

Bill No. 332
2015

By-law No. A.-_____

A by-law to approve an amending agreement between The Corporation of the City of London (the City) and 189 Dundas Developments Inc. (the Proponent) for the purpose of establishing the Investment In 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 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 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 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 September 29, 2015.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – September 29, 2015
Second Reading – September 29, 2015
Third Reading – September 29, 2015

**AMENDMENT
TO
MUNICIPAL CONTRIBUTION AGREEMENT
Investment in Affordable Housing
Rental Housing Component
Direct Funding Delivery**

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the "City")

-and-

189 DUNDAS DEVELOPMENTS INC.
(hereinafter called the "Proponent")

This Agreement made the _____ day of October, 2015.

WHEREAS:

- A. The City and the Proponent entered into an agreement on December 4, 2012 wherein the Proponent agreed to construct 11 apartments in the City of London.
- B. Section 2.1 indicates that the proponent agrees to advance as its equity contribution to the Project the amount of four hundred twenty-eight thousand dollars (\$428,000) on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.
- C. Schedule "G" Permitted Encumbrances indicates that all mortgages and security collateral thereto-totaling principal amounts which do not exceed \$456,000 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. Section 2.1 shall be amended to state that the Proponent will advance as its equity contribution to the Project the amount of seven hundred four thousand dollars (\$704,000) on or before September 30, 2015 and provide written confirmation to the City that the equity contribution has been advanced.
- 2. Schedule "G" Permitted Encumbrances shall be amended to state that the private first mortgage will be revised and security collateral thereto-totaling principal amounts which do not exceed \$645,487 also described in Schedule "M" attached.

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

189 DUNDAS DEVELOPMENTS INC.

Yossi Lavie, President

I/We have the authority to bind the Corporation

SCHEDULE "M"

PROJECT INFORMATION FORM

Investment in Affordable Housing for Ontario (IAH) – Rental Housing Component

Service Manager – City of London

Project Name: 189 Dundas Street

Official Name of Proponent: 189 Dundas Developments Inc.

Proponent Address & Contact Info: Yossef Lavie, 650 Victoria Street, London, ON N5Y 4C1

Phone: (416) 846-3535

Email: yossilavie@hotmail.com

Proponent Type:

private sector municipal non-profit co-operative partnership

private non-profit, charitable corporation other

Project Information

Number of Affordable Units Created: New Supply: eleven (11)

Total Number of Units in Project: eleven (11)

Type of Construction: Apartment Row

Included in Rent: Parking Heat Electricity Hot Water
Water

First Occupancy Date: August 1, 2015 (confirmed)

Unit Type	# of Units	Unit Sizes	Rents	Utilities Included
One bedroom	6	535sf	\$572	Heat and water
One bedroom	2	535sf	\$500	Heat and water
One bedroom	3	530sf	\$500	Heat and water
Total	11			

Approvals

Date of Council Approval of Project: September 18, 2012

Date of MMAH Approval of Project: November 19, 2012

Project Funding

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
1. Municipal Contributions (\$605,000)			
a) AHRF (11 units x \$55,000)	\$ 605,000		\$ 605,000

2. Contributions form other sources			
Owner Equity - 10% of total project cost	\$ 407,000	\$297,000	\$ 704,000
Façade Program	\$ 25,000	\$ 25,000	\$ 50,000
Upgrade to Building Code	\$ 50,000	\$100,000	\$ 150,000
3. Provincial Funding	\$ 319,374		\$ 319,374
4. Federal Funding	\$ 340,626		\$ 340,626
5. Mortgage	\$ 645,487	\$ 0	\$ 645,487
TOTAL FUNDING AND FINANCING	\$ 2,392,487	\$ 422,000	\$ 2,814,487

(Construction Financing \$650,000)

Amount of Rental Housing Funding (3+4) \$660,000

<u>Total Capital Costs of Project</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Soft Costs (legal, architecture, engineering, etc.)	\$ 262,787	\$ 0	\$ 262,787
Land Costs	\$ 593,700	\$105,000	\$ 698,700
Construction or Hard Costs	<u>\$1,536,000</u>	<u>\$317,000</u>	<u>\$1,853,000</u>
Total Capital Costs	\$2,392,487	\$422,000	\$2,814,487

Operating Budget (Year 1)

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Revenues			
6 – one bedroom @ 80% CMHC AMR (\$572 x 6 x 12)	\$ 41,184		\$ 41,184
5 – one bedroom @ 70% CMHC AMR (\$500 x 5 x 12)	30,000		30,000
2 commercial units (\$15psf x 1,970)		29,550	29,550
Laundry Income	<u>3,500</u>		<u>3,500</u>
Total Revenue	\$74,684		\$104,234
Less: Vacancy Loss	<u>2,140</u>	<u>2,955</u>	<u>5,095</u>
Net Revenue	\$72,544	\$26,595	\$ 99,139

Expenditures

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
1. Management 5%	\$3,560	\$1,500	\$5,060
2. Building Operating Costs	8,800		8,800
3. Utilities (heat, water, common)	4,400		4,400
4. Property Taxes	6,600		6,600
5. Insurance	4,300		4,300
6. Replacement Reserves 4%	3,560		3,560
7. Mortgage	27,838		27,838
8. Façade & BCU Loan Repayment	3,750	7,500	11,250

9. Commercial Expense	<u> </u>	<u>3,000</u>	<u>3,000</u>
Total Costs	\$62,808	\$12,000	\$74,808
Annual Surplus	\$ 9,736	\$14,595	\$24,331

Appendix A

SCHEDULE "G"

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. All mortgages and security collateral thereto-totaling principal amounts which do not exceed \$645,487.
2. Construction financing which does not exceed \$1,000,000.
3. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Housing.
4. Municipal agreements relating to the Development Activities in connection with the Project.