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TO:	CHAIR AND MEMBERS COMMUNITY & PROTECTIVE SERVICES COMMITTEE MEETING ON DECEMBER 16, 2014
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR HOUSING, SOCIAL SERVICES & DEARNESS HOME
SUBJECT:	AMENDMENT TO MUNICIPAL CONTRIBUTION AGREEMENT CANADA-ONTARIO NEW AFFORDABLE HOUSING PROGRAM (2003) FOR ADELAIDE NORTH DEVELOPMENTS INC.

RECOMMENDATION

That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Managing Director, Housing, Social Services & Dearness Home, the following actions **BE TAKEN** regarding the Adelaide North Developments Inc. project at 859/869 Adelaide Street North, approved by Municipal Council in 2007:

- a) The attached proposed by-law **BE INTRODUCED** at the Municipal Council on December 18, 2014, to authorize an Amending Agreement substantially in the form of an agreement appended to the by-law and to the satisfaction of the City Solicitor; and
- b) The Mayor and the City Clerk **BE AUTHORIZED** to execute the said Amending Agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Community & Protective Services Committee

- August 24, 2009 - By-Law for Approval of Amended Municipal Contribution Agreement – Adelaide North Developments Inc.
- June 21, 2007 - Recommendations for Proposals to go Forward under the New Canada-Ontario Affordable Housing Program
- January 15, 2007 – Recommendations for Proposals to go Forward under Wave 1 of the Canada-Ontario Affordable Housing Program
- November 25, 2002 – Municipal Housing Facilities By-Law

BACKGROUND

As part of the City of London commitment to the Canada-Ontario Community Rental 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.

On June 28, 2007, under the Canada-Ontario New Affordable Housing Program RFP 07-10, the project originally approved by Council on January 22, 2007, for thirty-four (34) affordable housing units under Adelaide North Developments at 859/869 Adelaide Street North was amended by increasing the number of affordable housing units by seven (7) to forty-one (41) and reducing the number of market rent units by seven (7) to eleven (11). The total number of units in the building remained unchanged. This proposal was approved by the Ministry of Municipal Affairs & Housing.

Extension of Existing Agreement

On August 8, 2014, a fire destroyed the building containing the 41 affordable apartments. The building is currently undergoing rehabilitation work as the result of fire damage and has an expected occupancy of July 2015. The Proponent wishes to continue his participation in the Canada-Ontario

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New Affordable Housing Program and has agreed to extend the term of the Municipal Contribution Agreement for the length of time it takes to re-build. Displaced tenants will have right of first refusal for the newly rehabilitated units.

The attached Amending Agreement reflects changes to the original Municipal Contribution Agreement signed in 2007.

Municipal Contribution Agreement

As part of the City of London commitment to the Canada-Ontario Community Rental 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.

FINANCIAL IMPACT

There are no financial impacts related to this report.

RECOMMENDED BY:	CONCURRED BY:
LOUISE STEVENS DIRECTOR OF MUNICIPAL HOUSING	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING SOCIAL SERVICES AND DEARNESS HOME

- C. D. Mounteer, City Solicitor's Office
- N. Watson, Housing Development Consultant
- S. Giustizia, Manager, Housing Services

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By-law No.

A by-law to approve an amending agreement between The Corporation of the City of London (the City) and Adelaide North Developments Inc. (the Proponent) for the purpose of establishing the Canada-Ontario New Affordable Housing Program and the City's obligation to provide funding to the Proponent; and to authorize the Mayor and the City Clerk to execute the agreement.

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 agreement with the Proponent for the purpose of establishing the Proponent's obligations with respect to the New Canada-Ontario Affordable Housing 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 amending agreement between the City and the Proponent for the purpose of establishing the Proponent's obligations with respect to the New Canada-Ontario Affordable Housing 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 amending agreement 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 _____, 2014.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading –

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**AMENDMENT
TO
MUNICIPAL CONTRIBUTION AGREEMENT
Canada – Ontario New Affordable Housing Program (2003)
Rental and Supportive Component
Direct Funding Delivery**

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the “City”)

-and-

ADELAIDE NORTH DEVELOPMENTS INC.
(hereinafter called the “Proponent”)

This Agreement made the _____ day of December, 2014.

WHEREAS:

- A. The City and the Proponent entered into an agreement on March 29, 2007 and amended agreement on September 28, 2009.
- B. The Proponent constructed 41 apartments in the City of London consisting of 1 one bedroom apartment, 4 two bedroom apartments and 36 three bedroom apartments as described in the Amendment dated September 28, 2009.
- C. The loan has a term of twenty-five (25) years, commencing on initial occupancy of September 1, 2009.
- D. On August 8, 2014, a fire destroyed the 41 affordable apartments.

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

- 1. The building will undergo rehabilitation work as the result of fire damage and will have an expected occupancy of July 2015.
- 2. The Proponent will re-construct 41 affordable apartments consisting of 1 one bedroom apartment, 4 two bedroom apartments and 36 three bedroom apartments.
- 3. The extended term of the agreement will expire July 31, 2035.
- 4. The Proponent agrees to rent the affordable apartments in accordance with the ‘Occupancy Standards’ attached as Schedule “P” to the Municipal Contribution Agreement.
- 5. Provincial Affordability Payments will continue during the re-construction period.

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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

Matt Brown, Mayor

Catharine Saunders, City Clerk

ADELAIDE NORTH DEVELOPMENTS INC.

Yossef Lavie, President

I/WE have the authority to bind the Corporation