



**Date:** February 9, 2023

**Report to:** Board of Directors  
CityHousing Hamilton Corporation

**Submitted by:** Adam Sweedland  
Chief Executive  
Officer/Secretary

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**Subject:** **257 King William St - Funding Application Support  
(Report #21001(c))**

**RECOMMENDATION:**

That the Board of Directors approve the following resolution to:

- (i) Acknowledge and support the funding application to FCM's Sustainable Affordable Housing pilot project to contribute towards the development costs associated with the 257 King William St project.

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Adam Sweedland  
Chief Executive Officer/Secretary

**EXECUTIVE SUMMARY:**

CityHousing Hamilton (CHH) is currently developing a 24-unit modular building at 257 King William (King William). The project is fully funded but CHH staff have identified an additional potential funding source for which King William is eligible to qualify.

The Federation of Canadian Municipalities' (FCM) Sustainable Affordable Housing pilot program grant seeks leading-edge pilot projects that generate significant GHG reductions for affordable housing providers and their communities.

The King William development has eligibility to qualify for this program as it is the first known volumetric modular multi-unit residential building built to the high-performance Passive House standard in Eastern Canada. It will be 100% electric, includes a solar roof, and is expected to have an annual energy total of 60kWh / m2, drastically reducing GHG emissions.

This funding would provide a grant in addition to those already secured for King William and will be used to offset the costs of energy efficiency and generation measures. Should not all the project contingency be used, it may be reallocated to support future projects.

The conditions of the grant, including the resolution, have been reviewed by CHH's legal counsel and do not bind CHH to receipt of funds. It is only a requirement of funding to have this endorsement from the Board for the purposes of application.

#### **BACKGROUND:**

In March 2018, the Board approved CHH's development plan through Report #17021(b) which included 257 King William St as one of the five developments.

CHH obtained authorization from the Board on November 24, 2020 to proceed with the RHI application at 257 King William. In March 2021, CHH received confirmation that the project was not selected as part of the first round of RHI funding. To help increase the feasibility of the project CHH began identifying alternative funding and was awarded \$1.9M in COCHI funding in March 21. On June 30<sup>th</sup>, CMHC announced that a second round of RHI. In collaboration with Housing Services, CHH submitted an updated application in August for a City-endorsed project at a \$10.96M budget. CHH was awarded \$6.48M on January 25<sup>th</sup>, 2022 as part of the RHI funding.

With escalating costs in the construction market by time of tender, an additional \$3.43M was required for the revised project cost of \$14.4M. In May 24, 2022, the CHH Board approved the full utilization of the Sold Unit funds allocation of \$2.55M and the reallocation of \$0.875M of Poverty Reduction Funding to fill the \$3.43M funding gap.

If CHH is successful in its application to the FCM Sustainable Affordable Housing pilot program, this funding will be used to offset the costs of energy efficiency and generating measures, with any remaining project contingency being reallocated to support future projects.

**DISCUSSION:**

The Federation of Canadian Municipalities’ (FCM) Sustainable Affordable Housing pilot funding helps projects increase innovation and energy efficiency. As part of the funding eligibility each project must be working towards being net zero and maintain a net annual total energy use intensity of less than 80 kWh/m2 at project completion. If selected, a project can receive up to \$500,000 in grant funding.

Currently 257 King William St is being built to the Passive House standard with the addition of a solar roof. The total annual energy use is expected to be 60kWh / m2, which is significantly below the minimum target, exceeding program requirements.

Should this funding be secured it will be used to offset the costs of energy efficiency and generating measures, with any remaining project contingency being reallocated to support future projects. Table 1 outlines the current project funding below.

Table 1

RHI	CHH Equity (Sold Units, DCs)	COCHI	Poverty Reduction Fund	Total
6,475,844	5,149,185	1,900,000	875,348	<b>14,400,377</b>

RHI funding: *Funding for Canada Mortgage and Housing Corporation funding for rapid housing initiative projects*  
 Sold Unit Fund: *Funding from the sale of single and semi-detached units, used for the replacement of units.*  
 DC Funding: *Development Charge Funding which the City of Hamilton formerly collected a portion of to fund net new CHH affordable units. With Bill 23, the City will no longer be collecting new funding for CHH.*  
 COCHI: *Canada-Ontario Community Housing Initiative funding, this funding has energy outcomes associated with it.*  
 Poverty Reduction Fund: *City investment, in this case allocated to increase the housing supply*

For applicants such as CHH, which are not a municipal government, SAH funding applications must be supported by the Board. CHH has requested authorization and support from the Board to apply for the FCM Sustainable Affordable Housing pilot fund to help improve the financial sustainability of this project.

## **CONCLUSION:**

The Federation of Canadian Municipalities' (FCM) Sustainable Affordable Housing pilot program seeks leading-edge pilot projects that generate significant GHG reductions for affordable housing providers and their communities. Given that the high-performance characteristics of the 257 King William St project create eligibility for an application to the program, CHH is recommending that the Board support an application for this additional grant funding, as is requirement of application.

## **ALIGNMENT TO THE 2023-2027 STRATEGIC PLAN:**

This report implements:

### **FLOURISHING COMMUNITIES:**

Empower tenants with the support and services they need to thrive.

### **NEIGHBOURHOOD REVITALIZATION:**

Develop new and inclusive affordable mixed housing that builds strong and successful multi-generational communities.

AS/sb

Mission: We provide affordable housing that is safe, well maintained and cost effective and that supports the diverse needs of our many communities.