
REPORT TITLE: 360 City Centre Drive Affordable Housing Project – Shared Facilities Agreement (Contract 2021-013N)

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the Commissioner of Human Services be authorized to enter into a Shared Facilities Agreement for the 360 City Centre Drive Affordable Housing Project with Daniels CCW Corporation and/or its assignee, on commercial terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor;

And further, that the Commissioner of Finance and Chief Financial Officer be authorized to award Contract 2021-013N to the assignee of Daniels CCW Corporation for the Shared Facilities Agreement for the 360 City Centre Drive Affordable Housing Project in the estimated amount of \$68,000, (excluding applicable taxes) for the first year of the shared facilities agreement which commences upon the Region's occupancy of the Project and extends for the duration of the Region's ownership of the asset, in accordance with the Procurement By-law 30-2018, as amended;

And further, that staff be authorized to increase the Contract (Document 2021-013N) annually for the duration of the Region's ownership of the asset, based on the terms of the Shared Facilities Agreement and in accordance with the Procurement By-law 30-2018, as amended.

REPORT HIGHLIGHTS

- On June 22, 2017, Regional Council approved a proposal for the Daniels CCW Corporation to build new affordable rental housing at 360 City Centre Drive that will be owned by the Region of Peel.
 - The approved Project will provide 174 mixed-income units of rental housing.
 - 360 City Centre Drive has progressed well with substantial completion and turnover scheduled for December 1, 2020 and January 5, 2021, respectively.
 - Staff is requesting authority to enter into a Shared Facilities Agreement in order provide for control over the use, operation, maintenance, repair and replacement of shared facilities.
 - The Shared Facilities Agreement requires that the Region provide equal monthly instalment payments. The cost of the Shared Facilities Agreement, in perpetuity, will be paid through the 360 City Centre's operational revenue.
-

360 City Centre Drive Affordable Housing Project – Shared Facilities Agreement (Contract 2021-013N)

DISCUSSION

1. Background

On June 22, 2017, Regional Council approved a proposal for the Daniels CCW Corporation project ("Daniels") (Council Resolution 2017-554) to build new affordable rental housing at 360 City Centre Drive, City of Mississauga, Ward 4 (the "Project") that will be owned by the Region of Peel.

The approved Project provides 174 mixed-income units of rental housing. The Region's 19-storey residential tower is constructed next to a Daniels condominium tower where both will sit on top of a podium base that will include commercial space and parking.

Most units will have specific rental rates based on the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) for the local area. Funding for the Project is provided through multiple financial sources that make up the approved capital budget total of \$66,966,522.

2. Project Update

360 City Centre has progressed well with substantial completion and turnover scheduled for December 1, 2020 and January 5, 2021, respectively. Staff is working closely with Daniels to ensure a smooth transition into operations, which includes the negotiation of the Reciprocal Cost Sharing and Easement Agreement ("Shared Facilities Agreement").

3. Shared Facilities Agreement

Staff is requesting authority to enter into a Shared Facilities Agreement with Daniels in order to:

1. provide for the control over the use, operation, maintenance, repair and replacement of shared facilities;
2. provide for the allocation of the responsibility of the payment of the costs relating to the shared facilities; and
3. establish the terms of the easements.

The Region of Peel's 19-storey residential tower is constructed next to a Daniels condominium tower where both reside on top of a podium base that includes commercial space and parking. The three components to the development necessitate an equitable division of the budget to maintain shared facilities.

The Shared Facilities Agreement intends to ensure that the appropriate rights and privileges are established to realize the mutual and reciprocal use and enjoyment of the shared facilities. Under the agreement, shared facilities include all items and areas that were constructed to serve more than one component (e.g. drive aisles, walkways, stairwells, vestibules, corridors, garage ramps and parking areas) and all structural supports.

Representation from all three development components will form the Shared Facilities Committee, to monitor the management of the shared facilities and make such recommendations as necessary concerning the shared facilities' management. As the Region's rental component is less than the condominium component, the Shared Facilities Agreement contemplates the condominium component to manage the

360 City Centre Drive Affordable Housing Project – Shared Facilities Agreement (Contract 2021-013N)

maintenance work of shared facilities as required and defined by the Shared Facilities Committee. The Shared Facilities Agreement will be registered on the condominium title.

Although Daniels is negotiating the Agreement, they will not be performing the condominium component's obligations in perpetuity; instead, they will be assigning the condominium component's duties to a condominium corporation that will be formed later.

RISK CONSIDERATIONS

At least two months before the end of each budget year, the process to define the upcoming year's budget will start. Depending on the shared facilities state, a new budget will emerge year-to-year to support any expected maintenance costs. The Region of Peel's share of the cost will remain static; however, the operating expense paid will fluctuate, resulting in potential financial risk.

FINANCIAL IMPLICATIONS

The cost of the shared facilities has been included in the operating budget of the project and will be funded by operational revenue. The Region of Peel's contribution to the shared facilities budget for 2021 is approximately \$68,000 and adjustments to that cost will be reflected through the annual budget process for the project.

CONCLUSION

The execution of the Shared Facilities Agreement is a closing condition in the development agreement with Daniels. This report represents a milestone in the development as it demonstrates how close the 360 City Centre affordable housing project is to completion. The 360 City Centre project is a testament to Council's effort to focus on addressing the shortage of affordable housing units in Peel.

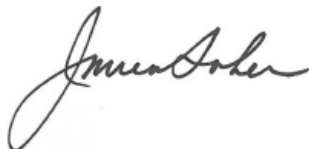
For further information regarding this report, please contact Steven Dickson, Director, Housing Development Office, ext. 4323, Steven.Dickson@peelregion.ca.

Authored By: Marwan Kassay, Project Manager, Housing Development Office

Reviewed and/or approved in workflow by:

Department Commissioners, Division Directors, Financial Support Unit and Procurement.

Final approval is by the Chief Administrative Officer.



J. Baker, Chief Administrative Officer