



## City of Hamilton Report for Consideration

**To:** Mayor and Members  
General Issues Committee

**Date:** June 11, 2025

**Report No:** PED25167

**Subject/Title:** Leadership in Energy and Environmental Design  
Grant Application (LGP-25-01) 1518 (1540) Upper  
Wentworth Street, Hamilton

**Ward(s) Affected:** Ward 7

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### Recommendations

- (a) That Leadership in Energy and Environmental Design Grant Application LGP-25-01, submitted by Hamilton East Kiwanis non-Profit Homes Inc., owner of the property 1518 (1540) Upper Wentworth Street, Hamilton **BE APPROVED** for a Leadership in Energy and Environmental Design Grant not to exceed \$1,139,630.00 for estimated construction costs to be provided over a maximum of five (5) years, in accordance with the terms and conditions of a Leadership in Energy and Environmental Design Grant Agreement;
- (b) That the General Manager of the Planning and Economic Development Department **BE AUTHORIZED AND DIRECTED** to execute a Leadership in Energy and Environmental Design Grant Agreement together with any ancillary documentation required, to give effect to the Leadership in Energy and Environmental Design Grant for Hamilton East Kiwanis Non-Profit Homes Inc., owner of the property 1540 Upper Wentworth Street, Hamilton in a form satisfactory to the City Solicitor;
- (c) That the General Manager of the Planning and Economic Development Department **BE AUTHORIZED AND DIRECTED** to administer the Leadership in Energy and Environmental Design Grant Agreement including but not limited to: deciding on actions to take in respect of events of default and executing any Grant Amending Agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Leadership in Energy and Environmental Design Grant, as approved by City Council, are maintained and that any applicable Grant Amending Agreements are undertaken in a form satisfactory to the City Solicitor.

## **Key Facts**

- The purpose of this Report is to present the Leadership in Energy and Environmental Design Grant Application for 1540 Upper Wentworth Street and provide, among other things, Staff's analysis of the recommended Grant payment;
- Staff's recommendations implement the Council approved Leadership in Energy and Environmental Design Grant Program and, if approved, provide the Applicant with a financial support to construct a sustainable Leadership in Energy and Environmental Design Gold building; and,
- These recommendations align with Council direction and priorities, particularly Council Priority 1: Sustainable Economic and Ecological Development.

## **Financial Considerations**

No new funding or staffing resources are required to implement any of the recommendations in this Report as the funding of the Grant is derived from the generation of municipal taxes from the development. As per the Program, the City may provide the Applicant with a Grant equivalent to 75% of the increase in municipal taxes up to the estimated eligible costs of \$1,139,630.00 or until five annual payments are provided, whichever comes first. Based on an estimated maximum potential annual Grant amount of \$97,152.60, the annual Grant payments are estimated to conclude in year five with a total achievable grant of \$485,763.00.

During the Grant payment period, the City will retain the remaining 25% of the annual municipal tax increment not otherwise provided to the Applicant estimated to be \$32,384.20 annually and \$161,921.00 over the five year grant payment period.

Upon completion of the eligible Grant payments, the City will realize the full municipal tax increment estimated to be \$129,536.80 annually for the remaining life of the development.

## **Background**

### **Application and Planned Redevelopment**

On March 10, 2025, an Application to the Program for the Site was submitted by Hamilton East Kiwanis Non-Profit Homes Inc. c/o Brian Sibley. The Site is located on

the west side of Upper Wentworth Street between Rymal Road East and Stone Church Road in Ward 7.

The total site area is approximately 1.96 hectares, which includes 85 affordable townhouse dwellings that exist on the subject lands. However, the proposed development area of the site, where the eight-storey proposed structure will be built, is focused on the northeast portion and is 0.33 hectares. A site map is provided in Appendix A to Report PED25167, this Report.

To accommodate this proposal, 15 townhouses were demolished. This has been part of Kiwanis' plans for years and all tenants of the demolished units were relocated per their relocation plan. The City's housing staff provided support to this plan in 2020.

The Applicant intends to achieve a Leadership in Energy and Environmental Design Gold certification for the planned redevelopment, which includes an eight-storey rental residential building containing 124 dwelling units with a mix of one-, two- and three-bedroom units. These units provide a range of affordable rents, which are owned and operated by Kiwanis Homes, a not-for-profit developer.

### **The Grant Program and Certification**

The Program is intended to provide an economic catalyst for sustainable building and land development practices by cost-sharing (50%) in the assumed incremental costs required to achieve the Leadership in Energy and Environmental Design certification by the Canada Green Building Council.

The Leadership in Energy and Environmental Design certification process is an independent, third-party verification with the goal of achieving one of the four ratings of Certified, Silver, Gold or Platinum. Points are earned for incorporating "green" building strategies and improvements (in this context, they are typically above the baseline associated with the Ontario Building Code) in the six areas of human and environmental health including Site Development, Water Efficiency, Energy Efficiency, Material Selection, Indoor Environmental Quality, and Innovative Design as discussed further below in the Analysis section.

### **Urban Hamilton Official Plan**

The subject site is identified as "Neighbourhoods" on both Schedule "E" – Urban Structure and on Schedule "E-1" – Urban Land Use Designations. The planned development conforms to the designation.

### **City of Hamilton Zoning By-law 05-200**

The subject Site is zoned Multiple Dwellings (E-2/S-1823) District, which permits residential uses.

## **Site Plan Control**

At the time of writing this Report, the planned development has received Conditional Site Plan Approval (DA-23-056).

## **Analysis**

The subject site is located within the Hamilton LEED'ing the Way Community Improvement Project Area By-law 08-213, as amended. The Applicant is intending to achieve a Leadership in Energy and Environmental Design Gold certification and is therefore eligible for a Grant that is equivalent to 2.5% of the overall construction cost of the proposed development.

As with all certifications achieved under Canada Green Building Council's Leadership in Energy and Environmental Design program, the Applicant will be required to meet an established threshold, with the intention of delivering a high-performing and resilient building that also achieves a carbon emissions reduction. The planned Leadership in Energy and Environmental Design certification for this proposal includes the following (note specific building strategies and improvements may be subject to change during construction and through the certification process):

- A carbon emissions of 3.4 kg CO<sub>2</sub>e/m<sup>2</sup>/year and energy use intensity of 79.9 kWh/m<sup>2</sup>/year through the following key building performance features (among others):
  - High efficiency geothermal variable refrigerant flow system to provide heating/cooling for suites and amenities;
  - In-suite energy recovery ventilators and energy recovery ventilators to serve the 6th floor amenity area;
  - High efficiency air source heat pump domestic hot water heaters (with high efficiency condensing boilers to provide backup heat as ambient temperatures drop below -10 degree Celsius);
  - High efficiency condensing boilers to provide supplementary heating for the geo exchange loop;

\*Note: the above allows for over 60% energy consumption savings and over 84% greenhouse gas emissions reduction compared to a baseline design using Ontario Building Code SB-10 requirements;

- Low flow plumbing fixtures;
- Enhanced collection and recycles during construction and occupancy;
- Enhanced indoor air quality minimums through the use of low-volatile organic compounds certified products in construction, including monitoring during construction; and,
- The use of quality lighting, including designs for views to the exterior in suites.

The Program assumes a corresponding increase in total construction costs of 5% for developments intending to achieve Leadership in Energy and Environmental Design Gold. The City's share of this increase, per the Program, is 50% of the assumed increase or 2.5% of the total construction cost. The Program also permits the addition of the soft costs associated with achieving the Leadership in Energy and Environmental Design certification including, but not limited to, energy modelling, consultant fees and Leadership in Energy and Environmental Design certification costs.

Therefore, the maximum Grant, based on eligible costs, is estimated at \$1,139,630.00 consisting of the following:

- \$1,047,066.50 representing 2.5% of the estimated overall construction cost for the development of \$83,765,320.00; and,
- \$92,563.50 representing 50% of estimated eligible soft costs of \$185,127.00.

Notwithstanding the above maximum potentially eligible grant, based on staff's estimates of the municipal tax uplift to be generated, staff are currently estimating that the maximum grant the applicant will receive will be \$485,763.00 over five years.

Prior to any Grant payment being issued, the Applicant will be required to provide the following:

- Confirmation that eligible costs under this Program have not been the subject of any other financial assistance;
- As with most not-for-profit home developers, there are a number of grants and favourable loans available to them from all levels of government. Staff have confirmed that the funding available, including the potential of the grant available through this recommendation, does not exceed the cost of the proposed development.

Some of the grants and loans the Applicant has accessed (or are pending approval) include:

- \$9.3M grant and \$24.2M loan from Canada Mortgage and Housing Corporation Affordable Housing Fund;
  - \$6M grant and \$4M loan from the Federation of Canadian Municipalities Capital Funding;
  - \$3.5M from Ontario Priorities Housing Initiative; and,
  - \$1.4M grant from the City of Hamilton's Affordable Housing Grant.
- A Quantity Surveyors report to confirm the final (actual) construction costs with supporting documentation for the eligible costs, which will be audited by Staff. The supporting documentation can be audited by a third party at the discretion of Staff, which will be at the Applicant's expense;
  - Confirmation of the achievement of the Leadership in Energy and Environmental Design Gold certification from the Canada Green Building Council. The Grant will not be issued if the intended Leadership in Energy and Environmental Design Gold certification is not achieved (i.e. a lower certification or no certification is achieved), while an achievement of a certification greater than Leadership in Energy and Environmental Design Gold (i.e. Platinum) will require a revised recommendation report to Council to increase the eligible Grant maximum in accordance with the Program terms for Council consideration; and,
  - Confirmation that the subject lands and proposed project will be subject to municipal property taxes that are the responsibility of the applicant (note, the applicant is currently paying property taxes on the property).

A Council approved Grant payment is not issued until the construction of the proposed development is completed and the Applicant has paid one (full calendar year of taxes, at which point the estimated Grant payment, provided in this report, will be finalized in accordance with the actual taxes paid and the uplift in municipal taxes confirmed. The following is an overview of pre and post development property assessments and associated taxes which have informed the estimated maximum potential Grant and Grant payment period contained in this Report. The below helps distinguish between the maximum permitted Grant (based on eligible costs) and the maximum achievable Grant given the details of the proposed development and the Program requirements.

Annual Grant as a percentage of annual municipal tax uplift: 75%

Total Estimated Eligible Costs (Maximum):	\$	\$1,139,630.00	
Pre-project Assessment (MT- Multi residential):	\$	7,619,000.00	Year: 2024
Municipal Levy:	\$	200,032.69	
Education Levy:	\$	11,657.07	
Pre-project Property Taxes	\$	211,689.76	

Estimated Post-project Assessment (MT – Multi residential and New Multi Residential):	\$	19,262,000.00	Year: 2024
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Estimated Municipal Levy:	\$	329,569.49
Estimated Education Levy:	\$	29,470.86
Estimated Post-project Property Taxes:	\$	359,040.35

Estimated Annual Municipal Levy Increment:	\$	129,536.80
Estimated Annual Grant (75% of increment):	\$	97,152.60

Total Estimated Achievable Grant (the total, distributed over a maximum of five Annual Grant payments):	\$	485,763.00
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### Provisions for Calculations:

- 1) The actual roll number(s), assessed value(s), tax classification(s) and value partitioning (where applicable) are to be determined by the Municipal Property Assessment Corporation upon completion of the development;
- 2) As per Program requirement, the increase in realty taxes is based on the year in which the tax estimate was requested;
- 3) 2024 tax rates have been used for calculation of the estimated post-development property taxes;

- 4) Annual Taxes exclude any Local Charges;
- 5) Post-development assessment estimate provided by Municipal Property Assessment Corporation; and,
- 6) All dollar figures rounded.

### **Legislated Requirements**

Municipal financial incentive program required to be enacted through a Community Improvement Plan must be established in accordance with Section 28 of the Planning Act.

The Program is authorized by the Hamilton 'LEED'ing the Way Community Improvement Plan By-law 08-213 as amended, which was originally adopted and approved in 2008 and subsequently reviewed and updated in 2010 in accordance with Section 28 of the Planning Act. The Applicant will be required to enter into a Leadership in Energy and Environmental Design Grant Agreement that will specify the obligations of the City and the Applicant and will be prepared in a form satisfactory to the City Solicitor.

### **Alternatives**

The Application meets the eligibility criteria and requirements of the Program. In the event the project is not considered for the Program, the Application should be referred to staff for further information on possible financial and/or legal implications.

### **Relationship to Council Strategic Priorities**

Staff's recommendations support the following key Council priority:

- 1. Sustainable Economic and Ecological Development
  - 1.1. Reduce the burden on residential taxpayers.
  - 1.2. Facilitate the growth of key sectors.
  - 1.3. Accelerate our response to climate change.
  - 1.4. Protect green space and waterways.

### **Previous Reports Submitted**

Not applicable.



## Consultation

- Irwin Sampat, Tax Assessment and Appeals Advisor, Finance and Corporate Services Department.

## Appendices and Schedules Attached

Appendix A – Site Location Map

**Prepared by:** Johnpaul Loiacono, Senior Project Manager  
Planning and Economic Development Department, Economic Development Division

**Submitted and recommended by:** Norm Schleeahn, Director  
Planning and Economic Development Department,  
Economic Development