

February 19, 2007

To: Budget Committee

From: Community Development and Recreation Committee

Subject: Grace Carmen Senior Citizens Home Inc. – Reserve Fund Withdrawal and Approval of a Second Mortgage

**The Community Development and Recreation Committee on February 19, 2007, forwarded a copy of the report (February 13, 2007) from the General Manager, Shelter, Support and Housing Administration, to the February 23, 2007, meeting of the Budget Committee for its immediate consideration and transmittal of comments to the March 5 and 6, 2007, Council meeting for consideration with this item.**

Committee Recommendations:

The Community Development and Recreation Committee recommended to City Council that:

1. authority be given to the General Manager, Shelter, Support and Housing Administration, to:
  - a. withdraw \$296,000.00 from the Social Housing Federal Reserve Fund and lend these funds to Grace Carmen Senior Citizens Home Inc. at 180 Sheridan Avenue, for the replacement of elevators;
  - b. negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a second mortgage and a general assignment of rents, subject to the following terms and conditions:
    - i. the loan will be non-interest bearing and not repayable until the earlier of the date (the "Commencement Date")
      1. that the first mortgage is due to mature, or
      2. such mortgage is redeemed;

- ii. starting on the Commencement Date the loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize the loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;
    - iii. the interest rate and repayment schedule will be renegotiable, subject to further Council approval; and
    - iv. such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor;
  - c. enter into an option agreement requiring the housing provider to provide rent supplement housing from and after the date the operating agreement is terminated, for a term of up to 15 years, provided that appropriate funding is received from the Service Manager;
  - d. consent, on behalf of the City of Toronto to Grace Carmen Senior Citizens Home Inc. mortgaging, charging or encumbering the Property in connection with the City's mortgage, as required under the Operating Agreement being administered by the City of Toronto as Service Manager pursuant to the *Social Housing Reform Act, 2000*;
  - e. apply for the consent of the Minister of Municipal Affairs and Housing in connection with the City's mortgage, and accept such consent subject to the Minister's standard conditions; and
  - f. apply for and accept such other consents and approvals as may be necessary or convenient from other third parties, including Canada Mortgage and Housing Corporation;
2. the loan of \$296,000.00 be deemed to be in the interests of the City of Toronto in accordance with subsection 83(1) of the *City of Toronto Act, 2006*, Chapter 11, Schedule A;
  3. the 2007 Recommended Operating Budget for Shelter, Support and Housing Administration include \$296,000.00 gross and \$0 net funded by a withdrawal from the Social Housing Federal Reserve Fund for the loan to Grace Carmen Senior Citizens Home Inc.; and
  4. any repayments of principal and interest on the loan be credited, as they are received, to the balance of the Social Housing Federal Reserve Fund.

Decision Advice and Other Information:

The Community Development and Recreation Committee requested the General Manager, Shelter, Support and Housing Administration to provide a briefing note to City Council on March 5 and 6, 2007, on the long term maintenance agreement and the amount of funding currently in the Grace Carmen Senior Citizens Home Inc. annual budget for elevator maintenance.

Background:

The Community Development and Recreation Committee on February 19, 2007, considered a report (February 13, 2007) from the General Manager, Shelter, Support and Housing Administration, submitting recommendations respecting the “Grace Carmen Senior Citizens Home Inc. – Reserve Fund Withdrawal and Approval of a Second Mortgage.”

City Clerk

Candy Davidovits/lv  
Item CD2.8

Attachment

c. General Manager, Shelter, Support and Housing Administration