scope for Service Agreement negotiations under this framework.

Table 1: Breakdown of Providers and Community Housing Unit Offering

	# of Providers	# of Building Assets	Rent-Geared-to-Income Units	Low-End Market Rent Units	Total Community Units
Provincial	40	50	2,272	542	2,814
Federal	21	24	159	1,126	1,285
New Subsidy Agreements¹	3	3	81	72	153
Sub Total	64	77	2,512	1,740	4,252
LMCH	1	48	3,282	0	3,282
Total	65	125	5,794	1,740	7,534

NOTE:

1. New subsidy agreements refer to the two Service Agreements and the Exit Agreement that have been executed with 3 different providers as of December 31, 2025. These agreements provide ongoing support to non-profit housing providers that offer deeply affordable rents.

1.4 Guiding Principles

In addition to protecting existing RGI and affordable units, several terms and conditions of the Service Agreement also support the remaining guiding principles that shape the City uses the following principles to guide decision making:

1. Protect existing affordable and rent-geared-to-income units,
2. Optimize the impact of municipal investment,
3. Support capital needs to support development and redevelopment,
4. Support a sustainable financial model, and
5. Support a mixed community approach.

2.0 Discussions and Considerations

2.1 Provider Assessment for Whiteoak Heritage Housing Co-operative Inc.

Whiteoak Heritage Housing Co-operative Inc. (Whiteoak Heritage) is structured as a Non-Profit Co-operative Housing Provider located in London.

As part of the development of the Service Agreement, an operational review was completed at Whiteoak Heritage. The purpose of the review is to examine the effectiveness of administration and governance, building asset management, and financial management of the corporation. The housing provider is also assessed for alignment to related legislation, regulations, and local rules. Below are some key attributes of the Housing Provider.

Table 2: Key Attributes for Whiteoak Heritage

Attribute	
Date Built	1986
End of Mortgage Date	July 1, 2022
Total # of Units	75 (100%)
# of RGI Units	37 (49%)
# of Market Units (Deeply Affordable)	38 (51%)

Whiteoak Heritage is a 40-year-old townhouse complex that was built in 1986. The capital plan shows a 10-year cumulative need of \$2.5 M for major components. The property is in generally good condition, with capital needs associated with the roofs, siding and attics of the townhouse blocks which will be addressed through a Provincial funding program. With the roofs and attic work completed, projected capital needs over the following 10 years are anticipated to be manageable within the new subsidy framework.

Overall, Whiteoak Heritage is meeting legislative requirements by operating with good governance and financial due diligence. The audited financial statements from fiscal year-end 2024 shows a healthy operating reserve balance of just over \$500 K and capital reserve balance of \$325 K. The mortgage was fully paid off by July 1, 2022. The organization is financially stable and can meet all current and long-term debt obligations.

2.2 Key Terms in Service Agreement

The proposed Service Agreement is attached as Schedule “1”. Below are the key terms of the Agreement:

- 20-year Term
- Agreement registered on title
- Rent-Geared-to-Income households subject to Service Manager’s waitlist system and selection and eligibility rules
- Minimum of 95% of annual operating surpluses directed to Capital Reserve
- Subsidy funding equivalent to the difference between rent-geared-to-income paid by the household and the approved market rent for RGI units
- Rental increases for RGI units are aligned to annual allowable increases published through the Residential Tenancies Act (RTA)
- The housing provider to submit reports, documents, and information as required to support performance reporting and compliance to the Agreement

2.3 Limits of Delegation

Further, the limits of authority delegated by Council for Civic Administration to make amendments to the Contribution Agreement are proposed to be limited to:

- The amendment does not materially alter the intent, deliverables, or obligations established in the original Council approved agreement.
- The change is required to correct a clerical error or reconcile language between related agreements.
- The amendment is necessary to comply with updated legislation or regulatory requirements that do not alter the operational scope approved by Council.
- The change supports project continuity when delaying approval to a future Council meeting would cause avoidable disruptions to construction schedules, grant compliance, or service delivery timelines.
- The amendment relates to extending a deadline or administrative milestone and the extension does not alter approved commitments.
- The amendment has minimal to no financial implications and remains fully within the Council approved budget.

Civic Administration have been in active conversations with the Co-Op Housing Federation, Canada about some minor amendments to language in the template

agreement to suit the co-op housing model. For example, the co-op model does not use the terms “rent” or “tenant”, instead the residents of the properties pay “housing charges” and are considered “members” of the non-profit. These changes are still in the process of being finalized in discussion with City’s legal counsel, but the execution of the agreement and confirmation of the subsidy is needed to ensure the financial stability of the property. If appropriate, the amendments to the service agreement language will be made for all co-ops, and included in future agreements to be reviewed and approved by Council.

Any amendments to agreements will be completed with the support and advice of Legal Services in alignment with the approved delegation and limits of authority noted above. These agreements and any subsequent amendments will be made available to the public upon completion of the public webpage which is expected by Q2 2026.

3.0 Financial Impact/Considerations

3.1 Summary of 5-year Financial Plan

The 5-year Financial Plan was reviewed with the provider and ensures the long-term financial stability of the property. Under the new funding model, unit rent (housing charges) for RGI units is pegged at 60% of the current year’s Average Market Rent (AMR) which equates to an estimated annual Service Manager subsidy of \$268,000 in year 1. The total subsidy over the next 5 years averages about 31% of total Revenues, which is comparable to about 30% prior to End of Mortgage.

Under the new funding model, the Housing Provider can meet annual operating expenses while contributing an estimated average of \$395,000 annually to their capital reserves over the 5-year forecast period. These amounts will contribute to supporting the \$2.5 Million capital investment needed over the next 10 years. The contribution to capital reserves represents a significant shift to capital investments, which is critical to protecting the current social housing inventory.

Table 3: Estimates of the Service Agreement Funding

	Pre-EOM 3-Yr Average	Y1	Y2	Y3	Y4	Y5
Rental Revenue (000’s)	\$546	\$587	\$608	\$620	\$626	\$640
Service Manager Subsidy (000’s)	\$231	\$268	\$267	\$276	\$293	\$303
Total Revenue including Subsidy (000’s)	\$782	\$869	\$889	\$910	\$934	\$957
Subsidy as % of Revenue	30%	31%	30%	30%	31%	32%
Net Surplus/(Deficit) (000’s)	\$14	\$14	\$15	\$17	\$15	\$15
Contribution to Capital Reserve (000’s)	\$58	\$378	\$385	\$393	\$405	\$415

3.2 Impact to 2024 – 2027 Multi-Year Budget

The projected financial commitment can be managed within the current Multi-Year Budget for housing subsidies.

Whiteoak Heritage is one of many properties currently operating under the Housing Services Act and subsidized through the social housing budget. The budget for social housing subsidies over the current multi-year budget cycle is \$18 M annually. The funding commitment for Whiteoak Heritage under the Service Agreement averages 1.6% of the total subsidy budget compared to 1.3% pre-End of Mortgage. The actual subsidy amount, and corresponding contribution to capital, will vary based on actual RGI units delivered. Whiteoak Heritage is currently delivering 28 RGI units and their target is 37 RGI units.

Conclusion

Upon Council Approval of the Service Agreement for Whiteoak Heritage Housing Co-operative Inc., staff will secure an executed Service Agreement contract. A formal communication will also be provided to the Ministry of Municipal Affairs and Housing confirming a Service Agreement under Part VII.1 of the Housing Services Act. Staff will continue working with the provider to help them transition into the new Service Agreement operating framework.

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Director, Municipal Housing and Industrial 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

Appendix "A" – By-Law
Schedule "1" - Part VII.1 Service Agreement

Appendix “A”

Bill no.
2025

By-law No. A.-

A by-law to approve a Service Agreement between Whiteoak Heritage Housing Co-operative Inc. and The Corporation of the City of London

WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25 , as amended (the “*Municipal Act, 2001*”) 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 s. 101.2(1) of the *Housing Services Act, 2011* authorizes the service manager to enter into an agreement with a housing project to become a Part VII.1 housing project on a date determined in accordance with O.Reg 367/11;

AND WHEREAS the City, as service manager under the *Housing Services Act, 2011*, wishes to enter into a service agreement with Whiteoak Heritage Housing Co-operative Inc. for the housing project located at 1414 Ernest Avenue, London, Ontario;

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

1. The Service Agreement between The Corporation of the City of London and Whiteoak Heritage Housing Co-operative Inc. attached as Schedule “1” to this bylaw (the “Service Agreement”) is hereby authorized and approved.
2. The Deputy City Manager, Community and Housing Growth is delegated authority to approve amendments to the Service Agreement.
3. The Mayor and Clerk are authorized to execute the Service Agreement, as amended by the Deputy City Manager, Community and Housing Growth pursuant to their delegated authority under section 2 of this bylaw.
4. The Deputy City Manager, Community and Housing Growth, or their written designate, is authorized to approve and execute amending agreements to the Service Agreement.
5. This bylaw comes into effect on the day it is passed subject to the provisions of Part VI.1 of the *Municipal Act, 2001*.

Passed in Open Council on April 28, 2026 subject to the provisions of Part VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – April 28, 2026
Second Reading – April 28, 2026
Third Reading – April 28, 2026

SERVICE AGREEMENT

B E T W E E N:

Whiteoak Heritage Co-operative Inc.
(Hereinafter called the "Housing Provider")

- and -

The Corporation of the City of London
(Hereinafter called the "The City" or "Service Manager")

WHEREAS:

WHEREAS the Housing Provider operates a housing project, which is a designated housing project under the *Housing Services Act, 2011*;

AND WHEREAS the Project is not subject to a pre-reform operating agreement that remains in effect and is not subject to a mortgage guaranteed by the Province of Ontario that relates to a transferred housing program;

AND WHEREAS the Project is operated by a Housing Provider, which is a Co-operative to which Part 20 of the Canada Co-operatives Act or the *Cooperative Corporations Act*, R.S.O. 1990 c. C.35, whichever applies;

AND WHEREAS the Housing Provider and the Service Manager wish to enter into a Part VII.1 services agreement pursuant to section 101.2(1) of the Act in order for the designated housing project to become a Part VII.1 housing project;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency are expressly acknowledged, The Housing Provider and the Service Manager agree as follows:

1. INTENTION TO HAVE PROJECT BE GOVERNED BY PART VII.I HOUSING SERVICES ACT, 2011 AS MAY BE AMENDED

- 1.1 By entering into this Agreement, the Service Manager and Housing Provider confirm their intent for the Project to be governed by Part VII.1 of the Act and cease to be a designated housing project under the Act. The Service Manager and Housing Provider agree that they shall continue to comply with the applicable terms of the Act.

2. INTERPRETATION

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

"Act" means *Housing Services Act, 2011*, S.O. 2011, c. 6, Sched. 1 and its regulations, as amended to from time-to-time or replacement of successor legislation;

“Agreement” means this agreement entered into between The Corporation of the City of London herein described as the “Service Manager”, and Whiteoak Heritage Housing Co-operative Inc., herein described as the Housing Provider, and includes all of the schedules listed;

“Alternative Assistance” means alternate housing assistance through a program under Schedule 4.2 of Ontario Regulation 367/11;

“Project” means the housing project titled Whiteoak Heritage Housing Co-operative Inc. on the Subject Lands municipally known as 1414 Ernest Ave, London, ON N6E 3C3;

“HSA” means the *Housing Services Act, 2011*, S.O. 2011, c. 6, Sched. 1 and its regulations, as amended to from time-to-time or replacement of successor legislation;

“Market Unit” means a unit in the Project that is not an RGI Unit.

“MFIPPA” means the *Municipal Freedom of Information and Protective of Privacy Act, 1990* and its regulation, as amended to from time-to-time;

“Minister” means the Minister of Municipal Affairs and Housing;

“Personal Information” means personal information as defined under MFIPPA;

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

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

“Member” means an individual who has been admitted into membership of the Co-operative in accordance with its by-laws and is entitled to occupy a unit;

“RGI” means rent geared-to-income assistance;

“RGI Unit” means a unit designated under this agreement which will be occupied by a household receiving rent-geared-to-income assistance;

“RTA” or “*Residential Tenancies Act*” means the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17 and its regulations, as amended to from time-to-time;

“Subject Lands” means the lands described in Schedule “B”;

2.2 All definitions in the Agreement have the same meaning as set out in the Act unless otherwise defined in the Agreement.

2.3 Where a non-profit housing co-operative is the Housing Provider under this Agreement, all references to “rent” refer to housing charges paid by members of non-profit housing co-operatives.

3. TERM

3.1 The term of the Agreement shall be for twenty (20) years commencing on July 1, 2026 ending on June 30, 2046. The Project shall become a Part VII.1 housing project on July 1, 2026 (the “Effective Date of the Agreement”), provided the requirements of the Act and its regulations are satisfied.

3.2 The Agreement shall remain in effect after the end of term until:

- a) The agreement is replaced by a new service agreement, or
- b) The Service Manager and Housing Provider enter into an exit agreement and the exit agreement takes effect.

- 3.3 The City and Housing Provider shall jointly provide a written notice to the Minister of their intention that the designated housing project be a Part VII.1 housing project. The notice shall conform with the requirements of the Act and its regulations. The joint notice shall be signed by one (1) representative of the Service Manager and one (1) representative of the Housing Provider. The joint notice shall be given to the Minister at least thirty (30) days prior to the Effective Date of the Agreement.

4. PROJECT

- 4.1 The Housing Provider confirms that the Project is not subject to a pre-reform operating agreement that remains in effect and is not subject to a mortgage guaranteed by the Province of Ontario that relates to a transferred housing program.

5. REGISTRATION OF AGREEMENTS ON TITLE

- 5.1 The Housing Provider shall register on title at its expense:
- i. This Agreement in the Land Registry Division or Land Titles Division of the appropriate Land Registry Office in respect of the lands described in Schedule "B":
 - ii. A restriction, pursuant to section 118 of the *Land Titles Act*, R.S.O. 1990, c.L.5, that no transfer of the fee simple interest or leasehold interest be made unless the consent of the Service Manager is given.
 - iii. The Housing Provider's solicitor shall provide written confirmation to the Service Manager that the Agreement and restriction described above have been registered on title within fifteen (15) days of the commencement of the Agreement.

6. MANDATE

- 6.1 The Mandate of the Housing Provider is to provide safe affordable housing for low to moderate income families and individuals (the "Mandate").
- 6.2 The Mandate may be amended, terminated, or replaced by written agreement between the Service Manager and the Housing Provider.
- 6.3 The Mandate shall be treated in the same manner as a mandate under section 76 of the Act for the purpose of selecting households using the service manager's selection system under section 47 of the Act.

7. RENT-GEARED TO- INCOME UNITS

- 7.1 The Housing Provider agrees to provide thirty-seven (**37**) RGI units in the Project where households shall receive rent-geared-to-income assistance subject to the eligibility rules and household selection rules outlined in this Agreement, the Act or as established by the Service Manager.
- 7.2 All households in the Project that are in receipt of rent-geared-to-income assistance, under Part V of the Act, as of the date immediately before the Effective Date of the Agreement shall continue to receive such assistance in accordance with section 147.1 of Ontario Reg 367/11 until such time as they cease to qualify for such assistance.

- 7.3 All households in the Project that are in receipt of rent-geared-to-income-assistance other than under Part V of the Act in the Project as of the date immediately before the Effective Date of the Agreement shall continue to receive rent-geared-to-income assistance in accordance with their existing rights until such time as they cease to qualify for such assistance.

8. CITY'S SELECTION SYSTEM PURSUANT TO SECTION 47 OF THE HOUSING SERVICES ACT, 2011

The Housing Provider will select households to occupy the RGI units in the Project from the Service Manager's centralized waiting list, in accordance with the Act, prescribed provincial and Service Manager rules, including priority rules, and following all protocols and policies established by the Service Manager from time to time, at the Service Manager's sole discretion. The Service Manager acknowledges that the Mandate of the Housing Provider set out in section 6.1. The Housing Provider may refuse a wait list applicant that does not meet its Mandate.

9. RGI CALCULATION

- 9.1 The Housing Provider shall calculate the geared-to-income rent in the manner prescribed under section 50 the Act and in accordance with policies and procedures established by the Service Manager, at the Service Manager's sole discretion.
- 9.2 The Housing Provider shall periodically, as determined by the Service Manager, review the geared-to-income rent payable by households in a designated housing project in accordance with Section 52 of the Act and shall determine whether the rent should be reduced, be increased or remain the same.

10. COMPLIANCE WITH THE HOUSING SERVICES ACT

- 10.1 The Housing Provider must ensure that all RGI units are occupied by eligible households in accordance with section 42 of the Act and the policies established by the Service Manager from time to time, at the Service Manager's sole discretion.

11. FUNDING

- 11.1 The Service Manager and Housing Provider confirm that they have mutually agreed to the financial plan included in Schedule "A" of this Agreement (the "**Financial Plan**"). The financial plan shall be reviewed at least once every five (5) years or at such earlier frequency determined by the Service Manager at its sole discretion.

The Service Manager shall provide operating funding to the Housing Provider for RGI units and capital funding for capital works which the Service Manager shall approve at its sole discretion. This estimated funding will be included in the Financial Plan and will be the difference between the rent-geared-to-income paid by a household and the approved rent for RGI Units. The agreed upon estimated funding is set out in Schedule A to the Agreement. The Service Manager shall not provide funding for RGI units exceeding the targeted number of RGI units in the Agreement.

- 11.2 For clarity, the Service Manager operating funding, which is identified as the Service Manager Subsidy in the Financial Plan is subject to change; the Service Manager agrees to pay the difference between the rent agreed to for the RGI unit type identified in Schedule "C" and the geared-to-income rent. The operating funding shall be subject to annual RGI subsidy reconciliations.

- 11.3 If an RGI unit has been vacated or abandoned by a tenant, the Housing Provider shall diligently make every reasonable effort to lease the vacated unit; provided the Housing Provider has made every reasonable effort to lease the vacated unit, the Housing Provider may request funding for the RGI unit from the operational funding provided by the Service Manager for two months following the vacancy.
- 11.4 Any in-year operating surplus with respect to the Project will be used by the Housing Provider for the operational and capital needs of the Project in accordance with this Agreement. The Housing Provider is permitted to use 25% of the in-year operating surplus for operating costs until the Housing Provider is no longer reporting an accumulated operating deficit. The Housing Provider shall contribute the remaining 75% of the in-year operating surplus to a capital reserve fund. If no accumulated operating deficit exists, the Housing Provider shall retain up to 5% of rental revenue as operating surplus and contribute the remaining 95% in-year operating surplus to its capital reserve fund.
- 11.5 The City shall provide the Housing Provider with additional one-time funding of \$0 in order to reduce or defray the rent of households in Market Units or to maintain the housing project in a satisfactory state of repair fit for occupancy.

12. CONFLICT OF INTEREST

- 12.1 The Housing Provider shall have a Conflict of Interest By-law that contains, at minimum, the requirements of the local standard including background and definitions along with a clear set of rules and business practices relating to avoiding conflict of interest, Board procedures and promoting fair and objective business practices. The Conflict of Interest By-law shall comply with Housing Division Notice 2013-188, as may be amended and replaced from time to time.

13. RENT INCREASES

- 13.1 The Housing Provider may adjust the rent payable with respect to an RGI Unit in the Project, if at least twelve (12) months have elapsed:
- a) since the day the lease commenced with respect to the unit; or
 - b) since the day of the last rent increase with respect to the unit, if there has been an increase
- 13.2 by no more than the prevailing rent increase guideline established each calendar year pursuant to the RTA or any successor legislation, to an amount not to exceed Average Market Rent. The Housing Provider acknowledges that, if the rent increase guideline of the RTA does not apply to the Project, the Housing Provider agrees that the rent increase guideline applies by virtue of the contractual terms of this Agreement. For clarity, no rent increase above the rent increase permitted under this agreement is permissible on vacancy of the RGI Unit.

14. RENT FOR MARKET UNITS

- 14.1 The Proponent shall set the rent for a Market Unit in accordance with their mandate to provide affordable and social housing.

15. RESERVES

- 15.1 The Housing Provider shall establish and fund annually a capital reserve fund for the Project in such an amount adequate or as directed by the Service Manager based on the financial plan to address necessary future capital expenditure needs and the Housing Provider shall participate in the system of pooling capital

reserves for investment purposes as established by the Housing Services Corporation and the Act. Income derived from the investment of capital reserves for the Project must be retained in the capital reserve fund.

- 15.2 The Housing Provider shall use the capital reserve fund for replacement of capital expenditures to keep the project in a good state of repair, clean and fit for habitation which shall be consistent with the Housing Provider's obligations under the Residential Tenancies Act, 2006 and in compliance with applicable legal standards, including but not limited to requirements under the Building Code and Fire Code.

16. GENERAL OBLIGATIONS OF THE HOUSING PROVIDER

- 16.1 The Housing Provider shall operate the Project in accordance with the financial plan attached as Schedule A.
- 16.2 The Housing Provider agrees to observe and comply with the Act, its regulations, and all policies, guidelines, procedures, directives and local policies established by the Service Manager as they relate to requirements of Part VII.1 of the Act.
- 16.3 The Housing Provider shall comply with all applicable federal and provincial laws, regulations and municipal bylaws.
- 16.4 The Housing Provider shall notify the Service Manager forthwith of any legal proceeding alleging non-compliance by the Housing Provider in respect of any laws, bylaws, rules, regulations, codes or order relating to the operation of the Project.
- 16.5 The Housing Provider shall not undertake any of the following activities without prior written consent of the Service Manager:
- a) Alter, supersede, or cancel its articles of incorporation or letters patent;
 - b) sell, transfer or otherwise dispose of any interest in the Project;
 - c) demolish any buildings or conduct any renovation that has the effect of reducing the number of RGI Units;
 - d) mortgage, refinance or encumber the Project;
 - e) develop or re-develop the Project; and/or
 - f) re-organize, amalgamate, merge, consolidate or otherwise enter into any other form of business combination with any other person.
- 16.6 The Housing provider shall maintain its corporate status and meet the legislative requirements applicable to the Housing Provider's corporate status.

17. REPORTING

- 17.1 The Housing Provider shall provide such reports, documents and information as may be required by the Service Manager in order to meet any reporting requirements of the Service Manager.
- 17.2 The Housing Provider shall keep proper books of account and records of the financial management of the Project, in accordance with generally accepted business and accounting principles.
- 17.3 The Housing Provider shall retain all books, accounts, records (including records related to rent collection and occupant income and eligibility verification), receipts, vouchers and other documents, that pertain to the Project for a period of not less than seven (7) years from the end of each fiscal year of the Project to which the records relate.

- 17.4 The Housing Provider shall provide the Service Manager with current rent rolls, within fifteen (15) days when requested for the building(s) in which an RGI Unit is located.
- 17.5 In each year, not later than five (5) months following the Housing Provider's fiscal year-end, the Housing Provider shall submit to the Service Manager:
- a) its audited financial statement for the preceding year;
 - b) information on the household income and household composition of the RGI Units in the Project rented to households during the preceding year;
 - c) an Annual Report in the form approved by the Service Manager;
 - d) management reports in the form approved by the Service Manager;
 - e) an annual subsidy reconciliation for the Project;
 - f) a statement of capital reserve investments for the Project; and
 - g) such other information or documentation as the Service Manager may request from time to time.

18. AUDIT AND ACCOUNTS

- 18.1 The Housing Provider shall maintain its books and accounts in a form and manner acceptable to the Service Manager.
- 18.2 Upon forty-eight (48) hours' prior written notice from the Service Manager, the Housing Provider shall give the Service Manager or its representative(s) unrestricted access to documents, books, records and accounts for the purpose of verifying compliance with this Agreement. Such review may be completed by the Service Manager or by a third party appointed by the service manager. The Housing Provider shall permit the Service Manager or their third-party representative(s) to make copies of any materials reviewed. The Housing Provider agrees that it shall cooperate with the Service Manager and/or their third-party representative(s) in the performance of any such review. Upon one-weeks' notice from the Service Manager, the Housing Provider shall give the Service Manager access to the building on the Subject Lands, including access to RGI Units.

19. INDEMNIFICATION

- 19.1 The Housing Provider undertakes and agrees to defend and indemnify the Service Manager and hold the Service Manager, its elected officials, officers, employees, volunteers, agents, contractors, and administrators, harmless, at the Housing Provider's sole expense, from any and all losses, damages (including, but not limited to, incidental, indirect, special and consequential damages, or any loss of use, revenue or profit by any person, organization or entity), fines, penalties and surcharges, liabilities (including, but not limited to, any and all liability for damages to property and injury to persons, including death), judgments, claims, demands, causes of action, contracts, suits, actions or other proceedings of any kind (including, but not limited to, proceedings of a criminal, administrative or quasi-criminal nature) and expenses (including, but not limited to, legal fees on a solicitor and client basis) which the indemnified persons or person may suffer or incur, howsoever caused, arising out of or in connection with, in any way related to, or as a result of acts or omissions, whether negligent or otherwise, of the Housing Provider, its employees, sub-contractors, agents and permitted successors and assigns in the performance of the services required by or to be carried out under this Agreement.

20. INSURANCE

- 20.1 The Housing Provider shall, at its own expense, obtain and maintain insurance until the termination of this Agreement. The Housing Provider agrees to carry the following coverage:
- i. Comprehensive general liability insurance on an occurrence basis for an amount not less than five million (\$5,000,000.00) dollars and includes the City as an additional insured with respect to the Housing Provider's operations, acts and omissions relating to its obligations under this Agreement, such policy to include non-owned automobile liability, personal injury, broad form property damage, contractual liability, owners' and contractor's protective products and completed operations, contingent employers liability, cross liability and severability of interest clauses; and
 - ii. Professional liability insurance covering the work and services described in the Agreement, such policy to provide coverage for an amount not less than two million (\$2,000,000) dollars and shall continue for twelve (12) months following completion of work.
- 20.2 The Housing Provider agrees that coverage of the required policies will not be cancelled or permitted to lapse unless the insurer notifies the Service Manager, in writing, at least thirty (30) days prior to the effective date of cancellation or expiry.
- 20.3 The Housing Provider agrees that it shall not commence work until such time satisfactory evidence of insurance has been filed with and approved by the City's Risk Management Division. The Housing Provider agrees to further provide that evidence of the continuance of said insurance is filed at each policy renewal date of the duration of this Agreement.
- 20.4 The Housing Provider reserves the right to request such higher limits of insurance or other types of insurance as it may reasonably require from time to time; failure to procure and maintain said insurance shall constitute a default under this Agreement.
- 20.5 The Housing Provider must be registered as an employer or independent operator (as the case may be) with the Workplace Safety and Insurance Board ("WSIB"). The Housing Provider shall be required to enroll in the WSIB e-Clearance service, must maintain their account with the WSIB in good standing throughout the duration of the Agreement, and shall ensure that its e-Clearance is automatically renewed prior to its expiry. At no time may services proceed or continue under the Agreement in the absence of a current Clearance Certificate Number from the WSIB.

21. EVENT OF DEFAULT

- 21.1 Any of the following events will constitute an event of default (each an "**Event of Default**") by the Housing Provider under this Agreement:
- a) the Housing Provider fails to observe or comply with any term of this Agreement, in whole or in part;
 - b) the Housing Provider fails to remain in good corporate standing;
 - c) the Housing Provider is in breach of or fails to comply with any applicable law, regulation, license, permit or Service Manager policy;
 - d) any representation or warranty made by the Housing Provider under this Agreement is found to be untrue or incorrect;
 - e) if the Housing Provider knew or ought to have known any information, statement, certificate, report or other document provided by, or on behalf of, the Housing Provider pursuant to, or as a result of this Agreement, is untrue or incorrect;

- f) the Housing Provider incurs an expenditure or an accumulated deficit that is, in the opinion of the Service Manager, substantial and excessive;
- g) in the opinion of the Service Manager, acting reasonably, the Housing Provider has failed to operate the Project properly; or
- h) if applicable, the Housing Provider contravenes a lease under which it has a leasehold interest in the Project or in land where the Project is located.

22. NOTICE OF DEFAULT AND CURE PERIOD

- 22.1 On the occurrence of an Event of Default, the Service Manager will provide written notice to the Housing Provider which sets out the nature of the default, what, if anything, the Housing Provider must do or refrain from doing to rectify the default and the date by which the breach must be rectified (the “**Cure Period**”). The Cure Period shall be a minimum of thirty (30) days from the date of delivery of the notice of default.

23. MATERIAL DEFAULT

- 23.1 Any of the following events will constitute a material default (each a “**Material Default**”) by the Housing Provider under this Agreement:
- a) the Housing Provider becomes bankrupt or insolvent, takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors;
 - b) steps are taken or proceedings are commenced by any person to dissolve or wind up the Housing Provider;
 - c) the Housing Provider ceases or threatens to cease to carry on business in the normal course;
 - d) a trustee receiver, receiver and manager or similar person is appointed with respect to the business or assets of the Housing Provider;
 - e) any assets of the housing provider are seized under execution or attachment;
 - f) the Housing Provider is unable to fulfil its obligations; or
 - g) the Housing Provider is unable or unwilling to cure an Event of Default; or
 - h) the housing provider has operated the Project in a way that has resulted in significant physical deterioration of the Project affecting its structural integrity or danger to the health or safety of the residents of the Project.

24. REMEDIES

- 24.1 In the event that a Material Default has occurred, or the Housing Provider fails to remedy an Event of Default before the expiry of the applicable Cure Period, the Service Manager may, without prejudice to the Service Manager obtaining any other remedy they may be entitled to:
- a) reduce, suspend or discontinue payment of any subsidy or contribution that would otherwise be payable by the Service Manager to the Housing Provider under this Agreement;
 - b) remedy such Event of Default or Material Default on behalf of the Housing Provider;
 - c) appoint an operational advisor for the Project;
 - d) appoint an interim receiver and/or property manager for the Housing Provider to assume operation of the Project;
 - e) seek appointment by a court of competent jurisdiction of a receiver or receiver and manager for the Housing Provider; and
 - f) appoint directors to the Housing Provider’s board of directors where permitted under the Housing Provider’s constituting documents and applicable law
 - g) any additional remedy available to the Service manager at law or in equity.

- 24.2 For the purposes of this Section, the Housing Provider will be found to have remedied the default if, for the purposes of Section 16 and 18, the Housing Provider submits a plan satisfactory to the Service Manager, acting reasonably.
- 24.3 The Housing Provider acknowledges that the Service Manager's remedies are cumulative and not mutually exclusive.
- 24.4 No consent or waiver, expressed or implied, by the Service Manager of any default by the Housing Provider in observing or performing its obligations under this Agreement is effective unless given in writing, nor is it a consent or waiver of any other default. Failure of the Service Manager to complain of any act or failure to act by the Housing Provider or to declare the Housing Provider in default, irrespective of how long that failure continues, is not a waiver by the Service Manager of its rights under this Agreement.

25. CO-OPERATION

- 25.1 In the event that the Service Manager appoints an operational advisor, interim receiver and/or property manager in pursuing its remedies under this Agreement, the Housing Provider shall co-operate with the Service Manager and such appointee as they carry out their duties with respect to the Project.

26. EXPENSES OF SERVICE MANAGER

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

27. NO LIABILITY RE: THIRD PARTIES

- 27.1 The Housing Provider acknowledges that the Service Manager will be under no liability to the Housing Provider for any act or omission of any receiver, property manager or operational advisor appointed in connection with the Service Manager exercising its remedies under this Agreement.

28. INDEPENDENT CONTRACTOR

- 28.1 The Housing Provider acknowledges and agrees that this Agreement shall in no way be deemed or construed to be an agreement of employment. Specifically, the parties agree that it is not intended by the Agreement that the Housing Provider nor any person employed or associated with the Housing Provider is an employee of, or has an employment relationship of any kind with the Service Manager or is any way entitled to employment benefits of any kind whatsoever from the Service Manager whether under internal policies or programs of the Service Manager, the *Income Tax Act*, R.S.C. 1985 c.1 (1st Supp); the *Canada Pension Act*, R.S.C. 1985, c.C-8; the *Employment Insurance Act*, S.O. 1996, c.23; the *Workplace Safety and Insurance Act*, 1997 S.O. 1997, c.26 (Appendix "A"); the *Occupational Health and Safety Act*, R.S.O. 1990, c.o.1; the *Pay Equity Act*, R. S. O. 1990, c.P.7; the *Health Insurance Act*, R.S.O. 1990, c.H.6; or any other employment related legislation, all as may be amended from time to time, or otherwise.

29. EXIT AGREEMENT

29.1 In the event that the Housing Provider fails to remedy an Event of Default before the expiry of the applicable Cure Period or a Material Default, the parties agree that the Service Manager, at its sole discretion, may request that the parties negotiate an exit agreement, as such term is defined in the Act, and the parties agree to negotiate in good faith and use commercial best efforts to enter an exit agreement upon the expiration or earlier termination of this Agreement.

30. DISPUTE RESOLUTION

30.1 The parties shall, in good faith, use their reasonable efforts to co-operate and work together to preserve the intentions and mutual benefits contemplated by this Agreement, and to ensure the effective and efficient performance of this Agreement's terms and conditions.

30.2 In the event that a dispute arises between the parties out of or in connection with this Agreement, the parties agree to use the following dispute resolution process:

- a) Either party may provide written notice to the other party, notifying them of the nature of the dispute and requesting that the parties negotiate a resolution. On receipt of such notice, the parties shall make every reasonable effort to resolve the dispute through negotiation. A meeting will be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to achieve a resolution to the dispute.
- b) If within thirty (30) days after delivery of notice in accordance with this section, or such further period agreed to by the parties in writing, the parties have not resolved the dispute, the parties agree to submit the matter to arbitration. The arbitration shall be conducted under the following parameters:
 - i. The parties shall refer the dispute to a single arbitrator.
 - ii. If the parties cannot agree on an arbitrator, then an arbitrator shall be appointed pursuant to the *Arbitration Act, 1991*, S.O. 1991, c.17.
 - iii. The arbitration shall be conducted in accordance with the *Arbitration Act, 1991*, S.O. 1991, c.17, as may be amended or replaced from time to time.

30.3 Each party shall bear its own costs and half of the fees and expenses of the arbitrator unless the arbitrator determines otherwise.

31. CONFIDENTIALITY

31.1 All information relating to rent-geared-to-income tenants that is provided to, collected or maintained by the City, is subject to the provisions of the Municipal Freedom of Information and Protection of Privacy Act, (hereinafter referred to as "MFIPPA"). The Housing Provider agrees to keep all personal information, as defined by MFIPPA, provided to the Housing Provider by the Service Manager confidential and use it only for the purpose of administering the Agreement. Personal information shall only be disclosed to employees of the Housing Provider on a "need to know" basis in order to carry out its obligations under the Agreement. The Housing Provider shall not disclose any personal information to a third party without the Service Manager's consent.

31.2 The Housing Provider shall ensure it complies with PIPEDA.

32. REPRESENTATIONS OF THE HOUSING PROVIDER

- 32.1 The Housing Provider hereby represents and warrants to the Service Manager that:
- a) The Housing Provider is 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.
 - b) The Housing Provider 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.
 - c) All financial statements and other financial information provided to the Service Manager relating to this Agreement are accurate and complete and no statement or information made by the Housing Provider is untrue, misleading or omits to state a necessary fact.

33. NOTICE

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

Notice to the Service Manager shall be addressed to:

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

Notice to the Housing Provider shall be addressed to:

ATTN: Board of Directors
Whiteoak Heritage Housing Co-operative Inc.
1414 Ernest Ave,
London, ON
N6E 3C3

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

34. ENTIRE AGREEMENT

- 34.1 This Agreement constitutes the entire agreement between the parties pertaining to the subject-matter hereof and supersedes all prior agreements, arrangements

(interim or otherwise), letters of intent, understandings, negotiations and discussions, whether oral or written, of the parties pertaining to such subject-matter. There are no promises, guarantees, statements, claims, warranties, representations or other agreements between the parties with respect to the subject-matter hereof except those specifically set out herein. The execution of this Agreement has not been induced by, nor do any of the parties rely upon or regard as material, any representations not included in this Agreement.

35. PARTIAL SEVERABILITY

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

36. HEADINGS

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

37. AMENDMENTS

37.1 No subsequent alteration, amendment, change or addition to this Agreement shall be binding on the Service Manager or the Housing Provider unless in writing signed by each of them.

38. ENUREMENT

38.1 This Agreement shall enure to the benefit of and be binding on the parties and their respective heirs, executors, successors and assigns.

39. GOVERNING LAW

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

40. JOINT AND SEVERAL OBLIGATIONS

40.1 The duties, obligations, liabilities and responsibilities of the Housing Provider and any subcontractor under this agreement shall be both joint and several.

41. EXECUTION

41.1 The Housing Provider acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

42. SURVIVAL

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

43. SCHEDULES

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

- Schedule "A" Financial Plan
- Schedule "B" Subject Lands
- Schedule "C" Service Agreement Unit Rent for RGI Units

In Witness Whereof the parties hereto have executed this Agreement.

Signed this _____ of _____, 20____

<p>Witness Signature _____</p> <p>Print name _____</p>	<p>Housing Provider Signature _____</p> <p>Print name _____</p> <p>I have the authority to bind the Corporation</p>
<p>Witness Signature _____</p> <p>Print name _____</p>	<p>Housing Provider Signature _____</p> <p>Print name _____</p> <p>I have the authority to bind the Corporation</p>

The Corporation of the City of London

Per: _____

Per: _____

SCHEDULE "A"

5-Year Financial Plan – Excel Spreadsheet Attached

SCHEDULE "B"

Subject Lands

Number of Units: 37 RGI Units and 38 affordable market units

Property Address: 1414 Ernest Ave, London, ON N6E 3C3

Description: PARCEL O-4, SECTION M3 PT BLK O PLAN M3, PTS 1, 2, 3, 4, 5, 8 & 9 33R6978; S/T LT1290 & LT86347 PARTIALLY DELETED BY LT110219; S/T EASE OVER PARTS 1, 2, 3, 4, 5, 8 & 9, 33R-6978 AS IN LT410975; S/T EASE OVER PTS 1, 2, 3, 4, 5, 8 & 9 PLAN 33R-6978 AS IN LT500535, LONDON/WESTMINSTER

SCHEDULE "C"

Service Agreement Rent for RGI Units

Unit Type	# of Units ¹	CMHC Average Market Rent (AMR) 2025	RGI Unit Rent (Housing Charge) % of CMHC AMR	Service Agreement Unit Rent (Housing Charge)
2 bedroom	up to 37	\$1,508	60%	\$904.80
3 bedroom	up to 37	\$1,820	60%	\$1,092.00
4 bedroom	up to 37	\$1,893	60%	\$1,135.68

Note

1. Target RGI units is 37 for the entire project. Any combination of unit sizes can be used for RGI as long as it totals up to no more than 37 units.