

Quayside Phase 1 Contribution Agreement Key Terms

	Heading	Terms
1.	Parties	<p>City of Toronto (the “City”)</p> <p>One or more Non-Profit Corporations selected to lease each of Blocks 1B, 1C1, 1C2 and 1C3, and develop and operate the affordable housing units, in accordance with the RFP (the “Proponent”)</p>
2.	Unit Count	<p>For the Contribution Agreement for 1B, approximately 170 residential units</p> <p>For the Contribution Agreement for 1C1, approximately 141 residential units</p> <p>For the Contribution Agreement for 1C2, approximately 119 residential units</p> <p>For the Contribution Agreement for 1C3, approximately 119 residential units</p>
3.	Contribution Agreement	<p>The Proponent acknowledges that to the City will provide it with a draft contribution agreement that includes the requirements of this list of key terms and such other terms as are required by the City. The parties shall be required to finalize and execute the Contribution Agreement in accordance with the process to be set out in a term sheet to be executed by the Proponent during the Negotiation Period, in accordance with the terms of the RFP, failing which, subject to any mutually agreed extension, the parties will discontinue negotiations.</p>
4.	Affordable Housing Units	100% of the Units described above
5.	Affordability Period	The period commencing on first occupancy until the end of the 99-year term of the Lease.
6.	Affordable Rents and Rent Increases	<p>Monthly Occupancy Costs for the affordable rental units shall not exceed the lesser of:</p> <ol style="list-style-type: none"> 1. 80% Median Market Rent (as set out in CMHC’s AHF Program requirements); 2. the City’s Affordable Rents; and 3. the Provincial Affordable Rents (“Affordable Rents”). <p>City’s Affordable Rents means Monthly Occupancy Costs, as determined by the City and published on the City’s website, that are at or below the lesser of Average Market Rent or 30% of the before-tax monthly income of renter households in the City as follows:</p> <ol style="list-style-type: none"> 1. studio units: one-person households at or below the 50th percentile income; 2. one-bedroom units: one-person households at or below the 60th percentile income; 3. two-bedroom units: two-person households at or below the 60th percentile income; 4. three-bedroom units: three-person households at or below the 60th percentile income.

Provincial Affordable Rents means the affordable rents by bedroom type set out in the “Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin”, as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing pursuant to section 4.1(2) of the *Development Charges Act, 1997*, S.O. 1997, c. 27, or successor legislation.

Monthly Occupancy Costs means the total of the monthly rent payable to the Proponent for an affordable housing unit including the cost of hydro, heat, water and hot water; and Monthly Occupancy Costs do not include charges for applicable taxes, parking, cable, internet, telephone or any other like charges.

The Proponent may adjust the Monthly Occupancy Costs annually, by no more than the prevailing rent increase guideline established each calendar year pursuant to the Residential Tenancies Act (the “**Rent Increase Guideline**”), to an amount not to exceed the Affordable Rent. The Proponent acknowledges that, if the Rent Increase Guideline does not apply to the project, the Proponent agrees that the Rent Increase Guideline applies by virtue of the contractual terms of the Contribution Agreement. In the event the Rent Increase Guideline is repealed and not replaced with similar legislation, the Monthly Occupancy Costs may be adjusted based on annual changes in the Consumer Price Index as set out in the Contribution Agreement.

7.a) City Benefits: Lease

The City will enter into, concurrently with the execution of the Contribution Agreement, a Lease for a term of 99 years.

7.b) City Benefits: Incentives

The following financial incentives are available for all affordable units. The incentives include waivers and exemptions of the following fees and charges (unless already paid):

- Development Charges
- Building Permit Fees
- Planning Application Fees
- Parkland Dedication Fees
- Residential Property Taxes for the duration of the Affordability Period, subject to Council approval.

7.c) City Benefits: Capital Funding

The City can make available up to \$260,000 per affordable rental home through the Rental Housing Supply Program (RHSP), to be determined based on Proponent’s Proposal and set out in the Contribution Agreement, subject to required Council approvals.

8. Security

City Charge:

The Proponent shall register or cause to be registered a leasehold charge on the Proponent’s leasehold interest in the Lands to secure the obligations of the Proponent under the Contribution Agreement in an amount equal to the total value of the City Benefits being provided under the Contribution Agreement (excluding the value of the property tax exemption).

The balance of the principal amount of the leasehold charge will be reduced on each anniversary of First Occupancy by the amount that

	<p>is equal to the original Principal Amount multiplied by a factor calculated by dividing one by the length of the Affordability Period, until fully forgiven, if the Proponent is in good standing under the terms of the Contribution Agreement.</p> <p>Additional Security:</p> <p>Any additional security the City may require the Proponent to provide will be specified in the Contribution Agreement.</p>
9. Access Plan	<p>No later than six months prior to first occupancy, the Proponent shall have an access plan approved by the Executive Director, Housing Secretariat, which shall specify how tenants are to be selected and how information about such process is disseminated to the public, substantially in the form attached to the Contribution Agreement.</p> <p>If required at any time during the Affordability Period, the Proponent shall participate in the City's centralized housing access system(s) including the Coordinated Access System, Centralized Waiting List, and other affordable housing access system(s) as may be determined by the City and approved as part of the Access Plan; and which includes the allocation and administration of Housing Benefits.</p>
10. Housing Benefits	<p>If required by the City at any time during the Affordability Period, the Proponent shall make up to 20% of the Affordable Housing Units available to tenants who are the recipients of Housing Benefits, in accordance with the terms and conditions of this Agreement or any other agreement entered into with the City with respect to those Affordable Housing Units.</p>
11. Household Income	<p>The Proponent shall take commercially reasonable steps, when entering into a tenancy agreement for an Affordable Housing Unit to confirm that the tenant has a Household Income that does not exceed the Initial Income Limit determined in accordance with the City's requirements and in a form acceptable to the Director, Housing Stability Services.</p> <p>Household Income means total household income from all sources of all persons who reside in an Affordable Housing Unit or who will reside in an Affordable Housing Unit if it is rented to them as defined by the City, as may be amended or replaced from time to time.</p> <p>Initial Income Limit means Household Income at or below four (4) times the annualized Monthly Occupancy Costs.</p>
12. Ongoing Reporting	<p>On an annual basis during the Affordability Period, the Proponent shall provide to the City:</p> <ol style="list-style-type: none"> 1. the Proponent's Annual Occupancy Report in the form of the report attached to the Contribution Agreement or a form designated by the Director, Housing Stability Services; 2. a management representation report, in a form designated by the Director, Housing Stability Services including management declarations and a report on compliance with the provisions of the Contribution Agreement; 3. the Proponent's most recent audited financial statements, for the Project in a form acceptable to the Director, Housing

Stability Services; and

4. information on the Household Income and household composition of the Affordable Housing Units rented to new tenants during the year, in a form acceptable to the Director, Housing Stability Services;
-