

SUBJECT: Real estate matter declaring intent to lease Waterdown Road properties

TO: Committee of the Whole

FROM: Legal and Legislative Services

Legal

Report Number: LLS-16-26

Wards Affected: all

Date to Committee: March 3, 2026

Date to Council: March 10, 2026

Recommendation

Declare intent to enter into a long-term land lease on 1022-1030 Waterdown Road, a rectangular-shaped parcel of land having an approximate land area of 2,670 square metres, to Indwell as per development and growth management report DGM-11-26 to develop an affordable housing project; and

Consider the long-term land lease of these lands at the Committee of the Whole meeting of April 13, 2026, and the Council meeting of April 21, 2026; and

Provide notice by regular mail to all properties within 120 metres of the subject lands and publicize the resolution in the Council minutes on the City's website.

Executive Summary

Purpose of report:

- As per Council direction and endorsement of DGM-11-26 staff will proceed with declaring intent to complete a long-term land lease with Indwell for up to 55 years to develop and operate the Waterdown Road Properties with an affordable rental housing project.

Key findings:

- City policy requires that a lease term greater than 20 years on viable city owned property be considered in a two-stage process via public reports and public notice.
- This report represents stage one, which provides public notice and outlines the proposed long- term land lease of the subject lands to support the development of affordable rental housing units.
- Waterdown Road Properties
 - 1022 Waterdown Road
 - 1028 Waterdown Road
 - 1030 Waterdown Road

Implications:

- Public Engagement:
 - Committee and Council can receive and consider any public input on April 13, 2026, and/or April 21, 2026.
- Financial:
 - All funding and proceeds will be sourced via the Housing Accelerator Fund (HAF)

Recommendation Report

Background

In December 2025, Council endorsed and directed staff through [DGM-91-25](#) to:

- use City-owned lands at 1028-1030 Waterdown Road for non-profit affordable rental housing to meet the Housing Accelerator Fund (HAF) target deadline of December 31, 2026.
- explore additional land acquisitions, proximate to 1028-1030 Waterdown Road or elsewhere, to increase affordable housing units and report back by April 2026.
- a budget of up to \$7.25M for proposed project on Waterdown Road including the acquisition of additional adjacent lands.

In March 2026, Council was provided the following update through DGM-11-26:

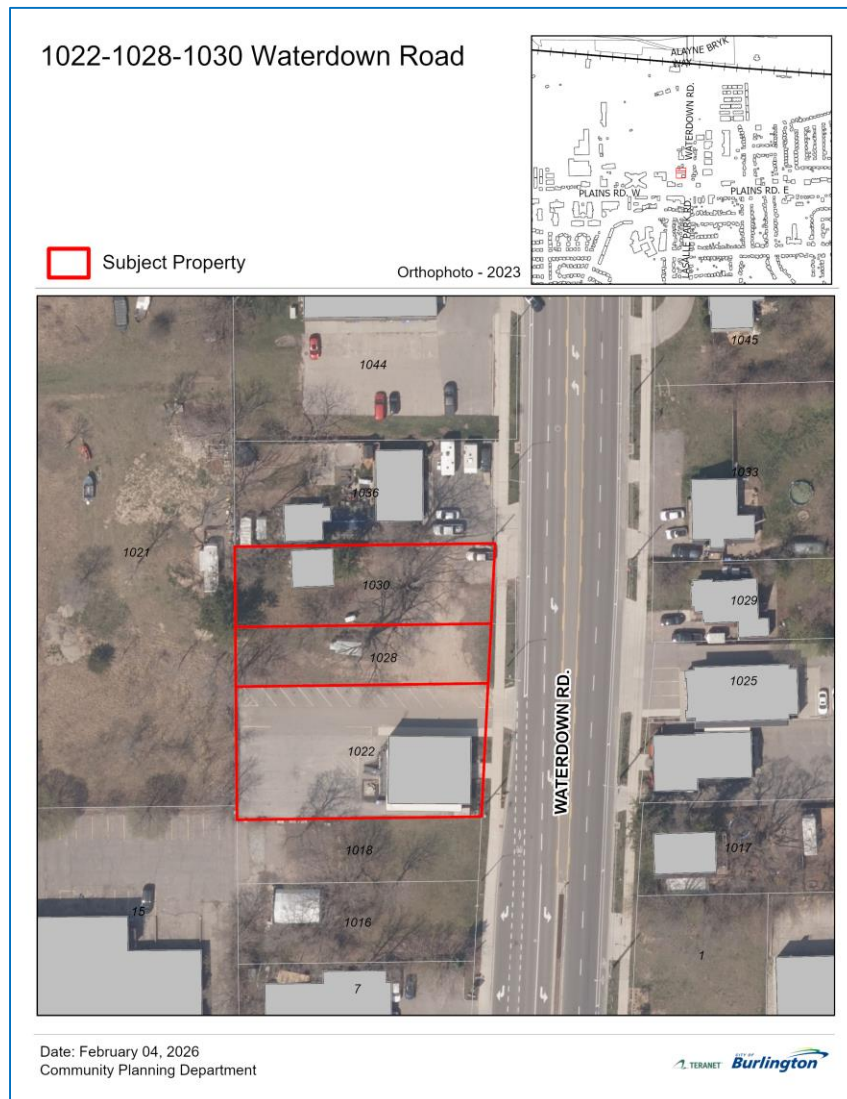
- City-owned lands were expanded to include 1022 Waterdown Road. As a result, a larger site was created and includes 1028-1030 Waterdown Road which were previously endorsed by Council for non-profit affordable rental housing to meet the Housing Accelerator Fund (HAF) target deadline of December 31, 2026. The Waterdown Road properties comprise 3 abutting parcels between 1022 and 1030 Waterdown Road.
- Staff are seeking Council approval on the use of 1022-1030 Waterdown Road to create affordable rental housing. The proposed development as per DGM-11-26 will be constructed and operated by Indwell comprising up to six storeys and approximately 74 affordable rental housing units. The number of units and storeys will be finalized as Indwell completes development due diligence, staff will report back in June 2026.
- As a result of the proposed Indwell development, Realty Services will enter negotiations for a long-term land lease with building operator and developer Indwell.

Analysis

Sale of Real Property Policy (including lease terms greater than 20 years)

The City's Sale of Real Property Policy requires a two- stage process when leasing City property for a term greater than twenty (20) years. This report represents Stage One, which provides public notice and outlines the proposed long- term lease of the subject lands.

A Stage Two report will be presented to the Committee of the Whole on April 13, 2026, and to Council on April 21, 2026. The second report will restate key information from this report and will include a confidential appendix containing negotiation details, as permitted under the Municipal Act. This two- stage approach ensures that Committee and Council can receive and consider any public input on April 13, 2026, and/or April 21, 2026, prior to making a final decision on April 21, 2026.



Waterdown Road Properties:

- 1022 Waterdown Road - PIN 07123-0045 (LT)
 - approximately 0.30 acres or 1,214 square metres
- 1028 Waterdown Road - PIN 07123-0044 (LT)
 - approximately 0.16 acres or 647 square metres

- 1030 Waterdown Road - PIN 07123-0019 (LT)
 - approximately 0.20 acres or 809 square metres

As per Council direction and the endorsement of Report DGM- 11- 26, staff will proceed with providing notice of the City's intent to enter into a long- term land lease with Indwell, for a term of up to fifty- five (55) years, to enable the construction and operation of a affordable rental housing project on the Waterdown Road properties.

Staff have no objection to the City moving forward with declaring intent to complete a long-term land lease up to 55 years with Indwell subject to the following:

- Public notice as per the recommendation; and
- Completion of a land lease agreement prepared to the satisfaction of the City Solicitor; and
- All costs associated with delivering the lands to Indwell are funded via HAF.

Recommendation Details

City policy requires that a lease term greater than 20 years on viable city owned property be considered in a two-stage process via public reports and public notice. The proposed land lease with Indwell for up to 55 years is recommended by staff in compliance with the policy.

Key Dates & Milestones

April 2026: Realty Services Council Report

- Approval to negotiate a long-term land lease (up to 55 years) with Indwell will be decided on April 21, 2026.

Implications

Financial Matters:

- Specific financial details will be provided at the next stage of reporting in April in a confidential appendix.
- All funding and proceeds will be sourced via the Housing Accelerator Fund (HAF)

Public Engagement Matters:

As noted in the recommendation, public notice for both matters is recommended as:

- Publication of this resolution in the Council minutes and on the City's website.
 - Notification by regular mail to all properties within 120 meters of the subject land.
 - Committee and Council can receive and consider any public input on April 13, 2026, and/or April 21, 2026.
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References

[DGM-91-25](#) - Housing Accelerator Fund update

[DGM-11-26](#) - City Land for Affordable Housing

Strategic Alignment

- ☒ Designing and delivering complete communities
 - ☐ Providing the best services and experiences
 - ☐ Protecting and improving the natural environment and taking action on climate change
 - ☐ Driving organizational performance
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Notifications:

None

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.