



Date: March 30, 2021

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Tom Hunter, Chief Executive Officer/Secretary
Prepared by: Samantha Blackley
Development Coordinator

Subject: **National Housing Co-Investment Fund – Repair and Renewal Stream Letter of Intent (Report #21009)**

RECOMMENDATION:

That the Board of Directors approve the following resolution:

- (i) That the CEO of CityHousing Hamilton be authorized to negotiate, enter into and execute the Letter of Intent with the Canada Mortgage and Housing Corporation for funding through the National Housing Co-investment Fund – Repair and Renewal Stream, in a form satisfactory to the CityHousing Hamilton legal support;
- (ii) That staff report back to the Board of Directors regarding the terms and conditions of the loan agreement which is the next step to receive funding through the National Housing Co-investment Fund – Repair and Renewal Stream; and
- (iii) That Report #21009 be forwarded to the City of Hamilton in its capacity as Service System Manager for approval of all necessary consents and financial commitments.

A handwritten signature in blue ink that reads "Tom Hunter".

Tom Hunter
Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

In partnership, CityHousing Hamilton (CHH) and the City of Hamilton have created an eight-year CHH portfolio-wide application to the Canada Mortgage and Housing Corporation (CMHC) under the National Housing Co-Investment Fund (NHCF) – Repair and Renewal Stream. The CHH portfolio-wide application consists of \$194,251,800 in projects over eight years for repair and renewal that will impact 6,290 units.

On March 11th, CHH and the City of Hamilton received confirmation through a Letter of Intent (LOI) from CMHC for \$145,688,880 in funding to support the proposed CHH portfolio-wide projects. This funding consists of \$87,413,328 in repayable loans and \$58,275,552 in forgivable loans. Permissions are required from the City of Hamilton for the repayment of the loan, CHH will apply approximately \$80,000 each year in utility savings towards the repayable loan and the City of Hamilton will be asked to contribute the balance of the repayment of the loan. As a condition of this funding CMHC has also requested a contribution commitment from the benefitting municipality as a guarantor. The remaining \$48,562,920 in funding for the projects across the portfolio will be provided by CHH. This includes CHH's annual capital allocation from the Service Manager. Authorization from the City of Hamilton will be requested through Council in April 2021 in order to fulfill these conditions in awarding the funding.

The total impact of the NHCR will help to expand the lifespan of CHH's housing stock through the program's affordability, energy efficiency and accessibility targets while helping to address the \$400M that is needed for capital repairs over the next 20 years. Most importantly, residents will experience increased quality of life, safety, health and accessibility.

BACKGROUND:

On November 22, 2017, the federal government released "Canada's National Housing Strategy: A Place to Call Home". The goal of the National Housing Strategy (NHS) is to, over ten years, deliver a range of housing program initiatives.

One NHS program, the National Housing Co-investment Fund (NHCF) was launched on May 2, 2018. The NHCF is a \$16.6 B federal investment, \$5 B of which is new funding, with two funding streams: New Construction of affordable housing and Repair/Renewal of social housing. In August 2019, Report HSC19048 was brought forward to the City of Hamilton's Emergency and Community Services Committee which granted approval to engage in discussions with CMHC to negotiate funding principles and to determine the

extent of the municipal contribution with respect to the CHH application under the NHCF.

There are approximately 14,000 social housing units in Hamilton, of which CHH has just over 7,000. These units were built post-war and continue to provide critical affordable housing for thousands of Hamilton residents. Many of the major systems in these units are at the end of their life cycle, and the state of repair and quality of these units have been in decline due to a lack of reinvestment and deferred maintenance as a result of limited financial resources.

The CHH and the City of Hamilton have submitted an eight-year CHH portfolio-wide application to CMHC under the NHCF – Repair and Renewal Stream. The CHH portfolio-wide application consists of \$194,251,800 in projects over eight years for repair and renewal that will impact 6,290 units.

DISCUSSION:

In partnership, CityHousing Hamilton (CHH) and the City of Hamilton have created an eight-year CHH portfolio-wide application to the Canada Mortgage and Housing Corporation (CMHC) under the National Housing Co-Investment Fund (NHCF) – Repair and Renewal Stream. The CHH portfolio-wide application consists of \$194,251,800 in projects over eight years for repair and renewal that will impact 6,290 units.

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The primary goals of the projects that will be funded through the NHCF are improvements in:

- Affordability;
- Energy efficiency; and,
- Accessibility.

Table 1 outlines the distribution of these targets below:

| Repairs | Repair Costs | % of Total Repairs |
|--|-----------------------|---------------------------|
| Repairs for Health and Safety | 106,333,457.22 | 54.74% |
| Repairs for Energy Efficiency | 48,932,038.50 | 25.19% |
| Repairs for Accessibility Improvements | 38,986,344.29 | 20.07% |
| Total | 194,251,840.01 | 100.00% |

Through repair and renewal projects, the energy usage reduction target required by CMHC is 25%, which is expected to reduce annual greenhouse gas emissions by over 3 million ekgCO₂/year, as well as result in a potential \$1.6 M in annual utility cost avoidance. The funding from the NHCF would also improve accessibility to common spaces as well as provide the ability to address in-unit accessibility needs customized to tenants.

CHH has confirmed with CMHC that within the NHCF annual funding allotments there is flexibility on which projects from the portfolio are being addressed when over the eight year project timeframe, in order to best meet the needs of the housing units in the event of emergency repairs.

The total impact of the NHCF will help to expand the lifespan of CHH's housing stock through the program's affordability, energy efficiency and accessibility targets while helping to address the \$400M that is needed for capital repairs over the next 20 years. Most importantly, residents will experience increased quality of life, safety, health and accessibility.

CONCLUSION:

The funding from the NHCF will help to address the needed capital repairs and provide opportunities to maintain affordability and increase energy efficiency and accessibility in 6,290 CHH units increasing the quality of life for tenants. Staff are seeking authorization from the Board to execute the LOI to allow CHH to work with CMHC towards negotiation of a loan agreement.

ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:

This report implements:

Clean and Green

CityHousing Hamilton strives to be an environmental steward by minimizing our environmental footprint by implementing sustainable water and energy efficiencies in our housing stock.

Built Environment and Social Infrastructure

CityHousing Hamilton is committed to finding new ways to be innovative that will contribute to a dynamic City characterized by unique infrastructure, buildings, and public spaces. The maintenance, renewal and new development of our housing stock will ensure that the quality of life, well-being and enjoyment of our residents', influences the design and planning of our homes.

APPENDICES:

N/A

TH/sb

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