

ARMITAGE GARDENS LEGAL AGREEMENTS

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, August 22, 2003, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. The Region be authorized to enter into the necessary legal agreements as set forth in this report to give effect to the relationship between the Regional Municipality of York and Housing York Inc. for the long-term management of Armitage Gardens, a 58 unit affordable housing project located on the Newmarket Health Centre site at 184 Eagle Street in the Town of Newmarket.
2. The Regional Chair and Regional Clerk be authorized to execute the lease for this site on behalf of the Region, subject to the review of the Regional Solicitor.
3. The Commissioner of Community Services and Housing be authorized to execute any other legal agreements on behalf of the Region, subject to the review of the Regional Solicitor.

2. PURPOSE

This report provides a description of the agreements required to formalize a long-term relationship between the Region and Housing York Inc.(HYI) as the 58 new apartments for seniors and people with disabilities become part of the management portfolio of the housing corporation.

3. BACKGROUND

On June 27, 2002 Regional Council gave final approval to the redevelopment of the east wings of the Newmarket Health Centre to provide 58 one and two bedroom apartments for senior citizens and people with disabilities.

The property is owned by York Region and currently occupied by facilities and services delivered through the Region's Health Services Department. As well, the construction of the apartment units is proceeding jointly with Health Services' Phase 2A, development of offices and other accommodations. As a result, it was expeditious to carry out the construction phase under the auspices of the Region rather than through the housing corporation as would be expected.

4. ANALYSIS AND OPTIONS

With the project nearing completion a number of legal agreements are required to formalize the relationships between the Region and HYI as the housing corporation begins the management of the apartment building and assumes landlord responsibilities, while linked physically and operationally with the Health Centre.

The Regional Solicitor has prepared the following documents:

- Lease agreement between the Regional Municipality of York as property owner and Housing York Inc. as tenant.
- Rent Supplement Agreement between the Region as Service Manager and HYI as the landlord.
- Service Agreement between HYI as Housing Provider and the Region (Health Services) as Alternative Community Living (ACL) Service Provider.

4.1 Lease - Regional Municipality of York and Housing York Inc.

A lease agreement is required because HYI, as the entity equipped to manage housing projects, will be leasing the building from the Region, as the registered owner of the property. This arrangement has been chosen over the option of transferring ownership to HYI because it would be impractical and costly to sever the property since the parts of the facility are physically linked.

The lease will be a standard commercial lease with a term of 49 years. The payment provisions will be determined by the debenture that is to be issued by the Region to finance part of the capital costs of the housing project. It is the income from the lease, which will serve to retire the debt arising from the debenture.

A Schedule to the lease between the Region and HYI will specifically set out the terms of shared arrangements between the housing component of the overall Newmarket Health Centre campus and the Health Services facilities. This Schedule will deal with matters such as the proportionate shares of utility costs, maintenance responsibilities, replacement of shared facilities such as driveways, transformers, HVAC systems, and insurance costs.

A Property Management Services Agreement already is in place between the Region and HYI which, for example, delineates the terms under which the Region provides services, particularly those of Regional employees, to HYI.

4.2 Rent Supplement Agreement

York Region has agreed to provide rent supplements for 52 of the apartments at Armitage Gardens from its Provincial allocation. As the administrator of the Rent Supplement Program, the Region will execute an Agreement with HYI as the landlord. The agreement will be in the standard form in use for other landlords providing rent supplement units in the Region and will ensure that HYI receives sufficient income to manage the property, pay the lease cost to the Region and still provide housing for low- income tenants from the social housing waiting list.

4.3 Service Agreement - Region (Health Services) and HYI

The Alternative Community Living (ACL) Program operated by York Region Health Services will be serving 26 of the Armitage Gardens units for clients needing assistance to live independently. The Service Agreement between Health Services on behalf of the Region and HYI as the landlord will set out the terms of the relationship between the two parties such as payment of rent, service and emergency response protocols, etc.

The parties to these agreements have been consulted as the documents were being prepared and are satisfied that they reflect the informal understandings developed while the project was being planned and constructed.

5. FINANCIAL IMPLICATIONS

There are no new financial impacts associated with these agreements.

6. LOCAL MUNICIPAL IMPACT

The formalization of these arrangements will ensure a professionally run housing community for the tenants and be an asset for the Town of Newmarket.

7. CONCLUSION

The execution of these agreements will put the relationships among the parties to the redevelopment of the Newmarket Health Centre on a business-like footing as the housing project moves into long-term operation.

The Senior Management Group has reviewed this report.