



City of North Bay Report to Council

Report No: CORP 2021-43

Date: April 6, 2021

Originator: Peter E.G. Leckie

Business Unit:

Department:

Corporate Services

Legal Department

Subject: Municipal Housing Facilities Agreement – 1732859 Ontario Inc., assignment to (Benjamin Sabourin, In Trust) – 2469 Trout Lake Road, North Bay

Closed Session: yes no

Recommendation

That:

1. Council consent to assignment of the Municipal Housing Facilities Agreement, dated March 12, 2009 for property located at 2469 Trout Lake Road, North Bay between The Corporation of the City of North Bay, District of Nipissing Social Services Administration Board and 1732859 Ontario Inc., by 1732859 Ontario Inc., to Benjamin Sabourin (In Trust), or any corporation assigned by him;
2. Council authorize the Mayor and the City Clerk to execute all documents for the assignment of the said Municipal Housing Facilities Agreement dated March 12, 2009 from 1732859 Ontario Inc. to Benjamin Sabourin (In Trust), or any corporation assigned by him, for property located at 2469 Trout Lake Road, North Bay subject to the approval of the said agreement by the City's Chief Financial Officer and the City Solicitor; and
3. An Execution By-Law be brought forward to the April 20, 2021 Council Meeting for three (3) readings.

Background

On March 16, 2009 the Council of the City of North Bay passed By-Law No. 2009-51,

which authorized the City to enter into a Municipal Housing Facility Agreement with the District of Nipissing Social Services Administration Board (DNSSAB) and 1732859 Ontario Inc., for the provision of Municipal Housing Project Facilities at 2469 Trout Lake Road, North Bay, comprising of 12 units, to be operated by 1732859 Ontario Inc. under the supervision of DNSSAB with an annual Tax Reduction Grant provided by the City. The City entered into a Municipal Housing Facilities Agreement with the DNSSAB as the Service Manager and 1732859 Ontario Inc. for the property located at 2469 Trout Lake Road, North Bay.

On February 2, 2021 DNSSAB advised the City that 1732859 Ontario Inc. is selling their building located at 2469 Trout Lake Road, North Bay, which is under the Affordable Housing Program. By e-mail of March 2, 2021, Mr. Sohail Rouhani, on behalf of his client Benjamin Sabourin, the purchaser, provided a copy of a letter from 1732859 Ontario Inc., to DNSSAB, dated January 29, 2021, advising of the intended purchase and sale of the property situate at 2469 Trout Lake Road, North Bay. On March 2, 2021, the City Clerk received a "Notice of Property Transfer" from Mr. Benjamin Sabourin, President of 2812602 Ontario Ltd., giving notice that 2812602 Ontario Ltd., (Benjamin Sabourin) is assuming the property at 2469 Trout Lake Road, North Bay from 1732859 Ontario Inc. Further, Mr. Sabourin acknowledged that he understands that the property is currently subject to the Municipal Housing Facilities Agreement and that he agrees to be bound by the requirements of it. Mr. Sabourin agrees to complete the execution of the new agreement with DNSSAB and the City.

Pursuant to subsection 16.1 of the Municipal Housing Facilities Agreement, 1732859 Ontario Inc. must provide the City and DNSSAB with at least twenty (20) working days written notice prior to the closing date of any sale, conveyance or transfer of property. 1732859 Ontario Inc. has provided that Notice to Mr. Dan Malette of DNSSAB who in turn notified the City Clerk by way of e-mail on February 2, 2021. This has been more recently confirmed by Mr. Sabourin as detailed above. The City is in receipt of a copy of the Agreement of Purchase and Sale as between Benjamin Sabourin (In Trust) and 1732859 Ontario Inc., dated October 13, 2020 showing a closing date of April 30, 2021.

Pursuant to subsection 16.2 of the Municipal Housing Facilities Agreement, the purchaser of the property shall agree to be bound by the terms and conditions of the agreement and shall execute a new agreement before consent to the sale in writing may be given by the City and DNSSAB. Rent increases will continue to be permitted in accordance with the terms of the original agreement. No increases in rent will be permitted at the time of sale.

Lastly, subsection 17.6 of the Municipal Housing Facilities Agreement provides that the rights and obligations of 1732859 Ontario Inc. shall not be assignable by it without the prior written consent of the City and DNSSAB, which consent may be unreasonably withheld.

Financial/Legal Implications

There is no Financial or Legal Implications.
Corporate Strategic Plan

- Natural North and Near
- Economic Prosperity
- Affordable Balanced Growth
- Spirited Safe Community
- Responsible and Responsive Government

Specific Objectives

Facilitate the development of housing options to service the entire community, with consideration to socio-economic characteristics of the community.

Options Analysis

Option 1: That:

1. Council consent to assignment of the Municipal Housing Facilities Agreement, dated March 12, 2009 for property located at 2469 Trout Lake Road, North Bay between The Corporation of the City of North Bay, District of Nipissing Social Services Administration Board and 1732859 Ontario Inc., by 1732859 Ontario Inc., to Benjamin Sabourin (In Trust), or any corporation assigned by him;
2. Council authorize the Mayor and the City Clerk to execute all documents for the assignment of the said Municipal Housing Facilities Agreement dated March 12, 2009 from 1732859 Ontario Inc. to Benjamin Sabourin (In Trust), or any corporation assigned by him, for property located at 2469 Trout Lake Road, North Bay subject to the approval of the said agreement by the City's Chief Financial Officer and the City Solicitor; and
3. An Execution By-Law be brought forward to the April 20, 2021 Council Meeting for three (3) readings.

This is the recommended option.

1. Option2:

That Council not consent to the assignment of the Municipal Housing Facilities Agreement, dated March 12, 2009 for property located at 2469 Trout Lake Road, North Bay between The Corporation of the City of North Bay, District of Nipissing Social Services Administration Board and 1732859 Ontario Inc. by 1732859 to Benjamin Sabourin (In Trust), or any corporation assigned by him.

This is not the recommended option.

Recommended Option

That:

1. Council consent to assignment of the Municipal Housing Facilities Agreement, dated March 12, 2009 for property located at 2469 Trout Lake Road, North Bay between The Corporation of the City of North Bay, District of Nipissing Social Services Administration Board and 1732859 Ontario Inc., by 1732859 Ontario Inc., to Benjamin Sabourin (In Trust), or any corporation assigned by him;
2. Council authorize the Mayor and the City Clerk to execute all documents for the assignment of the said Municipal Housing Facilities Agreement dated March 12, 2009 from 1732859 Ontario Inc. to Benjamin Sabourin (In Trust), or any corporation assigned by him, for property located at 2469 Trout Lake Road, North Bay subject to the approval of the said agreement by the City's Chief Financial Officer and the City Solicitor; and
3. An Execution By-Law be brought forward to the April 20, 2021 Council Meeting for three (3) readings.

Respectfully submitted,

Name: Peter E.G. Leckie

Title: City Solicitor

I concur with this report and recommendation.

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer

Name: David Euler, P.Eng

Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Peter Leckie

Title: City Solicitor