

TO:	CHAIR AND MEMBERS COMMUNITY & PROTECTIVE SERVICES COMMITTEE MEETING ON NOVEMBER 17, 2015
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	ASSUMPTION AGREEMENT REGARDING THE TRANSFER OF OWNERSHIP FOR THE AFFORDABLE HOUSING PROJECT AT 343 RICHMOND STREET, LONDON

RECOMMENDATION

That, on the recommendation of the Manager, Housing Services, with the concurrence of the Managing Director of Housing, Social Services and Dearness Home, the following actions **BE TAKEN** with respect to the sale and assumption of the Convert-to-Rent/ Rehabilitation Assistance Program affordable housing project at 343 Richmond Street, London, from At^lohsa Native Family Healing Services Inc. to Ontario Aboriginal Housing Services (OAHS):

1. The Assignment/Assumption Agreement among the City, At^lohsa Native Family Healing Services Inc., and Ontario Aboriginal Housing Services (OAHS) **BE APPROVED**;
2. The Mayor and City Clerk **BE AUTHORIZED** to execute the Assignment/Assumption Agreement on behalf of the City; and
3. The attached proposed By-law being a by-law to authorize the Assignment/Assumption Agreement among the City, At^lohsa Native Family Healing Services Inc., and Ontario Aboriginal Housing Services (OAHS) **BE INTRODUCED** at the Council meeting to be held on November 24, 2015.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- | | |
|----------------|---|
| March 10, 2010 | Municipal Council
Approval of \$160,000 under a Municipal Contribution Agreement to At^lohsa at 343 Richmond St., London |
| July 30, 2013 | Municipal Council
Approval of an additional \$224,000 under an amended Municipal Contribution Agreement as a balance of available funding for the above project. |

BACKGROUND

Convert to Rent/ Rehabilitation Assistance Program (C2R):

The C2R program is a 100% municipally funded affordable housing rental program. It is focused on creating affordable rental units from conversions of non-residential spaces or the substantial rehabilitation of rental buildings that are vacant and uninhabitable.

The C2R 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 are reviewed on a case-by-case basis for specific properties outside the program area that meet all other criteria. Work must be completed within 18 months of receiving notice of funding approval.

A Municipal Contribution Agreement is signed with the owner of the property and the forgivable loans are registered on title for twenty years protecting and securing the affordable units and establishing rent criteria and compliance rules and remedies.

The delivery of the C2R program or any successor programs and initiatives will be assumed by the HDC.

343 Richmond St. Development

The affordable housing development at 343 Richmond provides an integrated housing and support service centre in a secure environment. At'loh'sa Native Family Healing Services Inc. purchased 343 Richmond Street, a four storey building in downtown, and rehabilitated 16 housing units (10 x two bedroom units and 6 x three bedroom units) on the upper floors for aboriginal families. The ground floor provides space for community support services.

Municipal Funding Allocation and Agreements

On March 8, 2010, Municipal Council approved \$10,000 per unit for a total of \$160,000 allocation to use of the City's Convert to Rent program to support At'loh'sa's renovation of 343 Richmond St. Initial funding supported the replacement of windows, the installation of additional insulation to the exterior walls, washroom retrofits and where required, upgrades to kitchen and washroom cabinets.

On July 30, 2013, Municipal Council approved an additional \$14,000 per unit for the 16 units for a total of \$224,000 as a second allocation of funding from C2R based on the maximum available funding within this program. This additional funding was needed to address building condition deficiencies that were identified after At'loh'sa took ownership and began renovations. The elevator and roof needed to be replaced, improved fire abatement, heating, and lighting, and entrances required accessibility modifications.

At'loh'sa submitted a funding proposal to the Federal Economic Development Agency for Southern Ontario through their Community Infrastructure Improvement Fund. They received approval for \$220,000 but required matching funds to complete the necessary modifications. The additional \$224,000 in municipal funds allowed access to the federal grant.

The rents are set at the Ontario Works rate for 2 and 3 bedroom households which is less than 70% of Average Market Rent. The City's funding allocations secure these affordable units until April 30, 2034.

Update: Change in Property Ownership

At'loh'sa approached their first mortgage holder, Ontario Aboriginal Housing Services (OAHS), to determine if OAHS would be in a position to continue building operations, assume the existing tenancies, and assume the debt associated with the property. At'loh'sa recognized their core competence is supportive service delivery to the community and while the provision of property management services are complimentary, they have resulted in operating deficits that are unsustainable.

Property management services is OAHS' core competency and economies of scale are available to allow OAHS to manage 343 Richmond with increased cost containment and without service impacts.

In addition, OAHS' Southwestern Ontario office is already located at 343 Richmond. This change in ownership allows OAHS to expand its service delivery and make the City of London the base for all of Southwestern Ontario.

Assumption of Agreements

OAHS has agreed to assume the property and all liabilities associated with 343 Richmond St. Subject to Council's approval, OAHS will assume and honour all requirements within the Municipal Contribution Agreement and Amended MCA. OAHS will continue to provide At'loh'sa with its existing programming space for a nominal fee lease, which ensures supports for existing tenants continues and allows each organization to provide services in a complimentary manner.

This change will allow the continued provision of affordable accommodation to existing and future London tenants and enhance on and off site housing services.

FINANCIAL IMPACT

There are no costs associated with these recommendations. The proposed actions support Council's investments into this affordable housing project for the full duration of the agreements.

RECOMMENDED BY:	CONCURRED BY:
STEPHEN GIUSTIZIA MANAGER, HOUSING SERVICES	SANDRA DATARS BERE MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME

- C. J. Browne, Manager, Housing Finance and Administration
N. Watson, Housing Development Consultant
D. Munteer, Solicitor, City of London

Att. By-law including Assignment/Assumption Agreement

Bill No.

By-law No.

A By-law to authorize an Agreement between The Corporation of the City of London and At'loh'sa Native Family Healing Services Inc., and Ontario Aboriginal Housing Services (OAHS) with respect to the sale and assumption of the Convert-to-Rent/ Rehabilitation Assistance Program affordable housing project at 343 Richmond Street, London and to authorize the Mayor and City Clerk to execute the Agreement.

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 it is deemed expedient for The Corporation of the City of London (the "City") to enter into an agreement with At'loh'sa Native Family Healing Services Inc., and Ontario Aboriginal Housing Services (OAHS) with respect to the sale and assumption of the Convert-to-Rent/ Rehabilitation Assistance Program affordable housing project at 343 Richmond Street, London (the "Agreement");

AND WHEREAS it is appropriate to authorize the Mayor and City Clerk to execute the Agreement on behalf of the City;

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

1. The Agreement attached as Schedule "A" to this By-law, being an agreement with At'loh'sa Native Family Healing Services Inc., and Ontario Aboriginal Housing Services (OAHS) with respect to the sale and assumption of the Convert-to-Rent/ Rehabilitation Assistance Program affordable housing project at 343 Richmond Street, London is hereby AUTHORIZED AND APPROVED.
2. The Mayor and City Clerk are authorized to execute the Agreement authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council , 2015

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading -
Second reading -
Third reading -

ASSIGNMENT/ASSUMPTION AGREEMENT

THIS INDENTURE made the _____ day of _____, 2015.

BETWEEN:

ATLOHSA NATIVE FAMILY HEALING SERVICES INC.
a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter called "**Atlohsa**")

OF THE FIRST PART

-and-

ONTARIO ABORIGINAL HOUSING SUPPORT SERVICES CORPORATION
a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter called "**OAHS**")

OF THE SECOND PART

THE CORPORATION OF THE CITY OF LONDON
a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter called the "**City**")

OF THE THIRD PART

WHEREAS by agreement of purchase and sale entered into between Atlohsa, as Vendor and OAHS, as Purchaser dated the 23rd day of September, 2015, as amended from time to time, did enter into an agreement respecting the purchase and sale of the property known municipally as 343 Richmond Street, London, Ontario and described legally more in **Schedule "A"** attached hereto (the "**Lands**").

AND WHEREAS Atlohsa entered into "Covert-to-Rent Agreements" with the City all of which are attached hereto as **Schedule B**" (the "**CTR Agreements**"), and has agreed to assign to OAHS, all of its rights, title, and interest in, under and the CTR Agreements upon the terms contained herein.

AND WHEREAS OAHS has agreed to assume all rights, title and obligations under the CTR Agreements with respect to the Lands and has agreed to assume all obligations under the CTR Agreements and to observe and perform and be bound by the terms, conditions, covenants and provisions therein contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of Two (\$2.00) Dollars now paid by each of the parties hereto to the other and in further consideration of the premises and mutual covenants herein contained (the receipt and sufficiency of which is hereby expressly acknowledged) the parties hereto agree as follows:

1. Atlohsa hereby assigns to OAHS all of its rights, title and interest in the CTR Agreements and OAHS agrees to assume all obligations of Atlohsa pertaining to or arising from the CTR Agreements.
2. OAHS hereby covenants to perform and be bound by the terms, conditions, covenants and provisions in the CTR Agreements therein contained as if ti was an original signatory thereto.

3. That every covenant, attornment, proviso, condition and stipulation contained in the CTR Agreements shall apply to and bind OAHS from and after the date hereof in the same manner and with the same effect as if OAHS had been Atlohosa and as such had executed the CTR Agreements, and OAHS covenants with the City to do, observe, keep and perform every such covenant, attornment, proviso, condition and stipulation from and after the date hereof.
4. That every covenant, attornment, proviso, condition and stipulation contained in the CTR Agreements shall apply to and bind OAHS from and after the date hereof in the same manner and with the same effect as if OAHS had been Atlohosa and as such had executed the CTR Agreements, and OAHS covenants with the City to do, observe, keep and perform every such covenant, attornment, proviso, condition and stipulation from and after the date hereof.
5. Without prejudice to its rights against OAHS under this Agreement, the City may release and discharge Atlohosa and any other corporation, person or persons from all liability under its/his/her or their personal covenants in the CTR Agreements for payment of the monies thereby secured or other monies payable under the CTR Agreements but any such release shall be without prejudice to the rights of the City under all other covenant and provisions contained in the CTR Agreements and to the rights and remedies against the said Lands all of which rights and remedies of the City are hereby reserved.
6. Except as provided above, these presents shall not alter or prejudice the right and priorities of the City as against OAHS or any surety or any subsequent encumbrancer or other person whomsoever interested in the Lands or liable for the said debt or any part thereof and not a party hereto, or the rights of any such OAHS surety, subsequent encumbrancer or other person, all of which rights and priorities are hereby reserved.
7. The City shall not be obliged to proceed against Atlohosa or any other person liable hereunder or to enforce or exhaust any security before proceeding to enforce the obligations of OAHS herein as set out and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any debt or obligations of OAHS or any other person liable hereunder or the enforcement of any security for any such debt or obligations.
8. There has been no material default under any of the CTR Agreements.
9. There are no material outstanding disputes under the CTR Agreements or by any of the parties thereto.
10. The City has executed this Agreement as evidence of their consent to the assignment on the terms of the CTR Agreements and this Agreement.
11. The City and Atlohosa hereby confirm that the CTR Agreements are in good standing as at the date hereof.
12. Nothing in this Agreement shall permit the further assignment, transfer of the rights or obligations under the CTR Agreements without the written consent of the City.
13. Atlohosa and OAHS covenant and agree to execute any documents, and take such actions, as may be required by the City, acting reasonably, from time to time to assist with the implementation and effect of this Agreement.
14. No consent or waiver, express or implied, by the City to or of any breach of default by Atlohosa and OAHS in performance of obligations hereunder, under the CTR Agreements shall be deemed or construed to be a consent to or waiver of any breach or default in the performance by Atlohosa or OAHS of any of their respective obligations. Failure on the part of the City to notify of any act, or failure to act, of Atlohosa or OAHS, irrespective of how long such failure continues, shall not constitute a waiver by the City of its rights.
15. The CTR Agreements are amended pursuant to the terms hereof and shall remain in full force and effect, in whole without novation. All other terms and conditions of the CTR Agreements shall remain in full force and effect. Provided that nothing herein contained shall create any merger or alter the rights of the City as against any subsequent encumbrancer or other person interested in the Lands, nor affect the liability of any person not a party hereto.

16. This Agreement shall be governed by and in accordance with the laws of the Province of Ontario.
17. This Agreement may be executed in several counterparts, each of which, when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same document.
18. The parties agree that the execution and delivery of this Agreement, notice of acceptance thereof and delivery of all such notices and communications may be made by facsimile machine and/or electronic machine to the parties or their solicitors, and shall be binding on all parties as if it was their original signatures.
19. This Indenture shall be binding upon and enure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties hereto.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF all the parties hereunto have affixed its corporate seal under the hands of its proper signing officers duly authorized in that behalf.

ATLOHSA NATIVE FAMILY HEALING SERVICES INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

ONTARIO ABORIGINAL HOUSING SUPPORT SERVICES CORPORATION

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

THE CORPORATION OF THE CITY OF LONDON

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

SCHEDULE "A"
(Description of Lands)

Municipal Address: 343 Richmond Street, London, Ontario

Legal Description: Units 1-5, Level 1; Units 1-5, Level 2; Units 1-5, Level 3; Units 1-6, Level 4; Units 1-2, Level A; Middlesex Standard Condominium Plan and its appurtenant interest; Part of Lots 11 & 12 S/W King Street and Part of Lots 11 & 12 NW York Street designated as Part 2 on 33R-15994; T/W ROW over Parts 1, 3 & 4 on 33R-15994 as in 757452, City of London, County of Middlesex

PIN: 09193-0001 (LT) to 09193-0023 (LT) (LRO#33)

SCHEDULE "B"
(Covert-to-Rent Agreements)