




**CITY OF HAMILTON**  
**HEALTHY AND SAFE COMMUNITIES DEPARTMENT**  
**Housing Services Division**

<b>TO:</b>	Chair and Members Emergency and Community Services Committee
<b>COMMITTEE DATE:</b>	September 5, 2019
<b>SUBJECT/REPORT NO:</b>	Change in Source of \$50,000 Funding for the YWCA 52 Ottawa Street North Affordable Housing Development Project (CES17036(a)) (Ward 4)
<b>WARD(S) AFFECTED:</b>	Ward 4
<b>PREPARED BY:</b>	Kirstin Maxwell (905) 546-2424 Ext. 4836 Caridad Malebranche (905) 546-2424 Ext. 6251
<b>SUBMITTED BY:</b>	Edward John Director, Housing Services Division Healthy and Safe Communities Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That the funding source for \$50,000 of the \$2.75 M forgivable loan for the Young Women's Christian Association 52 Ottawa Street North affordable housing development project be changed from the Investment in Affordable Housing Program - Extension (IAH-E) to the IAH-Extension Administration fund; and,
- (b) That the General Manager of the Healthy and Safe Communities Department or his designate be authorized and directed to enter into a loan agreement with content satisfactory to the General Manager and in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

The YWCA new affordable rental construction project at 52 Ottawa Street North was awarded funding from both the Investment in Affordable Housing Program Extension – New Rental Housing Component (IAH-E) (\$2.75 M) and the Social Infrastructure Fund (SIF) (\$2.5 M). The number of units constructed relative to each of the two separate funding sources must be specified and due to reporting requirements cannot represent partial payments or exceed \$150,000 per unit.

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As a result, given the proposed unit count, when assigning specific units to each funding allocation, the maximum \$150,000 per unit funding amount would have been exceeded for one unit. This means that \$50,000 of the funding awarded cannot be sourced from IAH-Extension – Rental Housing Project ID 6731541505. To overcome these program limitations, staff recommend that the funds instead be sourced from Project ID 6731541504 IAH-Extension Administration. The City would in turn retain and reallocate the use of the \$50,000 in IAH-E program funds, by transferring them into the Ontario Renovates Program.

**Alternatives for Consideration –Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: There is no change in the overall amount of funding (\$5.25 M) the YWCA project will be provided; however, rather than all of those funds being sourced from the IAH-Extension – Rental Housing Project ID 6731541505, \$50,000 is proposed to be sourced from IAH-Extension Administration Project ID 6731541504. This change results in \$50,000 of IAH-E program funds being made available to the City for other IAH-E Year 5 capital projects. These funds will be transferred to the Ontario Renovates Program, the only option under the Program Guidelines.

Staffing: There are no staffing implications to Report CES17036(a).

Legal: There are no legal implications to Report CES17036(a).

**HISTORICAL BACKGROUND**

Through approval of Report CES17036, Council recommended approval of the Hamilton YWCA 52–64 Ottawa Street North, affordable rental housing development project for funding of \$2.75 M under the Investment in Affordable Housing Program Extension – New Rental Housing Component (IAH-E) and for funding of \$2.5 M under the Social Infrastructure Fund (SIF). The Province accepted Council's recommendation and approved the funding for the project.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

None

**RELEVANT CONSULTATION**

Legal Services staff reviewed and commented on this report, and their comments have been incorporated.

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Financial Planning & Policy staff reviewed this report and their comments have been incorporated.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Since approval of the YWCA 52–64 Ottawa Street North, affordable rental housing development project for funding of \$2.75 M from IAH-E and \$2.5 M from SIF, the project has been awarded \$3.7 M in grant (contribution) and \$7.108 M in low interest loan from the CMHC Co-Investment Fund. The contribution agreement between CMHC and the YWCA is currently being prepared by CMHC.

As the YWCA new affordable rental housing project was awarded funding from two separate programs (IAH-E and SIF), two separate agreements were required and it was necessary to divide the project proportionately to the two funding amounts. Doing so in this case would have required dividing a unit ( $1/3 - 2/3$ ), however, the provincial reporting system does not allow for reporting on partial units. Further, awarding funding to only whole units would result in the per unit funding exceeding the \$150,000 maximum per unit amount under the program by \$50,000.

This means that \$50,000 of the funding awarded cannot be sourced from IAH-E program funds. Staff therefore recommends that \$50,000 be allocated from IAH-Extension Administration Project ID 6731541504 dependent upon approval of Report HSC19042(a). Staff from the Ministry of Municipal Affairs and Housing have confirmed in writing that this is an acceptable solution. There are no procurement considerations as the overall amount of funding for the project remains the same.

To reduce administration, and because \$5.2 M is already registered on title of the property to ensure project completion, long-term program compliance, affordability of the units, and that other City, Provincial and Federal governments' interests are protected, staff recommend that the \$50,000 be provided as 10-year "forgivable loan", secured by a promissory note which requires that the funds be returned if the project is not completed. Not registering the loan on title increases the risk of losing the funds in the event of a default under the agreement, but given the administrative complications caused by the multiple funding sources and respective mortgages already expected to be registered on title, staff do not recommend registering another charge. The YWCA will be required to enter into a separate loan agreement for the \$50,000 secured by a promissory note. The promissory note shall be reviewed by both the City's legal services and Corporate Finance and Administration staff prior to enactment.

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Below is a summary of the YWCA project at 52 – 64 Ottawa Street North:

- 35 self-contained units for women and women and children who are experiencing homelessness; 19 one-bedroom units, 10 two-bedroom units, and 6 three-bedroom units;
- Rents set at 25% lower than average market rent, including utilities;
- The units will remain affordable for a minimum of 50 years, expected to be permanently affordable;
- Basement and ground floor will contain a variety of amenities and space for community programs; and,
- Project will include an additional 15 units at 80% at or below median market rent for persons with developmental disabilities who will receive supports through the Supported Independent Living program currently run by the YWCA.

**ALTERNATIVES FOR CONSIDERATION**

None

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

**APPENDICES AND SCHEDULES ATTACHED**

None