

NON-PROFIT RENTAL HOUSING PROGRAMME, 1979
MUNICIPAL NON-PROFIT HOUSING
MUNICIPAL SUBSIDY AGREEMENT

THIS AGREEMENT made in duplicate this 11th. day of February, 1980 A.D.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF ONTARIO represented
by the Minister of Housing

(Hereinafter called "The Minister")

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF PELHAM
A MUNICIPAL CORPORATION,

(Hereinafter called "The Municipality")

OF THE SECOND PART

WHEREAS pursuant to Section 17 (1) (a) of The Housing Development Act as amended by The Housing Development Amendment Act, 1976, the Municipality may, with the approval of the Minister, enter into agreements with a governmental authority for sharing or contributing to the maintenance cost of a housing project and for providing financial assistance to or for the benefit of any occupant or class or classes of occupants of housing accommodation to assist in the payment of rent, mortgage payments or other charges relating to the occupancy of such accommodation; and

WHEREAS the Minister, in conjunction with Canada Mortgage and Housing Corporation, has established a non-profit housing programme under which assistance is available to the Town of Pelham Non-Profit Housing Corporation to reduce rents payable by its tenants who reside in non-profit rental accommodation developed and operated by the said Town of Pelham Non-Profit Housing Corporation pursuant to the said programme; and

WHEREAS the Municipality has agreed to share in the cost of the provincial portion of the assistance which is available under the said programme to the Town of Pelham Non-Profit Housing Corporation; and

WHEREAS the Municipality has on the 11th. day of February, 1980 A.D. passed By-law #589 (1980) authorizing the entering into of this agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and of the mutual covenants and understandings hereinafter set forth, the parties hereto agree as follows:

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In this agreement:

1. (i) "Owner" shall mean the Town of Pelham Non-Profit Housing Corporation.

(ii) "Individual or family of low or modest income" shall mean an individual or family that receives a total income that in the opinion of the Minister is insufficient to permit the individual or family to rent or obtain housing accommodation adequate for its needs at the current prevailing rental rates in the area in which the individual or family lives;

(iii) "Maximum federal assistance" shall mean contributions received by the owner from Canada Mortgage and Housing Corporation under Section 56.1 of the National Building Act, as amended, for the purpose of enabling the owner to meet the costs of the rental housing project which will be certified by the Minister and to reduce the rentals thereof;

(iv) "Provincial assistance" shall mean grants received by the owner from the Minister under Section 2 (1) (e) and (f) of The Housing Development Act for the purpose of enabling the owner to meet the cost of the rental housing project, which will be certified by the Minister and to reduce the rentals thereof where the maximum federal assistance is inadequate to meet the same and which may be in an amount or amounts up to but not exceeding the amount of such maximum federal assistance.

(v) "Override assistance" shall mean grants and contributions in addition to those provided by the Minister and C.M.H.C. under subclauses (iii) and (iv) above, and which may be extended to the owner by C.M.H.C., the Minister and the Municipality in the respective proportions of 50%, 42½%, and 7½% in order to enable the owner to meet the remaining annual project operating losses of the non-profit project certified under this agreement where the said maximum federal assistance and the provincial assistance are insufficient to offset the full project operating losses and reduced rents in any fiscal year;

(vi) "Fiscal year" shall be the calendar year;

(vii) "Project operating losses" shall mean the difference between the gross rental and other revenue, exclusive of contributions and grants, received by the owner in any fiscal year in the operation of the project certified under this Agreement, and the operating expenses properly chargeable thereto and actually paid by the owner, including realty taxes, mortgage or debenture payments and other carrying charges, water rates, light, heat, power, wages, supplies and equipment and insurance premiums as they become due, and administrative fees, maintenance and repair costs and specified reserve all in accordance with a budget which has been approved by the Minister pursuant to the non-profit housing programme. No deficit charges arising from the operation of commercial or non-residential facilities shall be considered when calculating project operating losses. If, however, any surplus revenue or profit arises from the operation of

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commercial or non-residential facilities, it shall be considered as other revenue when calculating project operating losses.

2. Provided that the owner will own and operate a non-profit rental housing project at Pelham Town Square, Fonthill, Ontario with a loan made pursuant to Section 15 or to Part 1 of the National Housing Act, and will enter into a formal operating agreement with the Minister and with Canada Mortgage and Housing Corporation which provides, among other things, that:

(a) a certain percentage of the rental units in the project will be occupied only by senior citizens of low or modest income at rentals which are geared to their incomes, and that the remaining units will be rented to senior citizens of low or modest income at market rentals; and,

(b) maximum federal assistance and, where necessary in order to meet project operating losses, provincial assistance and, also where necessary, override assistance shall be paid to the owner during the entire amortization repayment period of the Section 15 or Part 1 National Housing Act loan up to, but not exceeding, 35 years,

the Minister shall certify the project for the purposes of this agreement by the issuance of his certificate which shall thereupon become a schedule to this agreement.

3. Where, in any fiscal year, the owner has received the maximum federal assistance available, and has also received provincial assistance in an amount which exceeds 85% of the maximum federal assistance received, the Municipality covenants and agrees that it will reimburse the Minister the entire amount of such excess up to a maximum equal to 15% of the maximum federal assistance received.

4. Should the combined maximum federal assistance and provincial assistance, including municipal reimbursement, in any fiscal year be insufficient to meet the project operating losses and reduced rents incurred with respect to any certified project, and override assistance is paid to the owner by the Minister on behalf of the Province, Canada Mortgage and Housing Corporation and the Municipality, the Municipality covenants and agrees that it will reimburse the Minister an amount equal to 7½% of the override assistance so paid.

5. The reimbursement shall be billed and paid as follows:

(a) where the Minister has ascertained, through reviewing the owner's projected annual budget for any fiscal year, that municipal reimbursement will be required of up to the 15% maximum referred to

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in Clause 3 above in the case of provincial assistance and in the amount of 7½% in the case of override assistance referred to in Clause 4 above, he shall notify, or cause to be notified, the Municipality of the estimated amount of the contributions which will be required from the Municipality. The Municipality will thereupon make monthly payments in the required amounts to the Minister.

(b) where the owner's projected annual budget does not indicate that any municipal contributions will be required pursuant to Clauses 3 or 4, but it is nonetheless subsequently ascertained at any time during the budget year that such assistance will, in fact, be required, the Minister shall notify the Municipality, or cause the Municipality to be notified, of this fact and also of the estimated monthly amounts to be paid by the Municipality. The Municipality will thereupon make monthly payments in the required amounts to the Minister.

(c) on or before July 31st. of the year following the end of the fiscal year, the Minister shall submit to the Municipality a statement showing the actual amount of the respective maximum federal assistance and provincial assistance and of override assistance paid during the full year, duly certified by his comptroller, and the Municipality shall reimburse the Minister any unpaid balance of its stipulated share as set out in said statement within 30 days of its receipt thereof. Any overpayment, which may have been made by the Municipality to the Minister under subsection (a) or (b) above, shall be refunded by the Minister within the same 30-day period.

6. The Municipality shall have the right, through its servants, agents or auditors at any time upon reasonable notice to the Minister to examine the books and records of the Minister pertaining to the certified project scheduled to this agreement. In the event that the Municipality disputes the amounts claimed by the Minister pursuant to preceding paragraphs 4 and 5 hereof, and the parties cannot resolve such dispute, the Minister shall refer such dispute to a third party acceptable to each of them, and the decision of such third party shall be final and binding on both parties hereto.

7. This agreement shall remain in force as long as the owner and its successors shall continue to own and operate the certified project as non-profit rental housing accommodation pursuant to its aforementioned operating agreement with the Minister and with Canada Mortgage and Housing Corporation, and subject thereto shall enure to the benefit and be binding upon the parties hereto, their successors and assigns. Provided, however, that neither party to this agreement shall assign same without the written consent of the other party first had and obtained.

IN WITNESS WHEREOF the Parties hereto have hereunto affixed their Corporate Seals under the hands of their proper signing officers duly authorized in that behalf.

HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF ONTARIO, repre-
sented by the Minister of Housing

THE CORPORATION OF THE TOWN OF PELHAM

E. S. Bergenstern

MAYOR

J. Murray Hackett

CLERK