SUBJECT: 4 Bridgewater Court: Donation of Provincial Land to the City of Hamilton for a Joint CityHousing Hamilton / Habitat for Humanity Affordable Housing Development (SSC06004) (Ward 9)

RECOMMENDATION:

(a) That the Provincial Minister of Municipal Affairs and Housing be commended for the vision and commitment to meet the affordable housing needs of Hamilton residents through the donation and transfer of the Province-owned property at 4 Bridgewater Court to the City of Hamilton and the funding allocation for CityHousing Hamilton under the Canada-Ontario Affordable Housing Program.

(b) That the Minister of Municipal Affairs and Housing be advised that the City of Hamilton will accept the transfer of the property known as 4 Bridgewater Court (PIN 17097-1047 / Block 3, Plan 62M-648, City of Hamilton) for the purpose of creating affordable housing in partnership with Habitat for Humanity Canada and Habitat for Humanity Hamilton.

(c) That the Mayor and City Clerk be hereby authorized and directed to execute all documents and agreements, in a form satisfactory to the City Solicitor, and any other transactions that will give effect to:

(i) the transfer of the 4 Bridgewater Court property from the Province of Ontario to the City of Hamilton; and,

(ii) the City’s partnership with Habitat for Humanity Canada and Habitat for Humanity Hamilton that will facilitate the joint development of the 4 Bridgewater Court property for affordable housing.

(d) That 4 Bridgewater Court be declared surplus to the requirements of the City of Hamilton in accordance with the “Procedural By-law for the Sale of Land”, being By-law No. 04-299.
(e) That Legal Counsel be authorized to prepare the necessary transfer deed from the City of Hamilton to CityHousing Hamilton Corporation in order to facilitate the development and construction of the affordable housing units at 4 Bridgewater Court.

(f) That any applications for funding under the Canada-Ontario Affordable Housing Program made by CityHousing Hamilton and Habitat for Humanity for Bridgewater Court be endorsed.

Joe-Anne Priel  
General Manager  
Community Services Department

**EXECUTIVE SUMMARY:**

On August 14, 2003 the former Provincial Government announced they would donate the property known as 4 Bridgewater Court to the City of Hamilton for the sum of $1 to support homelessness prevention through the development of a range of new affordable housing options on the vacant land.

In partnership with Habitat for Humanity, the City of Hamilton through CityHousing Hamilton Corporation is proposing to develop a 62-unit residential development that will provide both homeownership and rental housing opportunities.

As illustrated per Table 1, the total City contribution for this project is in the amount of $2,058,000 and the Provincial Minister of Municipal Affairs and Housing has approved funding in the amount of $3,360,000. The Minister of Municipal Affairs and Housing is also considering providing funding for the homeownership component by Habitat for Humanity.

| TABLE 1  
Bridgewater Court Funding (Prior to Donated Materials) |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>City of Hamilton Capital Contribution</td>
</tr>
<tr>
<td>City Development Charge Exemption (62 units)</td>
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<tr>
<td>Total City Contribution</td>
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<tr>
<td>Federal Provincial Funding</td>
</tr>
<tr>
<td>Mortgage (CityHousing $504k) / (Habitat $1.728m)</td>
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<tr>
<td>Total</td>
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Housing Branch staff and CityHousing Hamilton Board members in partnership with Habitat for Humanity have to date garnered significant construction material discounts and donations from various suppliers which are not reflected in the budgeted costs.
noted in Table 1. These savings will be reflected in lower mortgage costs once construction has been completed.

Housing Branch staff have been working with representatives from Habitat for Humanity and the Ministry of Municipal Affairs and Housing since late 2002 to bring this project to reality. To this end, a number of draft documents and agreements have been prepared that require execution by the Mayor and City Clerk to give effect to the property transfer and establish a development partnership with Habitat for Humanity.

In addition, the development charge exemption for the Habitat for Humanity component (14 units) is consistent with the exemption of development charges for the CityHousing Hamilton component (48 units) considering that CityHousing Hamilton is the developer for the entire project and that is in accordance with the Development Charges By-law.

Bridgewater Court is a most unique affordable housing initiative in Ontario and exemplifies the essence and strength of “partnership”. The lands will be donated by the Provincial Government to the City of Hamilton. This underscores the pivotal role of the Province in responding to the range of affordable housing needs in Ontario municipalities including the City of Hamilton. The City of Hamilton, through CityHousing Hamilton Corporation, in turn is partnering with Habitat for Humanity to create a range of affordable housing options in one comprehensive development including homeownership, market rental and rent-geared-to-income rental.

**BACKGROUND:**

**Partnership Evolution and Project Design:**

Beginning in late 2002, Housing Branch staff was having discussions with senior representatives from Habitat for Humanity Canada and the Provincial Ministry of Municipal Affairs and Housing. The purpose of these discussions was to explore and establish a partnership between the City of Hamilton through CityHousing Hamilton Corporation, Habitat for Humanity Canada and Habitat for Humanity Hamilton to develop an affordable home ownership and rental housing development on a vacant 2.8 acre Provincially-owned parcel of land known as 4 Bridgewater Court. Located in a growing suburban neighbourhood, 4 Bridgewater Court is well located for schools, parks, community facilities and shopping. The lands are also attractively located adjacent to a small creek and pedestrian walkway. (See location map, attached as Appendix A to Report SSC06004.)

Habitat for Humanity is an independent, non-profit ecumenical housing program dedicated to the elimination of poverty by building homes in partnership with families in need. The Habitat program is about home ownership and providing a long-term solution designed to break the poverty cycle. Its mission is to provide simple, decent, affordable housing in partnership with families who otherwise would not qualify or be able to afford a conventional mortgage. In the City of Hamilton, the local affiliate of Habitat for
Humanity has been active for many years and seven homes have already been successfully constructed.

On August 14, 2003 the former Provincial Government announced they would donate the Bridgewater Court property to the City of Hamilton for the sum of $1 to support homelessness prevention through the development of a range of new affordable housing options on the land. (See Provincial press releases, attached as Appendix B to Report SSC06004.)

Following the Provincial announcement, Housing Branch staff and representatives from Habitat for Humanity Canada and Habitat for Humanity Hamilton finalized a “Memorandum of Understanding” (MOU) for a working partnership. This MOU outlined the commitment to work together in a spirit of partnership and good faith and the parameters of how the design process and the development details for the Bridgewater Court project would proceed.

Habitat for Humanity as an organization is looking at new ways of building and establishing partnerships, particularly with municipalities. The City of Hamilton partnership is their first municipal partnership in Canada and they regard this specific initiative as a template for future initiatives across Ontario and Canada.

To aid the conceptual design process and demonstrate their commitment to the partnership, Habitat for Humanity retained the professional expertise of Professor Dr. Avi Friedman of McGill University, who is well known internationally for his innovative “Flexi Housing” concept. The current zoning on the site permits high-density apartments; however, both Housing Branch staff and Habitat for Humanity believed the most appropriate dwelling configuration would be lower density townhouses and stacked townhouses to better integrate within the existing neighbourhood. As a result, Professor Friedman completed a design concept with a focus on an attractive design, energy efficiency and built-form cohesiveness tied together with a community focal point of a small parkette.

From a public policy perspective, this type of “integrated” residential development reflects housing market conditions that there are a range of affordable housing needs along the housing continuum in our community. The Bridgewater Court development is a direct response and a proactive example of ensuring that as a community we have housing options at various points along the housing continuum to meet the needs of our residents.

A series of due diligence land development elements have been assessed and reviewed by both organizations. These include determining the potential for environmental contamination, establishing top of bank requirements with the Hamilton Region Conservation Authority, assessing suitability of soil conditions to support construction and an archaeological assessment undertaken in accordance with Provincial Ministry of Culture and Citizenship protocols. On the basis of the foregoing and to best of our knowledge, the site is acceptable for residential development without any undue or unreasonable constraints or restrictions.
The conceptual design prepared by Professor Avi Friedman was refined and finalized by the architectural and project management firm of Vogel & Zahoruk. As shown in Appendix C to Report SSC06004, the final design is comprised of 62 units: 14 units for Habitat for Humanity in Blocks A, B and C (8 3-bedroom units and 6 4-bedroom units) and 48 units for CityHousing Hamilton in the remaining Blocks (32 2-bedroom units, 4 3-bedroom units and 12 4-bedroom units). The Habitat for Humanity component is comprised entirely of 14 townhouse units; the CityHousing Hamilton component is comprised of 24 townhouse units and 24 stacked townhouse units.

An application for rezoning from apartments to townhouses was submitted in early October, 2005 (ZAC-05-106) and is to be brought forward to the March 7, 2006 meeting of the City’s Planning and Economic Development Committee. An application under Site Plan Control (DA-06-07) was submitted in November, 2005 was considered by the Development Review Committee on February 15, 2006 and will be approved subject to clarification on the location and design of the on-site garbage pick-up.

Housing Branch staff and Habitat for Humanity representatives have completed a draft “Joint Venture Agreement” (JVA). The purpose of the JVA is to provide clarity and direction for the City of Hamilton/CityHousing Hamilton and Habitat for Humanity as the actual Bridgewater Court construction proceeds. Delineation and clarification of the relationship is intended to reaffirm the commitment to the success of Bridgewater Court and to anticipate potential issues of concern as they may arise. To this end, the JVA addresses matters such as cost sharing, contractor payment procedures, building material and development services procurement, public relations and marketing, on-site project management, Habitat for Humanity unit transfer and post development management. Execution by the Mayor and City Clerk of the Joint Venture Agreement and the other parties will give formal effect to the City of Hamilton partnership with Habitat for Humanity Canada and Habitat for Humanity Hamilton for the Bridgewater Court development.

Project Costs and Funding Sources:

Preliminary construction cost estimates suggest the total project cost prior to construction material donations and discounts would be at a maximum of $7.65 million or approximately $124,000 per unit. The cost of construction will be apportioned to CityHousing Hamilton and Habitat for Humanity based on their respective share of the total gross floor area of the project: approximately 71 percent for CityHousing Hamilton and 29 percent for Habitat for Humanity.

As part of the 2004 and 2005 Capital Budget, Council approved direct budget allocations of $500,000 and $1,000,000, respectively, to facilitate the development of Bridgewater Court. The development is also eligible for $558,000 in development charge exemptions. Without the City’s financial assistance of $2.058 million, this project would not proceed and is evidence of the City’s commitment to improve the quality-of life of our residents and directly respond to the affordable housing needs in our community now and in the future.
On January 19, 2006, the Provincial Minister of Municipal Affairs and Housing confirmed that funding in the amount of $3,360,000 for the 48 CityHousing Hamilton units would be made available under the Strong Start component of the Canada-Ontario Affordable Housing Program. The Strong Start initiative was announced on August 31, 2005, by the former Honourable Joe Fontana, Federal Minister of Labour and Housing, and the Honourable John Gerretsen, Ontario Minister of Municipal Affairs and Housing as part of a total $322 million being made available for affordable housing units in Ontario. Habitat for Humanity is as well being considered under the Strong Start Homeownership component of the Canada-Ontario Affordable Housing Program pending the completion of a business case outlining how potential Federal-Provincial dollars would be utilized.

Habitat for Humanity has a demonstrated expertise and ability to acquire donated and discounted building materials and development services to facilitate the cost effective construction of affordable housing. The development of Bridgewater Court is an opportunity for the City of Hamilton/CityHousing Hamilton Corporation to tap into this unique expertise and lower the actual construction costs of the CityHousing Hamilton component of the site which would contribute to the long-term financial sustainability of the project.

As a result, Housing Branch staff and members of the CityHousing Hamilton Corporation Board of Directors have been actively working with Habitat for Humanity representatives to secure donated building materials and development services for the entire Bridgewater Court site. The value of these donations will likely be in the several hundreds of thousands of dollars range and will directly reduce the construction costs of the project and enhance the level of energy efficiency. Several major building material manufacturers have already been approached and have indicated a strong desire to be a partner in the Bridgewater Court development and the positive tangible results it will bring to the residents of Hamilton and the City of Hamilton more broadly.

In accordance with Development Charges By-law No. 04-145, CityHousing Hamilton as developer of the Bridgewater Court development is exempt from payment of development charges as the project is in part being funded by a senior level of government affordable housing program.

Habitat for Humanity will be targeting existing CityHousing Hamilton social housing tenants as their candidate families for the 14 homeownership units. This will have the positive effect of freeing up social housing units for other more needy households on the Access to Housing social housing waiting list.

**Land Transfer Process and Mechanics:**

To give effect to the donation of the 4 Bridgewater Court land from the Provincial Government to the City of Hamilton, a number of legal agreements including, but not limited to, a transfer agreement and an agreement of purchase and sale are required to be first executed and signed-off by the Mayor and City Clerk. These agreements will then be executed by the Minister of Municipal Affairs and Housing.
These various agreements have been reviewed and refined over the past 24 months by Housing Branch staff and Legal Services staff and are straightforward with no concerns identified. In effect, the agreements bind the City to partner with Habitat for Humanity and create a minimum number of affordable housing units targeting rental and homeownership on the 4 Bridgewater Court property. This is not a concern and it has been the intent of Housing Branch staff since 2002 to develop the property in this manner.

Upon completion of the transfer of the land to the City of Hamilton, in order to facilitate the development of the affordable housing units on the 4 Bridgewater Court land, a transfer deed will be prepared between the City of Hamilton and CityHousing Hamilton Corporation. The City of Hamilton is the sole shareholder of CityHousing Hamilton Corporation and is governed under the Business Corporations Act. CityHousing Hamilton essentially functions as the City of Hamilton’s delivery mechanism for residential development initiatives.

As the land will be in City of Hamilton ownership, the provisions of By-law No. 04-299 – Procedural By-law for the Sale of Land – are applicable. Prior to transfer to CityHousing Hamilton Corporation, Council must declare the land surplus. It should be noted that as the sale is to another public body or board, an appraisal is not required and this report functions as public notice in accordance with the By-law.

The entire Bridgewater Court project will be registered as condominium. Upon final registration and individual title is accorded to each dwelling unit, agreements of purchase and sale between CityHousing Hamilton Corporation and the respective 14 Habitat for Humanity families for “their” specific unit will be executed for the sum of $1 each. Also at this time Habitat for Humanity will place a first and second mortgage on the respective property at a preferential interest rate. The amount of the mortgage will be consistent with the market value of the property and the homeowner will pay monthly payments.

**Next Steps:**

The architectural and project management firm Vogel & Zahoruk are finalizing the detailed construction drawings. Upon completion of these drawings, a construction tender will be issued. Importantly, the construction tender will delineate areas where donations of building materials and specialized labour services have been secured which will reduce the cost of construction. This promotional and public relations work has commenced and will continue until all possible donation sources have been exhausted. Providing various land use planning approvals are in place by April, 2006, it is anticipated the construction tender will be released during Summer, 2006 with construction starting in Fall, 2006. Construction completion and occupancy is anticipated to be Fall, 2007/Winter, 2008.
ANALYSIS/RATIONALE:

Today, solutions to affordable housing needs must be viewed through the lens of the “housing continuum”. This recognizes the need to ensure a supply of affordable housing is available at all points along the housing continuum and that initiatives should be implemented to encourage households to move along the housing continuum.

Bridgewater Court is a most unique affordable housing initiative in Ontario and exemplifies the essence and strength of “partnership”. The lands will be donated by the Provincial Government to the City of Hamilton. This underscores the pivotal role of the Province in responding to the range of affordable housing needs in Ontario municipalities including the City of Hamilton. The City of Hamilton, through CityHousing Hamilton Corporation, in turn is partnering with Habitat for Humanity to create a range of affordable housing options in one comprehensive development including homeownership, market rental and rent-geared-to-income rental.

ALTERNATIVES FOR CONSIDERATION:

There are no alternatives for consideration. The Provincial Government has committed to transfer the land at no cost to the City of Hamilton and Habitat for Humanity must be a partner in the development of 4 Bridgewater Court. By not proceeding with the land transfer, the City of Hamilton will lose the opportunity to acquire Provincial land at no cost and the 62 unit affordable homeownership and rental housing development in partnership with Habitat for Humanity would not proceed.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial – City Council has approved and authorized $1,500,000 in direct capital funding through the 2004 and 2005 budget as well as provided for $558,000 in development charge exemptions through By-law No. 04-145. The Minister of Municipal Affairs and Housing has committed $3,360,000 under the Strong Start component of the Canada-Ontario Affordable Housing Program. Additional funds will be secured through a mortgage on the property by a yet to be determined financial institution. This will be arranged prior to construction start. There are no on-going operating subsidies provided to this residential development by the City of Hamilton; Bridgewater Court is not considered a social housing project in the context of the Social Housing Reform Act.

Staffing – Overseeing the construction and property management of the Bridgewater Court development can be accommodated within the existing staff complement of the Housing Branch, Community Services Department.

Legal – Legal Services staff have reviewed the various documents and agreements to give effect to the land transfer and have not identified any concerns. Staff from the Development and Real Estate Division has also provided comment and direction on the mechanics of the land transfer. Legal Services will oversee all documents and
agreements to ensure the City's interests are protected prior to execution by the Mayor and City Clerk.

**POLICIES AFFECTING PROPOSAL:**

None

**RELEVANT CONSULTATION:**

Housing Branch staff have consulted with Finance and Legal Services staff in regard to the various agreements that will give effect to the land transfer from the Provincial Government and the Habitat for Humanity partnership. Development planning staff and real estate staff from the Development and Real Estate Division of the Planning and Economic Development Department have been actively involved in providing guidance and advice on the development parameters of the project. Further, Housing Branch staff are in continual discussion with Provincial Ministry of Municipal Affairs and Housing staff clarifying implementation details and funding arrangements associated with the Bridgewater Court development.

In addition representatives from Habitat for Humanity have had ongoing discussions with the residents of the adjoining property to advise them of the scope and nature of the development.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced. [Yes] [No]**

Shelter, care and satisfying employment are accessible to all Hamiltonians.

**Environmental Well-Being is enhanced. [Yes] [No]**

Human health and safety are protected.

**Economic Well-Being is enhanced. [Yes] [No]**

Investment in Hamilton is enhanced and supported.

**Does the option you are recommending create value across all three bottom lines?**

[Yes] [No]

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**

[Yes] [No]
Approval of creative and unique municipal initiatives such as the Bridgewater Court residential development and partnership with Habitat for Humanity emphasizes a corporate culture that promotes staff leadership, innovation and entrepreneurship.
Eves Government Donates Land to City of Hamilton
To Build Affordable Housing

Hamilton — The Ernie Eves government today donated nearly three acres of land to the City of Hamilton to support affordable housing, announced David Young, Minister of Municipal Affairs and Housing.

The City of Hamilton has plans for 40 affordable three-bedroom townhouses on the site known as Bridgewater Court. Eight of those units will be built with the help of Habitat for Humanity Canada.

“This project represents another step in Eves government’s pledge to help create affordable housing units — particularly in high need areas of the province, like the City of Hamilton,” said Young.

The Eves government has donated the Bridgewater Court site to help the City of Hamilton build affordable housing. The 40 units will be a mix of homeownership and rental units for low-income families, and rental units for moderate-income families.

“By donating this land, the Eves government is helping Hamilton continue to grow and develop as a city,” said Brad Clark, MPP for Stoney Creek and Ontario’s Minister of Labour. “I’m excited and proud to be part of this development, as we make it easier and more affordable for Hamilton families to realize the dream of home ownership.”

“This new housing site and the land donation are in line with what Hamilton residents set out to achieve with Vision 2020,” said Hamilton Mayor Robert Wade. “Bridgewater will immediately assist in improving the health and well-being of low-income families, and will make efficient and economic use of the infrastructure and services in our community.”

- more -
Habitat for Humanity, an international non-profit organization that seeks to eliminate poverty housing worldwide, will build the eight units targeted for homeownership with the help of the local affiliate, volunteers and the families. Habitat for Humanity Canada will offer these families interest-free, long-term mortgages.

"The Bridgewater project will help break the cycle of poverty for people in need of housing," said Art Zuidema, chairman, Board of Directors, Habitat for Humanity Canada. "Our organization is proud to partner with these families to make their dream of homeownership a reality."

Bridgewater Court site is located off Mud and Paramount Streets in the Stoney Creek area of the City of Hamilton. The 1.146-hectare (2.83-acre) site is currently vacant. More information about other housing projects can be found at www.mah.gov.on.ca.

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www.mah.gov.on.ca
Eves Government Donates Land to City of Hamilton to Build Affordable Ho

August 14, 2003

Land donation

The Eves government and the City of Hamilton are entering into a legal contract to transfer title of the property, Bridgewater Court, including a condition that the property be developed within the next five years.

As part of the agreement, the City of Hamilton will sign a Memorandum of Understanding with Habitat for Humanity Canada and hold an open tender call for the selection of a developer. The developer will set the foundation, design all housing units and construct 32 of the 40 units. Habitat for Humanity volunteers will construct the remaining eight units. All units will be built according to the same design.

The Bridgewater Court housing site

The development will include:

- 40 three-bedroom townhouse units comprising a mix of low-income and average market rental units and low-income homeownership units

- 60 per cent of the units will be rental and 40 per cent homeownership.

Housing units are divided into the following types:

- eight units for homeownership to low-income households to be built by Habitat for Humanity
- eight rent supplement units
- 16 average market rent units
- eight rent-to-own units for social housing tenants.

Archaeological and environmental assessments

This property has been assessed several times to ensure there are no impediments to development.

The property underwent a Phase I archaeological assessment in 1987. At that time (and confirmed again in spring 2003), the Ministry of Culture, the Local Architectural Conservation Advisory Committee and the City of Hamilton deemed that the site does not have any significant archaeological or cultural features.
In 2000, Ontario Realty Corporation employed an independent private company, Trow Consulting Engineers, to perform a base line report of the site that determined there were no environmental or archaeological concerns related to its development.

Other affordable housing projects

The Ontario government has pursued other avenues for working with municipalities and other organizations to develop affordable housing. This year, the Province started implementing the Canada-Ontario Affordable Housing Program, which aims to create more than 10,500 new units of affordable housing in Ontario over the next five years. Under the agreement, the federal government is providing $245 million in funding for affordable housing projects in Ontario. This federal funding will be matched by contributions from the Province, as well as municipalities, and non-profit and charitable organizations.

To date in Ontario, some 573 rental units and a total of $6.9 million in federal/provincial funding have been approved, with many other rental projects being submitted for funding consideration. In addition, $2 million has been allocated to remote areas of Ontario.

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