



CREO
CORPORATE REAL ESTATE OFFICE
CITY OF HAMILTON

Conditional Lease Offering Affordable Housing Development

1126 Garth Street, Hamilton



Hamilton

Project Objective

A long-term ground lease for affordable residential development at 1126 Garth Street, Hamilton (the “Subject Site”) that:

- Advances the City’s [Housing and Homelessness Action Plan](#) and [Housing Sustainability and Investment Roadmap](#);
- Supports the creation of family oriented affordable rental or ownership housing;
- Fosters holistic community development;
- Showcases excellence in urban design and high performance building construction;
- Integrates the new development with the existing neighbourhood.

Offering Parameters and Mandated Conditions

1. Financial Requirement

The Subject Site is being offered on the basis of a long-term ground lease (the “Lease”) with nominal annual rent. A nominal value lease arrangement is predicated on the condition that the proponent(s) is a non-profit housing provider.

2. Affordable Housing Supply and other Minimum Requirement Conditions

- a) Any offer is conditional on the development of affordable housing in accordance with the following Affordable Housing Supply Schedule (the “AHSS”):

Tier	Unit Type, Tenure	Mandated Rate
First 5 Affordable Units (50% of maximum 10 units permitted per Zoning By- law)	2 or 3-bedroom townhouse units, rental or ownership	Rental: Maximum 80% of Average Market Rent Ownership: Maximum 90% of Average Purchase Price

- b) Residential units within the development that meet the AHSS parameters shall be considered “affordable units” by the City. The City will not accept offers that propose alternate definitions and must adhere to the above AHSS.
- c) All offers must designate a team member as an “operator”, as per the *Housing Services Act*, that has experience delivering, administering, and operating affordable housing in Canada.
- d) Tenants for any affordable rental units proposed must be drawn exclusively from the City’s centralized waitlist.
- e) All affordable units must be committed to the above Schedule (AHSS) and for a minimum term of 40 years, which shall be consistent with the negotiated lease term.
- f) Average Market Rent (AMR) shall be as defined in the most recent Affordability Threshold for Rental Housing, City of Hamilton, set out in the [Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#). The maximum threshold is the lower of the market-based and income-based definition.
- g) Average Purchase Price shall be as defined in the most recent Affordability Threshold for Ownership Housing, City of Hamilton, set out in the [Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#). The maximum threshold is the lower of the market-based and income-based definition.
- h) Rents may only be increased annually by the Provincial Rent Increase Guideline amount, regardless of unit turnover.
- i) Preference will be given to projects that include a target population based on the City’s Housing Needs Assessment, including:
 - Families that are currently underhoused
 - Single parent and women-led households

- Indigenous households
- Refugee or recent immigrant households
- Black-led and visible minority households
- Older populations and aging in place

3. Site Conditions

The lands are being leased “as is”. The tenant shall be responsible for managing and funding the entire capital cost of all site condition requirements, including, but not limited to, any environmental issues, necessary on-site and off-site servicing, grading, geotechnical, etc. Vehicular access is only permitted from Bonaventure Drive and will not be permitted from Garth Street.

The property is subject to a 9 metre wide easement along the northern property boundary that contains a watermain serving a hydrant on Garth Street. The easement is identified as Part 2 on Plan 62R-14137. The easement and watermain must remain on the property, therefore no building footprint can be within Part 2 of Plan 62R-14137. Also within the easement area is a pedestrian path connecting Bonaventure Drive and Garth Street. The pedestrian connection should be incorporated within the development concept.

Part 4 on Plan 62R-14137 is a right-of-way widening that will be retained by the City. No building footprint can be within Part 4. A copy of the reference plan is available on the City's webpage.

4. Regulatory Requirements

This offering is being made available by the City as the Owner/Landlord of the lands. Any resultant contract shall not fetter the City's rights to regulate the use or improvement of the lands.

The proposal must comply with existing land use regulations respecting the Subject Site. The Subject Site is zoned RT-20 – Townhouse-Maisonette District in Former City of Hamilton Zoning By-law No. 6593.

Preliminary modelling of the site has indicated that a maximum of ten two- or three-bedroom townhouse units can be accommodated on the site, subject to approval of required minor variances. Such use and density (maximum ten units) would be permitted to proceed directly to building permit based on current *Planning Act* requirements. Proposals requiring site plan approval or Official Plan or Zoning By-law amendments will not be considered. A copy of the preliminary modelling is available for proponents proceeding to Step 2 of the offering process.

In proceeding with development, the tenant shall be responsible for meeting all applicable regulatory requirements imposed by any level of government or conservation authority. The tenant is responsible for minor variance and building permit applications and approval processes required to implement its development plan.

As related to this offering, the City cannot guarantee any concessions to exempt the subject lands or development project from typical application fees, development charges, permitting requirements or taxation that may be applicable to the proposed project. Additional information related to existing programs and legislated exemptions for non-profit housing or affordable housing development can be provided to proponents. The tenant will be responsible for ensuring that the eligibility requirements for any available incentive programs and/or exemptions are met.

5. Additional Capital Funding

The City is willing to be named as a “co-investor” for any applications being made for upper-tier government capital funding or financing to build the affordable housing units. However, only the value of the leased land may be counted as co-investment capital contributions if/when applying for upper-tier government loans or grants.

It is the responsibility of the tenant to make appropriate accounting and legal arrangements to satisfy the funding agency's application submission and due diligence requirements.

6. Obligation to Deliver

The Lease shall contain requirements for the provision of the affordable units over the 40-year term, or longer as negotiated, based on the minimum affordability requirements and unit mix and tenure proposed by the tenant.

Development milestones shall be specified in the Lease to ensure timely delivery of the affordable units. The entire development must be completed by no later than 3 years following the execution of the Lease unless it can be reasonably demonstrated that completion is imminent or that the delay is a result of extraordinary circumstances. Failure to deliver within this timeframe will constitute termination pursuant to the terms of the Lease.

7. Reporting and Consent Requirements

Every three (3) months, the tenant shall provide the City's Housing Secretariat with a written project progress update that includes projected milestones for land development, financing, construction, and operations management activities, with particular emphasis on specific steps that require City participation as either a named co-investor or operating partner.

The first update report shall be submitted within two (2) months of Lease execution, or not less than one (1) month prior to making an application submission, whichever is earlier.

Post-construction, the tenant shall be required to submit annual reports confirming the continuation of the minimum affordability requirements, in accordance with the City's Affordable Housing Development Project Stream guidelines. Such reporting requirements will also be included in the terms of the Lease.

Submission Objectives and Requirements

The City wishes to encourage proposals that showcase excellence in urban design, high performance building construction, sustainability and connectivity with the community, and that advance the City's commitment to the Housing Sustainability and Investment Roadmap.

1. The offering process includes two steps, as outlined below.

Step One

An expression of interest may be accepted up to 3pm on Monday, April 28, 2025, and must include:

- A. Development presentation and description that is compatible with the surrounding neighbourhood, including:
 - i. Preliminary concept sketches/ development layout, if available;
 - ii. Number/location of affordable units committed; and,
 - iii. Information on any intended features or use of techniques and technologies that promote environmental sustainability.
- B. Description of how the project meets or exceeds the affordable housing requirements set out in this offering, including:
 - i. Depth of affordability (i.e. percentage of average market rent or average purchase price) and unit types;
 - ii. Target population(s), as identified on the City's Affordable Housing Development Project Stream webpage or Housing Needs Assessment, that the project will address; and,
 - iii. Committed funding and sources, and/or intended financing strategy.
- C. Proponent information and status as a non-profit housing provider, including:
 - i. An overview of the company, Board of Directors, subsidiary corporations and their Boards and expertise;

- ii. A copy of the organization's most recent audited financial statement demonstrating that they are in good financial standing;
- iii. A copy of the incorporation documents demonstrating that the proponent is a non-profit and that operating affordable housing is part of its mandate;
- iv. A certificate of status indicating that the corporation is in good standing, valid within the last 3 months; and,
- v. Examples of other affordable housing projects that have been completed within the past 5 years in Canada.

Step Two

Proponents that have expressed an interest in Step One and meet the minimum requirements will be invited to continue to Step Two. It is anticipated that this will occur within two weeks of the Step One submission. Proponents proceeding to Step Two will receive access to the data room and will be requested to submit the following:

- A. Concept sketches/development layout, which may be amended after Step One based on additional information provided in the data room.
 - B. Development schedule identifying milestone dates.
 - C. Proforma model demonstrating feasibility of the proposed project based on a nominal Lease.
- 2. City reserves the right to choose any proposal, or reject all offers and issue a new call for proposals.
 - 3. City will prioritize proposals on the basis of committed affordable units and ability to address the needs of target populations.

4. City anticipates conducting meetings with shortlisted potential non-profit housing providers to discuss topics that may include, but not be exclusive to, delivery of affordability objectives, proposed design, the partners' commercial relationship, phasing, financing plans, sustainability measures, accessibility targets, and affordable housing management experience.
5. The selected non-profit housing provider will enter into a Ground Lease Agreement with the City, which shall include conditions related to development milestones. The major terms and conditions will be outlined in a Letter of Intent and provided to proponents proceeding to Step Two.