



Report of the General Manager and Chief Financial Officer

2022 Mortgage Renewal - Mulock Village in the Town of Newmarket

Recommendations

1. The Board pass the attached resolution (Attachment 1).
2. The Housing York Inc. Board authorize the Ministry of Municipal Affairs and Housing to act on Housing York Inc.'s behalf to negotiate the mortgage renewal, in accordance with the provisions of the attached resolution (see Attachment 1) provided by the Ministry of Municipal Affairs and Housing, for Mulock Village, located at 507 Needler Crescent, Town of Newmarket (Attachment 2).
3. The Board authorize the President to execute the necessary agreements and documents required by the lender to amend or renew the mortgage.
4. The Board authorize the Secretary to certify the attached resolution and provide copies to the Ministry of Municipal Affairs and Housing and the Lender.

Summary

This report seeks Board approval to proceed with the mortgage renewal process for Mulock Village in the Town of Newmarket, in accordance with Housing York Inc.'s (HYI's) Borrowing Bylaw 2-07. The existing mortgage expires March 1, 2022. The Ministry of Municipal Affairs and Housing requires a Board resolution to act on HYI's behalf to refinance the mortgage.

Background

Ministry of Municipal Affairs and Housing coordinates Housing York Inc.'s mortgage renewal

On January 1, 2001, the Ministry assumed responsibility for coordinating mortgage renewals for housing providers. A centralized and unified mortgage renewal process has increased the Ministry's bargaining power and resulted in favourable interest rates for housing providers across Ontario. The Ministry researches the rates available through different sources, particularly the Ontario Financing Authority Corporation (the funding authority for the province), Canada Mortgage and Housing Corporation, and financial markets. Historically, mortgage rates obtained by the Ministry have been the best rates available on the market. This process also provides a single point of contact for housing providers during the renewal process.

Housing York Inc.'s Borrowing Bylaw enables refinancing of the buildings

HYI's Borrowing Bylaw allows for the financing of its Provincial Reform buildings (buildings constructed between 1987 and 1996). All in this program with mortgages that have five or more years remaining to maturity are financed by mortgages arranged by the Ministry.

Mulock Village is a 104-unit townhouse site located in the Town of Newmarket. Its mortgage expires March 1, 2022, concluding a five-year term at 2.105%. The estimated principal balance of the existing mortgage is \$4,091,500. The remaining amortization period is 60 months.

Analysis

The renewal rate is expected to be between 1% and 2.5%

The Bank of Canada prime rate was 2.45% on November 17, 2021. Based on the current economic outlook, the COVID-19 pandemic and recent mortgage renewals, HYI management forecasts that the renewal rate will be between 1% and 2.5%.

Financial Considerations

The Region will adjust subsidy funding to Housing York Inc. to reflect the updated mortgage rate

The Region, as Service Manager, provides HYI with a subsidy to cover mortgage costs. Following the mortgage renewal, the Region will recalculate HYI's mortgage subsidy based on the new rate. Mortgage renewals do not have a budget impact for HYI.

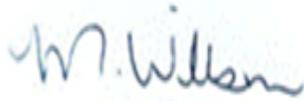
Local Impact

There is no local municipal impact associated with this report.

Conclusion

HYI will renew the mortgage for Mulock Village following processes established by the Ministry. The renewal rate is expected to be similar to the existing term and will not result in a budget impact to HYI.

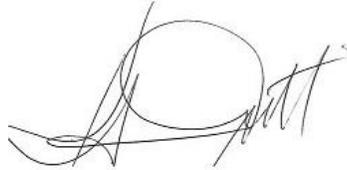
For more information on this report, please contact, Michelle Willson at 1-877-464-9675 ext. 76064. Accessible formats or communication supports are available upon request.



Recommended by: Michelle Willson
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Kathy Milsom
General Manager, Housing York Inc.



Approved for Submission: Katherine Chislett
President, Housing York Inc.

December 10, 2021
Attachments (2)
eDOCS# 13461861