



Staff Report

Administration – Chief Administrative Officer

Report To: Committee of the Whole Meeting
Meeting Date: June 7, 2022
Report Number: FAF.22.112
Title: The Blue Mountains Attainable Housing Corporation Operating Fund Extension
Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF.22.112, entitled “The Blue Mountains Attainable Housing Corporation Operating Fund Extension”;

AND THAT Council direct staff to provide funding in the amount of \$_____ to The Blue Mountains Attainable Housing Corporation totaling an Operating Loan of \$_____;

AND THAT Council provide the funding to The Blue Mountains Attainable Housing Corporation as a repayable Loan on the basis of the existing Terms and Conditions of the Loan Agreement;

Or

AND THAT Council consider funding in the amount of \$_____ as a forgivable Loan as requested by The Blue Mountains Attainable Housing Corporation and direct staff to bring forward a future report to Council with funding options for further Council consideration;

AND THAT Council authorize the Director of Finance and IT Services, Director of Legal Services and, the Chief Administrative Officer to execute the Loan Extension with Terms and Conditions satisfactory to staff.

B. Overview

This report is a follow up to the requests made by The Blue Mountains Attainable Housing Corporation during their deputation to Council at the May 24, 2022 Council meeting. The report includes recommendations regarding the extension to the current Operating Loan between the Town and The Blue Mountains Attainable Housing Corporation for Council consideration.

C. Background

Council received a [Deputation from The Blue Mountains Attainable Housing Corporation, Executive Director Jennifer Bisley](#) at the May 24, 2022 Council meeting.

The purpose of the deputation was to provide Council and the public an overview of The Blue Mountains Attainable Housing Operating and Fiscal Update.

Discussion regarding the Deputation resulted in the two (2) following recommendations being approved by Council:

Motion #1

Moved by: Mayor Soever

Seconded by: Councillor Sampson

THAT, further to the deputation of Jennifer Bisley, Executive Director, The Blue Mountains Attainable Housing Corporation (BMAHC) providing the BMAHC Operating and Fiscal Update, Council direct staff to extend the term of the loan agreement to November 30, 2023, in coordination with the promissory note, Carried.

Motion #2

Moved by: Councillor Hope

Seconded by: Councillor Sampson

THAT Council of the Town of The Blue Mountains received the deputation of Jennifer Bisley, Executive Director, The Blue Mountains Attainable Housing Corporation (BMAHC) providing the BMAHC Operating and Fiscal Update, Carried.

D. Analysis

Based on the Council discussion regarding The Blue Mountains Attainable Housing Corporation Deputation provided during the May 24, 2022 Council meeting, staff suggest that more specific direction is required regarding the potential provision of additional operating funding that would be included in the extension to the existing Operating Loan.

A portion of the request was considered, and direction provided relating to the above noted Motion #1.

As identified in the [deputation material](#) provided by The Blue Mountains Attainable Housing Corporation (page 14), the following requests were identified

That the Town approve the amendment of the loan agreement as follows:

- Extend term from May 30, 2022 to a date beyond occupancy and construction completion (note that the term was not extended when the loan agreement was amended in 2021 although subsequent promissory notes include a repayment date of 30 Nov 2023).
- Increase the total loan amount by \$360,000 to allow for a loan of up to \$800,000 in anticipation of a draw down during a potential lame duck Council prior to elections.
- Make the loan forgivable under mutually acceptable terms and conditions.

Staff note that Council has not provided direction to staff regarding the provision of the additional \$360,000 increase to the existing Loan to \$800,000 from the current \$440,000.

Additional Discussion During Deputation

Town staff did reach out to Ms. Bisley following the May 24 2022 Council meeting to confirm and clarify the request that was discussed during the Deputation. This section of the staff report provides the information regarding the requests being made by The Blue Mountains Attainable Housing Corporation and has been provided in consultation with Ms. Bisley as the Executive Director of The Blue Mountains Attainable Housing Corporation.

Ms. Bisley confirmed with staff that additional funding would strengthen The Blue Mountains Attainable Housing Corporations funding application and provide greater certainty of success if an additional \$400,000, that would be required likely at the end of the first quarter in 2023, would be approved at this time. This consideration would see the total Operating Loan of \$1.2 million, with draws on the Loan being subject to achievement of specific terms and conditions.

Ms. Bisley suggested that the first draw of up to \$360,000 would be subject to the selection of the Design Builder and the execution of the design development agreement.

The second draw being subject to Canada Mortgage and Housing Corporation (CMHC) funding approval and the execution of the CCDC14-2013 contract.

Town staff suggest that if this additional funding was to be considered by Council, a range of additional terms and conditions could be set.

If Council were to consider providing the full request, the recommendation contained in this report would be completed from a funding perspective as follows:

AND THAT Council direct staff to provide additional funding in the amount of \$760,000 to The Blue Mountains Attainable Housing Corporation totaling an Operating Loan of \$1,200,000.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None.

G. Financial Impacts

If Council approves the additional funding of \$360,000, Finance staff recommending using working capital to loan the additional Operating Costs of The Blue Mountains Attainable Housing Corporation.

If Council approves the additional \$400,000, in addition to the \$360,000 noted above, the Town will also use working capital to loan the additional funding to The Blue Mountain Attainable Housing Corporation.

The terms of the funding are proposed to remain the same as stipulated in the current Loan Agreement which is an interest rate equal to the Town's cost of borrowing plus 200 basis points and will have the term ending November 30, 2023 as directed by Council. The Town's current cost of borrowing is 1.48% which would result in a loan rate of 2.48%.

Based on Council direction, if there were to be further consideration or direction relating to the request to shift to the forgivable loan, staff will require some additional review time to best recommend the financial strategy to Council at a later date.

H. In Consultation With

Ruth Prince, Director of Finance and IT Services

Will Thomson, Director of Legal Services

Jennifer Bisley, Executive Director of The Blue Mountains Attainable Housing Corporation

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Everitt, Chief Administrative Officer cao@thebluemountains.ca.

J. Attached

None

Respectfully submitted,

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
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519-599-3131 extension 234

Report Approval Details

Document Title:	FAF.22.112 The Blue Mountains Attainable Housing Corporation Operating Funding Extension.docx
Attachments:	
Final Approval Date:	May 30, 2022

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - May 30, 2022 - 1:21 PM