

Appendix B to Item 9.3

Corktown Co-operative Housing- Creation of New Affordable Housing (November, 2017)

Corktown Co-operative, located at 200 Forest Avenue, Hamilton is looking to create the opportunity for additional safe and affordable housing for households that have very limited options for appropriate and affordable housing in the City of Hamilton. The existing 50 unit housing co-operative has successfully operated a mix of two and three bedroom apartments for 25 years.

The proposed new co-operative housing would be a mix of one bedroom affordable co-op units and larger 4 and 5 bedroom affordable family units. These size units are needed for both the empty nesters and the large families living in the existing co-op and for other residents of Hamilton in need of affordable housing.

These proposed new units would be created in an above grade structure to be built on a site adjacent to the Co-op through the acquisition of two existing semi-detached units. The proposed project will be an affordable apartment building consisting of 20 units in the new building (16 one-bedroom units for seniors and older adults, 2 four-bedroom and 2 five-bedroom units for large families). As planning for the new housing progresses, it may be possible to modestly increase the number of new affordable apartments on the site.

The co-ops goal is to have all of the units be affordable with rents at 80% of CMHC market rent; \$696 for a 1-bedroom and \$985 for the 4 and 5-bedroom units. This level of affordability will be achieved through accessing Federal-Provincial affordable capital dollars in proposal calls to be run by the City of Hamilton in the next one to two years. The new building will be approximately three stories high above surface parking and will contain an elevator to ensure overall accessibility. At least two of the apartments will be designed as wheelchair accessible for persons with physical disabilities. There will be three units in total that are barrier free. The one-bedroom units will be approximately 580 sq. ft. and the larger units will be approximately 1200 and 1350 sq. ft.

The existing semi-detached units located at 221 and 223 Charlton Ave. East are soon to be listed for sale. The current private sector owner and the realtor are aware of the co-op's interest in acquiring these two adjacent properties and there is willingness to consider a sales agreement with Corktown co-op before they are listed on the market. It is expected that the co-op will be submitting a conditional offer of approximately \$210,000/unit prior to November 17, 2017 and that offer would be conditional on financing and completion of a Geotech study in a 20-30 day period.

Corktown Co-operative has met with the City of Hamilton regarding opportunities for adding the much-needed housing units in the City and received positive feedback and support. The Co-op also believes that by working towards building additional units at their Co-op, they will provide a real opportunity to increase affordable housing and the quality of life for the residents of Hamilton as well as the Co-op members.

Specifically, Corktown Co-op has no one bedroom units and when current co-op members become “empty nesters” they are either over housed or they must choose to leave their existing co-op community and neighbourhood. There is also a significant lack of four and five-bedroom units in the City of Hamilton and the co-op doesn't have any units this size even though there are a number of 5, 6 ,7 and 8- person households living in some of the three-bedroom units.

With an overall capital budget for the project of \$5,583,197, we are anticipating the \$3,000,000 in Fed-Prov. housing funds as well as funding from the city that offsets the City development charges. This will leave a mortgage that will be serviced by the affordable rental revenues.

Accessing a low interest loan from the Hamilton Community Foundation gives Corktown co-op the ability to acquire two semi-detached homes on Charlton, continue to operate them on a rental basis and cover the cost of an interest only loan from the Hamilton Community Foundation for a three year period, while the planning approvals for the proposed new affordable co-op apartment building is undertaken, and applications are made for Federal-Provincial affordable housing capital funding over the next 1 -2 years. During this time, partnership dollars from the Ward 2 Area Rating reserve will assist in covering associated costs in building these new affordable housing units.