THE REGIONAL MUNICIPALITY OF YORK

Housing York Inc.
January 12, 2005
Report of the
General Manager

MORTGAGE RENEWAL
GLENWOOD MEWS

1. RECOMMENDATIONS

It is recommended that:

1. The Corporation, utilizing the services of the Ministry of Municipal Affairs and Housing, refinance the existing mortgage against Glenwood Mews, 1-64 Patchell Crescent, in the Town of Georgina, maturing on February 1, 2005.

2. The Corporation's Chair and Secretary be authorized to execute all documents necessary to give effect thereto, subject to the prior review by either of the Corporation's Solicitor and Treasurer, as applicable.

2. PURPOSE

Housing York Inc. has fixed-term mortgages on each of nine properties that periodically expire and must be renewed. Glenwood Mews is a 64-unit family townhouse property located on Patchell Crescent in the Town of Georgina. The mortgage expires on February 1, 2005 with an estimated principal balance of $6,142,895.71 at the end of its five-year term.

3. BACKGROUND

Housing York Inc. received a letter from the Financial Administration Section, Social Housing Branch, Ministry of Municipal Affairs and Housing (MMAH) on November 25, 2004 relating to the 1-64 Patchell Crescent property mortgage.

4. ANALYSIS AND OPTIONS

MMAH has been performing the mortgage renewal function since 1993 and has been able to achieve significant savings. MMAH researches rates available through different sources, particularly: The Ontario Financing Corporation (the funding authority for the Province), Canada Mortgage and Housing Corporation (CMHC), and Financial Markets.

Historically, the mortgage rates obtained through this service have been the best attainable. The existing rate on the Glenwood Mews mortgage is 6.45%. It is likely that renegotiated rates may be lower.

Furthermore according to the *Social Housing Reform Act, 2000* and regulations, housing providers are required to participate in such process as may be established by the minister for the renewal and replacement of mortgages. (SHRA, 2000, Section93 (2)(h), Regulation 339, Sec 38).

5. FINANCIAL IMPLICATIONS

Mortgages for these non-profit housing projects are funded directly (100% of mortgage costs) within the Non-Profit Social Housing Funding Model. Effectively, the costs of the mortgages are borne by The Regional Municipality of York within the Social Housing Program expenditures. These program costs are partially offset by Federal Housing program subsidies.

6. LOCAL MUNICIPAL IMPACT

There is no direct impact on local municipalities.

7. CONCLUSION

Housing York Inc. expects to achieve a reduced rate and cost of financing through the renewal of the mortgage with MMAH.

The Senior Management Group has reviewed this report.

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December 16, 2004

KC/dm

Version 4-2003-5-30