

MEMORANDUM OF UNDERSTANDING
BETWEEN
MUSTANG EQUITIES INC. & TC CORE LP
(together, “Hazelview”)
-and-
CITY OF OTTAWA
(the “City”)

WHEREAS Hazelview has filed development application D01-01-19-0010 for an official plan amendment for the redevelopment of the Heron Gate area; and

WHEREAS the Planning Act, Provincial policy and the Official Plan of the City of Ottawa promote the goal of the provision of affordable housing; and

WHEREAS Hazelview also supports the goal of the provision of affordable housing; and

WHEREAS the City, Hazelview, residents of the Heron Gate community and others have participated in a dialogue to provide to existing residents the opportunity to continue to reside in the community through its redevelopment; and

WHEREAS the City and Hazelview have agreed upon principles to govern the redevelopment of the Heron Gate community with respect to the preservation of affordable housing and the ability of the existing residents to continue to be able to reside in the community;

NOW THEREFORE the City and Hazelview agree as follows:

1. DEFINITIONS

“Heron Gate Area” means the lands bounded by the heavy black line shown on Schedule “A”;

“Official Plan Amendment” means the amendment to the City of Ottawa Official Plan policies set forth in Attachment 1 and includes policies to the same effect in a comprehensive official plan that may be adopted by the City or otherwise enacted under the Planning Act after the date of this Memorandum of Understanding;

“Planning Act” means the *Planning Act*, RSO 1990, c P.13, as amended;

“Planning Approvals” means any application in respect of development or redevelopment made under the Planning Act, including any application for zoning by-law amendment, minor variance, plan of subdivision approval or site plan approval;

“Secured Affordable Existing” means a housing unit with a monthly occupancy cost at or below average monthly City-wide rents by unit type, for any calendar year, as determined in the annual survey of City-wide rents for the prior calendar year published by the Canada Mortgage and Housing Corporation (Average Monthly Rent) ;

“Secured Affordable New” means a housing unit with a maximum monthly occupancy cost (by unit type) by using the Average Income by Household Income Deciles for the City of Ottawa. Starting with the 2nd income decile to determine the maximum allowable rent for a bachelor unit, the 3rd income decile for a 1-bedroom unit, the 4th income decile for a 2-bedroom unit and 5th income decile for 3-bedroom unit, as exemplified in Table 1:

Table 1 - Average Market Rent and 30 per cent of Average Income by Household Income Deciles (2020)

Unit type	CMHC Average Market Rent	Income Deciles	Average Household Incomes by Decile	30% of Average Income by Household Income Deciles
Bachelor	\$1,000	2 nd Income Decile	\$42,640	\$1,066

1 Bedroom	\$1,244	3 rd Income Decile	\$59,079	\$1,476
2 Bedroom	\$1,514	4 th Income Decile	\$75,444	\$1,886
3 Bedroom	\$1,850	5 th Income Decile	\$92,784	\$2,319

2. ACKNOWLEDGEMENTS

For the purposes of this Memorandum, the City and Hazelview agree that the following are accurate:

- a) The current number of units located within the Heron Gate Area is 1,864 rental units. This includes 957 units in five apartment blocks, 348 units in the newly constructed HG7 Vista Local Block and 559 units in townhouse buildings and low-rise apartment buildings;
- b) Of the current number of units within the Heron Gate Area, 1,305 are to remain, being the 957 units in the five apartment blocks and the 348 units in the newly constructed HG7 Vista Local Block;
- c) The current zoning, inclusive of permitted heights for the lands within the Heron Gate Area, permits a total potential for as-of-right units in the approximate amount of 4,988 units;
- d) The number of units at full build-out that would be permitted by the proposed Official Plan Amendment is approximately 6,427 units;
- e) The redevelopment permitted by the proposed Official Plan Amendment thus represents an increase of approximately 1,439 units;
- f) It is anticipated that full build-out of the redevelopment will take twenty to twenty-five years to be completed.
- g) Additional Planning Approvals may be required for the redevelopment.

3. EXISTING UNITS

- 1) Upon the proposed Official Plan Amendment coming into force, 255 of the existing units in the five apartment blocks to remain shall be designated as "Secure Affordable Existing" for a period of 20 years. Hazelview shall provide to the City a written statement of which units in the five apartment blocks have been so designated within 30 days of the Official Plan Amendment coming into force. For certainty, the monthly occupancy cost of each Secure Affordable Existing unit so designated will continue to apply to the unit upon new tenants taking possession of the unit.
- 2) On the fifth anniversary of the Official Plan Amendment coming into force, an additional 255 of the existing units in the five apartment blocks that are to remain shall be designated as "Secure Affordable Existing" for a period of 20 years from the date of such designation. Hazelview shall provide to the City a written statement of which units in the five apartment blocks to remain have been so designated within 30 days of the fifth anniversary of the Official Plan Amendment coming into force. For certainty, the monthly occupancy cost of each Secure Affordable Existing unit so designated will continue to apply to the unit upon new tenants taking possession of the unit.
- 3) On February 1 of each year of the 25 years after the date of the Official Plan Amendment coming into force, Hazelview shall provide the rent roll of all units that have been designated as of such date under either one of both of 1) and 2) above, being for 255 Secure Affordable Existing units or for 510 Secure Affordable Existing units.
- 4) The remaining 447 existing units in the five apartment blocks shall be provided at their current rents subject to such increases as are permitted pursuant to the *Residential Tenancies Act*, 2006, S.O. 2006, c.17, as amended.

4. NEW UNITS

- (1) 510 of the units to be constructed within the Heron Gate Area after the coming into force of the Official Plan Amendment shall be designated as Secure Affordable New units. Such units shall be designated as each phase of the redevelopment takes place with approximately 10 per cent of the units constructed in each phase to be so designated by Hazelview.

(2) Hazelview shall provide to the City within one week of a unit being designated pursuant to subclause (1) a written statement that the unit is being so designated. Such designation shall remain in place for a 10 year period from the date of the designation as identified in such written statement.

5. RELOCATION

Hazelview commits that no demolition or renovation of occupied units in the five apartment blocks, the townhomes and the low-rise apartments will take place unless the tenants residing in such unit are offered a newly constructed equivalent unit of the same type at the same rent. Any such tenants will also be given the option to relocate to a newly renovated equivalent unit of the same type at the same rent at an earlier date instead of a newly constructed equivalent unit. It is agreed that such offer of the newly constructed equivalent unit or newly renovated equivalent unit of the same type at the same rent may be made at any time prior to the demolition of the occupied unit provided such newly constructed or newly renovated unit is ready for occupancy. It is further agreed that the units offered to such tenants may be included in the units designated by Hazelview as Secured Affordable New or Secured Affordable Existing.

6. TAX DEFERRAL/ABATEMENT AND DEVELOPMENT CHARGE CREDITS

The City shall work with Hazelview to explore whether any tax deferral/abatement or development charge credits can be made available in respect of the redevelopment of the Heron Gate Area with a view to the provision of lower rents for some or all of the 510 units subject to clause 4 above.

7. SALE OF LAND

Hazelview agrees to ensure that in the event of the sale of any of the land in Schedule A that the purchaser assumes the responsibilities in this agreement. In the event the purchaser does not honour such responsibilities, Hazelview acknowledges that the responsibility to meet the obligations rests with Hazelview.

8. FUTURE PLANNING APPROVALS

The City agrees that Hazelview's provision of 510 Secure Affordable Existing units and 510 Secure Affordable New units within the Heron Gate Area in accordance with this Memorandum represents its full obligation to provide affordable housing within the Heron Gate Area as part of redevelopment of the Heron Gate Area for approximately 6,427 units and the City shall not seek to secure additional affordable housing within the Heron Gate Area as part of any additional Planning Approvals required by Hazeview for such redevelopment of the Heron Gate Area.

9. GENERAL

- (1) This Memorandum is governed by and is to be construed and interpreted in accordance with the laws of the Province of Ontario.

- (2) In the event that any provision of this Memorandum is unenforceable or held to be unenforceable, the parties agree that all other provisions of this Memorandum will continue to have force and effect and shall not be affected thereby. The parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the intent and purpose of the affected provision and this Memorandum as a whole.

- (3) This Memorandum may be executed by the parties in separate counterparts and may be delivered by facsimile or other electronic transmission, each of which when so executed and delivered will be an considered an original, and all of which together will constitute one and the same agreement.

[Signature page follows]

The parties have executed this Memorandum as of the _____ day of August, 2021.

CITY OF OTTAWA

By:

Name:

Title:

By:

Name:

Title:

/we have authority to bind the corporation.

MUSTANG EQUITIES INC.

By:

Name:

Title:

By:

Name:

Title:

//we have authority to bind the corporation.

**TC CORE GP INC., as general partner of
TC CORE LP**

By:

Name:

Title:

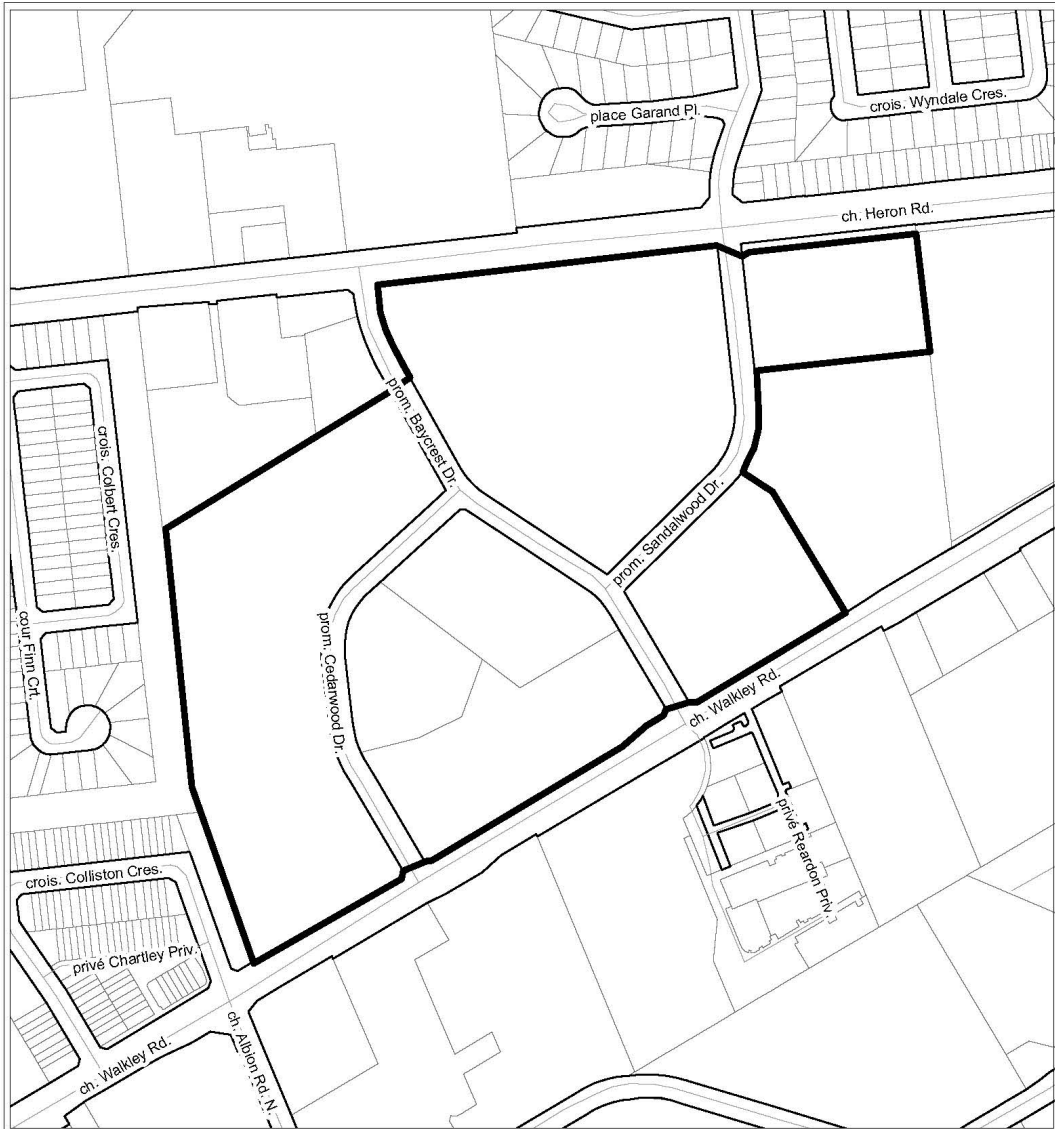
By:

Name:

Title:

*//we have authority to bind the general
partner and the limited partnership.*

SCHEDULE "A"



LOCATION MAP / PLAN DE LOCALISATION
 OFFICIAL PLAN AMENDMENT / MODIFICATION DU PLAN OFFICIEL

D01-01-19-0010

21-0926-J

I:\CO\2021\OPA\Cedarwood

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REVISION / RÉVISION - 2021 / 06 / 18

Area/Surface A



**2851, 2848, 2881, 2898 prom. Baycrest Drive,
 2820, 2831 prom. Cedarwood Drive, and/et
 2816 prom Sandalwood Drive**



DOCUMENT 1 TO THE MEMORANDUM OF UNDERSTANDING IS
DOCUMENT 2 TO THE REPORT.