

## Attachment 10: Section 37 Agreement Terms Related to 218 Carlton Street Affordable Housing

The Section 37 Agreement shall incorporate the following terms and conditions regarding the affordable housing component at 218 Carlton Street (the "Property"), and include such other or amended terms and conditions as may be acceptable to the Chief Planner and Executive Director, City Planning, in consultation with the Executive Director, Housing Secretariat and Director, Real Estate Services and in a form satisfactory to the City Solicitor.

- a) Transfer of 218 Carlton Street to the City for nominal consideration;
- b) The Owner shall register or cause to be registered a restriction on 218 Carlton Street pursuant to Section 118 of the Land Titles Act;
- c) "All closing costs for 218 Carlton Street, including but not limited to land transfer tax and registration fees, related to both the purchase of 218 Carlton Street by the Owner and the acquisition of 218 Carlton Street from the Owner by the City shall be the sole responsibility of the Owner."
- d) The transfer of 218 Carlton Street to the City will be conditional upon the Owner providing an up-to-date survey or reference plan showing the location of the building on the Property, satisfactory to the City, in its sole and absolute discretion, within 90 days of the execution of this Agreement;
- e) The transfer of 218 Carlton Street to the City, is conditional upon the Owner providing a Phase 1 Environmental Site Assessment, together with a letter confirming the City's ability to reply on the study, satisfactory **to the Executive Director, Housing Secretariat, in his sole and absolute discretion, within 90 days of the execution of this Agreement;**
- f) **The transfer of 218 Carlton Street to the City is conditional upon the City receiving a State of Good Repair Building Condition Assessment Report satisfactory to the Executive Director, Housing Secretariat, in his sole and absolute discretion, after completion of the renovations and prior to transfer to the City. The State of Good Repair Building Condition Assessment Report is to be conducted by the Owner and provided to the City with a letter confirming the ability of the City to reply on the study;**
- g) The City shall have the right, after the execution of this Agreement, to give notice of this Agreement to any governmental body and to obtain any and all information within the records of such governmental body relating to the regulatory and compliance status of the Property (including without limitation, information regarding environmental matters, building standards, permits) and as to any other matter that might affect the City's enjoyment, use, possession and ownership of the Property after closing:
- h) The Owner hereby consents to any governmental body releasing to the City details of all property standards, status files and information on any studies,

plans or proposals affecting the Property. The Owner agrees to promptly execute and deliver such further authorizations in this regard as the City's solicitor may require to ensure the release of such details;

i) The property shall be legally zoned for multi-residential use at the time of closing;

j) The property shall be free and clear of encumbrances, to the satisfaction of the City Solicitor;

k) The building on the Property shall be and remain at the risk of the Owner until transfer to the City. Pending the transfer, the Owner shall hold all insurance policies and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, as determined by the City in its sole and absolute discretion, the City may, at its sole option either: (i) take the proceeds of any insurance and complete the transfer of the Property; or (ii) elect to receive from the Owner the sum of \$6,400,000.00 to be directed to the City's Capital Revolving Reserve Fund for Affordable Housing (XR1058);

l) The Owner shall provide access to the City and/or the not for profit housing provider selected to operate 218 Carlton Street, during normal business hours, as often as is deemed necessary by the City/not for profit housing provider acting reasonably, provided that such access shall be subject to written notice by the City/ not for profit housing provider to the owner, acting reasonably;

m) The Transfer shall (save for the Land Transfer Tax Affidavit, which shall be prepared by the City) be prepared in registerable form at the expense of the Owner;

n) The Owner covenants to execute and deliver to the City all transfer, assignments, declarations, consents and other documents to cause the authorized officers of the Owner to do all things as may be reasonably requested by the City, so as to further assure the effective transfer of the Property and evidence performance of this Agreement by the Owner;

o) As a registrant, required to self-assess and remit HST, the City shall execute and deliver a certificate confirming that it is a registrant, provide its HST Registration Number and confirming that the City's registration has not been withdrawn or revoked. The City will further undertake to self-assess, file returns and remit to the appropriate authority any HST owing in respect of the transfer of the Property to the City;

p) The Owner represents and warrants to the City that, to the best of the Owner's knowledge, the building on the Property contains or have never contained insulation that contains urea formaldehyde. This warranty shall survive and not merge on the completion of this transaction;

q) The Owner agrees that at the request of the City Solicitor and at its sole cost and expense to provide to the City such preliminary and/or final title opinions

required by the City Solicitor in respect of the conveyance of 218 Carlton Street, in a form provided by the City Solicitor, to the satisfaction of the City Solicitor, prior to the registration of the conveyance of by the Owner to the City of 218 Carlton Street;

r) The Owner shall provide, prior to transfer to the City, written disclosure of all access and security codes applicable to the Property, all operating and maintenance manuals for the systems and equipment forming part of or servicing the Property, and shall assign to the City all warranties and guarantees relating to the residential building located on the Property, given to or obtained for or in respect of materials, equipment or other items incorporated in or otherwise used in connection with the renovation and operation of that building (collectively, the "Warranties and Guarantees") together with an acknowledgement from the applicable contractors, subcontractors or suppliers, as the case may be, that the Warranties and Guarantees may be relied upon and enforced by the City;

s) The Owner must adhere to City policies for procurement and construction, as applicable, including but not limited to the Fair Wage Policy and Contractual Trades Obligations;

t) The Owner shall provide the Director, Real Estate Services and the Executive Director, Housing Secretariat with 60 days notice of expected substantial completion of the Property;

u) The City will be provided with access to the Property within the 60 days noted above in order to conduct such inspections, appraisals and reviews as it, in its sole discretion considers advisable. The City shall give notice to the Owner, advising if the City, acting reasonably, is satisfied with the substantial completion of the Property;

v) In the event that the City, in its sole discretion, determines not to accept the conveyance of the property at 218 Carlton Street, the owner of 55-61 Charles Street East shall pay to the City, prior to the Closing Date the sum of \$6,400,000.00 to be directed to the City's Capital Revolving Reserve Fund for Affordable Housing (XR1058), with the proviso that the funds be spent on affordable housing in Ward 13;

w) The Owner agrees that if at the time of transfer of 218 Carlton Street, the City is not satisfied with the value of the renovations, the City may require an independent assessment of the property and its renovations at the sole cost of the Owner. Should the independent assessment indicate that the value of the renovations is such that the Owner has not provided the City with a total of \$6,400,000.00 in value (land and renovation), the difference will be paid to the City by the Owner and directed to the City's Capital Revolving Reserve Fund for Affordable Housing (XR1058), with the proviso that the funds be spent on affordable housing in Ward 13;

x) The Owner is to provide approximately 5678 square feet of finished living space, designed as self-contained dwelling units, each containing its own

bathroom and kitchen, in accordance with the design and specifications provided by the City and/or a not for profit affordable rental housing provider chosen by the City, which shall be comparable in quality of work and finishes to the affordable housing suites being constructed at 505 Richmond Street West, Toronto as agreed to by the parties, acting reasonably, which design and specifications shall include, but not be limited to the following:

i) General

- (1) Materials, assemblies, systems and finishes will be designed and selected for durability in accordance with Part 5 of the Ontario Building Code, and CSA S478 "Guidelines for Durability in Buildings";
- (2) Window replacement to be insulated double-glazed windows;
- (3) Laundry facilities to be well-lit and include a minimum of three Energy Star water efficient washers and a minimum of three Energy Star dryers;
- (4) Surface preparation and paint application to recommendations of Master Painters Institute Painting Specifications Manual;
- (5) All paint to be high-performing and wear-resistant, premium grade with low VOC and uniform dispersion of pigment in a homogeneous mixture to the Master Painters Institute Painting Specifications Manual;
- (6) All windows to have durable, commercial-grade window coverings;
- (7) Design of all doorways to aim for flush or minimal thresholds;
- (8) All doors to have lever handles and overhead door stops;
- (9) Glazing in doors and sidelights to be double-glazed, tempered;
- (10) Guards and handrails to be designed, constructed, and secured to withstand forces as defined in OBC with blocking as needed;
- (11) Fixtures and products to be harmonized or selected so that building management will not have to stock multiple different replacement materials and products.

ii)\_Suites

- (1) Solid core entry door with lock hardware and security view-hole;
- (2) Baseboards in dwelling units to be painted and not less than 100mm (4") high;
- (3) Suite closets to be equipped with full-length clothes rod and shelf;

(4) All suites to have an operable exterior window;

(5) Suites will be separated from another suite in the building with acoustic separation of STC50 as per the Ontario Building Code-prescribed Sound Transmission Class rating and measurement standards.

### iii) Kitchen

(1) Durable, easy to clean, laminate kitchen cabinetry providing appropriate and adequate storage;

(2) Durable, easy to clean, solid surface countertops with a patterned finish to reduce signs of wear;

(3) Durable, easy to clean, sink and backsplash;

(4) All stoves are to be EnergyStar Certified with Safe-T elements;

(5) A high capacity range hood in matching width will be provided, vented to exterior and equipped with removable/washable filter and integrated LED lights;

(6) Matching, easy to clean and maintain EnergyStar 18cu.ft. refrigerator, and free-standing microwave.

### iv) Bathroom

(1) Durable, easy to clean vanity with integrated storage;

(2) Solid surface countertops and in a patterned finish to reduce signs of wear;

(3) Mirror above vanity;

(4) Matching, durable and easy to clean sinks, toilets, tubs/ shower;

(5) Bathroom exhaust fans are to be EnergyStar certified with a 1.5 Sones or less sound rating and directly vented to the exterior;

(6) All walls and ceilings will be mould/ moisture-resistant drywall;

(7) All shower and bathtub surrounds will be tiled full height on wall with an adhered, sheet or troweled-on waterproof membrane;

(8) Pressure balance valve required for tub/ shower;

(9) Accessory package including at minimum towel bar and toilet paper holder will be anchored into studs or blocking.

#### v) Flooring

- (1) Washroom will be slip-resistant porcelain tile;
- (2) Flooring, except washrooms, to be long lasting wood, engineered wood and/ or vinyl with an acoustic subfloor to minimize sound transmission;
- (3) Bathroom floor to be provided with floor drains for Barrier Free path of travel;
- (4) No carpeting is permitted in the building;
- (5) Flooring will be laid with an acoustic subfloor to minimize sound transmission. It must be installed within or above dwelling units and provide minimum performance of Impact Insulation Class IIC 50.

#### vi) Lighting

- (1) Common-area lighting to have as few types of replacement bulbs as possible;
- (2) All lighting within dwelling units shall have a universal bulb type with standard North American base that is replaceable at the hardware store;
- (3) All Lighting is to be LED type;
- (4) Adequate exterior lighting for safety and security.

#### vii) Safety and Technology

- (1) Smoke/ carbon monoxide detector where applicable;
- (2) Pre-wired for high-speed internet access, cable TV and telephones in suites and where applicable elsewhere in the building e.g. operator's office space;
- (3) Security system to include as appropriate cameras in select interior and exterior locations;
- (4) Fire sprinkler system in all suites and common areas as per code;
- (5) Mechanical system with heat recovery ventilator to allow year-round heating and cooling;
- (6) Activation devices for building and suite entries to be suitable for persons with varying disabilities (e.g. buttons, fobs, card access);

(7) Main entries to provide automatic door openers on both the exterior and vestibule doors as per code.