



CA government contributions/governance discussions

From William Brooks <brooksw@cassellholme.on.ca>

Date Fri 2025-08-29 12:14 PM

To Jennifer Carriere <carrierej@castlearms.ca>

Cc J Lowery <jlowery022@gmail.com>; Decaire, Dean <ddecaire@bdo.ca>

1 attachment (72 KB)

Motion - Castle Arms (September 2).pdf;

I realize that this question is not coming out of the blue with the public motion on CNB's agenda, and I am providing more information and context because of that.

On government funding.

See below summarizing all levels of government contributions I'm aware of over the lifespan of Castle Arms, to the best of my knowledge. It is likely not exhaustive.

- MMAH (Provincial):
 - Throughout the 1980s and 1990s CA entered into operating agreements to provide affordable housing in CA 1, 2, & 3 and has received millions in operating subsidies since then in the form of:
 - Operating subsidy to offset mortgage costs
 - RGI subsidy to provide RGI rental units
 - Property tax subsidies equal to 100% of property taxes
 - Over the years has received hundreds of thousands in various capital grants through programs such as OPHI, COCHI, SHIP, etc.
- CMHC (Federal):
 - Received forgivable loans for CA 4 and CA Mattawa facilitated through CMHC's affordable housing program in partnership with DNSSAB and City of North Bay/Town of Mattawa which are being amortized over the life of the buildings.
 - Receives funding for a 2nd mortgage on CA4 via DNSSAB to offset additional capital costs back in 2009
 - Recently received about \$100,000 in CMHC Seed grants to obtain building condition and other engineering assessments for all buildings
 - Involved in providing favourable terms, mortgage insurance to Castle Arms for all mortgages through various lenders
- Municipal:
 - The land for CA 4 was severed from Cassellholme's existing property, unclear on CA 1, 2, & 3 though likely from Cassellholme or City of North Bay.
 - North Bay provides an annual 50% tax grant relating to Castle Arms 4 property through the affordable housing agreement for that building for the difference between multi-res and residential tax rates
 - Mattawa provides an annual 50% tax grant relating to Castle Arms Mattawa property through the affordable housing agreement for that building for the difference between multi-res and residential tax rates
 - Castle Arms (and Cassellholme) has certainly benefited over the years from a mutual arrangement for shared services and non-arms length use of resources as partners.

As far as municipal guarantees go, I am not aware of any that were used to secure financing for CA. CA likely didn't need municipal guarantees with the provincial funding and rent revenue being sufficient to qualify for any financing at the time.

There is no question that there have been municipal contributions of various kinds over the years. The corporation and buildings wouldn't exist if it weren't for the will of a municipally & provincially run board of management for Cassellholme in the 1980s deciding to do so.

On governance

It is also true that the CA board has always been a separate legal entity with its own by-laws and constitution from the time it was created in 1986 as a non-profit distinct from Cassellholme. The assets it owns have been property of CA since the time they were legally transferred or constructed.

It is again true that the governance model of a non-profit corporation can change. The process for how, when, and why a governance structure can or should change and who should be involved/consulted, are clearly up for discussion and disagreement, as seen over the past few years and now in the motion.

At a procedural level identified in ONCA legislation, the board of the non-profit is the decision maker on its governance structure, though there are obviously many stakeholders involved in any non-profit as ingrained as Castle Arms is to Cassellholme and it's supporting member municipalities. In my opinion, first among those stakeholders should be the tenants/residents/citizens that these corporations are meant to serve, who gain nothing from political battles, and lose when legal costs are incurred or public images are affected.

I've Cc'd Dean as he may be able to provide more context around any funding that predates my time with the organization. I also have a duty to ensure that the auditor for Castle Arms is aware of the ongoing political discussion and potential legal implications as well given the language in the motion.

Thanks,

William Brooks, CPA

Chief Financial Officer

CASSELLHOLME

Compassionate care for life's journey.

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Book time to meet with me

From: Jennifer Carriere <carrierej@castlearms.ca>
Sent: Thursday, August 28, 2025 9:50 AM
To: William Brooks <brooksw@cassellholme.on.ca>

Cc: J Lowery <jlowery022@gmail.com>

Subject: Municipal funds

Good morning,

Can you verify what municipal funds and/or guarantees or securities were received by Castle Arms directly from a municipality or Cassellholme?

Jennifer Carriere

Operations Coordinator, Castle Arms

705-845-2025

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CASTLE ARMS

NON-PROFIT SENIORS APARTMENTS