



City of Hamilton

CITYHOUSING HAMILTON CORPORATION SHAREHOLDER MEETING AGENDA

Meeting #: 22-002
Date: August 10, 2022
Time: IMMEDIATELY FOLLOWING BOARD OF HEALTH
Location: Council Chambers
Hamilton City Hall
71 Main Street West

Tamara Bates, Legislative Coordinator (905) 546-2424 ext. 4102

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1. CEREMONIAL ACTIVITIES	
2. APPROVAL OF AGENDA (Added Items, if applicable, will be noted with *)	
3. DECLARATIONS OF INTEREST	
4. APPROVAL OF MINUTES OF PREVIOUS MEETING	
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5. COMMUNICATIONS	
6. DELEGATION REQUESTS	
7. CONSENT ITEMS	
8. PUBLIC HEARINGS / DELEGATIONS	
9. STAFF PRESENTATIONS	
10. DISCUSSION ITEMS	
11. MOTIONS	

11.1. Shareholder Resolutions

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12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

15. ADJOURNMENT



**CITYHOUSING HAMILTON CORPORATION
SHAREHOLDER ANNUAL GENERAL MEETING
MINUTES 22-001**

2:00 p.m.

Tuesday, June 7, 2022

Room 264

Hamilton City Hall, 71 Main Street West

Present: Deputy Mayor B. Johnson (Chair)
Councillors M. Wilson, J. Farr, N. Nann, R. Powers, T. Jackson,
E. Pauls, J.P. Danko, B. Clark, and M. Pearson

Absent Mayor Eisenberger, Councillors L. Ferguson, J. Partridge and
A. VanderBeek – City Business
Councillors S. Merulla and T. Whitehead - Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. 2021 CityHousing Hamilton Corporation Annual Report

(Clark/Nann)

That the 2021 CityHousing Hamilton Corporation Annual Report, be received.

CARRIED

2. Shareholder Resolutions (Item 11.1)

(Pauls/Danko)

WHEREAS the City of Hamilton is the sole voting member of the Corporation (“Sole Voting Member”); and

WHEREAS the Sole Voting Member is authorized to hold shares in the Corporation and to exercise the rights attributed thereto, pursuant to Subsection 203(1) of the *Municipal Act*, 2001, SO 2001, c25 (“Act”), but the Corporation is not an Offering Corporation within the meaning ascribed to that term in the *Business Corporations Act*, R.S.O. 1990, c. B.16 (“OBCA”); and

WHEREAS the Council of the City of Hamilton are sitting as representatives of the Sole Voting Member of the Corporation; and

NOW THEREFORE the Council of the City of Hamilton, acting in its capacity as representative of the Sole Voting Member of the Corporation, RESOLVES AS FOLLOWS:

- (a) Minutes of Previous Annual Meeting of the Corporation**
That the minutes of the annual meeting held October 28, 2021 be approved.
- (b) Financial Statements and Auditor’s Report of the Corporation**
That the financial statements of the Corporation for the fiscal year ended December 31, 2021 together with the auditor’s report (attached hereto as Appendix “A”), if applicable, be and the same are hereby received and approved.
- (c) COVID Deficit**

 - (i) That the letter from the Corporation’s Chief Financial Officer to the Sole Voting Member dated January 19, 2022 (attached hereto as Appendix “B” and hereinafter referred to as the “COVID Deficit Letter”) be and the same is hereby received.
 - (ii) That the COVID Deficit Letter be forthwith referred to the City of Hamilton’s General Manager of Corporate Services for further action.
- (d) Shareholder Approval RE: COCHI Funding Applications**

 - (i) That CityHousing Hamilton Report #22001 dated February 8, 2022 (attached hereto as Appendix “C”) be and the same is hereby received.
 - (ii) That, the Sole Voting Member approves the Corporation’s submission of funding applications to the ‘Canada-Ontario Community Housing Initiative’ (“COCHI”) to secure funding in the amounts of \$846,000 for the Corporation’s 350 King St. East project and \$1,900,000 for the Corporation’s 253 King William St. project, as further outlined in CityHousing Hamilton Report #22001;
 - (iii) That the Sole Voting Member approves the preparation of all necessary documents and/or agreements to give effect to the foregoing; and
 - (iv) That the Mayor and City Clerk are hereby authorized and directed to sign and/or dispatch and deliver any other agreements, documents, notices, articles and/or certificates to be signed and/or dispatched or delivered under or in connection with the Shareholder Declaration or the COCHI applications or to take any

other action deemed necessary in respect of any of the foregoing,
as the case may be.

CARRIED

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

The Committee Clerk advised of the following changes to the agenda:

10. DISCUSSION ITEMS

10.2. ~~Management Letter and Financial Statements~~

As a Management Letter was not included in the package.

(Pearson/Clark)

That the agenda for the June 7, 2022 meeting of the CityHousing Hamilton Corporation Shareholder be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) October 28, 2021 (Item 4.1)

For disposition of this matter, see Item 2.

(d) COMMUNICATIONS (Item 5)

**(i) Rochelle Desouza, CityHousing Hamilton, respecting
COVID Expenses 2021 (Item 5.1)**

For disposition of this matter, see Item 2.

(e) STAFF PRESENTATIONS (Item 9)

(i) 2021 Annual Report (Item 9.1)

Ed VanderWindt, Chief Executive Officer, CityHousing Hamilton; Gillian McLaughlin, Community Relations Worker, CityHousing Hamilton; Amanda Warren-Ritchie, Manager, Strategy and Quality Improvement, CityHousing Hamilton; Sean Botham, Manager, Development, CityHousing Hamilton; Rochelle Desouza, Chief Financial Officer, CityHousing Hamilton; and Leanne Ward, Manager, Operations,

CityHousing Hamilton, addressed the Shareholder, with the aid of a PowerPoint Presentation.

(Farr/Wilson)

That the presentation from Ed VanderWindt, Chief Executive Officer, CityHousing Hamilton; Gillian McLaughlin, Community Relations Worker, CityHousing Hamilton; Amanda Warren-Ritchie, Manager, Strategy and Quality Improvement, CityHousing Hamilton; Sean Botham, Manager, Development, CityHousing Hamilton; Rochelle Desouza, Chief Financial Officer, CityHousing Hamilton; and Leanne Ward, Manager, Operations, CityHousing Hamilton, respecting the 2021 CityHousing Hamilton Corporation Annual Report, be received.

CARRIED

For further disposition of this matter, refer to Item 2.

(f) DISCUSSION ITEMS (Item 10)

**(i) Canada-Ontario Community Housing Initiative Funding
for New Developments (Report #22001)**

For disposition of this matter, refer to Item 2.

(g) ADJOURNMENT (Item 15)

(Jackson/Pearson)

That there being no further business the CityHousing Hamilton Corporation Shareholder meeting be adjourned at 2:47 p.m.

CARRIED

Respectfully submitted,

Deputy Mayor B. Johnson
Chair, CityHousing Hamilton
Corporation Shareholder

Tamara Bates
Legislative Coordinator
Office of the City Clerk

CITYHOUSING HAMILTON CORPORATION
(the "Corporation")

RESOLUTION OF THE SOLE VOTING MEMBER OF THE CORPORATION

WHEREAS the City of Hamilton is the sole voting member of the Corporation ("Sole Voting Member");

AND WHEREAS the Sole Voting Member is authorized to hold shares in the Corporation and to exercise the rights attributed thereto, pursuant to Subsection 203(1) of the *Municipal Act, 2001*, SO 2001, c25 ("Act"), but the Corporation is not an Offering Corporation within the meaning ascribed to that term in the *Business Corporations Act*, R.S.O. 1990, c. B.16 ("OBCA");

AND WHEREAS the Corporation approved development plans for 104 Bay St N ("104 Bay") and 55 Queenston Rd ("55 Queenston") in March 2018;

AND WHEREAS Canada Mortgage and Housing Corporation (CMHC) co-investment applications were made for 104 Bay and 55 Queenston in December 2020;

AND WHEREAS further supporting documents were gathered and submitted as per the regular application process and the two projects progressed through design and planning with construction anticipated to commence in August 2022;

AND WHEREAS without any prior warning, the Corporation received notice on June 13, 2022 that projects in the application stage that have not reached final funding commitments were being capped at new lower funding levels, or otherwise being reduced, resulting in an estimated total funding shortfall of approximately \$5.4 million;

AND WHEREAS the 55 Queenston project is time sensitive and immediately requires a financial commitment of \$4.6M in order to proceed with construction (dialogue and negotiations with CMHC has to date not resulted in a resolution);

AND WHEREAS the 104 Bay project, which has a financial shortfall of \$800K, is less time sensitive than the 55 Queenston project (continued conversations with CMHC may enable such \$800K financial shortfall to be bridged);

AND WHEREAS the Corporation requires debt financing from the City of Hamilton to address the \$4.6M financial shortfall related to the 55 Queenston project;

AND WHEREAS the Sole Voting Member requires the endorsement of the Council of the City of Hamilton before it is able to endorse the resolutions attached hereto as Appendix "A" to be presented at an upcoming Sole Voting Member meeting.

NOW THEREFORE the Council of the City of Hamilton, acting in its capacity as representative of the Sole Voting Member of the Corporation, RESOLVES AS FOLLOWS:

11.1

1. ENDORSEMENT RE: RESOLUTIONS OF THE SOLE VOTING MEMBER

BE IT RESOLVED:

That the Sole Voting member bring forward a report to the Council of the City of Hamilton with the attached resolutions in order to obtain authorization and direction for the Sole Voting Member to endorse the resolutions attached hereto as Appendix "A" at an upcoming Sole Voting Member meeting.

THE FOREGOING RESOLUTIONS are hereby consented to by the Sole Voting Member of the Corporation entitled to vote on such resolutions and are hereby passed as resolutions of the Corporation pursuant to the *Not-for-Profit Corporations Act*.

DATED as of this 10th day of August 2022.

CITY OF HAMILTON

Per: _____
Fred Eisenberger, Mayor

Per: _____
Andrea Holland, City Clerk

Appendix A to CityHousing Hamilton Resolution, August 10, 2022

CITYHOUSING HAMILTON CORPORATION
(the "Corporation")

RESOLUTION OF THE SOLE VOTING MEMBER OF THE CORPORATION

WHEREAS the City of Hamilton is the sole voting member of the Corporation ("Sole Voting Member");

AND WHEREAS the Sole Voting Member is authorized to hold shares in the Corporation and to exercise the rights attributed thereto, pursuant to Subsection 203(1) of the *Municipal Act*, 2001, SO 2001, c25 ("Act"), but the Corporation is not an Offering Corporation within the meaning ascribed to that term in the *Business Corporations Act*, R.S.O. 1990, c. B.16 ("OBCA");

AND WHEREAS the Corporation approved development plans for 104 Bay St N ("104 Bay") and 55 Queenston Rd ("55 Queenston") in March 2018;

AND WHEREAS Canada Mortgage and Housing Corporation (CMHC) co-investment applications were made for 104 Bay and 55 Queenston in December 2020;

AND WHEREAS further supporting documents were gathered and submitted as per the regular application process and the two projects progressed through design and planning with construction anticipated to commence in August 2022;

AND WHEREAS without any prior warning, the Corporation received notice on June 13, 2022 that projects in the application stage that have not reached final funding commitments were being capped at new lower funding levels, or otherwise being reduced, resulting in an estimated total funding shortfall of approximately \$5.4 million;

AND WHEREAS the 55 Queenston project is time sensitive and immediately requires a financial commitment of \$4.6M in order to proceed with construction (dialogue and negotiations with CMHC has to date not resulted in a resolution);

AND WHEREAS the 104 Bay project, which has a financial shortfall of \$800K, is less time sensitive than the 55 Queenston project (continued conversations with CMHC may enable such \$800K financial shortfall to be bridged);

AND WHEREAS the Corporation requires debt financing from the City of Hamilton to address the \$4.6M financial shortfall related to the 55 Queenston project;

AND WHEREAS the Sole Voting Member has acquired the requisite delegated authority from the Council of the City of Hamilton to endorse the resolutions contained herein.

NOW THEREFORE the Council of the City of Hamilton, acting in its capacity as representative of the Sole Voting Member of the Corporation, RESOLVES AS FOLLOWS:

Appendix A to CityHousing Hamilton Resolution, August 10, 2022

1. SOLE VOTING MEMBER APPROVAL RE: INCURRING DEBT TO ADDRESS FINANCIAL SHORTFALL ON 55 QUEENSTON PROJECT

BE IT RESOLVED:

- (a) That the Sole Voting Member approves the Corporation incurring \$4.6M in debt as a result of the City of Hamilton's issuance of debenture issue(s) and/or private placement debenture issue(s) in order to address the financial shortfall on the 55 Queenston project;
- (b) That the Sole Voting Member approves the preparation of all necessary documents and/or agreements to give effect to the foregoing; and
- (c) That the Mayor and City Clerk are hereby authorized and directed to sign and/or dispatch and deliver all other agreements, documents, notices, articles and/or certificates to be signed and/or dispatched or delivered under or in connection with the Declaration and Direction of the Sole Voting Member or to take any action deemed necessary in respect of any of the foregoing.

THE FOREGOING RESOLUTIONS are hereby consented to by the Sole Voting Member of the Corporation entitled to vote on such resolutions and are hereby passed as resolutions of the Corporation pursuant to the *Not-for-Profit Corporations Act*.

DATED as of this ____ day of August 2022.

CITY OF HAMILTON

Per: _____
Fred Eisenberger, Mayor

Per: _____
Andrea Holland, City Clerk

Date: July 22, 2022

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Ed VanderWindt, (Acting) Chief Executive Officer/Secretary **Prepared by:** Sean Botham, Manager, Development

Subject: **Development Update - CMHC (Report #17021(e))**

RECOMMENDATION:

That the Board of Directors approve the following resolution:

WHEREAS CityHousing Hamilton Corporation (CHH) approved a development plan for 104 Bay St N and 55 Queenston Rd in March 2018 (Report #17021(b));

WHEREAS Canada Mortgage and Housing Corporation (CMHC) provided indicative project funding through standardized Viability Scoring, and which was confirmed through consultations with CHH, beginning in Fall 2020;

WHEREAS the CHH Board approved an updated development strategy with indicative CMHC funding in September 2020 (Report 17021(c));

WHEREAS CHH proceeded to procure design and construction teams and progress the projects from feasibility to construction tender, with imminent construction start dates in August 2022;

AND WHEREAS CMHC made unannounced and significant changes to the Co-Investment Fund, identified on June 13, 2022, and which date back to May 26, 2022, that apply to in-application projects, including 104 Bay St N and 55 Queenston Rd, that with escalating construction costs result in an estimated gap of \$5.4M;

THEREFORE, be it resolved that the CityHousing Hamilton Board of Directors:



- (i) That the estimated funding gap of \$5.4M for the affordable housing projects at 104 Bay St N and 55 Queenston Rd be brought to the Emergency and Community Services Committee for consideration of financial support in the form of an equity contribution, with repayment equivalent to any additional CMHC funding secured on these projects.

A handwritten signature in black ink, appearing to read "Ed VanderWindt", written over a horizontal line.

Ed VanderWindt
(Acting) Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

CMHC Co-Investment Fund applications were made for the 104 Bay St N and 55 Queenston Rd in December 2020. As part of the regular course of the submission process, further supporting documents were gathered and provided as the projects progressed through design and planning towards construction, which is estimated to commence in August 2022.

Without any prior indication, CityHousing Hamilton (CHH) received notice on June 13, 2022 that projects in the application stage that have not reached final funding commitments were being capped at new lower funding levels or otherwise are to receive less than the eligible maximum funding limit.

The program changes result in an estimated gap of a combined \$5.4M for 104 Bay St N and 55 Queenston Rd, to be confirmed post construction tender close for 55 Queenston Rd in early August.

It is recommended that a funding request be brought to the Emergency and Community Services Committee for consideration for an equity investment to backstop the projects by covering the funding gap, with repayment to the City made for any additional CMHC funding secured on these projects as negotiations continue with the funder.



BACKGROUND:

CHH is expected to begin construction in August 2022 on 95 affordable housing units at the 104 Bay St N and 55 Queenston Rd sites. These projects will deliver deeply affordable, near-net zero, community-focused housing for families and singles/couples. In the case of 104 Bay St N, they will replace 45 units of the Jamesville site and an additional 10 moderately affordable net new units. For 55 Queenston Rd, it will replace 40 single and semi-detached homes previously sold.

Alongside equity proceeds from sales, a core component of funding enabling each new development project is a contribution from the Federal Government through CMHC's National Housing Strategy (NHS) programs. The Co-Investment Fund, as the flagship program of the NHS, has been used as the basis for all pro forma. Using detailed project scoring criteria that provide standardized indicative funding estimates, the Co-Investment Fund has enabled housing providers to return to active housing revitalization and new development.

Through regular project discussions with CMHC staff, on June 13, 2022 CHH learned that CMHC had significantly revised the Co-Investment Fund, and that changes would apply to in-application projects, including 104 Bay St N and 55 Queenston Rd. The changes result in an estimated gap of \$5.4M, to be confirmed post construction tender close for 55 Queenston Rd in early August.

The issue was escalated to Board President, Councillor Farr, and Member of Parliament, Chad Collins, and subsequently brought to the CHH Board on June 21 as part of a CEO update. In addition, ongoing discussion has continued with CMHC staff, but no resolution has been found which would adequately address the gap created by the program changes.

DISCUSSION:

The unannounced changes to the CMHC Co-Investment program for in-process applications reduce the original indicative funding levels significantly for 104 Bay St N and 55 Queenston Rd.

The main program change effectively decouples CMHC investment from project cost, limiting their exposure to escalations by tying contribution instead to the number of units. Based on the application progress at time of program change, this change applies specifically to 55 Queenston. The secondary change is



discretionary and artificially limits the award of funds to below the maximum eligible. This change is applicable to 104 Bay St N, where a moderate funding commitment is being maintained, but one that is still short of a full entitlement.

Through discussions with CMHC and pro forma analysis, it has been determined there is an impact of \$800k for 104 Bay St N, and an estimated (as construction tender is still underway) \$4.6M for 55 Queenston, for a combined funding gap of \$5.4M.

Despite ongoing dialogue with CMHC on the impact of these changes, including the identification of two in-program mechanisms that exist to significantly increase funding, there is no indication that the funding gap created by the program changes will be bridged by CMHC.

Both these projects are set to begin construction in August 2022. Report 17021(d), addressing 104 Bay St N at the July 22, 2022 Board meeting, proposed project continuation and sustained efforts to source the remaining \$800k. For 55 Queenston Rd, the construction tender is currently underway, and final costs will be known shortly, however, with a funding gap of \$4.6M, additional funding is critical to it continuing to be viable.

The maximum serviceable debt has been modelled and incorporated into pro forma for both projects, meaning the additional funding required is in the form of equity rather than loan.

CONCLUSION:

As a result of the change in contribution level from CMHC, CHH is at a critical stage given 104 Bay St N and 55 Queenston Rd are expected to begin construction shortly. These projects represent 95 units of affordable housing for which there is a definitive need in the community.

The decreased funding commitment by CMHC enhances the effect of budgets already strained from escalating construction costs.

The recommendation is for the combined funding gap of \$5.4M to be brought to the Emergency and Community Services Committee for consideration of support. With discussions continuing with CMHC, any further contribution federally could then offset the City contribution through a repayment.



ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:

This report implements:

Healthy and Strong Communities

CityHousing Hamilton believes that housing is a key influential determinant of health and is strongly tied to the quality of life as it impacts the physical, social, emotional and mental health of all persons.

Built Environment and Social Infrastructure

CityHousing Hamilton is committed to finding new ways to be innovative that will contribute to a dynamic City characterized by unique infrastructure, buildings, and public spaces. The maintenance, renewal and new development of our housing stock will ensure that the quality of life, well-being and enjoyment of our residents', influences the design and planning of our homes.

APPENDICES:

Appendix "A" - Motion on CityHousing Hamilton Project Underfunding

EV/sb

Mission: We provide affordable housing that is safe, well maintained and cost effective and that supports the diverse needs of our many communities.

CITY OF HAMILTON

NOTICE OF MOTION

Emergency and Community Services Committee: **Date: August 11, 2022**

MOVED BY COUNCILLOR J. FARR.....

SECONDED BY COUNCILLOR

Financial Support for CityHousing Hamilton (CHH) to: Address underfunding from Canada Mortgage and Housing Corporation (CMHC) for the new developments at 104 Bay St N and 55 Queenston Rd.

WHEREAS, CMHC Co-Investment applications were made for the 104 Bay St N and 55 Queenston Rd in December 2020;

WHEREAS, further supporting documents were gathered and submitted as per the regular application process and project progression through design and planning for construction to commence in August 2022;

WHEREAS, without any prior indication, CHH received notice on June 13, 2022 that projects in the application stage that have not reached final funding commitments were being capped at new lower funding levels, or otherwise being reduced, resulting in an estimated gap of \$5.4M;

WHEREAS, CHH escalated the crisis issue to Board President, Councillor Farr and, Member of Parliament, Chad Collins, and subsequently to the CHH Board on June 21, 2022 detailing the risk to the build out of these 95 affordable housing units;

WHEREAS, ongoing dialogue and negotiation has continued with CMHC staff but with no resolution confirmed;

AND WHEREAS, the maximum serviceable debt for both projects is already employed;

THEREFORE, BE IT RESOLVED

(a) That the proposed total amount of funding gap, \$5.4M for the new development projects at 104 Bay St N and 55 Queenston Rd, be funded from **XXXXXXX**; and,

(b) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.