

TO:	CHAIR AND MEMBERS COMMUNITY & PROTECTIVE SERVICES COMMITTEE MEETING ON July 22, 2013
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	CONVERT-TO-RENT/REHABILITATION PROGRAM AT 343 RICHMOND STREET (PHASE 2)

RECOMMENDATION

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. the Atlohosa Native Family Healing Services receive a second municipal allocation of \$14,000 per unit for sixteen (16) affordable housing units at 343 Richmond Street for a total of \$224,000; it being noted that this group has previously received approval for \$10,000 per unit in 2010, and
 - b. The funding allocation from the Affordable Housing Reserve Fund recommended above be as set out in the attached Appendix A – Sources of Financing Report.

2. That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Managing Director, Housing, Social Services and Dearness Home, and in accordance with Municipal Housing Facilities By-Law No A.-5814-11,
 - a. the attached by-law BE INTRODUCED at the Municipal Council being held on July 30, 2013 to approve the Amended Municipal Contribution Agreement 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
 - b. to authorize the Mayor and the City Clerk to execute the said Agreement.

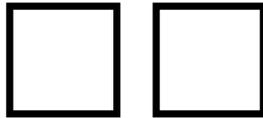
PREVIOUS REPORTS PERTINENT TO THIS MATTER
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COMMUNITY AND PROTECTIVE SERVICES COMMITTEE

- 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
- February 9, 2010 – Convert-to-Rent/Rehabilitation Program at 343 Richmond Street



BACKGROUND

London Community Housing Strategy

The London Community Housing Strategy (LCHS) plan, approved by Municipal Council in June 2010, represents an integrated and comprehensive approach that calls for a continued investment and action from all orders of government and from other sectors. It builds on local successes and addresses local needs in the continuum from streets to home ownership. The LCHS recommends a mix of system design, program, political advocacy, service delivery, and administrative recommendations that combine with 1,200 proposed new housing units.

The intention of the LCHS is to establish a more integrated and strategic approach that enhances our community's capacity to ensure all Londoners have a home. The LCHS also informs other community plans and services, noting that housing is integral to building healthy and sustainable communities.

Convert-To-Rent / Rehabilitation Program

The City of London Convert-To-Rent/Rehabilitation (CTR/Rehab) Assistance Program provides financial assistance for eligible properties:

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.

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.

Original Proposal from At^lohsa Native Family Healing Services at 343 Richmond Street

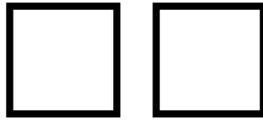
At^lohsa originally applied under the first iteration of the City of London Convert-to-Rent/Rehabilitation Program which provided up to \$24,000 per unit. They only requested \$10,000 of the available \$24,000 per unit.

The original proposal created an integrated housing and support service centre in a secure environment. The At^lohsa Aboriginal Centre proposal involved the purchase of 343 Richmond Street, an existing four storey building in downtown London, and the rehabilitation of sixteen (16) housing units on the upper floor for aboriginal families. There are ten (10) two bedroom units and six (6) three bedroom units. The ground floor is office space for community support services and counselling. The target population for this building is aboriginal women and their families that have been victims of abuse and have been resident in the Zhaawanong Native Women's Shelter operated by At^lohsa.

The funding was for the residential units only. The original \$10,000 per unit funding facilitated the replacement of windows, the installation of additional insulation to the exterior walls, washroom retrofits and where required, upgrades to kitchen and washroom cabinets. Funding in the amount of \$2.1M for the purchase of the building was received through the Ontario Aboriginal Housing Support Services Corporation (OAHSSC) under the Ontario First Nation, Inuit, Métis and Urban and Rural (FIMUR) Housing Program. The ground floor office space is being separately funded through a donation of \$1.3M from the current owner of the building.

The rents for the above-noted units are set at the Ontario Works (OW) rate for 2 and 3 bedroom households which is less than 70% of the 2013 CMHC Average Market Rent.

New Request from At^lohsa Native Family Healing Services at 343 Richmond Street



After At^lohsa took over the building at 343 Richmond Street, it became evident that the elevator servicing the upper units needed to be replaced, the roof needed to be replaced, the front entrance was not accessible and required a lift as well as a wheelchair access ramp amongst other items needing upgrading.

At^lohsa submitted a funding proposal to the Federal Economic Development Agency for Southern Ontario through their Community Infrastructure Improvement Fund. They have received approval for \$220,000 but require matching funds to complete the items listed in the proposal (see attached letter and Infrastructure Fund list).

Proposals Approved Under Convert-to-Rent To-Date

Under the Convert-to-Rent/Rehabilitation Assistance program, 54 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 (*\$10,000 per unit approved; second request for \$14,000 per unit (proposed for approval) = \$24,000 per unit as per original program*)
- 392 Richmond Street, 7 apartment units
- 390 Burwell Street, 1 apartment unit
- 1048 Dundas Street, 2 apartment units (*proposed for approval*)

Municipal Contribution Agreement

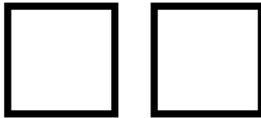
As part of the City of London commitment to the Canada-Ontario Community Rental Housing Program, on May 20, 2003, Municipal Council approved a Municipal Housing Facilities By-Law and resolved that project specific agreements under the Municipal Housing Facilities By-Law be prepared for approval by Municipal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

Municipal Housing Facilities By-Law No. A.-5814-11 outlines the required contents of the contribution agreement with affordable housing proponents. The Convert-To-Rent Municipal Contribution Agreement (MCA) with successful proponents must be registered on title.

An amendment to the Contribution Agreement between the City and At^lohsa Native Family Healing Services is required to reflect the additional funding being provided.

FINANCIAL IMPACT

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 At^lohse Native Family Healing Services for the property at 343 Richmond Street with respect to the Convert-to-Rent/Rehabilitation Program be approved and that an Amended Contribution Agreement be entered into with At^lohse Native Family Healing Services for its property at 343 Richmond Street, it being noted that the total municipal allocation is now \$384,000 (\$24,000 per unit).

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

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



By-law No.

A by-law to approve an amendment to the contribution agreement between The Corporation of the City of London (the City) and At^lohosa Native Family Healing Services (the Proponent) for the purpose of establishing the Proponent's obligations under the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent; and to authorize the Mayor and the City Clerk to execute the amended 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 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:

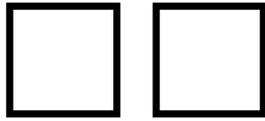
1. An amended agreement between the City and At^lohosa Native Family Healing Services for the purpose of establishing At^lohosa Native Family Healing Services obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to At^lohosa Native Family Healing Services 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 _____, 2013.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First reading –



**AMENDMENT
TO
CONTRIBUTION AGREEMENT
CONVERT-TO-RENT REHABILITATION ASSISTANCE PROGRAM**

BETWEEN:

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

- and -

AT^LOHSA NATIVE FAMILY HEALING SERVICES INC. (the "Borrower")
a corporation incorporated under the laws of Ontario
(hereinafter called the "Borrower")

This Agreement made the ____ day of _____ 2013.

WHEREAS:

- A. The City and the Borrower entered into an agreement (the "Agreement") on August 13, 2010 wherein the Borrower agreed to undertake and complete the rehabilitation of the existing building at 343 Richmond Street, London and provide 16 affordable residential units (the "Property").
- B. Section 1 indicates the City will provide to the Borrower a loan of \$160,000 City Funds.
- C. The parties have agreed to amend the Agreement as provided for herein:

NOW THEREFORE, the City and the Borrower agree with each other that the Agreement shall be amended as follows:

- 1. That the City shall provide an additional \$240,000 to the Borrower as a loan;
- 2. That the Borrower will shall provide confirmation that Community Infrastructure Improvement Fund will contribute \$220,000 funding to this Property for the rehabilitation work as described in Section 3 below;
- 3. The Borrower agrees this additional funding is a one time only approval for capital expenditures to repair the basement foundation & floor; replacement of the existing flat roof; installation of a two-level elevator for wheelchair access from the street; improvement to the front of the building by painting wooden trim, installing signs, & improving the lighting in the alleyway; replacement of 13 fire proof doors & windows; replacement of the rear loading dock & upgrading of the wheelchair access ramp; installation of 30 energy efficient lights and 16 security cameras; and, replacement of heat cooling systems in eight affordable housing units;
- 4. That the additional \$220,000 shall be secured by a charge/ mortgage registered on title by the Borrower to the satisfaction of the City prior to any advance of the additional funding;
- 5. The forgivable loan will be in place for a term of 20 years starting at the completion of the rehabilitation work as described in Section 3 above.

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

AT^LOHSA NATIVE FAMILY HEALING SERVICES INC.

Lina Sunseri, Vice-President

Charlene Dodge, Secretary

We have the authority to bind the Corporation