



TOWNSHIP OF GLANBROOK NON-PROFIT HOUSING CORPORATION

December 1, 2021

Mayor and Members of Council

City of Hamilton, Hamilton City Hall

71 Main Street West, Hamilton, Ontario L8P 4Y5

Subject: Request for Interest Free Loan for Affordable Housing Project

Township of Glanbrook Non-Profit Housing Corporation

Dear Mayor Eisenberger and Members of Council:

The Township of Glanbrook Non-Profit Housing Corporation (TGNPHC) is one of Hamilton's most experienced non-profit housing providers. Established approximately 40 years ago, we have continuously operated an affordable seniors' rental apartment project comprised of 31 self-contained apartment units at 2800 Library Lane in the Binbrook community since that time. Since the project was developed, the elderly population of the Binbrook community and the City of Hamilton as a whole has grown significantly and is expected to continue to increase for the foreseeable future. Many of these seniors are in great need of affordable housing, as evidenced by the rapid growth of the number of senior applicants to the City's centralized social housing waiting list and by the constant stream of applications and inquiries we receive.

In consulting with City staff and our local Council member, it was recognized that there is a strong opportunity to contribute to meeting these needs. The lands on which our original project was developed are located adjacent to a surplus parcel of municipal lands which, if combined with the undeveloped portion of the property owned by TGNPHC, would create a building site suitable for the development of approximately 100 new affordable rental housing units for seniors. The proposed development is intended to be highly energy efficient (to Passive House standards) and functionally accessible, to facilitate aging in place.

TGNPHC and the City of Hamilton have been working together over the past two years to assess the feasibility of such a development and reached the conclusion that such a development would be feasible with the cooperation of the two organizations and other key stakeholders such as Canada Mortgage and Housing Corporation. Earlier this year, a Memorandum of Understanding was signed between TGNPHC and the City of Hamilton to transfer the property from the City to TGNPHC and proceed with the development.

One of the challenges for a smaller non-profit housing corporation such as TGNPHC is that available government funding programs such as the CMHC National Housing Co-Investment Fund do not start advancing funds until the start of construction. CMHC and programs from other levels of Government provide very modest pre-construction programs to help start the planning of these types of projects, but it falls far short of meeting the costs incurred during the planning and design process.

To meet preconstruction cost requirements, we would like to request medium-term support from the City of Hamilton. Funds loaned from the City would be critical to facilitate key technical work required to complete the plans for the project to be undertaken. Any loan would be repaid from the construction financing provided through the CMHC program, as current projections incorporating the City's existing affordable housing programs do not reveal a capital gap to the project. However, should a capital gap come to be through the development stages, the loan would then be projected to be repaid through year-over-year surpluses generated from the expanded facility's operations.

Accordingly, TGNPHC is requesting Council to approve an interest free-loan in the amount of \$1.7 million on a 10-year open term, for this purpose.

We thank the City of Hamilton for making available a mechanism of this nature to assist in overcoming this barrier and move important projects of this nature forward. We thank you for considering our request and look forward to the opportunity to continue to work with City of Hamilton and community stakeholders to provide urgently needed affordable housing for the growing number of seniors in need across the City of Hamilton.

Yours truly,

Melvin Switzer

President, Township of Glanbrook Non-Profit Housing Corporation

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