Recommendation Report Summary

SUBJECT: Real estate matter Waterdown Road properties leased to Indwell

TO: Committee of the Whole

FROM: Legal and Legislative Services

Legal

Report Number: LLS-17-26

Wards Affected: All

Date to Committee: April 13, 2026

Date to Council: April 21, 2026

Recommendation

Authorize the Manager of Realty Services to take all steps necessary to proceed with a long-term land lease of 1022-1030 Waterdown Road, comprising of approximately 2,670 square metres of land, to Indwell Community Homes ("Indwell"), at nominal value and generally in accordance with proposed terms to be negotiated as set out in Confidential Appendix A to legal report LLS-17-26; and

Authorize the Mayor and City Clerk to execute any agreements, leases or other documents in connection with this matter, in a form satisfactory to the Commissioner of Legal and Legislative Services/City Solicitor and with content satisfactory to the Commissioner of Development and Growth Management.

Executive Summary

Purpose of report:

- As per Council endorsement of DGM-11-26 and LLS-16-26 staff proceeded 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 two, which requires public notice to be given of 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
- Approval of the recommendations in this report will authorize staff to take all steps necessary to approve, enter into and execute a long-term land lease for nominal value to Indwell for the development of affordable rental housing.

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)

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 in Q2 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 endorsed and directed staff through DGM-11-26 to:

- use 1022-1030 Waterdown Road ("Waterdown Road Properties") for non-profit affordable rental housing to meet the Housing Accelerator Fund (HAF) target deadline of December 31, 2026.
- to permit Indwell to construct and operate a development comprising up to six storeys and approximately 74 affordable rental housing units. As mentioned within the report, the number of units and storeys will be finalized as Indwell completes development due diligence, staff will report back in June 2026.
- to enter into negotiations for a long-term land lease with building operator and developer Indwell.

The City's sale of land procedure requires a two-stage process to lease City lands for a period greater than 20 years. This report is the second stage, recommending the land lease of 1022-1030 Waterdown Road as a result of Council's endorsement of the Indwell Project last month (DGM-11-26). The first report LLS-16-26 went to Committee of a Whole on March 3, 2026, and went to Council on March 10, 2026 for approval. The intent of the two-stage process is to allow public notice on the City's intent to enter into a long-term land lease. Therefore, Committee of the Whole and Council can hear and consider any public input on April 13, 2026 and/or April 21, 2026 with final decision to be made on April 21, 2026.

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 Two, which provides public notice and outlines the proposed long- term lease of the subject lands.

This second report restates key information from the first report and includes a confidential appendix containing proposed lease terms to be negotiated pursuant to subsections 239 (2) (c) and (k) of 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

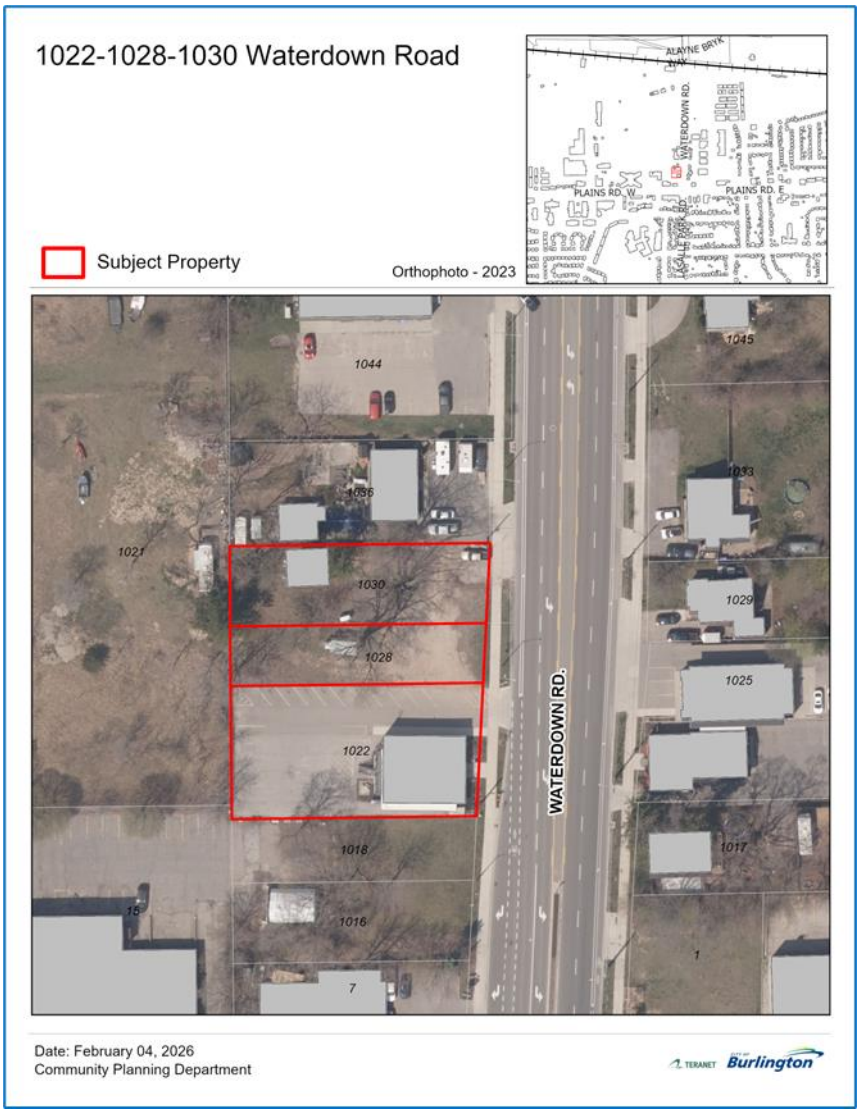
Total site area of approximately 0.66 acres or 2,670 square metres.

Staff recommends proceeding with a lease for nominal value to Indwell for the development of affordable rental housing. The long-term land lease model (55 years) ensures the land remains in public ownership and dedicated to affordable rental housing use, while enabling Indwell to secure external financing and proceed with development. This proposed partnership leverages City lands, supports Regional housing objectives, and advances the City's Housing Accelerator Fund (HAF) targets within the prescribed federal timelines.

As outlined in DGM-11-26 the project has been assessed for risk and it was determined that Zoning, Hydro Capacity and Planning/Building Approval (timing) have a Medium to High likelihood of impacting the proposed projects ability to meet the Building Permit Issuance deadline of December 31, 2026 as outlined in the HAF agreement with the City. As outlined in DGM-11-26 staff will report back to Council with updates. The updates related to this project are outlined within the Key Dates and Milestones section of this report.

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:

- Council hearing any public input as per previous notice;
- Completion of a land lease agreement prepared in a form satisfactory to the City Solicitor; and
- All costs associated with delivering the lands to Indwell are funded via the Housing Accelerator Fund.



Recommendation Details

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

Key Dates & Milestones

- May 2026: Council approval for site-specific Zoning By-law Amendment for 1022-1030 Waterdown Road, aligned with Council endorsed Community Planning Permit System.
- June 2026: Council update on HAF Budget and Indwell / Waterdown project progress.
- December 2026: CMHC deadline to achieve all HAF housing targets.

Implications

Financial Matters:

- Proposed lease terms to be negotiated will be provided within Confidential Appendix A to LLS-17-26
- All funding and proceeds will be sourced via the Housing Accelerator Fund (HAF)

Public Engagement Matters:

As directed by Council resolution, public notice for both matters was given by:

- Publication of the previous resolution in the Council minutes and on the City's website; and
- Notification by regular mail to all properties within 120 meters of the subject land.

References

DGM-91-25 - Housing Accelerator Fund update

DGM-11-26 - City Land for Affordable Housing

LLS-16-26 – Real Estate matter declaring intent to Lease Waterdown Road properties

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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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Appendices:

A. Proposed Lease terms to be negotiated **(Confidential)**
Pursuant to Section 239(2)(k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board. 2001, c. 25, s. 239 (2); 2017, c. 10, Sched. 1, s. 26.

Notifications:

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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.