

<b>TO:</b>	<b>CHAIR AND MEMBERS COUNCIL HOUSING LEADERSHIP COMMITTEE MEETING ON May 12, 2014</b>
<b>FROM:</b>	<b>SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES &amp; DEARNESS HOME</b>
<b>SUBJECT:</b>	<b>CONVERT-TO-RENT/REHABILITATION PROGRAM AT 1554 &amp; 1555 ALLEN PLACE LONDON</b>

<b>RECOMMENDATION</b>
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1. That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Managing Director, Housing, Social Services and Dearness Home the following actions with respect to the Convert-to-Rent/Rehabilitation Program BE APPROVED:
  - a. Nelms Group Ltd. receive a municipal allocation of \$96,000 for two (2) units at 1554 Allen Place;
  - b. Nelms Group Ltd. receive a municipal allocation of \$96,000 for two (2) units at 1555 Allen Place; and
  - c. The recommendation be forwarded to the Community & Protective Services Committee on May 26, 2014 along with a Sources of Financing Report for the municipal allocation of \$192,000.
  
2. That, on the recommendation of the Director of Municipal Housing, and in accordance with Municipal Housing Facilities By-Law No A.-5814-11, the attached by-law BE INTRODUCED at the Municipal Council being held on June 10, 2014 to approve the Amendment to the Municipal Contribution Agreements pertaining to the above-noted proposal substantially in the form of agreement appended to the aforementioned by-law and to the satisfaction of the City Solicitor, and to authorize the Mayor and the City Clerk to execute the said Amendment.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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**COMMUNITY AND PROTECTIVE SERVICES COMMITTEE**

November 25, 2002 – Affordable Housing \$2M Capital Reserve Fund Conditional Allocation  
 September 9, 2003 – Convert-to-Rent Operating Agreement, Authorization for Mayor and Clerk to Execute

March 29, 2004 – Convert-to-Rent Pilot Program and Old East village BIA

**COUNCIL HOUSING LEADERSHIP COMMITTEE**

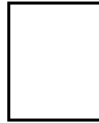
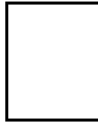
September 13, 2005 – Convert-to-Rent Pilot Program Evaluation  
 March 7, 2006 – Convert-to-Rent Program Evaluation  
 April 3, 2007 – Convert-to-Rent/Rehab Proposal  
 March 21, 2012 – Proposed New Convert-to-Rent / Rehabilitation Program

<b>BACKGROUND</b>
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Convert-To-Rent / Rehabilitation Program

The City of London Convert-To-Rent/Rehabilitation (CTR/Rehab) Assistance Program, approved by Council in March 2006, provides financial assistance up to \$48,000 per unit, for properties with seven units or less (up to a maximum of \$520,000 per year):

1. to convert non-residential properties into affordable self-contained rental housing units;
2. for substantial rehabilitation of rental buildings that are vacant and uninhabitable;
3. rehabilitation of existing rental units and special needs modifications



The rents for units approved under the CTR/Rehab Program are set at 70% of the Canada Mortgage & Housing Corporation (CMHC) Average Market Rents established annually in October. In this case, the rents are set at the ODSP maximum shelter allowance rate.

The CTR/Rehab Program boundaries cover a designated area to include the Old East Village Community Improvement Plan area, the downtown Community Improvement Plan area and the properties fronting on Dundas Street between these two areas. Exceptions to these geographic areas will continue to be reviewed, on a case-by-case basis, for specific properties outside the program area that meet all other criteria.

All work must be completed within 18 months of receiving notice of funding approval. The Convert-To-Rent Municipal Contribution Agreement with successful proponents must be registered on title.

Proposals Approved Under Convert-to-Rent To-Date

Under the Convert-to-Rent/Rehabilitation Assistance program, with the added assistance of the Canada Mortgage & Housing Corporation (CMHC) Residential Rehabilitation Assistance Program (RRAP), 59 units to-date were approved by the City of London:

- 225 Dundas Street, 5 apartment units
- 614 Dundas Street East, 2 apartment units
- 658 Dundas Street East, 2 apartment units
- 874 Dundas Street East, 2 apartment units
- 773 Dundas Street East, 1 apartment unit
- 610 Dundas Street East, 1 apartment unit
- 572 Dundas Street East, 10 apartment units
- 260 Clarence Street, 6 apartment units
- 343 Richmond Street, 16 apartment units
- 392 Richmond Street, 7 apartment units
- 390 Burwell Street, 1 apartment unit
- 660 Dundas Street, 6 apartment units

The City of London Convert-To-Rent/Rehabilitation (CTR/Rehab) Assistance Program provides financial assistance up to \$48,000 per unit, for properties with seven units or less (up to a maximum of \$520,000 or approximately ten to eleven units per year).

Proposal for 1554 and 1555 Allen Place

Project Location: 1554 Allen Place & 1555 Allen Place (2 projects)  
 Proponent: Partnership between Nelms Group and Alice Saddy Association  
 Property Owner: Nelms Group Ltd.  
 Sector: Non-Profit / Charitable and Private Sector Partnership  
 Zoning: R8  
 Building Permit: June 2014  
 Completion Date: October 1, 2014  
 Existing Buildings: Two six-plex buildings, stick-built, maintenance free with brick exterior. Built in 2008 under the Canada Ontario Affordable Housing Program Rental & Supportive Component  
 Energy Efficiency: LED lighting, high efficiency heating & cooling system, insulation beyond OBC, energy star windows, doors & appliances, window blinds, products that reduce water consumption and programmable thermostats.  
 Target Group: Tenants with developmental disabilities & mental health challenges from the Alice Saddy Association waiting list

	<b>1554 Allen Place</b>	<b>1555 Allen Place</b>
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Total Project Cost:	\$107,462	\$107,462
Municipal Funding:	\$ 96,000	\$ 96,000
Owner Equity:	\$ 11,462	\$ 11,462

Unit Type	Number of Units	Unit Size	Monthly Rent	Utilities	Supportive Units
1 bedroom 1554 Allen	2	715 ft <sup>2</sup>	\$426	Plus utilities to max of ODSP currently \$479	2
1 bedroom 1555 Allen	2	715 ft <sup>2</sup>	\$426	Plus utilities to max of ODSP currently \$479	2

The Proponent is requesting funding under the City of London’s Convert-To-Rent/Rehabilitation Assistance Program for an additional two (2) one bedroom units for each of the two 6-plexes funded under the Canada-Ontario Affordable Housing Program – Rental & Supportive Component. The additional units will be located in the lower level of each building. 1554 & 1555 Allen Place were first occupied on July 1, 2008.

Alice Saddy Association is a social service organization that supports adults with developmental disabilities. The Association was incorporated in 1973 and presently supports 150 individuals living in group home situations or independently in apartments. The Association also holds a head lease agreement for 30 subsidized apartments. The Association is governed by a board of directors and owns property at 302 Wolfe Street and 23 Trevithen Street.

The relationship between the Association and David Nelms started in 1986 when Mr. Nelms was President of the Board. Since that time, Mr. Nelms has continued to assist the agency by voluntarily acting as property manager for two properties owned by the Association. Mr. Nelms has also allowed the use of a coach house on Wolfe Street at no cost so that the Association could operate a drop-in centre for those supported.

Nelms Group Ltd. will be the General Contractor and Property Manager. Support will be provided by the Alice Saddy Association on a 24 hour basis.

Municipal Contribution Agreement

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

Municipal Housing Facilities By-Law No. A.-5814-11 outlines the required contents of the contribution agreement with affordable housing proponents. Municipal Contribution Agreement (MCA) with successful proponents must be registered on title. An amendment to the existing Municipal Contribution Agreements is required to reflect the additional units and funding.

<b>FINANCIAL IMPACT</b>
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Funding for the delivery of the Convert-to-Rent/Rehabilitation Program is drawn from the Affordable Housing Reserve Fund.

Recommendation

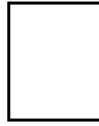
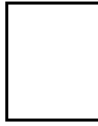
It is recommended that the proposal from Nelms Group Ltd. for the creation of two (2) additional residential units at 1554 Allen Place and two (2) additional residential units at 1555 Allen Place, under the Convert-to-Rent/Rehabilitation Program, be approved for a total of \$192,000.

Agenda Item #

Page #

<b>RECOMMENDED BY:</b>	<b>CONCURRED BY:</b>
<b>LOUISE STEVENS DIRECTOR OF MUNICIPAL HOUSING</b>	<b>SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES &amp; DEARNESS HOME</b>

- cc. N. Watson, Housing Development Consultant
- D. Mounteer, Solicitor
- A.L. Barbon, Manager, Financial Planning & Policy
- A. Dunbar, Manager, Financial Planning & Policy



By-law No.

A by-law to approve an amendment to the Municipal Contribution Agreements between The Corporation of the City of London (the City) and Nelms Group Ltd. (the Proponent)

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

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

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

AND WHEREAS the Proponent has responded to the procurement process initiated by the City to undertake development activities in return for funding;

AND WHEREAS it is deemed expedient for the City to enter into an amendment to the Municipal Contribution Agreements with the Proponent for the purpose of establishing the Proponent's obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent;

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

1. An amendment to the Municipal Contribution Agreements between the City and the Proponent for the purpose of establishing the Proponent's obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent be hereby approved.
2. The Mayor and the City Clerk be hereby authorized to execute the amendment to the Municipal contribution Agreements approved in section 1, above, substantially in the form of agreement attached to this by-law and to the satisfaction of the City Solicitor.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on \_\_\_\_\_, 2013.

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First reading –

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**AMENDMENT  
TO  
MUNICIPAL CONTRIBUTION AGREEMENT  
Canada – Ontario Affordable Housing Program (2003)  
Rental & Supportive Component**

**BETWEEN:**

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the “City”)

-and-

NELMS GROUP LTD.  
1554 Allen Place, London, ON

(hereinafter called the “Proponent”)

This Agreement made the \_\_\_\_\_ day of June, 2014.

**WHEREAS:**

- A. The City and the Proponent entered into an agreement on March 29, 2007 wherein the Proponent agreed to construct six (6) apartments at 1554 Allen Place in the City of London.
- B. Section 2.3 indicates the City will provide to the Proponent as a loan \$159,600 Federal Funds and \$140,894 City Funds pursuant to the total amount of such loan being \$300,494 as also described in Schedule “M”.

NOW THEREFORE, the City and the Proponent agree with each other to the following Amendments to the aforementioned Agreement:

- 1. The Proponent agrees to construct two additional one bedroom units for a total of 8 units that will not exceed the ODSP shelter allowance rate including utilities.
- 2. Section 2.3 of the Agreement shall be amended to state the loan will be revised as follows: \$159,600 Federal Funds and \$236,894 City Funds pursuant to the total amount of such loan being \$396,494 as also described in Schedule “M”.
- 2. The additional \$96,000 must be registered on Title by the Proponent’s lawyer.

All other Terms and Conditions in the aforementioned Agreement shall remain in full force and effect.

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

**THE CORPORATION OF THE CITY OF LONDON**

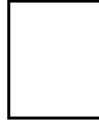
\_\_\_\_\_  
Joe Fontana, Mayor

\_\_\_\_\_  
Catharine Saunders, City Clerk

**NELMS GROUP LTD.**

\_\_\_\_\_  
David Nelms, CEO

I/We have the authority to bind the Corporation



**AMENDMENT  
TO  
MUNICIPAL CONTRIBUTION AGREEMENT  
Canada – Ontario Affordable Housing Program (2003)  
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**THE CORPORATION OF THE CITY OF LONDON**

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Joe Fontana, Mayor

\_\_\_\_\_  
Catharine Saunders, City Clerk

**NELMS GROUP LTD.**

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David Nelms, CEO

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