

CITY OF HAMILTON

NOTICE OF MOTION

Council: May 25, 2022

MOVED BY COUNCILLOR S. MERULLA.....

**Budget Increase for the Housing for Hamilton Community Improvement Plan (CIP)
for the Roxborough Mixed Income/Tenure Demonstration Project**

WHEREAS, in 2019 the City of Hamilton approved the Housing for Hamilton Community Improvement Plan (CIP) for the Roxborough Mixed Income/Tenure Demonstration Project;

WHEREAS, the intent of the CIP is to establish an innovative demonstration project for a joint public-private housing redevelopment which will deliver a mix of market and below market homeownership and rental housing options through the redevelopment of approximately 12.5 acres of land within the McQueston neighbourhood in East Hamilton;

WHEREAS, the City's financial contribution under the CIP is primarily in the form of waivers of Development Charges and Parkland Dedication Fees;

WHEREAS, the Roxborough Demonstration Project was envisioned to deliver approximately 650-750 mixed income and mixed tenure residential units including 103 family-oriented Rent-Geared-to-Income and affordable rental units to be owned and operated by City Housing Hamilton, over 200 multi-residential rental units with capped rents, approximately 200 - 250 below market homeownership townhouse units; and approximately 100 -150 maisonettes and condominium units geared towards seniors and smaller households;

WHEREAS, the 103 unit City Housing Hamilton building is nearly complete and the first 126 below market home ownership townhouse units are under construction;

WHEREAS, the Roxborough Development Group has now secured Preliminary Approval with CMHC for participation in the Rental Construction Financing Initiative (RCFI) program designed to facilitate the construction of new rental housing that is attainable and affordable, which would allow the Roxborough Demonstration Project to construct 352 affordable rental units, far surpassing the minimum 200 rental units required by the City's CIP;

WHEREAS, the affordability benchmark for the rental units would exceed the affordability threshold established by the City's CIP, such that rents for new tenancies would be capped at not more than 90% of existing market rents for comparable product (10% below market, at minimum) and rents on 20% of the units (70 suites) must be set at rents not to exceed 30% of Household income for the Hamilton CMA;

WHEREAS, a pre-condition of the federal RCFI program funding is that the municipality also make a contribution toward the project, which would be satisfied by the City's Development Charge contribution under the CIP;

WHEREAS, expanding the scope of the City's CIP to provide for significantly more rental units as well as enhanced affordability for all rental units will require an expansion to the CIP's current budget of approximately \$10.5 million; and

WHEREAS, there is a significant time sensitivity to confirming the City's support in order to leverage the federal support.

THEREFORE, BE IT RESOLVED

- (a) That the budget for the Housing for Hamilton Community Improvement Plan (CIP) for the Roxborough Mixed Income/Tenure Demonstration Project be increased by an amount up to \$4.4 million in order to support the expansion of the project to include approximately 352 affordable rental units and to secure an enhanced level of rental affordability, to be funded first from any 2022 favourable Housing Services Division surplus and second from the Unallocated Capital Reserve (Reserve # 108020); and
- (b) That the General Manager of Healthy and Safe Communities and the General Manager of Corporate Services be authorized and directed to enter into any necessary agreements for the provision of the enhanced funding under the CIP, in a form satisfactory to the City Solicitor.