

# CITY OF HAMILTON

## NOTICE OF MOTION

Council: August 12, 2022

**MOVED BY COUNCILLOR J. FARR.....**

**Financial Support for CityHousing Hamilton (CHH) to Address underfunding from Canada Mortgage and Housing Corporation (CMHC) for the new developments at 104 Bay Street North and 55 Queenston Road, Hamilton, Ontario**

WHEREAS, Canada Mortgage and Housing Corporation (CMHC) Co-Investment applications were made for the City Housing Hamilton Projects at 104 Bay Street North and 55 Queenston Road in December 2020;

WHEREAS, further supporting documents were gathered and submitted as per the regular application process and project progression through design and planning for construction to commence in August 2022;

WHEREAS, without any prior indication, CityHousing Hamilton (CHH) received notice on June 13, 2022 that projects in the application stage that have not reached final funding commitments were being capped at new lower funding levels, or otherwise being reduced, resulting in an estimated gap of \$5.4M;

WHEREAS, CHH escalated the crisis issue to CHH Board President, Councillor Jason Farr, and Member of Parliament Chad Collins and subsequently to the CHH Board on June 21, 2022 (CEO Update) and July 22, 2022 (Report 17021(e)) detailing the risk to the build out of these 95 affordable housing units;

WHEREAS, the 55 Queenston Road project is time sensitive to a financial commitment of the \$4.6M shortfall in order to proceed with construction, and dialogue and negotiation with CMHC has not resulted in a resolution;

WHEREAS, the 104 Bay Street North project with a shortfall of \$800k is not as time sensitive as continued conversations with CMHC may enable the smaller financial shortfall to be bridged; and,

WHEREAS, the City has previously authorized the issuance of debt financing for both of these projects;

THEREFORE, BE IT RESOLVED

- (a) That the General Manager, Finance and Corporate Services, be authorized to enter into and execute any necessary agreements, including any agreements with Infrastructure Ontario's Loan Program, to secure the capital funding required for CityHousing Hamilton Corporation project at 55 Queenston Road with content

acceptable to the General Manager, Finance and Corporate Services and in a form satisfactory to the City Solicitor;

- (b) That the General Manager, Finance and Corporate Services, be authorized and directed to negotiate and confirm the terms, placement and issuance of all debenture issue(s) and / or private placement debenture issue(s), in either a public or private market and / or bank loan agreements and debenture issue(s) and / or variable interest rate bank loan agreements and debenture issue(s), in an amount not to exceed \$4,600,000 Canadian currency in support of CityHousing Hamilton for project at 55 Queenston Road;
- (c) That the General Manager, Finance and Corporate Services, be authorized and directed to enter into and execute any necessary agreements, to engage the services of all required persons, agencies and companies to secure the terms and issuance of the debenture issue(s) described in Recommendation (a) including, but not limited to, external legal counsel, fiscal agents and financial professionals, with content acceptable to the General Manager, Finance and Corporate Services and in a form satisfactory to the City Solicitor;
- (d) That the General Manager, Finance and Corporate Services, Mayor and City Clerk are individually authorized and directed to enter into and / or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents to implement Recommendation (a) and in order to secure the terms and issuance of the debenture issue(s) described in Recommendation (a) with content acceptable to the General Manager, Finance and Corporate Services and in a form satisfactory to the City Solicitor;
- (e) That the General Manager, Finance and Corporate Services be authorized and directed to administer all agreements and necessary ancillary documents described in Recommendations (a), (b), (c) and (d);
- (f) That staff be directed to prepare, for Council's consideration, all necessary By-law(s) to authorize and implement CityHousing Hamilton Corporation project at 55 Queenston Road, including By-laws for the purpose of authorizing the debenture issue(s) in accordance with Recommendations (b), (c), (d), (e), and (f) and any by-laws necessary to negotiate, place and secure the required capital funding in accordance with Recommendation (a);
- (g) That the General Manager, Finance and Corporate Services be directed and authorized to amend the debt financing amount in Recommendation (b) to reflect any additional funding sources, whether Federal or Provincial, that may be received in addition to the current budgeted amounts.