



Good Shepherd
Faith in people.

Good Shepherd Centres
Administration
143 Wentworth Street South
P.O. Box 1003, Hamilton, ON L8N 3R1
Tel: 905.528.5877 Fax: 905.528.9968
goodshepherdcentres.ca

October 31, 2017

Chris Murray
City Manager
City of Hamilton
Hamilton City Hall
71 Main Street West
Hamilton, ON L8P 4Y5

Dear Chris,

In the fall of 2012, Good Shepherd Centre Hamilton entered into an agreement with the City of Hamilton to receive a \$5,000,000 loan from the Future Fund for our Good Shepherd Square development. The terms of this loan included the repayment, with interest, over a 5 year period. In the intervening years, Good Shepherd has honoured the terms of that agreement without fail.

In conversation over the last few months we discussed the issues we are having in making this year's payment. As you know, we did discuss some alternatives to our original proposal, but due to an unresolved litigation matter that we had hoped would be resolved by now, we must stay with our original request.

At this time, we are requesting that the terms of the final payment of \$1,500,000, plus accrued interest, be renegotiated as follows:

- No payment in 2017;
- The remaining principal payment be paid in equal installments of \$300,000, plus accrued interest in each of the subsequent 5 years (2018 – 2022).

The reasons for this request are varied but include the following impacts from the City of Hamilton:

1. Reductions in City funding to the Good Shepherd Notre Dame Youth Shelter (\$690,000 cumulative over the past 3 years);
2. When City Housing Hamilton took its Bed Bug remediation program in-house, our social enterprise, known as Good Shepherd Works, sustained losses of \$853,000;

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3. As part of our agreement to build the Affordable Housing apartments at Good Shepherd Square, the City of Hamilton was to have contributed 156 rental subsidies. Upon completion of the Project, the City was not able to fulfil the full allotment of rental subsidies and will be unlikely to complete this obligation for another decade. To date this has cost Good Shepherd approximately \$525,000;
4. As a consequence of not having the rental subsidies, referred to in point 3 above, the Canada Revenue Agency reduced our HST rebate on the project by approximately \$180,000;
5. There has been no base funding increases to our emergency shelter programs from the City for the past 4 years. The financial impact on our shelter programs if funding had been increased in accordance with increases to OW/ODSP as they were in the past, is approximately \$196,000.

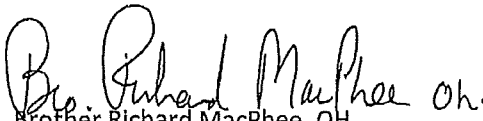
Despite the financial shortfalls experienced by Good Shepherd by City related pressures as noted above (total impact of \$2,444,000), Good Shepherd has fulfilled all of its financial obligations to the Future Fund. We have undertaken a detailed financial analysis of our situation and we need to ensure that we can continue to be responsive to the on-going and emerging needs of our community while offering our staff a Living Wage.

Should our financial picture change significantly, we resolve to pay back the outstanding amount sooner.

In keeping with the vision of the Hamilton Future Fund and its alignment with our mission of having Faith in People we appreciate the committee's consideration of our request and its support in addressing these financial circumstances. We believe that your investment in us is an investment in the resilience and health of our community in the long run.

If you have further questions, do not hesitate to contact me.

With Faith in People,


Brother Richard MacPhee, OH
Executive Director