

CITY OF HAMILTON

MOTION

Council: January 22, 2020

MOVED BY COUNCILLOR C. COLLINS.....

SECONDED BY MAYOR / COUNCILLOR

Amendment to Item 16 of the Audit, Finance & Administration Committee Report 19-022, respecting Report FCS19090 - CityHousing Hamilton Corporation (CHH) Redevelopment Financing Request (City Wide)

WHEREAS, at its meeting of December 11, 2019, Council approved Item 16 of the Audit, Finance & Administration Committee Report 19-022, respecting Report FCS19090 - CityHousing Hamilton Corporation (CHH) Redevelopment Financing Request; thereby, approving two loans to CHH, subject to the terms and conditions contained in Appendices “C” and “D” to Audit, Finance & Administration Committee Report 19-022;

WHEREAS, Appendices “C” – External Loan Guidelines for 500 MacNab North Tower Renewal; and, “D” External Loan Guidelines for Roxborough Park Development included the following items;

- f) Late Payment charges will be applied as per the City’s policy on late payments.
- f) In the event of non-payment or late payments, the City will follow current protocols on collecting payments on amounts owing.
- h) In case of Loan default, the loan agreement must ensure that the applicant’s asset or other security is included as collateral against the loan. The value of the asset or security must be of an equivalent value to the loan.

WHEREAS, the value of the property prior to project completion and perhaps after project completion may not equal the value of the loans for these affordable housing projects;

WHEREAS, the City’s policy on late payment charges would result in an undesirable interest rate of 15% annual interest being payable by CHH in respect of any late payments; and,

WHEREAS, loans secured by mortgages have collection remedies unique to them and it is desirable to have loan default remedy procedures consistent with other City loans secured by mortgages;

THEREFORE, BE IT RESOLVED:

That Item 16 of the Audit, Finance and Administration Committee Report 19-022, respecting Report FCS19090 - CityHousing Hamilton Corporation (CHH) Redevelopment Financing Request, ***be amended by amending Appendices “C” and “D” as attached to Audit, Finance and Administration Committee Report 19-022, by deleting sub-sections “f)”, “f)” and “h)” in their entirety, and re-lettering the remaining sub-sections,*** as attached hereto.

Main Motion ***as amended*** to read as follows:

16. CityHousing Hamilton Corporation (CHH) Redevelopment Financing Request (FCS19090) (City Wide) (Item 10.8)

- (a) That a 10-year, interest-bearing loan of \$9,229,500 for CityHousing Hamilton Corporation from the City of Hamilton for the 500 MacNab North Tower Renewal, be authorized and approved in accordance with the terms and conditions contained in Appendix “C”, ***as amended, attached hereto;***
- (b) That a loan receivable be established on the City’s balance sheet, not to exceed \$9,229,500, to record the corresponding CityHousing Hamilton Corporation liabilities regarding the long-term financing for the 500 MacNab North Tower Renewal;
- (c) That the Mayor and City Clerk be authorized and directed to execute a loan agreement together with any ancillary documentation in a form satisfactory to the City Solicitor and content satisfactory to the General Manager of Finance and Corporate Services and that the General Manager of Finance and Corporate Services be authorized to approve and execute any loan amending agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions in Appendix “C” ***as amended, attached hereto,*** are maintained;
- (d) That a short-term, interest-bearing construction loan of \$29,225,000 for CityHousing Hamilton Corporation for the Roxborough Park Development, be authorized and approved in accordance with the terms and conditions contained in in Appendix “D” ***as amended, attached hereto;***
- (e) That a loan receivable be established on the City’s balance sheet, not to exceed \$29,225,000, to record the corresponding CityHousing Hamilton Corporation liabilities regarding the financing for the Roxborough Park Development.
- (f) That the City of Hamilton will act as guarantor of any long-term financing not to exceed \$22,491,020 (construction cost less land sale) sought by CityHousing Hamilton Corporation for the Roxborough Park Development and that the General Manager of Finance and Corporate Services and City Clerk be authorized to execute any agreements and ancillary documents relating to the guarantee; and,

- (g) That the Mayor and City Clerk be authorized and directed to execute a loan agreement together with any ancillary documentation, in a form satisfactory to the City Solicitor and content satisfactory to the General Manager of Finance and Corporate Services and that the General Manager of Finance and Corporate Services be authorized to approve and execute any loan amending agreements relating to the long-term financing, together with any ancillary amending documentation, if required, provided that the terms and conditions in Appendix "D" ***as amended, attached hereto,*** are maintained.