

## **Advancing Affordable and Supportive Housing Projects, Programs and Initiatives**

**Date:** June 23, 2022

**To:** Planning and Housing Committee

**From:** Executive Director, Housing Secretariat and Executive Director, Corporate Real Estate Management

**Wards:** All

### **SUMMARY**

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Increasing the supply of affordable and supportive housing is one of the key objectives of the HousingTO 2020-2030 Action Plan ("HousingTO Plan"). The City continues to move rapidly to implement or advance a number of key programs, projects and initiatives to scale up the supply of a range of new homes in all areas across Toronto. Concurrently, there is a keen focus on maintaining our existing supply of homes and taking action to improve housing conditions for current and future residents. This report recommends City Council approval for staff to take a number of actions over the upcoming months to advance these objectives.

Specifically, this report recommends Council approval to enter into long-term leases/sub-leases with non-profit housing providers to operate a number of new affordable and supportive housing sites. The report also recommends Council approval for the City to enter into a long-term lease with the University Health Network for the purpose of creating new affordable housing, following the due diligence work referenced in [PH17.4](#), and subject to the terms and conditions outlined in Attachment 2 of this report.

In addition, this report seeks City Council approval for staff to provide a two-year extension agreement to WoodGreen Community Housing Incorporated ("WoodGreen") to delay their re-conveyance obligations to the City with respect to the social housing building at 444 Logan Avenue. This extension will allow more time for WoodGreen and the City to negotiate the terms and conditions for WoodGreen's continued use of the property over the long term.

Further, this report recommends a number of authorities for staff to be able to take advantage of new federal and provincial funding programs, should they become available before the end of 2022. This includes, but is not limited to, future phases of the Rapid Housing Initiative, which has been a key program for the City to create new

deeply affordable homes to help people exist homelessness. The authorities being recommended will allow staff to enter into legal agreements, and receive and spend any new funding in line with both program and City rules and regulations.

There are currently over 17,000 new affordable rental and supportive homes at various stages of development in the City's pipeline, including over 2,000 new supportive homes. In May 2022, through [Item 32.6](#), City Council approved a new 24-month plan, the '2023-2024 Housing Recovery and Resilience Plan' to further expedite delivery of new homes for people experiencing homelessness.

Delivery of the 2023-2024 Housing Recovery and Resilience Plan, and the larger 10-year HousingTO Plan, requires new and enhanced investments from the federal and provincial governments. The current economic environment and challenging housing situation also require projects, programs and initiatives to be expedited to create new affordable housing opportunities as quickly as possible. City Council's approval of the recommendations in this report will help support these actions.

## **RECOMMENDATIONS**

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The Executive Director, Housing Secretariat, and Executive Director, Corporate Real Estate Management, recommend that:

### *Lease/Sub-lease Authorities for Modular Supportive Housing Projects*

1. City Council authorize the Deputy City Manager, Corporate Services, in consultation with the Executive Director, Housing Secretariat, to approve and execute, on behalf of the City, long-term, nominal rent or below market rent leases/sub-leases and related agreements with the non-profit housing operators to be selected through a request for proposals process for 540 Cedarvale Avenue and 150 Dunn Avenue, substantially on the major terms and conditions set out in Attachment 1, and such other terms as deemed appropriate by the Deputy City Manager, Corporate Services in consultation with Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
2. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Secretariat, to negotiate, approve and execute, on behalf of the City, a below market rent sub-lease with Homes First Society or a related entity at 39 Dundalk Drive for up to five (5) years, with an option to extend the term for up to 5 additional years, substantially on the major terms and conditions set out in Attachment 1, and such other terms as deemed appropriate by Executive Director, Corporate Real Estate Management in consultation with Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
3. City Council authorize the Executive Director, Housing Secretariat to negotiate and execute on behalf of the City, a Municipal Housing Facility Agreement (the City's "Contribution Agreement") with Homes First Society or a related entity, for 39 Dundalk Drive, to set out the terms of the operation of the new affordable rental

housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form approved by the City Solicitor.

*Authority to Extend Property Tax Exemptions – Modular Housing Initiative Phase Two*

4. City Council exempt the 150 affordable rental homes to be developed in Phase Two of the Modular Housing Initiative from taxation for municipal and school purposes for an additional 15 years (in addition to the 35 year exemption previously authorized by City Council pursuant to CC20.6) through the Open Door Affordable Housing Program as outlined in the Financial Impact section of this report.

*Authority to Enter into a Lease with the University Health Network for Several Residential Properties and a Sub-lease with a Non-profit Housing Provider*

5. City Council authorize the Deputy City Manager, Corporate Services to enter into a long-term nominal lease with University Health Network for the residential properties identified as 74 and 82 Dunn Avenue, 1, 3, 5, 7, 9, 11, 13, 15 and 17 Close Avenue, and 74 and 78 Springhurst Avenue ("House-form Properties"), for a 49-year term, on terms and conditions set out in Attachment 2, and such other terms as deemed appropriate by the Executive Director, Corporate Real Estate Management division in consultation with the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
6. City Council direct the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management, to issue a competitive Request for Proposals and select a qualified non-profit housing provider to operate and maintain the House-form Properties.
7. City Council authorize the Executive Director, Corporate Real Estate Management to enter into a sub-lease with the selected non-profit housing provider for the House-form Properties, substantially on the major terms and conditions set out in Attachment and such other terms as deemed appropriate by the Executive Director, Corporate Real Estate Management division in consultation with the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
8. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into a municipal housing facility agreement (the "Contribution Agreement") with the non-profit housing provider selected through the process in Part 6, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form acceptable to the City Solicitor, to secure the House-form Properties as affordable rental housing for the term of the City's Contribution Agreement with the selected non-profit provider.
9. City Council enact a site specific by-law amending the criteria for "Affordable Housing" in the Municipal Housing Facility By-law 183-2022, to exempt the House-form Properties, from the requirement that affordable rental housing units be "new" housing to meet the definition of "Affordable Housing" in Municipal Housing Facility By-law 183-2022.

10. City Council, conditional on the enacting of the site specific by-law amendment referred to in Part 9 above, exempt the House-form Properties, from taxation for municipal and school purposes for the term of the City's Contribution Agreement with the selected non-profit provider.
11. City Council authorize the Controller to cancel or refund any taxes paid after the effective date of the exemption from taxation for municipal and school purposes, as set out in the Contribution Agreement, referenced in Part 10.
12. City Council authorize the Executive Director, Housing Secretariat to execute, on behalf of the City, any security or financing documents required by the provider selected through the process in Part 6, where permitted under the sub-lease and the Contribution Agreement, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by City Council.

#### *Extension of Operating Agreement for 444 Logan Avenue with the City*

13. City Council authorize an extension of the operating agreement and the date by which WoodGreen Community Housing Incorporated, or its successor, is obligated to re-convey the property at 444 Logan Avenue to the City, to August 1, 2024, to allow time for the City to negotiate the terms of the continued operation of this social housing project.
14. City Council direct Executive Director, Housing Secretariat to report back on the results of the negotiations with WoodGreen Community Housing Incorporated and a recommended course of action by no later than the third quarter of 2023.

#### *Federal and Provincial Housing Programs*

15. City Council extend the application of the approvals and delegated authorities set out in Parts 1, 2, 7, 9, 10, 12, 13, 14, 16, 17, 18, 19 and 20 of Item PH26.4, as adopted by City Council at its meeting on October 1 and 4, 2021 (Rapid Housing Initiative-Phase Two), to any time-sensitive federally or provincially funded housing programs that become available in 2022 ("Housing Programs"), with such changes as may be necessary to enable the City to take all steps necessary to participate in and implement such program(s).
16. City Council authorize the Executive Director, Housing Secretariat to select non-profit and Indigenous housing providers through a non-competitive process to operate any properties approved under Housing Programs, where necessary to participate in and implement such program(s) and to meet urgent timelines associated with getting new housing projects ready for occupancy, and to negotiate and execute, on behalf of the City of Toronto, municipal housing project facility agreements with the housing providers selected to secure the financial assistance being provided and to set out the terms of the operation of the new affordable rental

housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form approved by the City Solicitor.

17. City Council delegate authority to the Executive Director, Corporate Real Estate Management, to approve and execute, on behalf of the City, nominal rent or below market rent leases and related agreements for a term of up to fifty (50) years with the non-profit housing providers to be selected by the Executive Director, Housing Secretariat through a competitive process, and for an initial term of up to five (5) years, with an option to extend the term for up to five additional years with the non-profit housing operators to be selected by the Executive Director, Housing Secretariat through non-competitive process, in connection with any such Housing Programs, on such terms and conditions as may be acceptable to the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor, for such properties approved under the Housing Programs.
18. City Council authorize up to 600 affordable rental homes, to be acquired or developed through the Housing Programs to be eligible for Open Door Affordable Housing Program incentives including waivers of fees for planning applications, building permits and parkland dedication fees, and an exemption from development charges.
19. City Council authorize the Executive Director, Housing Secretariat, to provide capital funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116) in an amount not to exceed \$300,000, inclusive of the Harmonized Sales Tax and disbursements, to pay for due diligence work incurred to identify and prepare properties for consideration under the Housing Programs.
20. City Council approve the necessary adjustments required to allocate federal or provincial funding, received during Council recess, for the Housing Programs to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to be overseen by the Executive Director, Housing Secretariat and used to support the acquisition by the City of real estate interests suitable for the Housing Programs, the purchase of modular housing, related pre-development and pre-construction costs (e.g. community engagement, planning, communications, environmental site assessments, cost consultant reports, permits, architectural or engineering reports, appraisals, legal/closing costs related to acquisition of land and buildings) and all other costs permitted under any secured federal or provincial housing programs to secure and develop affordable housing, in each instance on terms satisfactory to the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management.
21. City Council approve the necessary adjustments required to amend the 2022 Capital Budget for the Housing Secretariat to include any federal or provincial funding received during Council recess for the Housing Programs to enable staff to begin implementation of projects.

## FINANCIAL IMPACT

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### ***Partnerships to Create New Supportive Housing***

Delivery of the HousingTO Plan requires partnerships with all orders of government, as well as the non-profit, Indigenous, and private sectors, including institutional partners.

The City is leveraging land that it owns, or land owned by its partners to create new affordable and supportive homes at 540 Cedarvale Avenue, 39 Dundalk Drive and 150 Dunn Avenue.

The site at 540 Cedarvale Avenue is owned by the City, and the site at 39 Dundalk Drive is owned by Toronto Community Housing Corporation ("TCHC") and leased to the City at a nominal rate. New modular housing buildings will be created on these sites.

Additionally, these projects are partially funded through a combination of City capital funding, Open Door Affordable Housing Program financial incentives and federal grants and repayable loans through the Canada Mortgage and Housing Corporation's ("CMHC") Affordable Housing Innovation Fund.

The selected non-profit providers for the sites at 540 Cedarvale Avenue and 39 Dundalk Drive will be responsible for lease payments to the City, which will be directed to repay the CMHC loan obligations (as outlined in Confidential Attachment 1 to [CC20.6](#)).

The site at 150 Dunn Avenue is owned by the University Health Network ("UHN") and is leased to the City at a nominal rate as part of the Social Medicine partnership (Item [PH17.4](#)). The City will sub-lease the site at nominal rate to the future non-profit housing providers. This nominal rate arrangement will help deepen affordability for future residents plus help ensure that a range of wraparound health and social supports are delivered onsite.

There are no financial impacts to the City as a result of these recommendations.

### ***Extension of Property Tax Exemptions – Modular Housing Initiative Phase Two***

In April 2020, the City of Toronto was able to secure funding and financing through CMHC's Affordable Housing Innovation Fund to partially fund the creation of 250 modular supportive homes on city-owned land. To implement the Modular Housing Initiative ("MHI"), Council approved the allocation of up to \$28.75 million in funds from the Development Charges Reserve Fund for Subsidized Housing (XR2116) for capital development costs of the modular buildings as well as an investment of approximately \$12.76 million in City Open Door Affordable Housing Program financial incentives for up to 250 modular units over a 35-year term.

Of the 250 homes, 100 have been delivered on two sites at 11 Macey Avenue and 321 Dovercourt Road. These sites opened in late 2020-early 2021.

To increase affordability for the remaining 150 homes, this report recommends City Council approval to extend the property tax exemption to 50 years (from 35 years) as

summarized in Table 1 below. The incremental increase in property tax exemptions is \$933,055.

At current 2022 rates, the value of the annual property tax exemptions associated with this development is estimated at \$122,620. The net present value of this tax relief, over the 50-year term that the incentives would be in effect, is estimated at \$3,154,991 as summarized in Table 2 below. City Council previously approved \$2,221,936 through report CC20.6.

Table 1: Additional Property Tax Exemptions proposed for three sites

<b>Affordable Rental Homes</b>	<b>Affordability period</b>	<b>Estimated net present value of property taxes*</b>
150	50	<b>\$3,154,991</b>

\*Calculated using 2022 property tax rates

Table 2: Additional Property Tax Value Breakdown for 15 years for 150 affordable homes

<b>Property Tax*</b>	<b>Annual</b>	<b>NPV: 15 Years</b>
<i>City</i>	\$91,597	\$2,356,768
<i>Education</i>	\$29,688	\$763,868
<i>City Building</i>	\$1,335	\$34,354
<b>Total:</b>	<b>\$122,620</b>	<b>\$3,154,991</b>

\*Calculated using 2022 property tax rates

***Leasing Residential Properties from UHN***

This report recommends that the City enter into a long-term lease at nominal rent with UHN to lease their residential properties located at 74 and 82 Dunn Avenue, 1, 3, 5, 7, 9, 11, 13, 15 and 17 Close Avenue, and 74 and 78 Springhurst Avenue. The existing uses of these House-form Properties are outlined in Attachment 3.

The City will select a non-profit operator to manage the occupied House-form Properties in the short term. The sub-lease with the operator will be triple net to the City, meaning that the non-profit housing operator will collect all rents, and manage all tenancy matters. This includes addressing all maintenance and repair issues at its sole cost. As such, there are no financial impacts to the City as a result of these recommendations.

The longer term plan is for the site to be redeveloped, in partnership with the City, UHN and the United Way of Greater Toronto ("UWGT") to create much-needed new supportive housing for vulnerable and marginalized residents, including people experiencing homelessness who are also high users of hospital emergency rooms.

Should the redevelopment proceed, staff will report back to Council to seek any approvals required, including details of any financial implications for the City. In the event that the redevelopment does not proceed, the lease may be terminated by the

parties. The proposed lease terms between the City and UHN are outlined in Attachment 2.

**Open Door Incentives for up to 600 New Affordable Homes**

As part of Budget 2022, the federal government committed to new and enhanced investments in affordable housing. While the timing of the flow of funds or program-specific parameters are not yet known, staff anticipate the release of new programs (or new phases of existing programs) beginning in 2022.

To complement any future federal and/or provincial funding and to optimize investments to create more affordable housing, this report recommends City Council approval of Open Door Affordable Rental Housing Program financial incentives of up to \$25,670,397 to support the creation of up to 600 new affordable rental units, as outlined in Table 3 below. Pre-approval of these incentives will allow staff to move quickly to take advantage of any new funding opportunities, as they become available.

Table 3: City Financial Incentives

<b>Affordable Rental Homes</b>	<b>Estimated Affordability Period</b>	<b>Estimated Development Charges*</b>	<b>Estimated Planning Fees and Charges**</b>	<b>Estimated Total Value of Incentives</b>
600	99 years	\$21,546,000	\$4,124,397	\$25,670,397

\*calculated using Nov 2021 rates.

\*\*includes estimated 2022 building permit fees of \$597,528, 2022 planning fees of \$ 526,869, and parkland dedication fees of \$3,000,000.

The City's financial incentives include relief from development charges, building permit fees, planning application fees, parkland dedication fees. These incentives are not a direct capital payment from the City but rather foregone revenues that the City waives or forgives under the Open Door Affordable Housing Program.

**Due-Diligence and Pre-Development Funding Request**

Due-diligence and pre-development work will be required to identify and prepare properties for consideration under any Housing Programs that might be announced in 2022. Therefore, staff are requesting City Council approval to provide capital funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116) in an amount not to exceed \$300,000, inclusive of the Harmonized Sales Tax and disbursements, to allow staff to undertake any required pre-development work to assist the City in identifying projects that will meet program eligibility criteria as defined by federal and provincial governments.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.



## EQUITY IMPACT STATEMENT

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The HousingTO Plan envisions a City in which all residents have equal opportunity to develop to their full potential, and is centred on a human rights based approach to housing. This approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, sustainable, and livable communities.

A key objective of the HousingTO Plan is to increase the supply of permanent affordable rental and supportive housing to help our most vulnerable and marginalized residents, including Indigenous Peoples, Black and other racialized people, seniors, women, 2SLGBTQIA+ persons, and those from other equity-deserving groups, live in dignified homes with appropriate supports. Approval of the recommendations in this report will help achieve this objective and expedite delivery of new affordable and supportive housing opportunities for people experiencing homelessness and low-income households.

Access to good quality, safe, affordable housing is an important social determinant of health and also improves the social and economic status of an individual. In addition, good quality, affordable housing is a cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region, and country as a whole.

## DECISION HISTORY

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At its meeting of October 1 and 4, 2021, City Council adopted Item No. PH26.4, "Implementing the Federal Rapid Housing Initiative – Phase Two," authorizing staff to enter into an agreement with Canada Mortgage and Housing Corporation to secure the City's funding allocation and delegated authority to rapidly deliver the new affordable homes to be funded under this program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH26.4>

At its meeting of October 1, 2021, City Council adopted report *PH26.5 - Rapid Housing Initiative - 150 Dunn Avenue (Part of a Larger Parcel of Land Including 74, 82, 130, 160, and 162 Dunn Avenue, 1-17 Close Avenue, and 74 and 78 Springhurst Avenue) - Final Report*. This report included a summary of community engagement for the new modular development at 150 Dunn Ave, site plan maps and renderings, with a recommendation for City Council to request the Minister of Municipal Affairs and Housing to make a Minister's Zoning Order for 150 Dunn Avenue to provide relief from the in-force zoning regulations. The City Council Decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH26.5>

At its meeting of July 14, 2021 City Council adopted report *PH25.13 - Rapid Housing Initiative - 150 Dunn Avenue (Part of a Larger Parcel of Land Including 74, 82, 130, 160, and 162 Dunn Avenue, 1-17 Close Avenue, and 74 and 78 Springhurst Avenue)*. This report presented a modular housing proposal for this site, summarized the proposed community engagement process and recommended that City Council endorse, in

principle, a request to the Minister of Municipal Affairs and Housing to make a Minister's Zoning Order to provide any necessary zoning relief to permit the development. The City Council Decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH25.13>

At its meeting of June 8 and 9, 2021, City Council adopted Item No. PH23.4, "Modular Housing Initiative: Phase Two – 20 Bracebridge Avenue (Trenton Avenue and Cedarvale Avenue) – Final Report" which authorized the Executive Director, Housing Secretariat, to issue a Request for Proposals to select a qualified non-profit housing provider to operate the homes with supports to be developed at the site, and enter into a Municipal Housing Facility Agreement with the selected provider.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH23.4>

At its meeting of June 8 and 9, 2021, City Council adopted Item No. PH23.5, "Modular Housing Initiative: Phase Two – 7 Glamorgan Avenue" which authorized the Executive Director, Housing Secretariat, to issue a Request for Proposals to select a qualified non-profit housing provider to operate the homes with supports to be developed at the site, and enter into a Municipal Housing Facility Agreement with the selected provider.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH23.5>

At its meeting of February 26, 2020, City Council adopted report *PH13.5 - Plan to Create Supportive Housing Opportunities*, outlining plans to develop 600 supportive housing opportunities in 2020 and requested the Federal and Provincial Governments, as part of their 2020 Budgets, to commit capital and operating funding to support the creation of 1,800 new units of supportive housing annually, in order to reduce homelessness in Toronto. The City Council Decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH13.5>

At its meeting of December 16, 2020 City Council adopted report *PH19.11 - Emergency Housing Action* which was a response to a request from Planning and Housing Committee for staff to report on a plan for the City to accelerate affordable housing opportunities. The report contained a number of recommendations requesting staff authority related to achieving new affordable housing. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH19.11>

At its meeting of October 27-30, 2020, City Council adopted Item No. MM25.32 "Implementation of the Federal Rapid Housing Initiative," authorizing staff to enter into an agreement with Canada Mortgage and Housing Corporation to secure the City's allocation of \$203.3 million through this program, and identify projects that can be made available for occupancy within twelve (12) months, in accordance with the terms and conditions of the Rapid Housing Initiative, and authorized the Executive Director, Housing Secretariat, to issue Requests for Proposals to select qualified non-profit housing providers to operate the RHI-funded sites and enter into Municipal Housing Facility Agreements with the selected operators . The City Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.MM25.32>

At its meeting of October 27, 2020 City Council adopted report *PH17.4 - Creating New Supportive Housing Opportunities in Partnership with the University Health Network and*

*United Way of Greater Toronto.* Council directed Staff to begin a visioning and master planning exercise for future redevelopment of the lands, including the potential for modular housing. The City Council decision can be found here:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH17.4>

At its meeting of September 30 and October 1, 2020, City Council adopted, with amendments, Item No. PH16.8, "Addressing Housing and Homelessness in Toronto through Intergovernmental Partnership" which described needed investments from both the Provincial and Federal governments. The report also outlined the City's 24-Month COVID-19 Housing and Homelessness Recovery Response Plan aimed at providing dignified, stable permanent housing options for 3,000 people experiencing chronic homelessness within the shelter system, with the support of the Federal and Provincial governments. The City Council decision can be found at:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.8>

At its meeting of April 30, 2020, City Council adopted CC20.6 "Implementing the Toronto Modular Housing Initiative as an Urgent Response to the COVID-19 Pandemic" which launched the modular housing initiative (MHI) and authorized tax exemptions of 35 years on MHI projects.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC20.6>

At its meeting of December 17-18, 2019 City Council adopted PH11.5 "HousingTO 2020-2030 Action Plan" as the framework to address Toronto's housing and homelessness challenges by 2030. This Plan includes a number of actions and targets to address critical needs across the housing spectrum including emergency shelters and transitional housing, social and supportive housing, market and affordable rental housing and home ownership. The City Council decision can be found at:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

At its meeting of March 28 and 29, 2017, City Council adopted TE22.9, which included a supplementary report entitled, "A Local Agency Housing Agreement with WoodGreen Community Services and the City of Toronto". Through this report, Council authorized an extension of the date that WoodGreen Community Housing is obligated to re-convey 444 Logan Avenue to July 1, 2018 to the City to allow time for the City to renegotiate the terms of the continued operations of this social housing project with WoodGreen Community Housing. The report can be found at  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TE22.9>

City Council subsequently extended the reconveyance at its meeting on June 26, 27, 28 and 29, 2018.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX35.22>

City Council extended the reconveyance anew at its meeting on July 28 and 29, 2020.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH15.13>

On October 22, 1965, Metropolitan Toronto and WoodGreen Community Centre Towers Incorporated (now WoodGreen Community Housing Incorporated) entered into an agreement to facilitate the development and operation of 160 units of social housing for low-income seniors at 444 Logan Avenue. This agreement provided that WoodGreen

Community Services would re-convey the property to the City upon maturation of its mortgage and the end of its operating agreement on July 1, 2017.

## **COMMENTS**

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As part of the [HousingTO 2020-2030 Action Plan](#), the City is committed to approving 40,000 affordable rental homes, including 18,000 supportive homes, by 2030. Since the beginning of the pandemic, the City has made significant progress towards achieving this target through leveraging its own land, capital funding and financial incentives, as well as funding from the federal and provincial governments.

Currently, there are over 17,000 new affordable and supportive homes in the City's development pipeline, including over 2,000 supportive homes dedicated to people experiencing or those at risk of homelessness. To ensure that these projects can advance rapidly over the coming months, this report seeks Council authority for staff to take a number of actions as outlined below.

### **Non-profit Housing Providers to Operate 150 Dunn Avenue, 39 Dundalk Drive and 540 Cedarvale Avenue.**

#### **1) 150 Dunn Avenue**

The property at 150 Dunn Avenue is owned by UHN and is subject to a ground lease between the City and UHN. A new 51-unit modular supportive housing building will be built at this site to provide deeply affordable homes with wraparound health and social supports for people currently experiencing homelessness. More information about this project is available at [www.toronto.ca/150Dunn](http://www.toronto.ca/150Dunn).

Council has already authorized staff to enter into a 49-year lease agreement with UHN for this modular supportive housing development and the lease agreement was recently executed by the City. Subject to the lease with UHN being declared surplus, Council authority is now required to enter into a long-term nominal sub-lease agreement with a non-profit housing provider.

City staff are in the process of recommending to the Deputy City Manager, Corporate Services that the lease be declared surplus in order to facilitate the City entering into a long-term, nominal sublease with a housing provider to be selected by the City to operate the modular supportive homes. It is anticipated that this process, together with the requisite public notice, will be completed prior to the matter being considered by Council.

The non-profit housing provider will be selected through a Request for Proposals (RFP) which is intended to be released over the upcoming weeks. Occupancy of the building is anticipated before the end of 2022.

## **2) 39 Dundalk Drive**

The site at 39 Dundalk Drive (formerly 7 Glamorgan Avenue) is owned by TCHC and is subject to a lease between the City and TCHC for the purpose of building a 57-unit modular supportive housing building. More information about this project can be found at [www.toronto.ca/39Dundalk](http://www.toronto.ca/39Dundalk).

City Council has already authorized staff to enter into a lease agreement with TCHC for a term not exceeding 50 years less a day for this site. Council authority is now being sought for the City to enter into a below-market sub-lease with the non-profit housing provider identified to operate the site.

The proposed housing provider is Homes First Society, and this report recommends that the City enter into required agreements with Homes First Society. \ Homes First Society was identified through a non-competitive process. The non-competitive process is being recommended as Homes First Society is in urgent need of a long-term relocation option for their former 805A Wellington Avenue site ("Strachan House"). Strachan House was vacated earlier this year as it requires extensive repairs or redevelopment. Former Strachan House residents are currently staying at a temporary shelter hotel location at 22 Metropolitan Road.

While former Strachan House residents are currently staying at 22 Metropolitan Road, the City does not own the site and it is not an appropriate long-term housing solution. As a result, the modular building at 39 Dundalk Drive is being proposed as their new home. The modular supportive housing building will provide good quality and deeply affordable homes that better meet the needs of residents. There will also be amenities such as a commercial kitchen, large programming spaces and office/support areas where wraparound supports can be provided to residents onsite.

## **3) 540 Cedarvale Avenue**

The site at 540 Cedarvale Avenue (formerly Trenton and Cedarvale Avenue or 20 Bracebridge Avenue) is owned by the City. A 59-unit modular supportive housing building is currently being developed at the site and will provide safe, secure and deeply affordable homes plus full wraparound health and social supports to help people successfully exit homelessness. More information about this site is available at [www.toronto.ca/540Cedarvale](http://www.toronto.ca/540Cedarvale).

Council authority is required for the City to enter into a long-term below-market lease with the housing provider to be selected to operate the new modular supportive homes. City staff are in the process of recommending to the Deputy City Manager, Corporate Services that the lease, once finalized and entered into, be declared surplus in order to facilitate the City entering into a long-term, below market sublease with a housing provider to be selected by the City to operate the modular supportive homes. It is anticipated that this process, together with the requisite public notice, will be completed prior to the matter being considered by Council.

The RFP to select a qualified housing operator at 540 Cedarvale Avenue was released in March 2022, and the operator selection process is currently underway.

## **Authority to extend property tax exemption at 175 Cummer Avenue, 540 Cedarvale Avenue and 39 Dundalk Drive**

City Council previously approved property tax exemptions for 150 new homes to be created at 540 Cedarvale Avenue, 175 Cummer Avenue and 39 Dundalk Drive. This report recommends Council approval to extend the property tax exemptions for these homes from the previously approved 35 years to 50 years. Extending the property tax exemptions will ensure that deeply affordable rents can be provided for tenants over the full 50-year term.

## **Authority to lease residential properties from University Health Network**

In 2019, the City entered into a partnership with UHN and UWGT to advance the Social Medicine Initiative, a progressive approach to system planning and service delivery that integrates housing, health and social services. A key priority for this partnership is the development of affordable and supportive housing.

As mentioned earlier in this report, the City and UHN have already signed a 49-year lease for UHN's site at 150 Dunn Avenue, and a 51-unit modular supportive housing building is currently under construction at the site.

As an extension to this partnership, the City intends to lease the House-form Properties from UHN (property details in Attachment 3) and then sublease the properties to a qualified non-profit housing provider. The future non-profit sub-tenant will support the existing tenants and manage the properties in the short term. In the longer term, it is anticipated that the site will be redeveloped to create a range of supportive housing opportunities. To begin this process, the City, UHN and the UWGT will undertake a visioning and master planning exercise with the community later this year to inform the future redevelopment.

In October 2020, City Council authorized staff to complete the appropriate due diligence on the House-form Properties and report back to Planning and Housing Committee with recommendations, including proposed terms and conditions for the City to enter into a long-term lease with UHN for nominal rent. Authority was also provided for the City to enter into an Option to Lease Agreement with UHN, which granted the City the exclusive option to lease properties (the "Option").

As part of its due diligence, the City conducted Building Condition and Environmental Assessments on the properties. The Option requires UHN to remedy deficiencies found on the property through these assessments, specific to the Ontario Building Code, Fire Code, and the City's Property Standards By-law requirements, at its own expense and prior to turnover to the City.

In addition to addressing the deficiencies referenced above, the properties located at 1 and 3 Close Avenue are the subject to a demolition application which will be considered by TEYCC on June 30, 2022. If the demolition application is approved, UHN will be required to demolish the properties prior to the commencement of the lease for the

House-form Properties. In addition, UHN will be required replace the gross floor area of the rental homes as part of any future redevelopment of site.

Additional key terms and conditions are outlined in Attachment 2, and this report recommends that the Executive Director, Corporate Real Estate Management be authorized to execute a lease with UHN on such key terms and conditions.

### **Authority to Extend the Re-Conveyance of 444 Logan Avenue to the City**

WoodGreen Community Services has been operating in Toronto's east end for more than 75 years and provides a range of services including affordable and supportive housing, childcare, training and employment services. It provides more than 800 homes in 10 locations for low-income people, including seniors and persons with disabilities.

In 2017, the City and WoodGreen Community Services, the umbrella organization for the group of corporations which WoodGreen Community Housing Incorporated (WoodGreen) operates under, entered into a Local Housing Agreement (LHA). The LHA incorporated three housing initiatives: 1) redevelopment of 1117-1119 Gerrard Street East; 2) creating new affordable housing at 835-841 Queen Street East; and 3) a long-term plan for the social housing site at 444 Logan Avenue which provides 160 units for seniors.

With respect to 1117-1119 Gerrard Street East, construction was completed earlier this year and 36 supportive homes are now fully occupied.

As for 835-841 Queen Street East, WoodGreen submitted applications under the Open Door annual call for applications process and was awarded pre-development funding and incentives in 2019 and 2021 respectively, to advance a forthcoming planning application.

In terms of 444 Logan Avenue, both the City and WoodGreen have expressed an interest in continuing to provide social housing at this site. However, a long term plan, which incorporates extensive capital repairs and/or modernization, is required to address this 60-year old property.

In 2020, WoodGreen submitted a Building Condition Assessment report to the City which outlined a capital repair plan for the building. The City subsequently allocated Canada Ontario Community Housing Initiative funding (COCHI) to assist with the repairs. Going forward, the City will continue to work with WoodGreen to facilitate access to capital funding for the remaining capital repairs.

Unless otherwise agreed to by the City, on July 1, 2022, WoodGreen will be obligated to re-convey the property to the City. This would mean that the City would be responsible for operating the building, including existing tenancies.

This report recommends Council approval of a two-year extension of the existing operating agreement with WoodGreen. This extension will allow both WoodGreen and the City to continue longer term planning for the site.

Staff anticipate reporting to Council by Q3 2023 with recommendations to secure the site as social housing on a permanent basis, and to ensure that the building is repaired and well-maintained over the long term.

## **Federal and Provincial Funding for Affordable and Supportive Housing**

The federal Rapid Housing Initiative ("RHI") provides capital grant funding aimed at creating new deeply affordable rental homes within a 12-month timeframe for marginalized people experiencing or at risk of homelessness. To-date, the City has received approximately \$440 million in the first two phases of the RHI, announced in 2020 and 2021, resulting in creating over 1,000 new supportive homes across Toronto.

Through Budget 2022, the federal government announced an extension of RHI and committed to allocating \$1.5 billion Canada-wide over two years, starting in 2022-23. A new Housing Accelerator Fund and new investments in co-operative housing were also announced by the federal government.

Although no further details have been provided by the federal government since the Budget 2022 announcements, staff anticipate that new programs and/or a new phase of RHI will begin rolling out in 2022. As such, this report recommends Council approval for staff to enter into any agreements with the federal and/or provincial governments to secure and spend any funding that might become available over the upcoming months for the purpose of creating new affordable and supportive housing.

## **Conclusion**

The current housing challenges impacting residents across Toronto, Ontario and Canada require the City and other of government to act urgently to increase the supply of new affordable and supportive homes.

The City is on track to deliver over 2,300 new supportive and affordable housing opportunities plus 1,000 Canada-Ontario Housing Benefits for people experiencing homelessness by the end of 2022-early 2023, exceeding the targets in its [24-Month Housing and Homelessness Plan](#). Additionally, there are over 15,000 other affordable and supportive homes at various stages of development in the City's pipeline.

In May 2022, City Council also approved a new 24-month plan to create 4,000 affordable and supportive housing opportunities in 2023 and 2024 for people experiencing homelessness. Delivery of this new 24-month plan, as well as the larger 10-year HousingTO Plan will require new and enhanced investments from the federal and provincial governments. Strong partnership with Indigenous, non-profit and private sector housing and health partners as are also pivotal to successful delivery of the HousingTO Plan.

The recommendations included in this report will enable to City of Toronto to advance and expedite a number of affordable and supportive housing projects that are



underway. They will also help position the City to take advantage of any new federal and provincial funding opportunities that may become available, as well as enter into partnerships with Indigenous and non-profit housing providers to operate new homes.

## **CONTACT**

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## **SIGNATURE**

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Abi Bond  
Executive Director, Housing Secretariat

Patrick Matozzo  
Executive Director, Corporate Real Estate Management

## **ATTACHMENTS**

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Attachment 1: Proposed Lease and Sub-Lease Terms and Conditions  
Attachment 2: Summary of Major Terms: City Of Toronto Lease from University Health Network  
Attachment 3: Current and Future Use of House-form Properties Owned by UHN

**ATTACHMENT 1- PROPOSED LEASE/SUB-LEASE TERMS AND CONDITIONS**

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The following is a summary of the recommended major terms and conditions for the Leases/Sub-Leases with the Tenant(s)/Sub-Tenants(s) for 540 Cedarvale Avenue, 39 Dundalk Drive, 150 Dunn Avenue, and the House-form Properties.

Proposed	Terms and Conditions
Tenant(s)/Sub-Tenant(s)	<p>540 Cedarvale Avenue, 150 Dunn Avenue and the House-form Properties: Non-profit housing provider to be chosen through a Request for Proposals process.</p> <p>39 Dundalk Drive: Homes First Society or a related entity.</p>
Landlord/Sub-landlord	City of Toronto
Term	<p>540 Cedarvale Avenue: 50 years less a day.</p> <p>150 Dunn: the remaining term of the City's 49-year head lease.</p> <p>39 Dundalk Drive: 5 years with an option to extend for an additional 5 years.</p> <p>House-form Properties: Three (3) years with two (2) one-year renewal options, unless otherwise agreed to by the parties.</p>

Proposed	Terms and Conditions
Leased/Sub-leased Premises	<p>1) 540 Cedarvale Avenue: A 3-storey building containing 59 self-contained studio dwelling units, commercial kitchen, shared laundry facilities, amenity and programming space, and offices for onsite staff. This site will be leased from the City.</p> <p>2) 39 Dundalk Drive: A 5-storey building containing 57 self-contained studio dwelling units, commercial kitchen, shared laundry facilities, amenity and programming space, and offices for onsite staff. This site will be sub-leased from the City, the terms of which will be consistent with the lease between the City and Toronto Community Housing Corporation.</p> <p>3) 150 Dunn Avenue: A 4-storey building containing 51 self-contained studio dwelling units, commercial kitchen, shared laundry facilities, amenity and programming space, and offices for onsite staff.</p> <p>4) House-form Properties: A total of 13 residential properties, including 10 occupied house-form properties, 2 properties with houses that are subject to a demolition application and one vacant lot, as described in further detail in Attachment 3 below.</p>
Commencement Date	<p>1) 540 Cedarvale Avenue – on or about August 15, 2022  2) 39 Dundalk Drive – on or about September 1, 2022; and  3) 150 Dunn Avenue – on or about November 1, 2022  4) House-form Properties – on or about December 1, 2022</p>
Basic Rent	<p>1) 540 Cedarvale Avenue - \$6,165.50 monthly  2) 39 Dundalk Drive - \$5,956.50 monthly  3) 150 Dunn Avenue – nominal  4) UHN House-form Properties - nominal</p>
Additional Rent	<p>The Tenant is generally responsible for all taxes, the cost of all utilities, the cost of the Tenant's insurance, and all of the other costs and expenses of maintaining and operating the Leased/Sub-leased Premises, its services, equipment and facilities.</p>

Proposed	Terms and Conditions
Net Lease/Sub-Lease	<p>The Landlord shall not be responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased/Sub-leased Premises including, without limitation, the Building, or the use and occupancy thereof, or the contents thereof or the business or operation carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind whatsoever relating to the Leased/Sub-leased Premises and the use thereof by the Tenant including, without limitation, the costs of all insurance and all Taxes, save and except as is otherwise provided for in this Lease/Sub-lease and/or the Contribution Agreement with the City of Toronto, as well as all costs and expenses incurred with respect to any shared facilities or reciprocal agreement affecting the Leased/Sub-leased Premises.</p>
Use	<p>The Tenant shall use, manage and operate the Leased/Sub-leased Premises solely, continuously and actively for the sole purpose of providing affordable rental housing, together with all ancillary uses including the provision of support services for Tenants.</p>
Tenant's Right to Mortgage	<p>1) 540 Cedarvale Avenue, 39 Dundalk Drive and 150 Dunn Avenue - The Tenant shall not mortgage the Leased/Sub-leased Premises without the consent of the Landlord, which consent may be unreasonably withheld.</p> <p>2) House-form Properties – there will be no right to mortgage these properties.</p>
Assignment/Subletting	<p>The Tenant shall not transfer or sublet all or any part of the Leased/Sub-leased Premises for the whole or any part of the Term without obtaining the prior written consent of the City. The Tenant may transfer all or part of the Leased/Sub-leased Premises to another entity associated with or controlled by the Tenant and acceptable to the City. No assignment by the Tenant shall be effective until the Transferee has entered into an agreement directly with the City, in a form satisfactory to the City, whereby the assignee expressly agrees to assume all of the obligations and liabilities.</p>
Indemnity	<p>The Tenant shall indemnify and save harmless the Landlord from any and all costs, expenses, claims, actions and losses of every nature and kind whatsoever and of and from all liabilities of every nature and kind whatsoever in connection with the Leased/Sub-leased Premises and this Lease/Sub-lease, whether accrued, actual, contingent, except to the extent such</p>

Proposed	Terms and Conditions
	<p>damages, claims or demands are caused by the negligence or misconduct of the City or those for whom it is responsible at law.</p> <p>Provided that any indemnity in any of the sub-leased properties will align with the Head Lease for said property to the extent possible.</p>
Tenant's Insurance	<p>At all times during the Term and any renewal thereof, the Tenant at its own expense, shall take out and keep in full force and effect:</p> <p>(a) all risks insurance (including flood and earthquake) property insurance in an amount equal to one hundred (100%) percent of the full replacement cost, insuring:</p> <p>(i) all property owned by Tenant or for which Tenant is legally liable or installed by or on behalf of Tenant, or located on the Premises including, without limitation, leasehold/sub-leasehold improvements, chattels, furniture, stock, brewery equipment, office equipment, retail store and restaurant equipment, pressure vessels, mechanical and electrical equipment, fixtures, contents, the building and any other buildings and structures erected on the Premises, with coverage against all risks of physical damage.</p> <p>(b) comprehensive general liability insurance including owners' and contractors' protective, products, completed operations, intentional bodily injury for the protection of persons or property, personal injury, contractual liability, incidental medical malpractice, employer's liability, broad blanket contractual liability, occurrence property damage, and provisions for cross liability and severability of interests with in an amount recommended by the City's Insurance and Risk Management Division.</p> <p>(c) Tenant's Legal liability insurance with limits in an amount recommended by the City's Insurance and Risk Management Division; (d) standard owner's automobile liability insurance with limits in an amount recommended by the City's Insurance and Risk Management Division;</p> <p>And for the sub-leases for 39 Dundalk Drive, 150 Dunn Avenue and the House-form Properties, such further and other insurance as may be required pursuant to the City's Head Lease with the property owner.</p>

Proposed	Terms and Conditions
Repairs and Maintenance	<p>1) 540 Cedarvale Avenue and 150 Dunn Avenue: The Landlord shall not be obliged to furnish any services, maintenance, repairs or facilities to the Leased/Sub-leased Premises, it being agreed by the Tenant that the Landlord shall not at any time during the term of this Lease/Sub-lease be required or called upon to make any repairs in or to the Leased/Sub-leased Premises of any nature or kind whatsoever.</p> <p>2) 39 Dundalk Drive and House Form Properties: Provided the Tenant/Sub-Tenant has made all repairs to the Leased/Sub-Leased Premises, in a manner a prudent owner would make, during the term of this Lease/Sub-lease, should the Tenant, be required to effect any major capital repairs or replacement during the Term, the economically useful life of which would extend beyond the expiry of the Term, the City and the Tenant/Sub-Tenant may agree to terminate this Lease/Sub-lease, or require the Tenant/Sub-Tenant to proceed with the repair or replacement and, only if this Lease/Sub-lease is not renewed and upon expiry, any unamortized amount of such repair or replacement for the period beyond the expiry of the Term will be reimbursed to the Tenant/Sub-Tenant. The calculation of the unamortized amount will be based on straight line amortization of the costs of such repair or replacement over the improvements' economic life, in the opinion of the City acting reasonably.</p>
Building Condition Assessment (BCA) and Reserve Fund	<p>Within one year of the Commencement Date, a BCA of the Leased/Sub-leased Premises and will be conducted and the BCA will be updated every five (5) years during the Term.</p> <p>The Tenant/Sub-tenant shall open a Reserve Fund Account and shall deposit sufficient funds to establish at the end of each Lease/Sub-lease Year the annual amount required in the most recent BCA, or if a BCA has not been conducted within five (5) years, shall deposit an amount equal to five per cent (5%) of the aggregate annual effective gross income (including all subsidies) from the Leased/Sub-leased Premises.</p> <p>The Tenant may, with the prior written approval of the Landlord, withdraw amounts from the Reserve Fund Account to fund capital repairs.</p>

Proposed	Terms and Conditions
Environmental Matters	<p>The Tenant shall not cause or allow any hazardous materials to be used, generated, stored, or disposed of on, under or about, or transported to or from, the Leased/Sub-leased Premises except in strict compliance, at the Tenant's expense, with all applicable Environmental Laws and using all necessary and appropriate precautions which a prudent operator would exercise, and in accordance with any Head Lease with the property owner, as applicable.</p> <p>The Landlord shall not be liable to the Tenant for any hazardous materials activities conducted on the Leased/Sub-leased Premises during the Term however caused, whether or not consented to by the Landlord.</p> <p>The Tenant shall indemnify, defend with counsel, and hold the Landlord harmless from and against any claims, damages, costs and liabilities arising out of any and all such Hazardous Materials Activities.</p>
Head Lease Terms	<p>The sub-leases for 39 Dundalk Drive, 150 Dunn Avenue and the House-form Properties shall include such further and other terms and conditions as may be required pursuant to the City's Head Lease with the property owners.</p>

## ATTACHMENT 2 - SUMMARY OF MAJOR TERMS: CITY OF TORONTO LEASE FROM UNIVERSITY HEALTH NETWORK

<b>Landlord</b>	University Health Network (“UHN”)
<b>Tenant</b>	City of Toronto (“City”)
<b>Demised Premises</b>	The lands and premises municipally known as 74 and 82 Dunn Avenue, 1, 3, 5, 7, 9, 11, 13, 15 and 17 Close Avenue, and 74 and 78 Springhurst Avenue
<b>General Terms</b>	Same form of lease as that entered into by UHN and the City on March 10, 2022, subject to amendments to align with this term sheet, to address the fact that the Demised Premises include tenanted buildings, and as otherwise agreed to by the parties, each acting reasonably
<b>Initial Term</b>	49 years, commencing on the Commencement Date.
<b>Commencement Date</b>	Thirty days following the latest to occur of the Conditions. In the event the Commencement Date has not occurred prior to December 31, 2023, the Lease shall immediately terminate and be of no further force and effect.
<b>Conditions</b>	<ol style="list-style-type: none"> <li>1. Completion of Landlord's work as set out in Schedule "A" hereto to the City's satisfaction.</li> <li>2. Demolition of 1 and 3 Close Avenue by Landlord provided that such demolition shall not require UHN to construct any replacement buildings on the site as presently required by the City's "Owner's Acknowledgement of Demolition Control Conditions".</li> <li>3. Tenant to have entered into a sublease with an affordable housing provider (the "Housing Provider") for the Demised Premises, provided that the Tenant has used reasonable efforts to complete a competitive procurement process for the Housing Provider before November 30, 2022.</li> <li>4. Landlord to have obtained estoppel certificates from all tenants of the Demised Premises in a form provided by the Tenant.</li> </ol>



<b>Landlord</b>	University Health Network (“UHN”)
<b>Termination Rights</b>	<p>Any time after the completion of the third year of the Lease, Landlord may terminate the Lease for the purposes of redevelopment of the Demised Premises for affordable housing purposes on one year's notice, provided it has received rezoning approval for its affordable housing redevelopment.</p> <p>The parties may terminate the Lease on mutual agreement at any time, particularly in the event that there is no reasonable likelihood of completion of the affordable housing redevelopment prior to December 31, 2030.</p> <p>The Lease will automatically terminate on the fifth anniversary of the Commencement Date if the parties, acting reasonably, do not mutually agree that there is a reasonable likelihood of completion of the affordable housing redevelopment prior to December 31, 2030.</p>
<b>Rent</b>	\$1.00 per year, with the entire Base Rent to be paid by City within 30 days following the Commencement Date.
<b>Fully Net Lease</b>	The Lease will be a carefree fully net lease for Landlord.
<b>Condition of Premises at End of Term</b>	Upon the expiration or earlier termination of the Lease, Tenant shall surrender the Demised Premises to the Landlord in the condition that the Demised Premises were leased to Tenant and evidence by the building condition reports dated October, 2021 and subject to any improvements related to the Landlord's work as set out in Schedule “A” hereto reasonable wear and tear excepted.
<b>Assignment and Subletting</b>	Tenant shall be entitled to assign/sublease the Lease to the Housing Provider without the Landlord's consent.

**ATTACHMENT 3: CURRENT AND FUTURE USE OF HOUSE-FORM PROPERTIES OWNED BY UHN**

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<b>UHN House-Form Properties</b>	<b>Structure</b>	<b>Current Use</b>	<b>Planned Use</b>
1 Close Ave.	Semi-detached	Residential Rental – vacant and uninhabitable	Potential transfer to the City under long-term lease, pending successful demolition
3 Close Ave.	Semi-detached	Residential Rental – vacant and uninhabitable	Potential transfer to the City under long-term lease, pending successful demolition
5 Close Ave.	Semi-detached	Residential Rental	Transfer to the City under long-term lease
7 Close Ave.	Semi-detached	Residential Rental	Transfer to the City under long-term lease
9 Close Ave.	Duplex	Residential Rental	Transfer to the City under long-term lease
11 Close Ave.	Duplex	Residential Rental	Transfer to the City under long-term lease
13 Close Ave.	Semi-detached	Residential Rental	Transfer to the City under long-term lease
15 Close Ave.	Single detached	Residential Rental	Transfer to the City under long-term lease
17 Close Ave.	Vacant Lot	Vacant Lot (former Residential Rental)	Transfer to the City under long-term lease
74 Springhurst Ave.	Single detached	Residential Rental	Transfer to the City under long-term lease
78 Springhurst Ave.	Single detached	Residential Rental	Transfer to the City under long-term lease
74 Dunn Ave.	Semi-detached	Residential Rental	Transfer to the City under long-term lease
82 Dunn Ave.	Single detached	Residential Rental - Vacant	Transfer to the City under long-term lease