



City of Hamilton

CITYHOUSING HAMILTON CORPORATION SHAREHOLDER MEETING AGENDA

Meeting #: 23-001
Date: March 27, 2023
Time: 9:00 a.m.
Location: Council Chambers
Hamilton City Hall
71 Main Street West

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

Pages

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
 - 4.1 August 15, 2023
5. COMMUNICATIONS
6. DELEGATION REQUESTS
7. CONSENT ITEMS
8. PUBLIC HEARINGS / DELEGATIONS
9. STAFF PRESENTATIONS
10. DISCUSSION ITEMS
11. MOTIONS

3

11.1 Shareholder Resolutions

8

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

15. ADJOURNMENT



**CITYHOUSING HAMILTON CORPORATION
SHAREHOLDER ANNUAL GENERAL MEETING
MINUTES 22-003**

9:00 a.m.

Wednesday, August 15, 2022

Council Chambers

Hamilton City Hall, 71 Main Street West

Present: Deputy Mayor J.P. Danko (Chair)
Councillors M. Wilson, J. Farr, S. Merulla, T. Jackson, E. Pauls,
B. Clark, M. Pearson and J. Partridge

Absent Mayor Eisenberger,
Councillors R. Powers, B. Johnson and A. VanderBeek– City
Business
Councillors N. Nann, L. Ferguson and T. Whitehead - Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

The Committee Clerk advised the following changes to the agenda:

12. NOTICES OF MOTION

12.1. Shareholder Resolution (2)

(Farr/Pauls)

That the agenda for the August 15, 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) August 15, 2022 (Item 4.1)

(Farr/Pauls)

That the Minutes of the August 10, 2022 meeting of the CityHousing Hamilton Shareholder, be approved, as presented.

CARRIED

(d) MOTIONS (Item 11)

(i) Sole Voting Member Approval Re: Incurring Debt to Address Financial Shortfall on 55 Queenston Project (Item 11.1)

(Merulla/Farr)

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:

- (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.

CARRIED

(e) NOTICES OF MOTION (Item 12)

(i) Sole Voting Member Approval Re: Appointment of a Chief Executive Officer of the Corporation (Added Item 12.1)

(Farr/Jackson)

That the Rules of Order be waived to allow for the introduction of a motion respecting Sole Voting Member Approval Re: Appointment of a Chief Executive Officer of the Corporation.

CARRIED, 2/3 Majority

(f) **MOTIONS – CONTINUED (Item 11)**

(ii) **Sole Voting Member Approval Re: Appointment of a Chief Executive Officer of the Corporation (Added Item 11.2)**

(Farr/Jackson)

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

AND WHEREAS the Declaration and Direction of the Sole Voting Member, (also referred to therein as the Shareholder) effective as of September 30, 2012 (the “Direction”) provides for the appointment of a Chief Executive Officer of the Corporation who shall be a City of Hamilton employee and who shall report to the Board of Directors with respect to all operational and functional matters of the Corporation;

AND WHEREAS the Direction further provides that the Board of the Corporation may make recommendations on the hiring and terms and conditions for a Chief Executive Officer (the “CEO”), as a City of Hamilton employee, to the Shareholder pursuant to Article 3.1.6 of the Direction;

AND WHEREAS the Shareholder desires to further direct a temporary change to the Direction on the process for hiring of the CEO, for the period of August 22, 2022 to December 2, 2022, to deal with limitations on the powers of Council for the City of Hamilton, so as to provide further authority for the Board of the Corporation;

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:

BE IT RESOLVED:

- (a) That the Board of Directors of the Corporation are hereby authorized and will, in consultation with the City Manager and Human Resources for the City of Hamilton, upon conclusion of its selection criteria and process for a CEO, direct the City Manager to complete the hiring processes; and
- (b) That the City Manager will report to the Shareholder and the Board of the Directors on the outcome of the recruitment and selection process and the successful candidate for the CEO position and including the terms, conditions and performance expectations that have been agreed upon with the successful candidate.

CARRIED

(g) ADJOURNMENT (Item 15)

(Wilson/Partridge)

That there being no further business the CityHousing Hamilton Corporation Shareholder meeting be adjourned at 9:26 a.m.

CARRIED

Respectfully submitted,

Deputy Mayor J.P. Danko
Chair, CityHousing Hamilton
Corporation Shareholder

Tamara Bates
Legislative Coordinator
Office of the City Clerk

CITYHOUSING HAMILTON CORPORATION
(the "Corporation")

RESOLUTION OF THE SOLE SHAREHOLDER OF THE CORPORATION

WHEREAS the City of Hamilton is the sole shareholder of the Corporation ("Sole Shareholder");

AND WHEREAS the Sole Shareholder 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 is currently developing a vacancy renewal and management plan to support its commitment to maintain an appropriate and acceptable pace of unit turnover work to ensure there are no future backlogs of affordable units;

AND WHEREAS the existing backlog of units requiring unit turnover work is estimated to be approximately 476 units, which requires additional funding of up to \$5.7M to address, as further outlined in CityHousing Hamilton Report #23005 (attached hereto);

AND WHEREAS the Corporation has been engaged in co-developing a housing project located at 8 Roxanne Drive since 2016 (the "Roxborough Development");

AND WHEREAS in order to finalize the funding structure for the Roxborough Development the Corporation is seeking approval of certain loans and/or grants from the Canada Mortgage and Housing Corporation, the Federation of Canadian Municipalities and the City of Hamilton, as further outlined in CityHousing Hamilton Report #17029(f) (attached hereto);

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

1. FINANCIAL SHORTFALL RE: UNIT TURNOVER WORK BACKLOG

BE IT RESOLVED:

- (a) That CityHousing Hamilton Report #23005 (attached hereto as Appendix A) be and the same is hereby received by the Sole Shareholder; and
- (b) That CityHousing Hamilton Report #23005 be forthwith referred to the City of Hamilton's General Manager of Healthy and Safe Communities for further action.

2. SOLE SHAREHOLDER APPROVAL RE: CERTAIN LOANS

BE IT RESOLVED:

- (a) That the Sole Shareholder approves the Corporation entering into agreements with the Canada Mortgage and Housing Corporation and the Federation of Canadian Municipalities for grant and/or loan funding (as the case may be), as further outlined in CityHousing Hamilton Report #17029(f) (attached hereto as Appendix B), which, in the

11.1

case of the Federation of Canadian Municipalities agreement, contemplates the registration of a general security interest on title against 8 Roxanne Dr. as collateral;

- (b) That the Sole Shareholder approves the Corporation entering into a credit agreement with the City of Hamilton to facilitate the Corporation's borrowing of (CAD) \$19,396,979 as further outlined in CityHousing Hamilton Report #17029(f) (attached hereto);
- (c) That the Sole Shareholder approves the preparation of all necessary documents and/or agreements to give effect to the foregoing and the Corporation's Chief Executive Officer (or designate) is authorized and directed to execute, on behalf of the Corporation, all such necessary documents and/or agreements; and
- (d) 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 Shareholder or to take any action deemed necessary in respect of any of the foregoing.

THE FOREGOING RESOLUTIONS are hereby consented to by the Sole Shareholder of the Corporation entitled to vote on such resolutions and are hereby passed as resolutions of the Corporation pursuant to the OBCA.

DATED as of this 27th day of March 2023.

CITY OF HAMILTON

Per: _____
A. Horwath, Mayor

Per: _____
A. Holland, City Clerk

**CITYHOUSING HAMILTON CORPORATION
NOTICE OF MOTION**

BOARD Date: February 09, 2023

MOVED BY PRESIDENT NRINDER NANN

SECONDED BY DIRECTOR CAMERON KROETSCH

Financial Support for CityHousing Hamilton for assistance in addressing the backlog of approximately 476 units, Hamilton ON.

Financial contribution request (All Wards -exception 10, 11, 15)

WHEREAS CityHousing Hamilton Corporation (CityHousing) is a local housing corporation defined under the Housing Services Act, 2011 and owned solely by the City of Hamilton;

AND WHEREAS CityHousing is the largest provider of deeply affordable housing in the City of Hamilton responsible for operating over 7,100 units of housing available to households with diverse backgrounds and needs, having low to moderate incomes, and comprised of seniors, single individuals and families of many different sizes;

AND WHEREAS CityHousing has been operating with a balanced operating budget as per direction from the City of Hamilton, in its capacity as Service Manager, under the Act since at least 2016;

AND WHEREAS CityHousing balances many competing priorities to achieve this direction, resulting in many operational challenges including an inability to consistently keep pace with the work required to rehabilitate units to a safe, quality and livable standard when tenants move-out;

AND WHEREAS CityHousing is actively developing a revised and ambitious plan to support its renewed commitment to maintain an appropriate and acceptable pace of unit turnover work to ensure there are no future backlogs of affordable units;

AND WHEREAS CityHousing approved its 2023-2027 Strategic Plan which includes a priority to preserve and upgrade CityHousing's current housing stock;

AND WHEREAS CityHousing currently has a backlog of approximately 476 units of various sizes and types sitting vacant requiring an estimated investment of \$5.7M over a 12 to 18 month period;

AND WHEREAS CityHousing cannot address the backlog of units within its current operating budget;

THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR CITYHOUSING HAMILTON CORPORATION:

- (a) THAT the Chief Executive Officer be authorized and directed to forward this resolution to the City of Hamilton, in its capacity as sole-shareholder of CityHousing Hamilton, on behalf of the Board of Directors of CityHousing Hamilton, as a formal request for assistance in addressing the backlog of approximately 476 units by a financial contribution of up to \$5.7M with a commitment to complete the unit turnover work by the November 30, 2024; and
- (b) THAT the Chief Executive Officer be directed to engage in continued discussions with the City of Hamilton, in its capacity as Service Manager, to review the annual operating funding formula for the purposes of ensuring CityHousing is appropriately resourced to meet its operational needs in providing safe, quality, affordable housing for current and future tenants.



Date: February 9, 2023

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Adam Sweedland
Chief Executive
Officer/Secretary

Prepared by: Sean Botham
Manager, Development

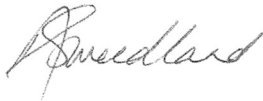
Samantha Blackley
Development Coordinator

Subject: 8 Roxanne Drive Funding Update (Report #17029(f))

RECOMMENDATION:

That the Board of Directors approve the following resolutions:

- (a) To enter into agreements with CMHC for grant funding, and with FCM for grant and loan funding, with terms and conditions to the satisfaction of CityHousing Hamilton legal counsel;
- (b) To negotiate with the City of Hamilton the terms for debt for 8 Roxanne Dr in the amount of \$19,396,979 as per Report 17029(f) with terms and conditions that ensure that CHH is responsible for all debt or loan payments, and to the satisfaction of CityHousing Hamilton legal counsel;
- (c) That the Report be forwarded to the City of Hamilton in their role as Service Manager for any consents required;
- (d) That the City of Hamilton as Sole Shareholder be requested to:
 - i) Approve development plans including the debt outlined in Report 17029(f); and the debt financing to the upset limit of \$19,396,979;
 - ii) That Report 17021(f) be presented to the next Shareholder's meeting for approval of development/redevelopment projects and approval of debt in accordance with the Shareholder Direction.



Adam Sweedland
Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

CHH co-developed, with the consortium Roxborough Park Incorporated (RPI), a mixed income, mixed tenure housing demonstration project in the McQuesten neighbourhood which substantially rebuilds the existing affordable housing and is intended to stimulate neighbourhood renewal.

The deal structure set out in a Master Development Agreement (MDA) signed November 2019 between the parties includes two key processes that are conjoined, a real estate transaction and a design-build contract. The land sale transacted in October, 2022, while the design-build project reached substantial completion in December 2022. Lease up for the new CHH building addressed as 8 Roxanne Dr is currently underway, with tenant occupancy to begin in mid-February 2023.

This report sets out recommendations specific to the financial structure of the 8 Roxanne Dr project given that funding partner allocations are now confirmed.

Recommendations are given for agreements to be entered with Canadian Mortgage and Housing Corporation (CMHC) and the Federation of Canadian Municipalities (FCM) to receive significant grant and loan funding. In addition, a recommendation is made for CHH to enter into a loan agreement with the City of Hamilton for the remaining financing of the project.

BACKGROUND:

Project History

The Roxborough development is a demonstration project for neighbourhood revitalization that is the result of a comprehensive and coordinated effort to deliver community redevelopment in a meaningful and equitable manner.

Following extensive engagement beginning in 2016 with the adjacent landowner of the former Roxborough Park School, RPI, the CHH Board of Directors approved the draft Master Development Agreement between the parties, for a land sale of \$6.7M and a building purchase for \$29,225,000 on June 10, 2019. On September 2020 demolition began on site, and construction commenced July

2021. The 8 Roxanne Dr building received substantial completion in December 2022, and lease up is currently underway with tenant occupancy to begin in mid-February 2023.

Financing History

Essential for CHH to commit to the Roxborough community revitalization project was confirmation of significant City of Hamilton support. To enable this demonstration project for community revitalization, in June 2019 the City of Hamilton committed to contributing \$400,000 annually for 35 years as per HSC19034 for support in servicing debt.

On October 2020, in accordance with the terms of Master Development Agreement between CHH and RPI, CHH secured construction financing for the Roxborough project through the City of Hamilton, with RPI responsible for all associated costs.

Additionally, parcels of land were conveyed to RPI as needed to facilitate demolition and construction of the CHH building, related storm water management, new roads, and eventually for new private market rental and ownership units. Mortgages were held in favour of CHH against these lands, and became due on October 31, 2022. In October 2022, the land sale transaction closed providing CHH with \$6.7M in proceeds.

CHH pursued funding partners for the project, including CMHC and FCM. With applications beginning in 2019 for CMHC's Co-Investment Fund, in July 2022, CHH was notified 8 Roxanne Dr was successful in securing a \$7.16M grant. And from FCM's Sustainable Affordable Housing fund, CHH received confirmation in October 2022 it was successful in securing a an additional \$2.86M investment of equal parts grant and loan.

DISCUSSION:

Due to the expected cost of the Roxborough community revitalization project, the City of Hamilton agreed to provide annual funding of \$400,000 for 35 years to be utilized for the repayment of debt on the project in order to keep this project's proforma financially viable.

CHH received the land value of \$6.7M set at the time of agreement in 2019, which was established through an impartial process via a third-party through the assistance of the City of Hamilton's Real Estate Department. Additionally, CHH has benefitted immensely from the fixed price design-build contract of \$29,225,000 for the construction of 8 Roxanne Dr established at the same time and similarly independently vetted. During the project construction the project

scope expanded to better accommodate tenants and funding requirements, increasing the project cost to \$29,424,219.

CHH has received confirmation that both CMHC and FCM have committed grant funding for the outstanding achievements in energy and accessibility, totalling \$8.58M. FCM has also provided \$1.4M in loan as well.

It is recommended that the following updated funding arrangement be approved that optimally retains a balance of equity and debt without the need for the application of land sale proceeds, which may be transferred into a Development Reserve should it be established.

Table A – Summary of Funding

CMHC-Grant	FCM-Grant	FCM-Loan	City Loan	Total
7,166,020	1,430,610	1,430,610	19,396,979	29,424,219

CMHC: Canada Mortgage and Housing Corporation provides top up funding for secured funding for new affordable housing

FCM: The Federation of Canadian Municipalities funding supports measures to install physical infrastructure, to create new housing units that are designed to achieve net-zero-ready building energy performance.

CONCLUSION:

The Roxborough redevelopment is demonstrating the effectiveness of broad scale community renewal, including through neighbourhood and affordable housing revitalization. To finalize funding arrangements for the new 8 Roxanne Dr building, staff is recommending Board authorization to enter into agreements with CMHC, FCM, and the City of Hamilton, based on an updated funding arrangement.

ALIGNMENT TO THE 2023-2027 STRATEGIC PLAN:

This report implements:

FLOURISHING COMMUNITIES:

Empower tenants with the support and services they need to thrive.

NEIGHBOURHOOD REVITALIZATION:

Develop new and inclusive affordable mixed housing that builds strong and successful multi-generational communities.

AS/sb

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