



# INFORMATION REPORT

|                           |  |
|---------------------------|--|
| <b>TO:</b>                | Chair and Members<br>Emergency and Community Services Committee  |
| <b>COMMITTEE DATE:</b>    | March 24, 2014   |
| <b>SUBJECT/REPORT NO:</b> | Social Housing Reserve Fund - McGivney Community Homes Inc. (CES14018) (City Wide)                                       |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Grace D'Ariano 905-546-2424 Ext. 7373<br>Robert McKnight 905-546-2424 Ext. 3728<br>Gillian Hendry 905-546-2424 Ext. 4818 |
| <b>SUBMITTED BY:</b>      | Vicki Woodcox<br>Acting General Manager<br>Community and Emergency Services Department                                   |
| <b>SIGNATURE:</b>         |  |

## Council Direction:

Not applicable

## Information:

The McGivney Community Homes Inc. (McGivney) portfolio consists of a Federal Project made up of 63 scattered homes in downtown Hamilton and a Provincial Project made up of 53 townhouses on Rymal Road. McGivney has bordered on being a Project in Difficulty (PID) for a number of years mostly due to its accumulated deficit and poor property management.

Under the guidance of the City of Hamilton as the Service Manager responsible for Social Housing Administration, McGivney entered into a Property Management Agreement with Hamilton East Kiwanis Homes Inc. (Kiwanis), effective December 1, 2013. The McGivney Board of Directors served the former Property Manager with a 60 days' notice of termination effective November 30, 2013.

On December 1, 2013, Kiwanis learned that the McGivney operating bank accounts were empty of funds. On the same day, they notified the City of Hamilton of the lack of funds and requested financial assistance. These events were of great concern as the mortgage payments were due on December 1, 2013.

In order to prevent any subsequent financial issues and legal consequences which McGivney would have experienced had the mortgage payments not been paid, the General Manager of Community and Emergency Services approved emergency funding to McGivney/Kiwanis in the amount of \$100,000 for exceptional circumstances under section 3 of the Social Housing Reserve Fund policy (Account # 112248).

**SUBJECT: Emergency Capital Repairs-McGivney Community Homes Inc.  
(CES14018) (City Wide) - Page 2 of 2**

---

The \$100,000 will be treated as a repayable loan to the City of Hamilton once the project is stabilized.