

APARTMENTS

JUL 20 1993

Bank denies responsibility for Cheyenne buildings

The National Bank is interested in listing and selling at a fair market value.

By Don Murray/The London Free Press

The marathon headache over the infamous apartments at 95 and 105 Cheyenne Ave. will continue because controversial landlord Elijah Elieff is still the registered owner although he has lost control of the buildings.

"That's not good news for the tenants," Councillor Pat O'Brien said Monday after assistant city solicitor Patricia Cox told a special meeting that Elieff Investments Ltd. is still the owner despite the National Bank taking control of the property over \$400,000 in outstanding mortgage payments.

"It muddies the waters somewhat," Cox told a meeting of representatives for tenants, city hall, the bank, Middlesex-London health unit, fire department and police.

"The problem is who do we deal with, who do we issue orders to?" said Rocky Cerminara, the city's director of building controls. Elieff, who has ignored city orders to clean up and repair the crumbling apartments, "has walked away from the buildings," he said.

Tom Robson, the lawyer for National Bank, denied his client has any legal responsibility to clear up the well-publicized woes of the buildings. "The bank is interested in listing and selling it at a fair market value. It is not interested in the problems associated with the care and control of the buildings that we are all aware of."

That didn't sit well with Controller Jack Burghardt, who said if the bank has no legal responsibility for the condition of the property it does have a moral one. He urged the bank to get together with the city building department to resolve some of the problems. "I am amazed that the mortgage-holder would not show more of an interest, not only in the tenants but in maintaining the buildings. Who wants to buy buildings that are totally run down and insecure (because of broken doors, locks and windows)?"

Robson said the bank, like the city, is in a difficult situation and that he took exception to "pointing fingers." The bank, he said, "is concerned about the property and is willing to work with the people to get it sold."

BUILDINGS SOLID: The meeting was told that while the buildings are a mess and suffer from long-term lack of maintenance, they are basically solid and at this point do not represent a serious public health or safety threat.

Cerminara said while he has authority to prohibit occupancy, "the condition of the buildings are not so bad that I would take that drastic action right now."

He said city work crews have been dispatched to

THE NEXT STEP

City staff has been asked to produce a comprehensive report on what the city can do to clean up the crumbling apartments at 95 and 105 Cheyenne Ave., now under power of sale by the National Bank for mortgage arrears.

The report is to be presented to council's community and protective services committee, which meets at 4 p.m. Monday at the Lambeth Arena and Community Hall.

the property.

In addition, he said the city will be paying gas bill arrears and under the authority of the city's new vital services bylaw attaching that cost to the buildings' tax rolls. The bylaw also allows the city to collect and direct rent to pay outstanding bills, but Cerminara said in this tangled situation the tax-roll route is the best.

Robson told the meeting the bank has no intention of collecting rents from the 15 remaining tenants. He would not comment when asked by Cindy Harper, a lawyer for one tenant, if that was because collecting rent would suggest "mortgagee in possession" status and therefore responsibility for the property.

Harper said later that to resolve various tenant and rent situations, including owed rent rebates, it's likely an application will be made to have rents paid to the court.

CO-OP SOUGHT: Meanwhile, the tenants are awaiting word on their application to the ministry of housing for funding to buy the buildings and operate them as a co-op, said Susan Eagle, a community outreach worker who has been involved in the Cheyenne situation for years.

She said she hopes the publicity about the tangled web surrounding the apartments "will speed up the process. We can make a case that the ministry needs to move on the situation quite fast since neither the bank nor the owner wants to take responsibility to maintain the buildings."

Eagle said no price-tag has been put on the buildings, but the results of an appraisal, done over the weekend, should be known in about a week.

O'Brien said the city should put pressure on the housing ministry to finance the tenants.

"This has gone on long enough," he said, noting that he has filled a filing cabinet with Cheyenne woes in his 11 years as Ward 3 councillor.

O'Brien, who chairs the city's community and protective services committee, asked city staff to prepare a report for the committee at its meeting next Monday. "We want a comprehensive report on what can be done because I am going to push very hard to get those buildings improved. And if we can't get them improved I want them closed."