



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 4, 2024
SUBJECT/REPORT NO:	Municipal Incentives for the 90 Carling Street Rental Project – 10 Additional Affordable Units (HSC20009(a)) (Ward 1)
WARD(S) AFFECTED:	Ward 1
PREPARED BY:	Jana Amos (905) 546-2424 Ext. 1554 Matthew Principato (905) 546-2424 Ext. 2334
SUBMITTED BY:	Michelle Baird Director, Housing Services Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the City enter into an Agreement amending the Municipal Housing Project Facilities Amending Agreement - 90 Carling Street entered into between the City and 1649626 Ontario Inc. dated November 25, 2021 consistent with the terms and conditions contained in Appendix "A" to Report HSC20009(a) – Term Sheet for Municipal Housing Project Facilities Amending Agreement – 90 Carling, and that the source for the additional funding provided for in the Amending Agreement in the amount of \$104,150 be funded from the Parkland Reserve 104090, and that the General Manager of Healthy and Safe Communities be authorized to execute the amending agreement in a form satisfactory to the City Solicitor; and
- (b) That Municipal Housing Project Facilities By-law 21-247 be amended as provided for in the amending By-Law attached as Appendix "B" to Report HSC20009 (a) in order to provide for an additional 10 affordable housing units.

EXECUTIVE SUMMARY

On April 8, 2020, Council approved 10 affordable housing units in the 90 Carling Street residential development (100 units) through Report HSC20009. The report included financial support in the form of a forgivable loan in the amount of 10% of the site plan application fees, 10% of the building permit fees, and 10% of the cash-in-lieu of parkland dedication due to be paid by 1649626 to the City for the 90 Carling Street development project. These units will be available for 15 years to households currently in social housing, helping to free up space for those on the Access to Housing Wait List.

Report HSC20009(a) seeks Council's approval of 1649626 Ontario Inc.'s proposal to increase the affordable housing units from 10 to 20 on the condition that the same assistance previously approved, in respect of parkland dedication fees, for the provision of 10 affordable housing units be provided for the 10 additional proposed affordable housing units. The form of the assistance would be a forgivable loan in the amount of \$104,150 being the amount of previously paid Cash-in-lieu of Parkland Dedication fees for the 10 additional affordable housing units. The term sheet attached as Appendix "A" for the forgivable loan includes a condition that the loan will not be advanced by the City until 1649626 Ontario Inc. withdraws its appeal with the Ontario Land Tribunal respecting the Cash-in-lieu of Parkland Dedication fees (in OLT-21-001820), provide a full and final release to the City respecting parkland dedication requirements for this project, including confirmation that no further appeal will be filed related to the cash-in-lieu parkland dedication fees for the development of \$104,150, and that no appeals or disputes of any fees associated with the development be made by 1649626 Ontario Inc.

Report HSC20009(a) also recommends that the City enter into a Municipal Housing Project Facilities Amending Agreement with 1649626 Ontario Inc. to amend the current agreement's terms, in order to implement an approval of additional financial assistance and reach a settlement in relation to OLT-21-001820.

The additional 10 affordable units, consistent with Council approval of the initial 10 affordable units, shall remain affordable for a period of 15 years at or below 125% CMHC Average Market Rent (AMR) for the geographical area, as established by the Canadian Mortgage and Housing Corporation (CMHC). The total benefit to 1649626 Ontario Inc is equal to \$226,782.68, This proposal supports the City's goals within the Housing and Homelessness Action Plan (HHAP) goals and Housing Sustainability Investment Roadmap.

As required by By-law 16-232 and in order to implement Recommendation (a) of the Report HSC20009(a) Municipal Housing Project Facilities By-law 21-247 requires amendments as provided for in the amending By-Law attached as Appendix "B" to

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Report HSC20009(a). Recommendation (a) cannot be approved without Recommendation (b) also being approved.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Approval of this report would result in a forgivable loan to 1649626 Ontario Inc in the amount of \$104,150 being the amount of parkland fees for the 10 additional affordable housing units, as calculated by the Corporate Real Estate Office and, consistent with the Parkland By-law 18-126 which was in effect at the time of payment. The source of the loan funds would be the Parkland Reserve 104090.

Staffing: N/A

Legal: Legal services have reviewed the amending By-law and will draft amending agreement as set out in the recommendations of Report HSC20009(a).

HISTORICAL BACKGROUND

City Council approved Report HSC20009 which granted its approval for 10 affordable housing units within the 90 Carling Street (100 unit) residential development on April 8th, 2020, in return for financial assistance in the form of a forgivable loan for the site plan application fees, building permits fees and waiver of cash-in-lieu of Parkland Dedication fees for the 10 affordable units. This approval required the City to execute agreements and enact by-laws. Notwithstanding, By-law 21-247 was enacted, prior to editing of the draft by-law, improperly reflecting Council's decision denying municipal property tax relief for the project.

Hamilton continues to have an undersupply of affordable rental housing units. To address its housing crisis, Council endorsed a 10-Year Housing and Homelessness Action Plan (HHAP) with the first outcome area to increase the supply of affordable housing. The City is currently falling below its stretch target of development of 350 new units per year. The Housing Sustainability Investment Roadmap (HSIR), recently approved by Council, provides a path forward in addressing the Housing Crisis in Hamilton and addressing a healthy housing continuum.

The City of Hamilton Housing Services Division continues to explore innovative ways to increase the amount of affordable housing supply within the City. Including re-envisioning its partnerships with for-profit developers which successfully created approximately 267 units under previous affordable housing funding programs between 2006-2012. However, these opportunities to work with For-Profit organization had been limited in the recent past. By revisiting the partnerships with For-Profit organizations, as

outlined in this report, the City can gain additional support from this sector to meet the Housing and Homelessness Action Plan's stretch target and the Housing Sustainability Investment Roadmap (HSIR) targets as a Hamilton made solution.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Approval of recommendation (a) requires an amendment to By-Law 21-247, as addressed by recommendation (b) and Appendix "B".

RELEVANT CONSULTATION

Corporate Services - Legal Services Division ("Legal")

Legal staff have provided advice and assisted in the development of all documents pertaining to this report. Legal will continue to assist with the development of the municipal housing project facilities agreement, amending agreements, mortgage registration, and aspects of administration of the agreements.

Corporate Services – Financial Planning, Administration, and Policy Division ("Finance")
Finance reviewed this report and confirmed the financial components.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The original report approved by Council in 2020 outlined a financially efficient approach to increasing the supply of affordable housing in the City. This initiative was associated with a building nearing construction and would achieve occupancy within months of Council's approval supported by approved fee waivers and exemptions that enhance the project's feasibility. However, 1649626 Ontario Inc. has appealed the City's calculations of the remaining balance of Cash-in-lieu of Parkland Dedication fees, filing this appeal with the Ontario Land Tribunal. The term sheet attached as Appendix "A" to Report HSC20009(a) contains conditions to the provision of the forgivable requiring a withdrawal of the appeal and no further appeals regarding parkland dedication fees or other development fees.

The Parkland By-law 18-126 permits Housing Services Division to determine a project to be affordable housing and consistent with the Council approved By-law permits cash-in-lieu for parkland to be waived, or in this case subject to a forgivable loan that effectively results in a waiver of the fees as long as the affordability requirements are satisfied up until the end of the term of the loan.

With the approval of this report, the Municipal Housing Project Facilities agreement is to be amended to reflect the new additional affordable units as well. The implementing By-laws to permit the implementation of this proposal and provide the authority will be also amended and implemented.

ALTERNATIVES FOR CONSIDERATION

N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix “A”: Term Sheet for Municipal Housing Project Facilities Amending Agreement – 90 Carling Street

Appendix “B”: Amending By-law To Amend By-Law No. 21-247, Hamilton 90 Carling Street Municipal Housing Project Facilities By-law