

# Committee of the Whole Meeting Agenda

Monday, February 7, 2022, 2:00 p.m.

Remote meeting live streamed on [guelph.ca/live](https://guelph.ca/live)

Changes to the original agenda are noted with an asterisk "\*".

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Pages

## 1. Notice of Electronic Participation

### 1.1. Committee of the Whole

This meeting will be held by Electronic Participation in accordance with City of Guelph Procedural By-Law (2021)-20649.

## 2. Call to Order - Chair O'Rourke

### 2.1. Disclosure of Pecuniary Interest and General Nature Thereof

## 3. Staff Recognitions

### 3.1. City of Guelph - 2021 Lean Yellow Belt Graduates

Chris Vanderveen, Water Metering Technician, Environmental Services

Kelley des Tombes (McCormick), Planner I Development Site Plan Coordinator, Planning & Building Services

Kristin Pressey, Environmental Management System Specialist, Environmental Services

Nicholas Rosenberg, Program Manager Permits, Planning & Building Services

Sahar Shams, Traffic Technologist II, Engineering & Transportation Services

Stephanie Slaman, Economic Development Officer, Economic Development & Tourism

Rena Hooey, Supervisor Ticketing Event Services, Culture &

Recreation  
Janet Gerrath, Business Analyst IT, Information Technology  
Juan DaSilva, Council & Committee Coordinator, City Clerk's Office  
Manoj Devineni, Finance Business Advisor, Finance  
Paul Allen, Manager Employee Health/Safety/Wellness, Human Resources  
Tim Hunter, Business Analyst IT, Information Technology

**4. Service Area - Infrastructure, Development and Enterprise Services**

Chair - Councillor O'Rourke

**5. Items for Discussion - Infrastructure, Development and Enterprise Services**

The following items have been extracted from Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

**5.1. Long-term and Short-term Rental Housing Report, 2020-138**

1

**Presentation:**

Colleen Clack-Bush, Deputy Chief Administrative Officer, Public Services

Jayne Holmes, Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise Services

**Recommendation:**

1. That Council approve the approach to licence short-term rentals in principal residences under the City's Business Licence By-law (2009)-18855.
2. That Council direct staff to engage key stakeholders and the public to develop a short-term rental category along with regulations under the City's Business Licensing By-law (2009)-18855 and report back to Council in the fourth quarter of 2022.
3. That the Business Licence fee for short-term rentals and associated costs be included in the 2023 budget confirmation.
4. That staff continue to use the proactive enforcement and education approach to manage long-term rental housing in Guelph.

**5.2. Municipal Accommodation Tax - 2022-09**

24

**Presentation:**

Jayne Holmes, Deputy Chief Administrative Officer,

Infrastructure, Development and Enterprise Services  
John Regan, General Manager, Economic Development and  
Tourism  
Cathy Masterson, Manager Tourism and Destination  
Development

**Recommendation:**

1. That a four percent Municipal Accommodation Tax rate, as outlined in report 2022-09 Municipal Accommodation Tax, dated February 7, 2022, be approved.
2. That staff be directed to negotiate and execute a five-year agreement, subject to the satisfaction and authority of the City Solicitor and the Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise, with the Guelph Chamber of Commerce (the Tourism Entity) for the purpose of implementing a Municipal Accommodation Tax.
3. That Appendix A of the General Reserve and Reserve Fund Policy be amended to reflect the creation of a Tourism Municipal Accommodation Tax Reserve (184) with the terms and authority as identified in the 2022-09 Municipal Accommodation Tax report, dated February 7, 2022.
4. That the Tourism Municipal Accommodation Tax Reserve be approved to be over-drawn up to a maximum of \$1 million, to be paid back by 2027, to enable the program startup activities.

**5.3. Property Assessed Clean Energy Update - 2022-27**

53

**Presentation:**

Jayne Holmes, Deputy Chief Administrative Officer,  
Infrastructure, Development and Enterprise Services  
Antti Vilkkö, General Manager Facilities and Energy  
Management  
James Krauter, Deputy Treasurer Manager Taxation and  
Revenue

**Recommendation:**

1. That staff be directed to finalize the funding opportunity including a loan of up to \$10 million and a grant of up to \$5 million for a residential Property Assessed Clean Energy program with Federation of Canadian Municipalities through the Community Efficiency Funding of the Green Municipal Fund.
2. That staff be directed to develop, implement, and administer a Property Assessed Clean Energy program and that delegated authority be provided to both the Deputy Chief Administrative Officer, Infrastructure

Development Enterprise and Deputy Chief Administrative Officer, Corporate Services to enter into and execute any required agreements and staffing contracts for such implementation.

3. That the City's financial contribution to the Property Assessed Clean Energy program of up to \$3.5 million be funded from the 100 Renewable Energy Reserve Fund and that this funding obligation be incorporated into future City budgets or apportioned from other funding opportunities.
4. That Appendix A of the General Reserve and Reserve Fund Policy be amended to reflect the creation of a Property Assessed Clean Energy Reserve Fund with the terms and authority as identified in the Property Assessed Clean Energy Update dated February 7, 2022.
5. That staff be directed to draft the appropriate by-laws required for a Property Assessed Clean Energy program and bring those forward to a future Council meeting for approval.

**6. Service Area Chair and Staff Announcements**

**7. Service Area - Governance**

Chair - Mayor Guthrie

**8. Items for Discussion - Governance**

The following items have been extracted from Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

**8.1. Smart Cities Update – Our Food Future and Circular Opportunity Innovation Launchpad (COIL) - 2022-31**

71

**Staff Presentation:**

Barb Swartzentruber, Executive Director, Smart Cities  
Jonathan McNeice, Manager, Our Future Food Initiative  
David Messer, Manager, Circular Opportunity Innovation Launchpad

Justine Dainard, Program Manager, Smart Cities, County of Wellington

**Recommendation:**

1. That the report "Smart Cities Update – Our Food Future and Circular Opportunity Launchpad" dated February 7, 2022 be received.

9. Service Area Chair and Staff Announcements
10. Adjournment

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services Public Services
Date	Monday, February 7, 2022
Subject	<b>Long-term and Short-term Rental Housing Report</b>

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## Recommendation

1. That Council approve the approach to licence short-term rentals in principal residences under the City's Business Licence By-law (2009)-18855.
2. That Council direct staff to engage key stakeholders and the public to develop a short-term rental category along with regulations under the City's Business Licensing By-law (2009)-18855 and report back to Council in the fourth quarter of 2022.
3. That the Business Licence fee for short-term rentals and associated costs be included in the 2023 budget confirmation.
4. That staff continue to use the proactive enforcement and education approach to manage long-term rental housing in Guelph.

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## Executive Summary

### Purpose of Report

The purpose of this report is to address the Council resolution directing staff to report on the effectiveness of the recommended alternative approach to the Rental Housing Licensing Program as described in Report 14-29, dated August 5, 2014, Rental Housing Licensing Recommended Approach. The recommended alternative approach addresses long-term rental housing in Guelph.

This report also follows up on Council direction from May 2016, which directed staff to study the issue of short-term rentals in Guelph.

Staff are seeking Council direction to draft an amendment for the City's Business Licence Bylaw (2009)-18855 to add a licensing category for short term rentals and to engage the public and stakeholders to help develop the regulations under this category.

### Key Findings

Long-term rental housing in Guelph is typically considered to be residential rental accommodation lasting a period of 30 days or more (often months or years) and contributes to the general housing supply for residents of Guelph. Short-term rental housing is typically considered accommodation lasting up to 30 days, which serve

visitors to Guelph and generally does not contribute to Guelph's permanent housing supply.

The recommended approach, which addresses long-term rental housing, has continued to build upon the successes of past City initiatives to improve the safety and well-being of tenants and to address other issues associated with long-term rental housing.

The short-term rental market in Guelph is growing. Staff recognize that short-term rental platforms are active and growing in Guelph, and unlike hotels and bed and breakfasts, premises operating under these platforms are not licensed.

Bed and breakfast owners in Guelph have stated that short-term rentals are not treated consistently. There is a health and safety aspect (fire) in permitting these short-term rentals, in addition to zoning and/or parking issues in some residential areas. Proponents of short-term rentals have asked the City to consider a permit so short-term rentals can occur lawfully and fairly with bed and breakfast and hotel establishments.

As with all business licences or licence categories, the cost to implement and run the program is based on a cost recovery model and is not covered through the tax base. Costs are recovered through user fees, specifically licensing fees in this case.

Staff did consider deregulating the existing licence regulations associated with bed and breakfasts and hotels/motels, however due to health and safety concerns are recommending that the licence programs for these establishments continue to ensure required inspections are completed. Any costs for startup and the user fees (business licences) would be approved by Council during the 2023 budget process.

### **Financial Implications**

There are no new financial implications related to the long-term rental housing portion of this report.

Adding a new licensing category for short term rentals will result in an increase in revenue, but as business licensing fees are calculated on a full cost recovery basis, any additional revenue realized will offset the costs of administration, enforcement and compliance.

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## **Report**

This report is a result of a collaborative effort between Infrastructure, Development and Enterprise Services and Public Services.

Long-term rental housing in Guelph is typically considered to be residential rental accommodations lasting a period of 30 days or more (often months or years) and contribute to the general housing supply for residents of Guelph.

Short-term rental housing accommodations are typically considered accommodations lasting up to 30 days, which serve visitors to Guelph, and generally do not contribute to Guelph's permanent housing supply.

## **Background**

### **Long-term Rental Housing**

In 2014, Council approved in principle the recommended alternative approach to a rental licensing program for long-term rentals as described in [Report 14-29](#). At that time, Council also referred a proposed expansion package for one full-time proactive inspector and a comprehensive communications and education plan to the 2015 budget process.

The recommended approach included the following:

1. Enhance the Building Services **proactive enforcement program** to further build upon current successes by addressing issues related to rental housing and overcome existing challenges.
2. Work with partners and stakeholders to research, develop and implement a comprehensive **education/communications** plan designed to discourage disruptive behavior and further address rental housing issues.

The benefits of the recommended approach were summarized as follows:

- Improved neighbourhood conditions with a primary focus on non-compliant properties;
- Tenants will be better informed of basic safety hazards and may choose not to live in unsafe units or may initiate inspection requests to ensure their units are safe and legal;
- Improved education initiatives may assist in the identification and prevention of zoning, parking and property standards issues;
- Community-driven campaigns designed to increase neighbourhood cohesion and foster changes in behavior; and
- Strengthened partnerships and empowerment of stakeholders to improve the safety and wellbeing of residents and to create and maintain vibrant neighbourhoods for all to enjoy.

At the December 14, 2020 meeting, City Council passed the following resolution for staff response:

1. That staff report back in 2021 on the effectiveness of the recommended alternative approach to the Rental Housing Licensing Program as described in Report 14-29, dated August 5, 2014, Rental Housing Licensing Recommended Approach; and
2. That the Report directly respond to the issues identified in Report 13-32, July 15, 2013, Rental Housing Licensing Cost/Benefit Analysis.

The long-term rental housing portion of this report will summarize the programs and initiatives that have taken place in support of the recommended approach as approved by Council as described in the August 5, 2014 report, and respond to the issues that were identified in the July 15, 2013 report.

### **Short-term Rental Housing**

Under the City's Business Licence Bylaw, the City regulates hotels and Bed and Breakfast establishments.

Staff have received concerns regarding the rapid growth of nightly rentals offered in Guelph through platforms such as Airbnb and VRBO.



In May 2016, Council directed staff to study the issue of short-term rentals in Guelph. Following this direction, staff spoke to various stakeholders within the community and investigated how other cities are regulating this type of visitor accommodation to help identify the impacts of the local short-term rental market.

## Overview

### Long-term Rental Housing

The recommended approach has continued to build upon the successes of past City initiatives to improve the safety and well-being of tenants of long-term rental housing units.

Staff have taken various steps to address the objectives set out in [Report 14-29](#). As previously noted, objectives were divided into two key areas:

1. Enhance the Building Services **proactive enforcement program** to further build upon current successes by addressing issues related to rental housing and overcome existing challenges.
2. Work with partners and stakeholders to research, develop and implement a comprehensive **education/communications** plan designed to discourage disruptive behavior and further address rental housing issues.

The following is a summary of the work completed to meet the objectives set out in [Report 14-29](#) for enhancing the Building Services **proactive enforcement program** (See Attachment-1- Objectives and Results, for further details):

- Creation and implementation of a search warrant program to help overcome issues related to gaining access to buildings suspected of non-compliance
- Streamlining of enforcement measures to provide for the ability of one inspector to perform a number of inspection functions (i.e., Zoning, Additional Residential Dwelling Unit, and Building Code Act Enforcement)
- Adding an additional full-time employee to further enhancing Building Services Proactive Enforcement and Legal Program
- Creating a formalized Legal Procedures Manual which includes a zero-tolerance approach for repeat offenders
- Application for and subsequent approval of increased set fines for offences for those who do not voluntarily comply with municipal regulations
- Monitoring the effectiveness of the proactive program

Although the funding to work with partners and stakeholders to research, develop and implement a **comprehensive education/communications plan** as part of the recommended approach was not funded in the 2015 budget, staff was able to initiate and participate in several education/communication initiatives. This has included:

- Development and promotion of a tenant safety program, which educates tenants of basic safety requirements and promotes the availability of free tenant safety inspections
- Ongoing participation on the Town and Gown Committee and related activities to promote the safety and well-being of neighborhoods
- Participation at University of Guelph's Off-Campus Living Rental Fair
- Participation at Neighbourhood Group Meetings; and
- Education sessions for local real estate professionals

The culmination of the work above has contributed to a number of successes. During the period of 2014-2019, this includes:

- Proactive education to thousands of tenants of long-term rental housing units;
- Regional media coverage promoting safe residential rental units in Guelph and the ongoing availability of free tenant safety inspections by the City;
- Proactive education to hundreds of local real estate professionals;
- Over 1750 proactive inspections of long-term rental housing units;
- Over 580 proactive Building Code Act violations identified by cross-trained zoning inspectors; tenants benefited from a reduction in the number of inspections required and ability to work with a single inspector to resolve issues;
- Used as an absolute last resort, 40 search warrants were successfully executed on 23 properties, each of which resulted in the identification of non-compliance with the Two-Unit House Registration By-law and/or the Ontario Building Code Act;
- Over 240 convictions and over \$256,000 in fines registered against property owners that did not voluntarily comply with the Zoning By-law, Two-Unit House Registration By-law, and/or the Ontario Building Code Act; and
- Registration of nearly 1400 Two-Unit Houses (now Additional Residential Dwelling Units).

Also see Attachment -2 Summary of Key Indicators

The second portion of the resolution passed by City Council on December 14, 2020, is that this report responds directly to the rental housing issues identified in Report 13-32, which are summarized as follows:

- health, safety, and well-being;
- neighbourhood destabilization and deterioration;
- disruptive behaviour;
- lack of information about housing stock and inequality amongst housing providers;
- enforcement challenges; and
- funding implications to various stakeholders including the City tax base, business owners and tenants.

The response to the issues identified are included in Attachment-3 Objectives and Results.

Overall, the recommended approach has been effective. Staff have been proactive at continuing to educate the community about safe living accommodations and continue to proactively search out unsafe living conditions to help tenants and ensure a safe rental housing supply in the city.

Existing legislation is being successfully used to address the health, safety and well-being of tenants, with assistance from staff only a call or email away for tenants who want it.

While a licensing program could off-set the cost of tenant safety programming from the tax base to rental owners, it would also result in increased overhead program costs which could eventually be passed onto tenants, potentially further increasing challenges to housing affordability in the city.

Increased efforts by staff, coupled with an overall increase of rental housing supply appears to have had a positive impact on neighbourhoods. Building Services staff has noted a significant decline in residential zoning and building concerns related to rental housing. Additionally, the City's Noise Control and Nuisance Parties By-laws have been used to address disruptive behaviour within neighbourhoods with concentrations of long-term residential rental units. This collaborative work between service areas has not gone unnoticed. The Old University Neighbourhood Residents' Association recently acknowledged that addressing unruly behaviour and neighbourhood concerns have come a long way and cited "significant successes" and a return to a more balanced neighbourhood<sup>1</sup>.

The recommended approach has been and continues to be a successful approach to managing challenges related to long-term rental housing in Guelph. Therefore, staff are not recommending any changes at this time.

### **Short-term Rental Housing**

In the last decade, there has been rapid growth in online marketplaces that connect people looking for short-term accommodation with people who want to rent or sublet their own accommodation for the same purpose. These platforms charge a fee for hosting listings, managing bookings and payment, and sometimes providing insurance. One of the largest short-term rental platforms started in 2008 and now has over two million listings in more than 34,000 cities.

Staff have recognized short-term rental platforms are active and growing in Guelph, and unlike hotels and bed and breakfasts, premises operating under these platforms are not licensed.

Bed and breakfast owners in Guelph have stated that short-term rentals are not treated consistently. There is a health and safety aspect (fire) in permitting these short-term rentals, in addition to zoning and/or parking issues in some residential areas. Proponents of short-term rentals have asked the City to consider a permit so short-term rentals can occur lawfully and fairly with bed and breakfast and hotel establishments.

### **Short-term Rental Market Summary**

The following sections summarize recent information about short-term rental activity in Guelph. The data comes from a report prepared for the City by Host Compliance, a company the City has engaged to help identify the short-term rental market in Guelph across multiple on-line platforms.

The short-term rental market in Guelph is large and growing. In June 2019, Host Compliance found 150 active, unique listings in Guelph. The absolute number of active short-term rental listings in Guelph changes daily as new listings are added and others are removed. This is the most recent data due to challenges surrounding Covid-19.

In June 2016, Host Compliance found data which shows that Airbnb is by far the largest short term rental platform in Guelph, comprising 96% of the active listings. Another 3% of listings are on other platforms such as Homeaway or one of seven other websites in the Homeaway family. The third largest site is Flipkey with 1% of local listings.

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<sup>1</sup> Old University Neighbourhood Residents' Association Fall 2021 Newsletter

As the number of short-term rental listings grows in Guelph, so does public debate about the positive and negative impacts of the use of the local housing. Those concerned about short-term rentals say there is an increased concern of noise and property damage and increased housing costs within residential neighbourhoods. Proponents of short-term rentals say these premises make Guelph a more attractive tourist destination and provide extra income to Guelph residents and businesses.

Following this consultation, staff identified the following objectives for future short-term rental regulations in Guelph:

- Health and Safety: ensure rented residential space meets fire, building and by-law regulations
- Tax and Regulatory Equity: Treat accommodation providers equitably from a tax and regulatory perspective
- Supplemental Income: allow residents to earn income from renting their home occasionally
- Tourism: Support growth in tourism and support for City and University events
- Transparency and Ease: A regulatory, licensing and enforcement system that is easy to understand, inspires high levels of voluntary compliance, and has effective means of preventing unlawful behaviour

The issuance of a short-term rental licence would be subject to the following limitations:

- The unit is a safe accommodation as defined by Guelph Fire and Building
- The use of the property for short-term rental must not violate City zoning, property standards maintenance, or nuisance by-laws.
- The short-term rental must be a Principal Residence.

Lessons learned from other cities regarding short-term rentals recommend a simple, inexpensive, online licensing system where applicants post copies of the above evidence. They must self-declare the evidence is true and that they will comply with short-term rental regulations. The City would need to audit licences and conduct random or complaint-based regulatory inspections on a regular basis to discourage fraud and to ensure compliance with health and safety and maintenance upkeep standards.

For regulatory simplicity, the current requirements and licensing process for existing bed and breakfast establishments would be removed and replaced by this approach, i.e., allowing bed and breakfast operators to obtain a short-term rental licence instead. Provision of breakfast would no longer be a requirement under the City's Licensing Bylaw.

If Council adopts a licensing model for short-term rentals, staff will implement a proactive enforcement system to obtain high levels of compliance. Depending on the regulations proposed by the public and stakeholders, additional staff and resources may be required to administer and/or enforce this licensing category. Because regulation enforcement is challenging with both online platforms and non-compliant short-term renters, staff will focus on three key frames to enable a strong enforcement environment:

- Utilize the City's Bylaw authority to establish a clear and consistent enforcement escalation path.

- Utilize technology and third-party vendors to establish and communicate Guelph's guidelines and standards, and to identify violations.
- Coordinate with stakeholders and the public to communicate legal short-term uses and to leverage the City's complaint-driven online process to report concerns.

Staff are seeking Council direction to draft an amendment for the City's Business Licence By-law (2009)-18855 to add a licensing category for short-term rentals. Staff are further seeking Council direction to engage the public and stakeholders to help develop the regulations under this category.

## **Next Steps**

### **Long-term Rental Housing**

Staff will continue to use the recommended approach to manage challenges related to long-term rental housing in Guelph.

### **Short-term Rental Housing**

If Council endorses the proposed licensing approach, staff will consult with the public and key stakeholders (e.g., bed and breakfast business owners, tourism and University of Guelph Off-Campus living, short-term rental platforms, etc.) to refine the associated regulations including key issues for further discussion include taxing short-term rental revenue, and whether additional regulations are needed to prevent conversion of long-term room rentals to short-term rental instead.

Staff will also work with short-term rental platforms regarding cooperation in compliance and enforcement efforts. Some platforms have indicated they do assist with compliance in other jurisdictions. City of Guelph compliance and enforcement staff will need to be provided access to short-term rental platforms such as AirBnB to effectively identify short-term rental properties.

Based on lessons learned from other municipalities as indicated previously, it is recommended that Guelph's compliance and licensing system be transparent and easy to use. Specifically, the program should:

- Be simple, fast, and inexpensive for operators to comply with the regulations and for staff to monitor (e.g., simple regulations, online permitting, no initial inspection, average fees).
- Set financial penalties for non-compliance at an appropriate level to encourage voluntary compliance. Penalties should be representative to allot for additional staff resources, investigation, and inspection times.
- Enforcement staff to work with prosecutions to ensure legal actions against continued or repeat offenders are implemented to ensure compliance. Allow staff to maintain swift and consistent enforcement against non-compliant operators.

If directed by Council to proceed, staff will provide a follow-up report of the new licensing category in the fourth quarter of 2022. This will allow time for staff to develop regulations with input from stakeholders and the public for Council's consideration, along with a public information campaign. This report will also identify the associated costs to implement and maintain the program. Council will have the ability to approve any costs including FTEs and the user fee/business licences during the 2023 budget process.

## **Financial Implications**

### **Cost for Implementation**

The estimated initial start-up cost to implement amendments to the Business Licence By-law to create and administer the short-term rental licence category would be approximately \$67,350 for an estimated existing 150 businesses within Guelph. This cost includes administration, inspection, and education.

### **Fees and Revenues**

As directed previously by Council, licence fees are based on a cost recovery model and are used to offset any administration, education, and compliance costs.

Based on the licensing fees of hotels and bed and breakfasts, staff anticipate that in the first year of implementation, the initial cost to inspect will be approximately \$241 per location, alongside a one-time application fee of \$208, totaling \$449 with an annual renewal fee starting in the following year and initially set at \$224.

2023 Fees:

- Inspection fee: \$241
- Application fee: \$208
- Renewal fee: \$224

First year: Inspection fee + application fee = \$449

Second year and each year thereafter: Annual renewal of \$224

### **Long-term rental housing**

There are no new financial implications related to this report.

### **Short-term rental housing**

Adding a new licensing category for short-term rentals will result in an increase in revenue, but as business licensing fees are calculated on a full cost recovery basis, any additional revenue realized will offset the costs of administration, enforcement and compliance.

Any additional costs required to implement and maintain the program will be identified for Council's approval and included in the 2023 budget process.

## **Consultations**

### **Long-term Rental Housing**

By-law Compliance Security & Licensing

Planning Services

### **Short-term Rental Housing**

Fire Services

Building Services

Finance

Economic Development and Tourism

Legal Services

## **Strategic Plan Alignment**

Building our Future - Working to enhance community well-being and safety through direct service and program delivery

## **Attachments**

Attachment-1 Objectives and Results Relating to Long-term Rental Housing

Attachment-2 Summary of Key Indicators Relating to Long-term Rental Housing

Attachment-3 Responses to Identified Issues Relating to Long-term Rental Housing

## **Departmental Approval**

Jeremy Laur, Chief Building Official, Building Services

Scott Green, Manager, By-law Compliance & Corporate Security and Community Safety, Operations

## **Report Authors**

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Shawn Kitto, Supervisor, By-law Compliance & Corporate Security and Community Safety, Operations

## **This report was approved by:**

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## **This report was approved by:**

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## **This report was recommended by:**

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## Attachment-1 Objectives and Results Relating to Long-term Rental Housing

The following is a summary overview of the objectives set out in Report 14-29 and the corresponding results.

### **Proactive Enforcement**

#### Search Warrants

**Objective:** As identified in the July 15, 2013 Rental Housing Licensing Cost Benefit Analysis report (13-32) staff encountered challenges in gaining access to buildings suspected of non-compliance.

**Results:** Building Services in conjunction with Guelph Police Services and Corporate and Community Safety developed a Search Warrant program. Building Services began executing search warrants in 2016. A total of forty (40) search warrants have been executed on twenty-three (23) properties. Search warrants are used as the final compliance method for non-complaint properties.

#### Streamline Enforcement Methods

**Objective:** Efficiencies in enforcement methods could be realized by cross-training Zoning and Property Standards Inspectors and by having them qualified to enforce the Ontario Building Code. This efficiency would prevent the need to send multiple inspectors to a single property to deal with issues most commonly found in rental accommodations.

**Results:** Zoning Inspectors were cross-trained and appointed as building inspectors. The ability to have one inspector perform both zoning and building functions eliminates the need for multiple inspectors to attend the same site. This assists our customers by reducing the number of inspections and allowing them to work with a single inspector to resolve any issues. Between 2014 and 2019, over 580 proactive Building Code Act violations were identified by cross-trained zoning inspectors. This improved customer service to tenants by reducing the number of inspections required and allowing them to work with one inspector to resolve multiple issues. This also created efficiencies by reducing required staff time and reducing use of resources such as vehicle use and fuel.

#### New Staff Resource

**Objective:** Improvements to tenant safety and the enhanced proactive enforcement program will be furthered by the addition of a new full-time inspector, cross-trained in zoning, property standards and the Ontario Building Code.

**Result:** A new resource was approved and filled in 2016 through the budget process. Statistics regarding proactive enforcement inspections are included in Attachment 2 – Proactive Enforcement Inspections.

## Zero Tolerance for Repeat Offenders

**Objective:** A formalized process has not been established for repeat offenders.

**Result:** Building Services in conjunction with Legal, Prosecutions, Corporate and Community Safety and the Fire Department created the first Legal Procedures Manual and program in the City. This program outlines the system involved in using legal processes as compliance options.

## Increased Set Fines

**Objective:** Increase set fines for Zoning, Two-Unit House Registration, Property Standards, Yard Maintenance, and Ontario Building Violations.

**Result:** Applications were made and subsequently approved by the Senior Regional Justice to increase set fines related to violations pursued under Part I of the Provincial Offences Act.

## Monitoring

**Objective:** Staff are committed to the ongoing monitoring of the Building Services enhanced enforcement program to gauge effectiveness and continuously make improvements. Key performance indicators would be used to measure and monitor the progress of the proactive enforcement program and to report annually to the Planning, Building, Engineering and Environment Committee.

**Result:** Key performance indicators were included in Building Services Annual Report and subsequent Building Services Status Updates. Information has also been provided in Attachment 2 – Summary of Key Indicators.

## Communications, Education and Community Partnerships

**Objective:** To collaborate with community partners and stakeholders to research and develop communications and education programs designed to promote safe legal living accommodations and discourage disruptive or disrespectful behaviour, particularly in neighbourhoods with high concentrations of rental housing.

**Results:** Although the funding to work with partners and stakeholders to research, develop and implement a comprehensive education/communications plan as part of the recommended approach was not funded in the 2015 budget, staff was able to initiate and participate in a several education/communication initiatives.

In partnership with the University of Guelph Off-Campus Living Office, the City developed a Tenant Safety Program in 2016. This tenant safety initiative was designed to increase tenant safety awareness and to promote the availability of free rental unit safety inspections. This program continues yearly, however has been impacted by the pandemic.

Through the Town and Gown process, there have been numerous initiatives for Education and Communications with residents and occupants of rental units. These include communications with house visits, distribution of "who to call" materials to both residents and tenants.

The city also participates at the University of Guelph's Off-Campus Living Rental Fair and other related initiatives.

Education sessions have also been held for local real estate professionals and the city continues to look for ways to continue to provide education on safe rental housing accommodations.

## Attachment-2 Summary of Key Indicators Relating to Long-term Rental Housing

### Proactive Inspection Summary

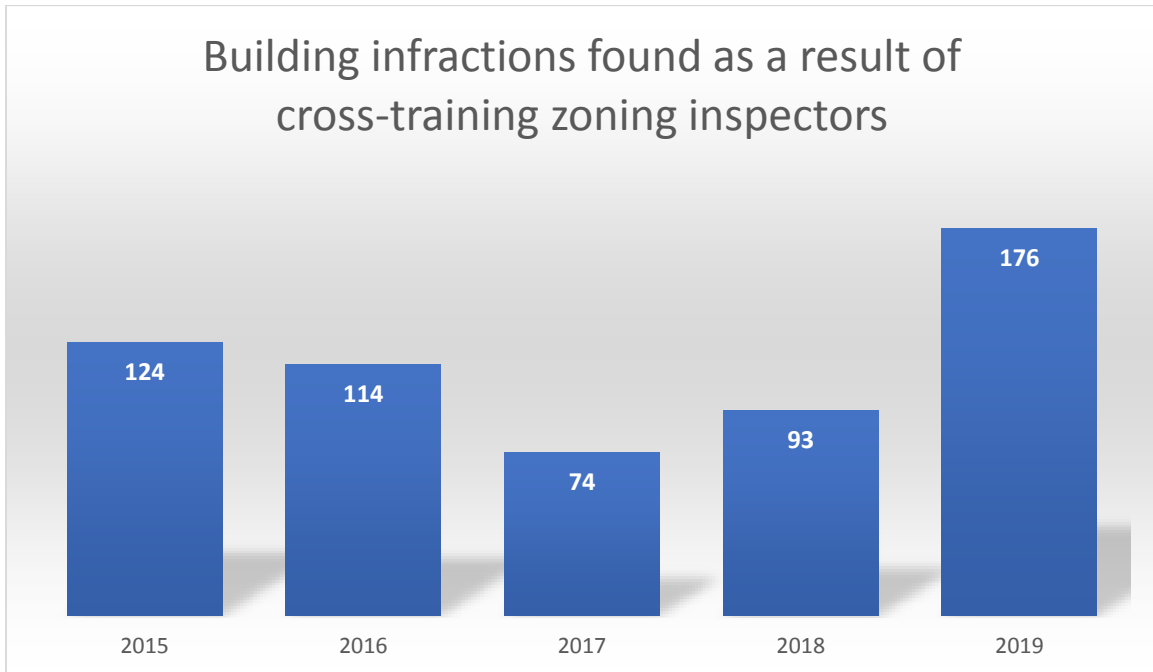
Proactive enforcement concentrates on inspection and enforcement relating to shared rental housing. This includes two-unit houses (accessory apartments), the Ontario Building Code, and zoning provisions (including lodging houses).



There has been a downward trend overall proactive inspections. Statistics for 2020-2021 have not been provided given that the performance during the pandemic is not representative of normal operations.

## Cross-training Efficiency Summary

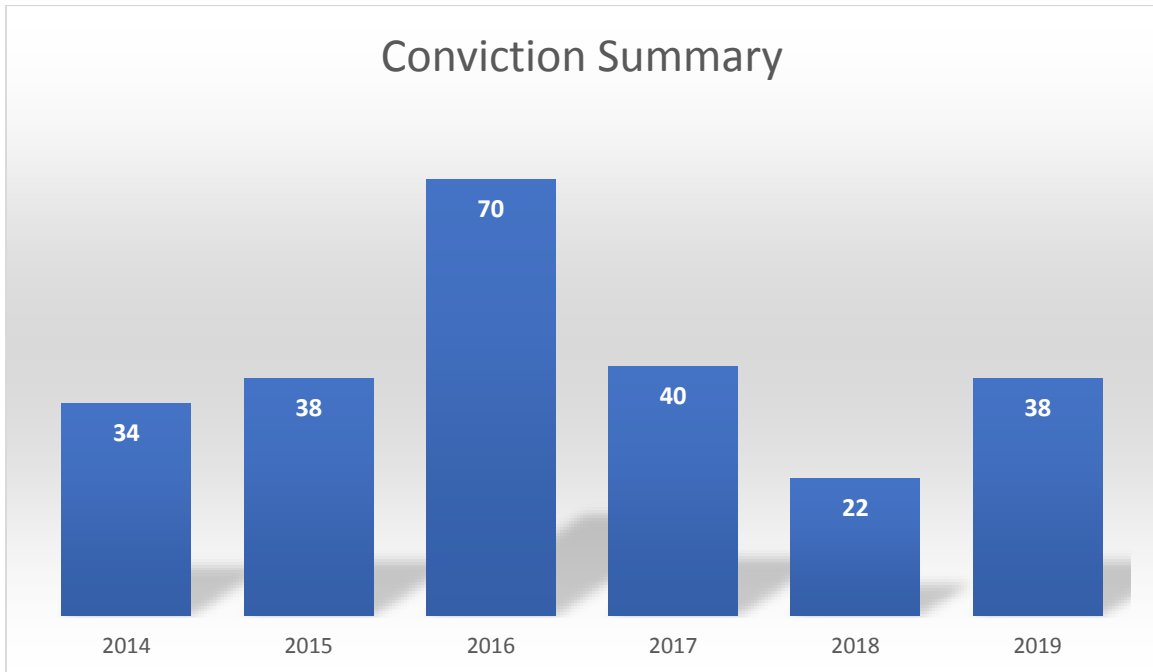
Significant efficiencies and improvements to customer service were gained as a result of cross-training zoning inspectors to also be appointed as building inspectors.



\*Information not available for 2014

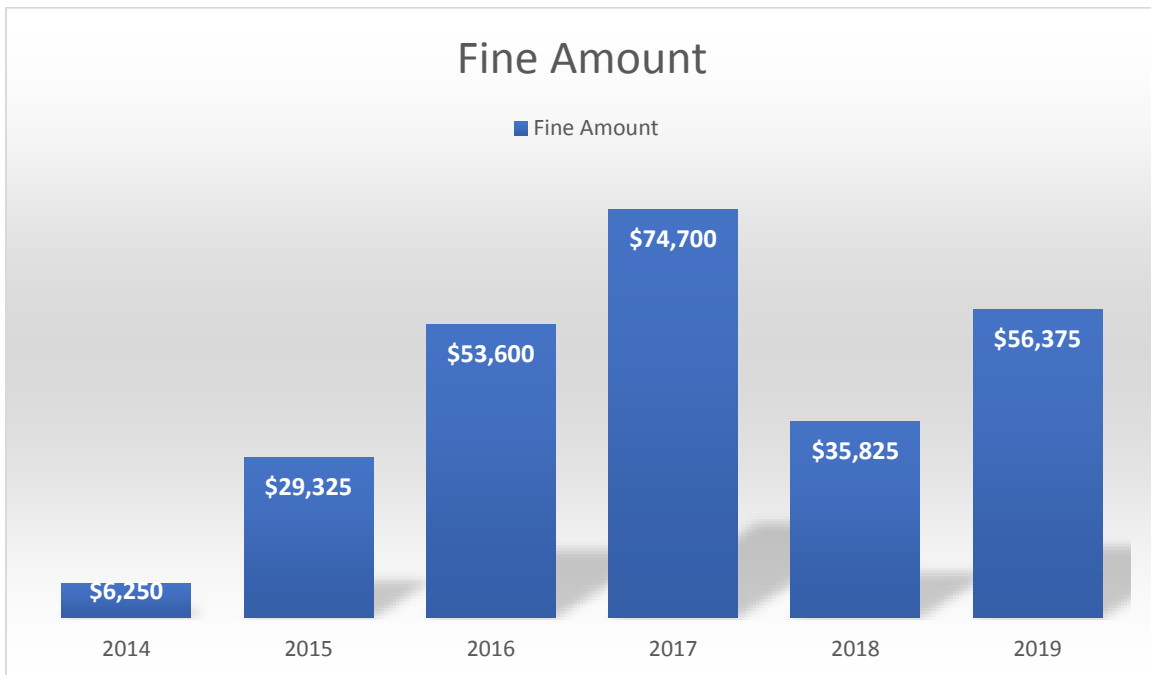
## Conviction Summary

Convictions relating to charges under the Zoning By-law, Two-Unit House Registration By-law, and the Ontario Building Code Act. Convictions recorded in a particular year may be from charges from a previous year.



## Fine Summary

Fine summary relates to charges under the Zoning By-law, Two-Unit House Registration By-law, and the Ontario Building Code Act.



## Registration of Two-Unit Houses





## Attachment -3 Responses to Identified Issues Relating to Long-term Rental Housing

<b>Long-term Rental Housing Issue</b>	<b>Identified Issues</b>	<b>Response to Issues</b>
<p><b>Health, safety, and well-being</b></p> <ul style="list-style-type: none"> <li>• Rental units that pose a health and safety hazard to the occupants</li> <li>• Safety issues: construction without permit; basements containing bedrooms that either have no windows or windows not large enough to provide a means of escape; smoke alarms not provided or not working; required fire separations missing etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Access challenges for properties suspected of non-compliance</li> <li>• Evidentiary issues</li> <li>• Regular inspections not available</li> <li>• Tenants of properties are unable to affect repairs to their rental</li> </ul>	<ul style="list-style-type: none"> <li>• Search warrant process has aided in accessing non-compliant properties.</li> <li>• Tenant Safety program offers inspections to tenants suspecting safety issues. Fire, Property Standards and Zoning will inspect safety systems of the dwelling unit.</li> </ul>
<p><b>Neighbourhood destabilization and deterioration</b></p> <ul style="list-style-type: none"> <li>• Rental intensive neighbourhoods</li> <li>• Residential neighbourhoods losing diversity and, in some instances, becoming exclusive investment areas, creating affordability issues to households trying to purchase a home as a principal residence</li> <li>• Short-term tenants or absentee landlords without vested interest in the</li> </ul>	<ul style="list-style-type: none"> <li>• Often difficult to contact or locate business owner</li> <li>• Current tools do not address rental and/or owner occupancy of property</li> <li>• Cannot be grandfathered to apply to existing uses once regulations are modified</li> </ul>	<ul style="list-style-type: none"> <li>• Planning Act regulations do not allow for the City to determine rental versus owner occupied dwellings.</li> <li>• Neighbourhoods continue to see an increase in overall rental units (accessory dwelling units) due to affordability issues presently in the housing market. There are over</li> </ul>

<b>Long-term Rental Housing Issue</b>	<b>Identified Issues</b>	<b>Response to Issues</b>
<p>neighbourhood or community</p> <ul style="list-style-type: none"> <li>• Concentration and intensity of non-owner-occupied rental housing</li> <li>• Lack of property maintenance</li> <li>• Parking issues</li> </ul>	<ul style="list-style-type: none"> <li>• Resource intensive (staff); typically address issues AFTER violation has occurred</li> </ul>	<p>3,500 registered accessory units throughout the city in all neighbourhoods.</p> <ul style="list-style-type: none"> <li>• Increased supply in primary and secondary rental market appears to have decreased some concentration of non-owner-occupied rental housing</li> <li>• There are existing By-laws to address property maintenance and parking issues.</li> </ul>
<p><b>Disruptive behaviour</b></p> <ul style="list-style-type: none"> <li>• Repeat or ongoing behavioural issues such as furniture on roofs, noise, parties, litter, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Often difficult to proactively contact business owners or property managers</li> <li>• Often difficult to have immediate contact with business owner or property manager at time of incident</li> <li>• Typically address issues after behaviour has occurred</li> </ul>	<ul style="list-style-type: none"> <li>• Disruptive behaviour is not addressed through the recommended approach as there are other bylaws and programs (such as the Nuisance Parties By-law).</li> <li>• The University has the Party Registration process as well as yearly visits to problem properties in order to educate and advise of being a good neighbour.</li> </ul>

<p><b>Lack of information about rental housing stock/inequality among housing providers</b></p> <ul style="list-style-type: none"> <li>• Renters are less able to verify that a unit is safe</li> <li>• Compliant owners competing with non-compliant owners</li> </ul>	<ul style="list-style-type: none"> <li>• No cost-effective way to verify safety/compliance of specific rental properties</li> <li>• Business owners who invest in and provide safe and suitable rental accommodations are competing with non-compliant business owners that may be offering units at lower rates</li> </ul>	<ul style="list-style-type: none"> <li>• The Tenant Safety program allows renters of units to have an inspection regarding the safety of the unit.</li> <li>• The Guelph Permit and Application System is an online portal that the public can be used to see if specific approvals for a property have been given.</li> </ul>
<p><b>Enforcement</b></p> <ul style="list-style-type: none"> <li>• Staff have experienced difficulty locating many business owners to serve them a summons to attend court – if the owner is not served, a trial cannot proceed</li> <li>• Out-of-town service of charge documents is costly and often unsuccessful</li> <li>• Many tenants are unwilling to commit to attending a trial in the future</li> <li>• Current methods are resource intensive (staff), with results that often appear to be viewed by some business owners as the cost of doing business</li> </ul>	<ul style="list-style-type: none"> <li>• Current methods do not require detailed ownership information be provided by business owners</li> <li>• Current enforcement tools often require that a business owner be served with a charge document in person or that the document be left at the owner's last known address with a person who appears to be over the age of 16</li> <li>• To obtain a conviction, some violations require testimony from tenants, many of</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in legislation regarding service of summons and also the aid of Corporate and Community Safety have lessened these concerns.</li> <li>• The Legal Process Manual program initiated by staff has seen an increase in set fines (Part I's) and a dramatic overall increase in fine amounts related to safety and unregistered units pursued by way of Part III of the Provincial Offences Act.</li> </ul>

	<p>whom are unwilling to commit to attending a trial in the future</p>	<ul style="list-style-type: none"> <li>• The implementation of a licensing category for short-term rentals, will address a number of these points.</li> </ul>
<p><b>Funding</b></p> <ul style="list-style-type: none"> <li>• Sustainable financing for programs to address rental housing issues</li> </ul>	<ul style="list-style-type: none"> <li>• Rental housing enforcement costs directly related to the business of rental housing are currently entirely paid for by all taxpayers</li> </ul>	<ul style="list-style-type: none"> <li>• This has not changed. Direct costs to owners of problem properties include higher fine amounts and zero tolerance for repeat offenders.</li> <li>• In terms of long-term rental housing, while a licensing program could offset the cost of tenant safety programming from the tax base to rental owners, it would also result in increased overhead program costs which could eventually be passed onto tenants. Thus, potentially further increasing challenges to housing affordability in the city.</li> </ul>

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, February 7, 2022
Subject	<b>Municipal Accommodation Tax</b>

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## Recommendation

1. That a four percent Municipal Accommodation Tax rate, as outlined in report 2022-09 Municipal Accommodation Tax, dated February 7, 2022, be approved.
  2. That staff be directed to negotiate and execute a five-year agreement, subject to the satisfaction and authority of the City Solicitor and the Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise, with the Guelph Chamber of Commerce (the Tourism Entity) for the purpose of implementing a Municipal Accommodation Tax.
  3. That Appendix A of the General Reserve and Reserve Fund Policy be amended to reflect the creation of a Tourism Municipal Accommodation Tax Reserve (184) with the terms and authority as identified in the 2022-09 Municipal Accommodation Tax report, dated February 7, 2022.
  4. That the Tourism Municipal Accommodation Tax Reserve be approved to be over-drawn up to a maximum of \$1 million, to be paid back by 2027, to enable the program startup activities.
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## Executive Summary

### Purpose of Report

To seek approval to implement a Municipal Accommodation Tax (MAT) on all eligible Guelph transient accommodations as identified within the provincial legislation at a rate of four percent effective September 1, 2022.

### Key Findings

The introduction of a MAT will establish and enable the Guelph Chamber of Commerce (the Tourism Entity) to make strategic tourism destination marketing investments that will benefit Guelph by attracting more overnight visitors and increasing economic impact in the community.

The City of Guelph's collected revenues will enable new developments in Tourism services, provide greater support for tourism organizations and businesses, and advance the Economic Development and Tourism Strategy, as well as facilitate investment in infrastructure that supports new and enhanced visitor services and programs.

The MAT is collected on room nights sold in an accommodation and impacts travelers and visitors. Guelph will benefit from the MAT with investments made through new programs, enhanced services, infrastructure and lifestyle improvements without an increase or impact to property taxes.

The implementation of MAT is a key priority of Goals 5 and 6 within the [Economic Development and Tourism Strategy](#), presented to Council January 2022. Priority 5.1 “Implement the Municipal Accommodation Tax” highlights the importance of the implementation of MAT for Guelph and outlines the significance of MAT to the outcomes of the overall Economic Development and Tourism Strategy. MAT also supports the City of Guelph’s Strategic Plan through the Powering our Future and Working Together for our Future strategic pillars.

The City has hosted several meetings and information sessions with accommodation providers and tourism stakeholders, and opinions are supportive of the implementation of MAT with the goal to increase overnight stays in the city. The stakeholders have informed administration that the funds collected should not replace existing sources of tourism funding but instead grow the investment in the industry.

The proposed four percent MAT rate is based on industry standards across the province. Many tourism growth activities as outlined in the Economic Development and Tourism Strategy are reliant on the MAT and would happen in a modified capacity without these resources.

### **Financial Implications**

Prior to the COVID-19 outbreak, it was estimated that at a four percent tax rate, Guelph hotels and motels would generate an estimated \$1 million in revenue annually based on a 2017 study conducted by the Regional Tourism Organization 4 (RTO4). A 2022 refresh to the report indicates that the COVID-19 pandemic has impacted the local accommodation compliment and estimated collected revenues are now anticipated to be between \$500,000-\$850,000.

The provincial regulation stipulates that the municipality can retain up to 50% of the revenue with the remainder distributed to the Tourism Entity (Guelph Chamber of Commerce). It is recommended that the City retain 50 percent of the revenue for new and enhanced tourism development; the remaining 50 percent of the revenue will be provided to the Guelph Chamber of Commerce for destination marketing as per the regulation.

The tax can also be applied to short-term rental stays (e.g., Airbnb, VRBO). Based on the same 2017 study, at four percent, the Guelph short-term rental market would generate another estimated \$14,000 in revenue annually. However, it is predicted that the initial estimate is low and collected short-term revenues could be more than \$100,000 per year. To support consistent and transparent collections of MAT on short-term rentals, it’s imperative that the Long-term and Short-term Rental Housing report, dated February 7 2022, be approved. If the Long-term and Short-term Rental Housing report is not approved, MAT will still be collected on short-term rentals. However, the process becomes more difficult to identify accommodation hosts and collect MAT owed.

It is important that the municipal share of funds collected through the MAT be segregated and specifically used only for approved municipal tourism purposes to demonstrate transparency and accountability to the accommodation sector. Staff

recommends a specific Tourism MAT Reserve for use of the City's portion of the collected revenue to fund full-time permanent staff and in addition the funding would be utilized to enhance a variety of corporate projects such as:

- Supporting industry development and individual operators to enhance and strengthen their product in the tourism market.
- Supporting the creative industry and individual artists and cultural activists to enhance and strengthen their product in the tourism market.
- Developing itineraries, workshops and experiential programs that will increase visitation.
- Wayfinding throughout the city.
- Pop-up activations to enhance conferences, sporting events and festivals.
- Infrastructure projects such as public art, cycling enhancements and park enhancements.
- Tourism-supporting enhancements to existing capital projects that would otherwise require additional tax-supported funds.

To facilitate program initiation, the Economic Development and Tourism department is requesting access to start-up funding of up to \$1 million in spending in advance of MAT revenues being collected. The Guelph Chamber of Commerce and the Economic Development and Tourism department would be able to access up to \$500,000 each to begin programming, hire staff, support local tourism businesses, and develop enhanced destination marketing tools and campaigns. These monies would be repaid to return the reserve to a positive position within a five-year period (or by the end of 2027) from the monies collected through the MAT.

These start-up resources are particularly important to ensure there is no delay to start activities as it could potentially take up to a year for the funding to sufficiently accumulate. The tourism industry has been particularly impacted during the Covid-19 and recent Omicron lockdown periods and tourism businesses will need early support to ensure that the programming is in place to rebuild the industry.

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## Report

The pandemic has had significant impact on the local tourism industry. Rebuilding Guelph's tourism industry is vital to the local economy. It is anticipated that generating revenues back to pre-pandemic numbers will take longer than initially predicted. Implementing the MAT at this time will support the growth and rebuilding of the tourism industry in Guelph. The Minister of Heritage, Sport, Tourism and Culture Industries stated in December 2021 that tourism numbers will increase slowly and are not expected to recover until 2025 or later. The Tourism Industry Association of Ontario (TIAO) has shared that:

- 3 in 4 tourism businesses in Ontario are in debt and won't recover for at least two years.
- Ontario is reopening but almost half of its tourism businesses can't afford to hire staff and a quarter can't afford to pay rent or mortgage.
- 6 in 10 tourism businesses in Ontario have seen their revenues plummet by at least 90 percent.

In 2017, the Province of Ontario amended the Municipal Act, 2001, and issued [Ontario Regulation 435/17](#), which came into effect on December 1, 2017. This legislation grants the authority to single and lower-tier municipalities to implement

a mandatory tax in respect of the purchase of transient accommodation (a Municipal Accommodation Tax or “MAT”). A MAT would be applicable on all qualifying transient accommodations including hotels, motels, inns, bed and breakfasts, resorts, and short-term rental companies (e.g., Airbnb) for stays up to 30 days.

The regulation allows municipalities the option to implement a mandatory tax for transient accommodation through a by-law and to set the tax rate. Per the Regulation, municipalities have the flexibility to determine the design, administration, and collection of a MAT. At least 50 percent of the revenues from the tax must be shared with an eligible non-profit tourism entity. Up to 50 percent of the revenues from the tax may be retained by the municipality.

On September 23, 2019 Council directed staff to enter negotiations with a potential eligible Tourism Entity, as outlined in report [PS-2019-19 Tourism Entity Negotiation](#), regarding the implementation of a Municipal Accommodation Tax. A five-year agreement between the City of Guelph and the Guelph Chamber of Commerce has been drafted.

The bylaw delegates authority to the City Solicitor and Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise to negotiate, approve, and sign the agreement with the entity.

Key elements of the agreement include defined role and activities of the City and Guelph Chamber of Commerce, reporting structure, split of revenue and payment terms and repayment on any draws on the reserve over the five-year agreement term. The agreement allows for ongoing conversations between parties to facilitate the most successful outcome without duplication of work. Summary of roles and activities are found in Attachment-1 Proposed Activities.

Staff, in agreement with the Guelph Chamber of Commerce, are suggesting collection of the MAT begin on September 1, 2022.

Based on tourism industry recommendations and research of other municipalities with a MAT, the aim of the legislation is to generate new revenue that increases capacity in the community for the development of competitive tourism products and promotion, increasing overnight stays which in turn increases economic impact. MAT-supported initiatives include the enhancing of existing tourism product including sport, art, music, heritage, and other cultural offerings that contribute to Guelph’s high quality of life for residents, as well as developing new programs that will improve visitor experience.

The MAT will enable increased capacity for the Tourism division to develop, support, and facilitate new, larger-scale tourism projects without further impacting property taxes. This funding could be utilized to enhance any number of a variety of corporate projects. Below are examples that could be considered as part of larger corporate projects:

- Adding additional cycling infrastructure to road and park projects.
- Working with organizations experienced with mentoring, fostering, and supporting new tourism ideas, experiences, and partnerships.
- Leveraging tourism product development opportunities for women, BIPOC, people who identify as members of LGBTQ2+ community, and other underrepresented groups.



- Installing an urban or active playground in the downtown.
- Unique artist-inspired/designed "G" benches or unique bike racks for parks and city streets with a "find them all" information page.
- Interactive cooling fans/water sprayer stations and water refill stations
- Transit terminal/central station beautification.
- Expansion of Visitor Information Kiosk program and visitor support resources.
- Interactive lighting displays that change with the seasons for downtown and larger parks.
- Functional/beautiful "points of interest" map - with interactive maps at parking areas.
- Investment in pop-up infrastructure and storage such as vendor stalls and benches.

The City's Tourism division has responded to effectively support this industry sector during the COVID-19 pandemic. The department developed and implemented programs and services that strengthen Guelph's tourism industry and attracts visitation. With the Council directed \$700,000 tourism recovery funds in 2021, tourism staff supported the industry by:

- Directing \$482,780 to 50 Guelph tourism businesses with the Tourism Recovery Fund through two streams: emergency operating expense relief (rent, utilities, and payroll) and physical and technological adaptation support (patio beautification, safety modifications and digital upgrades).
- 29 businesses were restaurants, food establishments, breweries, or distilleries, seven were accommodations, nine were event or event spaces, three were destination retail, three were general tourism businesses and 53 percent were within the DGBA boundary.
- Recreation and Culture directed \$156,500 from their \$700,000, to nine tourism-oriented events and organizations through the three phases of the COVID-19 Emergency Fund from Public Services.
- Attracting overnight stays through the \$43,000 'See yoU in Guelph' accommodation/gift card package investment resulted in approximately \$26,640 of new accommodation bookings through Phase 1 and an additional \$5,500 was spent in Guelph on top of the initial \$100 gift card. Phase 2 is scheduled to run again in Spring 2022. It is estimated that an additional \$44,400 in new accommodation bookings will occur and an additional \$9,250 above and beyond the \$100 gift card.
- Investing \$65,000 through the Guelph Re-emerging Legacy Festivals and Events Support Program to encourage a strong return in 2022.
- Supporting Guelph small businesses through Clicks Support Bricks with \$1,000 investments. Approximately \$40,000 was generated back to the businesses and the local economy from an initial \$12,000 investment.
- Encouraging collaboration through the Tourism Collaborative Support Opportunity. An estimated additional \$16,700 was leveraged from the initial \$21,111 investment.
- Enhancing visitation by investing \$26,307 into destination marketing initiatives, including a Neighborhoods Exploration Campaign, content creation with travel writers, bloggers, and ad buys.
- Strengthening Guelph's Food Trucks by subsidizing the \$9,802 booking fees and allowing trucks an opportunity to operate each Tuesday in September.

- Supporting the beautification of downtown Guelph with a \$40,000 payment to the Downtown Guelph Business Association (DGBA) to enhance the downtown experience.

To be more proactive and responsive to these opportunities, MAT-funded staff will be required to assist with tourism-based strategic development and project implementation. Any additional costs required to implement and maintain the program will be identified for Council's approval.

The overall City of Guelph Strategic plan looks to offer residents, businesses, and visitors a continued place to grow while allowing staff to lead innovative programs and services to enable Guelph to be future ready. MAT supports the Powering our Future and Working Together for our Future strategic pillars. This initiative contributes to a sustainable, creative, and smart local economy, while also developing a long-term financial approach that is achievable and affordable. As a new funding option, MAT will allow for new and enhanced strategic projects that grow tourism, increase visitor spending, and strengthen the local economy without impacting the tax-base. The resources from MAT will support opportunities to leverage resources to further build Guelph as a destination and creating must-see visitor experiences.

The implementation of MAT is identified as a key priority in Goal 5 "Build a must-see visitor destination in Ontario" and Goal 6 "Enhance Guelph's unique brand for business, talent, and visitors" of the [Economic Development and Tourism Strategy 2022-2026](#). Priority 5.1 "Implement the Municipal Accommodation Tax" highlights the importance of the MAT for Guelph. Additional actions within strategy priorities (5.2, 5.3, 5.4 and 6.1) are reliant on MAT to be implemented to ensure successful outcomes of the strategy. Immediate and long-term goals of building Guelph as a visitor destination of choice, curating destination experiences and enhancing the visitor brand, will not be successful without direct investment into tourism. Without these resources, staff will have to modify expected results and adjust priorities.

The Economic Development and Tourism Strategy have Key Performance Indicators (KPIs) built in to ensure success. Ongoing tracking and assessment are important to measure the success of MAT. City staff and the Guelph Chamber of Commerce will develop relevant metrics to track success and support project development for consistent reporting.

The KPIs associated with the MAT will be structured to reflect tourism's broad range of functional areas, such as marketing, grant funding, development, placemaking, etc. Multiple metrics will be incorporated into the programming and projects through data collected from the MAT remittance, such as occupancy, revenue, overnight stays, etc., with growth-focused targets. As projects and programming are underway, the metrics will shift to measure all key aspects of the MAT, including both operational and remittance focused performance metrics.

Success will readily become apparent with an increase in the number of overnight stays as a percentage comparator year-over-year. Additionally, success will be recognized, for example, by the increased tourism capacity and product development, digital engagement metrics, tracked attendance, and more. The month-by-month reporting by the accommodation providers will also easily illustrate visitation, specifically in the changing seasons and shoulder season programming.

## Financial Implications

Guelph's accommodation sector has seen three organizations refocus the use of their spaces and/or withdraw from the tourism market, affecting the inventory of available rooms in Guelph. As of 2021, there are 13 key accommodations within Guelph representing 983 rooms. At the industry standard four percent tax rate, Guelph hotels and motels would generate an estimated \$500,000 to \$850,000 in revenue to be shared by the City and the Guelph Chamber of Commerce.

In addition, the Guelph short-term rental market consists of at least 162 lodgings. Short-term rentals are expected to generate an estimated \$100,000 in revenue annually.

Funding levels are not guaranteed as they are based solely on room nights sold. The MAT should support industry rebuilding and ultimately increase business at accommodations through targeting overnight visitors and increasing room nights sold. There also is a need to generate more room nights sold in off-peak times for the growth of the industry. There is risk to the overall funding fluctuating as it is reliant on accommodation providers maintaining the current number of rooms sold. A decrease in overnight visitors will impact the number of rooms sold and decrease revenues. Staff will continuously monitor and realign program spending each year based on actual revenue collected.

Staff are recommending that administration and collection of the MAT is done by a third-party association acting on behalf of the City. This would enable efficient implementation, training, collection, reporting and auditing by an organization that possesses a solid understanding of the governance required for compliance. A small administrative fee would be paid out of the MAT revenues before the separation of revenues with the Guelph Chamber of Commerce. Based on current conversations with a third party, the cost would be 1.8% annually, which is anticipated to come to approximately \$9,000-\$17,000. If a licensing program for short-term rentals is approved by Council in future, the payment of the MAT and any licensing fees would be coordinated where possible.

It is recommended that the City's half of the revenue be segregated into a reserve to ensure use of the MAT is consistent with the expectations of the tourism industry. For this reason, the City is proposing the creation of a new reserve governed by the General Reserve and Reserve Fund Policy. The use of the funds would be restricted to the activities as outlined in Attachment-1 Proposed Activities.

Staff are proposing that Appendix A of the General Reserve and Reserve Fund Policy would be amended with the following new reserve terms and conditions:

Reserve Name: Tourism Municipal Accommodation Tax

Purpose: To fund tourism development programs and projects in accordance with the objectives as approved in report 2022-09.

Target Balance: No established maximum. Reserve balance must be positive.

Source of Funds: Bylaw XX – Municipal Accommodation Tax collection net of administration costs

Use of Funds: Program and capital projects consistent with Attachment-1 of report 2022-09.

Authority/Timing: Capital and/or operating transfers will be approved by Council as part of budget. DCAO IDE and City Treasurer approval of in-year transfers in accordance with the pre-approved purpose/use.

To support the program initiation, the Economic Development and Tourism department is requesting access to start-up funding of up to \$1 million in advance of revenues being collected. The City and the Guelph Chamber of Commerce would each be able to access up to \$500,000 to begin implementation of programming, hire staff, develop products to increase overnight stays. These monies would be repaid to return the reserve to a positive position within a five-year period (by the end of 2027) from the monies collected through the MAT.

These start-up resources are particularly important to ensure there is no delay to activities beginning, as it could potentially take up to a year for the funding to sufficiently accumulate. The tourism industry has been particularly impacted during the Covid-19 lockdown periods and the small businesses will need early support to ensure that the programming is in place to rebuild the industry.

## **Consultations**

In 2018, staff began investigating the possibility of implementing a MAT with support from the Tourism Advisory Committee (TAC). Throughout 2018, 2019 and 2021, Tourism Services staff held consultations, including individual interviews and group meetings, with identified key external and internal stakeholders regarding the potential implementation and impact of a MAT in Guelph.

Over the past three years, staff have monitored activities of other Ontario municipalities with a MAT. Attachment-2 presents a summary of the information and examples gathered, demonstrating that Guelph is aligned to the industry standard and one of few remaining mid-size local municipalities to propose MAT. In this case, it has benefited the City to watch and learn from successes and challenges of other municipalities.

The City's Council appointed TAC received regular updates on the details and implications of MAT during Committee meetings. At the TAC meeting on July 15, 2019, the Committee voted in favor of the staff recommendation to Council.

"That the Tourism Advisory Committee supports the recommendation to Council that staff develop an agreement with an eligible tourism entity."

In meetings conducted during 2020 and 2021 TAC has had several conversations specific to MAT and the Committee maintains its support of the opportunity. TAC is looking forward to the implementation and the enhancements to Guelph tourism industry that MAT will support in years to come.

On December 13, 2021, staff, along with the Guelph Chamber of Commerce, hosted a stakeholder information session to provide accommodation providers an update and an opportunity to share feedback. Representatives from Guelph's hotel, motel, and B&B compliment attended the session. Accommodation providers focused on the following:

- The group is eagerly awaiting the implementation of MAT and the direct re-investment of revenues back into the tourism industry to support initiatives like tourism marketing/promotion, programming, and product development.
- Short-term rental accommodations should be included in the bylaw and subject to collection.

- Regular assessment and reporting to measure the success of MAT in Guelph is very important.
- That the Guelph Chamber of Commerce hires an established destination marketing professional who brings years of proven abilities and experience growing a destination.
- A need for Economic Development and Tourism staff to be members of the Guelph Chamber’s stakeholder committee for consistent monitoring of roles and activities.
- The group expressed that transient accommodations provided on post-secondary campuses should be included. However, the Municipal Act prohibits implementing the MAT at educational institutions.

In addition, the City’s Council appointed Guelph Economic Development Advisory Committee (GEDAC) were provided a fulsome overview and opportunity to support the MAT at a GEDAC meeting on October 26, 2021. The committee also voted in favor of the staff recommendation to Council.

“That the Guelph Economic Development Advisory Committee support recommendations by staff to implement the Municipal Accommodation Tax for Guelph.”

### **Strategic Plan Alignment**

The MAT and Tourism Services support the following Strategic Pillars:

**Powering our Future** - contributing to a sustainable, creative, and smart local economy.

- Fostering downtown business innovation to support a thriving downtown Guelph
- Supporting and attracting circular economy businesses
- Leveraging partnerships with the University of Guelph and Conestoga College
- Supporting the work of key sectors within Guelph’s economy, such as advanced manufacturing, agri-tech and clean tech
- Building collaborative partnerships with businesses
- Encouraging the growth of Guelph’s employment base, offering meaningful opportunities for all

**Working Together for our Future** - developing a long-term financial and resource strategy that is achievable and affordable.

- Maintaining our delivery of core services
- Clarifying the service levels the City delivers to the community
- Establishing a multi-year budgeting and planning process
- Exploring new funding options, service-delivery models, and partnerships to ease taxes for residents and businesses

### **Attachments**

Attachment-1 Proposed Activities

Attachment-2 Comparable Municipalities

Attachment-3 Letter of Support, Airbnb

Attachment-4 Municipal Accommodation Tax Presentation

## **Departmental Approval**

Tara Baker, General Manager, Finance/City Treasurer

Stephen O'Brien, General Manager, City Clerk's Office/City Clerk

Christopher C. Cooper, General Manager, Legal, Realty and Court Services/City Solicitor

Danna Evans, General Manager, Culture and Recreation

Doug Godfrey, General Manager, Operations

## **Report Author**

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# Proposed Activities

The following outlines a summary of activities and roles of both organizations.

## Guelph Chamber of Commerce (entity) – Destination Marketing activities

- Management of the tourism destination marketing program
  - e.g. Administration and staffing, coordination of a Stakeholder Destination Committee.
- Market and promote Guelph
  - e.g. In collaboration with the City, create and implement a destination marketing strategy that aligns with the City of Guelph's Economic Development and Tourism Strategy.
- Event, sport and conference bids
  - e.g. Development of funding programs, support capacity building, attraction and retention.
- Stakeholder communication and engagement
  - e.g. Develop and implement tools, communication.

## City of Guelph – Destination Management activities

- Implement appropriate Goals and Objectives of the Economic Development Strategy:
  - Goal 1.2 – amplify tourism product development opportunities with financial support
  - Goal 2.4 – develop and execute a targeted destination marketing plan that support increased sport, group and conference tourism activity
  - Goal 5.1 – implement municipal accommodation tax
  - Goal 5.2 – update inventory of Guelph's destination assets (previously completed in 2006) and enhance support and training for tourism-focused businesses to meet changing market trends
  - Goal 5.3 – enhance place-making
  - Goal 5.4 – wayfinding signage strategy and implementation
  - Goal 6.2 – develop a revised destination marketing plan in collaboration with the Guelph Chamber of Commerce
- MAT Project Administration
  - e.g. all contract management, communication to public
- Visitor Infrastructure

- e.g. digital properties, capital infrastructure, equipment
- Visitor Experience / Programming
  - e.g. New tourism products, art and cultural experiences and promotion, front line visitor information
  - Leverage opportunities for women, BIPOC, people who identify as members of the LGBTQ2+ community, and other underrepresented groups
- Research and data collection, reporting
  - e.g. tracking and measuring visitor economic impact data
- Training and Network development
  - e.g. support Economic Development and Tourism strategy, support tourism businesses/organizations



## Attachment-2 Municipal Accommodation Tax Comparable Municipal Examples

Municipality	Number of Accommodations	Annual Estimated Revenue *	Date of Implementation	Tax Rate Percentage	Management Model	Percentage Split
Barrie	12 accommodation providers	\$1.3 million	January 1, 2019	4%	<p>The City of Barrie created a Tourism Reserve Fund for the City's portion of the MAT, and the money is used for new capital assets, studies, strategic initiatives, and new products or marketing campaigns that support tourism.</p> <p>Tourism Barrie acts as the City's "tourism entity" for tourism marketing. A Tourism Working Group will also be established.</p>	50/50
Cornwall	1,200 accommodation rooms	\$500,000	June 1, 2018	4%	<p>The City of Cornwall uses revenues for tourism-related activities and MAT administration.</p> <p>The Tourism Development Corporation of Cornwall (tourism entity) uses revenues for the exclusive purpose of promoting tourism and has established the Tourism Development Fund to support events and initiatives that enhance Cornwall's tourism sector.</p>	50/50
Huntsville	unable to confirm	\$500,000	April 1, 2019	4%	<p>Town of Huntsville allocated revenues for projects and initiatives that promote and support tourism and economic development efforts that benefit residents and visitors.</p> <p>A Non-Share Capital Corporation (tourism entity) was created for the enhancement and promotion of Tourism in Huntsville.</p>	70/30
Kingston	24 accommodation providers	\$3.2 million	August 1, 2018	4%	<p>The City of Kingston uses collected revenues for capital projects associated with tourism.</p> <p>Kingston Accommodation Partners and Tourism Kingston (tourism entities) use the revenues for destination marketing, sales, and product development in Kingston.</p>	65/35
Markham	16 accommodation providers	\$3 million	January 1, 2019	4%	<p>The City of Markham's portion of the MAT revenue is directed towards the Life Cycle Replacement and Capital Reserve Fund as a funding source to support the replacement and rehabilitation requirements of the City's tourism-related infrastructure.</p> <p>The Destination Markham Corporation (tourism entity), governed by a Board of Directors, uses the revenue to promote tourism in the City of Markham and develop and implement multi-year marketing plans that address Markham's goals as a tourism destination.</p>	50/50
Sault Ste Marie	unable to confirm	\$1.25 million	January 1, 2019	4%	<p>The City of Sault Ste. Marie's revenues are used for tourism promotion and development.</p> <p>The Sault Ste Marie Economic Development Corp (tourism entity) uses funds to generate funding to promote tourism within the city.</p>	60/40

Thunder Bay	38 accommodation providers	\$2.5 million	September 1, 2018	4%	<p>Revenues to the City of Thunder Bay are used for infrastructure projects that promote tourism and benefit residents and visitors.</p> <p>Tourism Thunder Bay, through the Thunder Bay Community Economic Development Commission (tourism entity), uses the net revenue for tourism promotion and development with a focus on attracting more visitors to the city through sports and cultural events, conventions, enhanced attractions and outdoor activities.</p>	50/50
Timmins	16 accommodation providers	\$1 million	May 1, 2019	4%	<p>The City of Timmins share of the revenues support a number plans that contribute to tourism infrastructure or brick and mortar developments.</p> <p>The tourism entity's collected revenues are vetted by a six-member Tourism Investment Committee that includes the mayor, treasurer, CAO, tourism manager, an appointed member of the Chamber of Commerce hospitality committee, and a member at large.</p>	50/50
Waterloo Region	10 hotels Cambridge 4 hotels Waterloo 10 hotels Kitchener	\$3.1 million	July 1, 2019	4%	<p>50 per cent of revenues go to the Waterloo Region Tourism Marketing corporation, lower tier municipalities (Cambridge, Kitchener, Waterloo) receive 40 per cent, and the Region receives ten per cent.</p> <p>City of Cambridge uses funds in a variety of ways to help promote and showcase Cambridge. For example: to support a potential sports tourism strategy or develop more tourism infrastructure.</p> <p>City of Kitchener developed a reserve fund for the purpose of supporting and enhancing tourism, sport and cultural offerings, as well as major events attraction.</p> <p>City of Waterloo uses these funds to support and enhance tourism, sport, and cultural offerings, as well as major event attraction efforts.</p> <p>Waterloo Region Tourism Marketing corporation (tourism entity) uses revenues to support marketing and promotion initiatives.</p>	50/40/10
Orillia	603 accommodation rooms	\$435,721	September 2020	4%	<p>50 per cent of revenues go to Orillia and Lake Country Tourism (tourism entity) to direct destination marketing activities.</p> <p>50 per cent is retained by the City of Orillia to enhance the function of tourism for Orillia. A Tourism Reserve Fund was created to manage a portion of MAT for long-term tourism planning.</p>	50/50

\*Annual Estimate Revenues are generated from the comparable municipalities' individual reports at the time of implementation and are predicted to fluctuate and change with market demand.



December 16, 2021

Dear Mayor and Council,

On behalf of Guelph's Airbnb host community, we want to thank you for your leadership during these difficult times. Your government has taken a thoughtful approach to protecting public health while building a strong foundation for economic recovery.

As we begin to see hope on the horizon and attention turns to economic recovery, it's important to consider how travel and tourism can play a vital role. In particular, there is a tremendous opportunity for individuals to leverage their homes, often their most expensive and valuable asset, to earn extra income. This is particularly important as, in 2019, 52% of our hosts in the province said that they host because it helps them make ends meet. Among them, 57% are women, one of the worst impacted demographics during the pandemic<sup>1</sup>.

We understand the City is considering instituting a Municipal Accommodation Tax (MAT). The MAT is an excellent tool for municipalities to raise much-needed revenue to support local tourism and housing infrastructure. As Ontarians begin to envision the end of the pandemic and look toward economic recovery, we believe the provincial government can better support municipalities, small businesses and tourism development by making a minor change to the MAT. That small change includes making the MAT mandatory, province-wide and centrally administered for all short-term rentals, on all platforms.

Similar systems have worked well in other provinces such as Quebec and British Columbia. Since October 2017, we have been collecting and remitting the accommodation tax to the province of Quebec, and likewise for British Columbia since February 2018. For Quebec, funds are distributed back out to regional tourism organizations from where the tax was collected and in British Columbia, the province transfers those funds to municipalities where the tax was collected.

The current MAT systems do not work for a global platform like Airbnb. With over 400 municipalities in the province, platforms like ours are being asked to enter into hundreds of individual MAT collection agreements across the province. While we support collecting an accommodation tax and stand behind the communities and tourism development of the municipalities where we operate, the current system is cumbersome for most municipalities to individually implement. The above-mentioned provincial changes would cut red tape and better support municipal initiatives, and we are willing to assist the city educate and inform hosts of their obligation to collect and remit the MAT.

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<sup>1</sup> Based on a survey administered by Airbnb.



A small change for the province is a significant change for municipalities, financially and operationally. By making the tax mandatory and remitted directly to municipalities through the province, you would be able to redirect your efforts onto greater needs to better support Guelph's community.

We encourage you to reach out to the Finance and Tourism Ministers to support this proposal in calling on the Ontario government to create a province-wide system.

Sincerely,

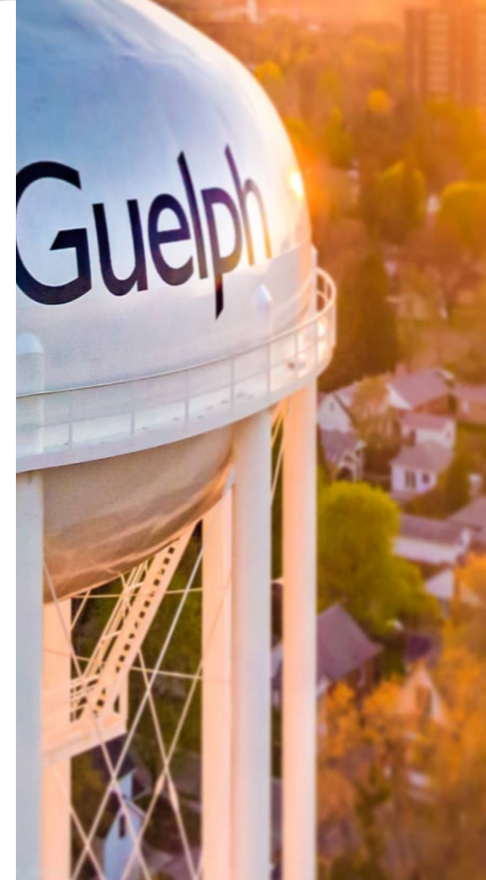
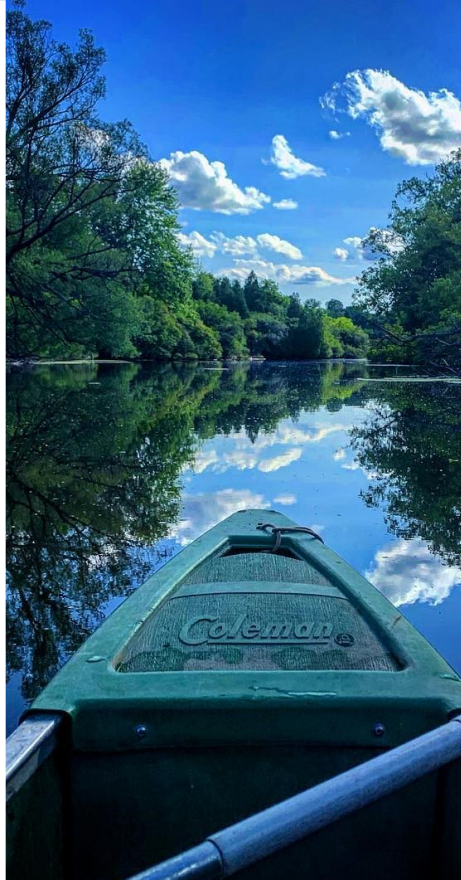
Ji Hee Shin Etienne  
Airbnb Public Policy



# Municipal Accommodation Tax



Why is tourism an identified economic industry and catalyst in Guelph?



# What is tourism?

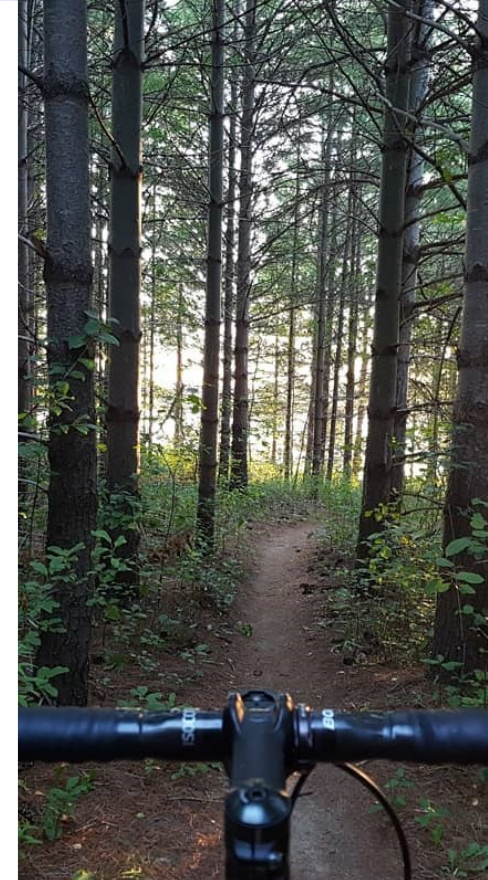


# Why MAT?





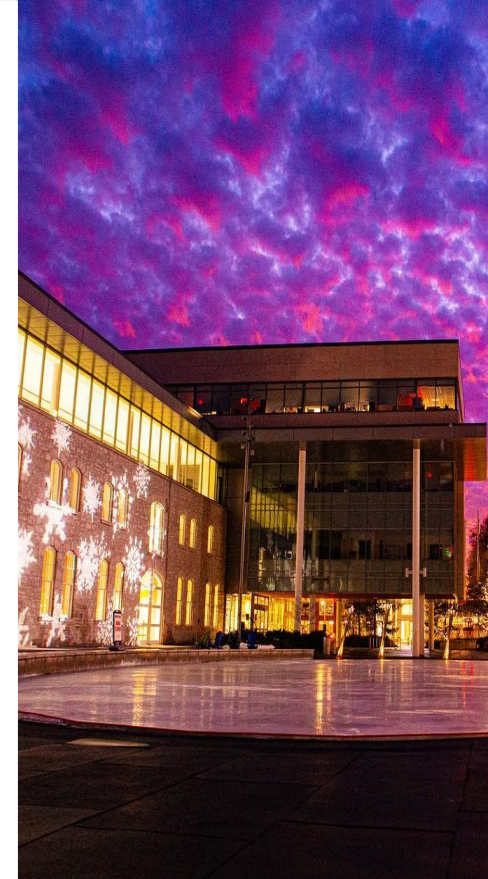
# Who pays MAT?



# Why work with a Destination Entity?



# Who does what?



What will the Guelph Chamber of Commerce do?



Who collects the money?



What will the City do with the money?



How does MAT support diversity and inclusion?



How do we measure our success and the success of the Guelph Chamber?





Thank you.



# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, February 7, 2022
Subject	<b>Property Assessed Clean Energy Update - 2022-27</b>

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## Recommendation

1. That staff be directed to finalize the funding opportunity including a loan of up to \$10 million and a grant of up to \$5 million for a residential Property Assessed Clean Energy program with Federation of Canadian Municipalities through the Community Efficiency Funding of the Green Municipal Fund.
2. That staff be directed to develop, implement, and administer a Property Assessed Clean Energy program and that delegated authority be provided to both the Deputy Chief Administrative Officer, Infrastructure Development Enterprise and Deputy Chief Administrative Officer, Corporate Services to enter into and execute any required agreements and staffing contracts for such implementation.
3. That the City's financial contribution to the Property Assessed Clean Energy program of up to \$3.5 million be funded from the 100 Renewable Energy Reserve Fund and that this funding obligation be incorporated into future City budgets or apportioned from other funding opportunities.
4. That Appendix A of the General Reserve and Reserve Fund Policy be amended to reflect the creation of a Property Assessed Clean Energy Reserve Fund with the terms and authority as identified in the Property Assessed Clean Energy Update dated February 7, 2022.
5. That staff be directed to draft the appropriate by-laws required for a Property Assessed Clean Energy program and bring those forward to a future Council meeting for approval.

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## Executive Summary

### Purpose of Report

To provide information and ask for Council direction on moving forward with a City-developed and administered Property Assessed Clean Energy (PACE) retrofit loan program utilizing Local Improvement Charges (LIC) as a mechanism to collect loan amounts through a funding opportunity from the Federation of Canadian

Municipalities (FCM) through the Community Efficiency Funding (CEF) of the Green Municipal Fund (GMF).

## **Key Findings**

In 2012, Ontario regulations were passed to permit Ontario municipalities to recover the costs of undertaking work for constructing energy efficiency works or renewable energy works on private property and impose a LIC by agreement. Since that time, one municipality in Ontario (the City of Toronto) has implemented a PACE program and one additional (the City of Ottawa) released a program late in 2021.

As the Municipal Act, 2001 and LIC Regulations only apply to Ontario municipalities, with the exception of Toronto, the legislation and PACE programs in other jurisdictions across Canada and the United States, while of interest, do not set precedent for the City of Guelph. City staff noted early in the process that there may be efficiencies to having a third-party such as Our Energy Guelph (OEG) to administer a PACE program. However, this option is not feasible because if a third-party provides the capital for and administers the PACE program, the City cannot rely on nor use the provisions of the LIC legislation which is a critical component to the success of the program.

In November 2021 FCM approved an opportunity, through the GMF, for the City of Guelph to receive a loan of up to \$10 million and a corresponding grant of up to \$5 million for the implementation, operation, and funding for a residential PACE program. This funding opportunity from FCM aligns with the City's Strategic Plan, Guelph. Future Ready. Specifically, there is alignment with direction under the Official Plan, the Community Energy Initiative as well as Race to Zero.

While the PACE program framework details are still in development, the program will fit within the prescribed legislation. It is expected that a City-administered PACE program will provide opportunities for community partners to assist in the program marketing, concierge service, and conversations within the community related to the opportunities and benefits of the program.

Proceeding with a PACE program will require financial contribution from the City. FCM funding will cover up to 80% of the program funding; thus, the City must contribute up to \$3.75 million in funding directly or by the way of in-kind services. To facilitate the City contribution, staff are recommending setting up a Reserve Fund with the terms and authority as identified in this report and that up to \$3.5 million of this amount be funded from the 100 Renewable Energy (100RE) Reserve Fund. This Reserve Fund currently does not have available funds. Staff are seeking that the approval for additional funding to balance the reserve fund be identified through future City budgets or through other funding opportunities that may arise. The balance of the commitment of \$250,000 will be provided through in-kind services and programs.

The commitment by the City of Guelph to administer, report and collect owing loan amounts will extend over 30 years. Multiple dedicated staff resources will be required including a Program Manager responsible for PACE program design and implementation and two finance resources to assist in the program development, administration, reporting and collection of funds. These new City staff positions to administer the program will be funded through the FCM grant for the initial four

years. However, there is a need to keep resourcing for this program throughout its entire 30-year lifespan and this will fall to the municipal tax base. In addition to the core positions, this program will also require additional staff time and resources related to drafting by-laws, agreements, additional building inspection work as well as Council approval of associated by-laws.

There are several current programs from other levels of government and utility providers that directly target energy efficiency and energy conservation. The Canada Greener Homes Grant (CGHG), Interest-free Loans for Retrofits, Home Efficiency Rebate (HER), Energy Affordability Program (EAP), Save on Energy Retrofit Program and the Canada Mortgage and Housing Corporation (CMHC) Green Home are programs that could be accessed by Guelph property owners. A key component of a successful Guelph PACE program will be to ensure the ability to stack and compliment these other programs otherwise the uptake may not materialize as intended.

### **Financial Implications**

This program will require the City to borrow up to \$10 million from FCM, flow these funds to residential properties, and then collect through an LIC. This loan was not considered in the City's most recent debt forecast as part of the 2022/23 Budget and may create constraints in terms of future borrowing capacity related to the City capital program. This additional \$10 million of debt will not cause the City to breach its debt capacity limits as set out in the Debt Management Policy at this time based on planned projects, however, it may be looked upon negatively by the credit rating agency due to its unplanned nature. The LIC mechanism is critical to the City's risk mitigation of this debt obligation and its repayment of the funding source over time.

As the City's Debt Management Policy limits the issuance of long-term debt only for the purpose of large capital projects, Council will also be approving a loan arrangement that was not contemplated within the City's current policy. Given the community benefit that can be gained by the City administering this loan as a flow-through agent, secured with the LIC, and the aggregate debt total fitting within the policy, staff are comfortable with recommending this loan agreement outside of the current policy.

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## **Report**

In 2012, Ontario regulations were passed to permit the Ontario municipalities to recover the costs of undertaking work for constructing energy efficiency works or renewable energy works on private property, and to impose local improvement charges by agreement on that property to recover the cost of that work. A LIC can be used as a secure collection method if the program is run by the City. Repayment of loans extended for approved energy efficiency improvements are collected as property taxes and is the fundamental structure of a PACE program. Since the introduction of the new regulations in Ontario, only the City of Toronto had implemented a program to make use of the new LIC mechanism. However, in late 2021 the City of Ottawa announced that a new program is available, funded through FCM. There are several other municipalities across Canada with PACE programs in place, and there are currently a few other Ontario municipalities in the planning stages for a program.

Guelph is governed by the Municipal Act, 2001, and LIC regulations which apply to all Ontario municipalities other than Toronto. Every province has enacted its own statutes and regulations to govern its own municipalities. In the United States there are various types of legislation from state to state. These laws are all different and as such, it is important to ensure any PACE program in Guelph aligns with legislation applicable to Guelph, Ontario.

Under the typical PACE-type plan, a municipality would administer and run the program internally, as is the case in Toronto. Guelph noted early in the process that there may be efficiencies to having a third-party such as OEG run and administer the PACE program.

OEG and the City have been working in partnership to determine the best format for a PACE or Energy Efficiency Retrofit (EER) program. Through reviewing proposed business structures related to the PACE program, it was determined that if a third-party provides the capital for the loans and an alternate third party is an administrator of the PACE program, the City cannot use the provisions of the LIC legislation.

In November 2021, FCM awarded the City of Guelph, through the GMF, an opportunity for a loan of up to \$10 million and a corresponding grant of up to \$5 million for the implementation, operation, and funding for a residential PACE program. Additionally, preferred terms are available from FCM to ensure that the program can be successful and compete with or complement any energy efficiency program from other levels of government or industry partners.

This funding opportunity from FCM for the City of Guelph to develop a PACE program aligns with the Sustaining Our Future pillar of the City's Strategic Plan, Guelph. Future ready. Specifically, there is alignment with direction under the Official Plan, the Community Energy Initiative as well as Race to Zero, to help move the Guelph community toward Net Zero Carbon by 2050 or sooner. Additionally, a PACE program could be viewed as moving economic activity forward through or past the COVID-19 pandemic.

While the PACE program framework details are still to be fully developed, it is understood that the program will fit within the prescribed legislation. It is expected that a fully City-administered PACE program will provide opportunities for community partners to assist in the program marketing, concierge service, and conversations within the community related to the opportunities and benefits of the program.

The FCM funding is available for a four-year period to facilitate uptake to the program, after which it includes up to a 25-year payback period. Depending on the duration of the LIC loan period, this will commit the City of Guelph to administration, reporting and collecting past the year 2050. In addition to the core positions outlined below, this program will also require additional staff time and resources related to drafting by-laws, agreements and other documents, and additional building inspection work as well as Council approval of associated by-laws.

In addition to the long-term commitment of administering the program, there are a number of other considerations, foremost being the City's financial contribution. FCM funding will only cover up to 80% of the program funding. As this contribution

may amount to up to \$15 million, the City would then be required to contribute up to \$3.75 million in funding directly or through existing programs such as water conservation or in-kind services.

To facilitate the City contribution, staff are recommending setting up a Property Assessed Clean Energy Reserve Fund (#362) with the terms and authority as identified below and that up to \$3.5 million be funded from the 100RE Reserve Fund (#355) with the remaining \$250,000 being provided through in-kind staffing and other programs. The 100RE Reserve Fund does not have available funds for this program and staff are seeking approval for up to \$3.5 million to be incorporated into future budgets or through other funding opportunities as required based on program uptake.

Multiple dedicated staff resources will be required including a Program Manager responsible for PACE program design and implementation, and two finance resources to assist in the program development, administration, reporting and collection of funds. FCM has been working on collaborating with municipalities across the country to compile best practice program documents and many municipalities are eager to share what they have done to date. This collaboration would assist the PACE Program Manager with the City of Guelph program development. These new positions would be funded through the FCM grant for the initial four years, after which staff resourcing for the tax collection and reporting, as well as ongoing communication, would be the responsibility of the City tax base.

Once the program is developed to the satisfaction of FCM, the funding agreement can be entered into between the City and FCM, and the enabling PACE LIC by-laws brought to Council for approval. Concurrently during this time, the City would work with community partners to establish supporting roles, responsibilities and opportunities related to this PACE program.

Of note, there are several current programs from other levels of government, industry partners and utility providers that directly target energy efficiency and can be accessed by property owners in Guelph. The CGHG, Interest-free Loans for Retrofits, HER, EAP, Save on Energy Retrofit Program and the CMHC Green Home are the programs that can be accessed by Guelph property owners directly without any obligation or involvement of the City. Further review and analysis of these programs will be necessary to determine if these can complement or be stacked with a City of Guelph PACE program to meet the needs and requirements of the property owners in Guelph. Please see Attachment-1 for further details on EER programs.

### **Financial Implications**

This program will require the City to borrow up to \$10 million from FCM and flow these funds to residential properties through an LIC, locking the City into additional debt for a period of twenty-five years. This loan was not considered in the City's most recent [debt forecast](#) as part of the 2022/23 Budget and may create constraints in terms of future borrowing capacity related to the City capital programs. This additional \$10 million of debt will not cause the City to breach its debt capacity limits as set out in the [Debt Management Policy](#), however it may be looked upon negatively by the credit rating agency due to its unplanned nature. The LIC mechanism is critical to the City's risk mitigation of this debt obligation and its repayment funding source over time. Further consideration to debt capacity

calculation methodology will be given once discussions with counterparts and the credit rating agency can be had.

The staff resourcing during the startup and 4-year program period will be recoverable through the grant portion from FCM. Resources required beyond this initial period for the tax collection, reporting, and ongoing communication will be the responsibility of the tax base until past 2050.

As the City's Debt Management Policy limits the issuance of long-term debt only for the purpose of large capital projects, Council will also be approving a loan arrangement that was not contemplated within the City's current policy. Given the community benefit that can be gained by the City administering this loan as a flow-through agent, secured with the LIC, and the aggregate debt total fitting within the policy, staff are comfortable with recommending this loan agreement outside of current policy.

The creation of a new Reserve Fund is governed by the [General Reserve and Reserve Fund Policy](#). Staff are seeking approval for terms and authority for this Reserve Fund through an amendment of Appendix A of that policy as follows:

**Reserve Name:** Property Assessed Clean Energy Reserve Fund

**Purpose:** To record and track the proceeds of the funding received from all parties for the PACE program.

**Target Balance:** No established maximum. Reserve balance must be positive.

**Source of Funds:** Granting agency and other partner contributions (including municipal) for the PACE program.

**Use of Funds:** Extending energy efficiency retrofit loans in accordance with the approved PACE program as well as program related costs.

**Authority/Timing:** City Treasurer approval of in-year transfers in accordance with the pre-approved purpose/use. Where possible, operating cost transfers approved by Council as part of budget.

## Consultations

Federation of Canadian Municipalities

Our Energy Guelph

## Strategic Plan Alignment

Efforts to mitigate climate change by reducing Guelph's carbon footprint is aligned with the Sustaining our Future Strategic Plan pillar. This can be achieved, in part, by reducing the City's energy footprint through residential retrofits enabled by supporting environmental innovation and programming through aligning with partners

## Attachments

Attachment-1 Energy Efficiency Programs

Attachment-2 Staff Presentation

## **Departmental Approval**

Facilities & Energy Management  
Legal, Realty and Court Services

## **Report Author**

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# Attachment-1 Energy Efficiency Programs

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## Introduction

The purpose of this Attachment is to outline the different energy retrofit programs in the marketplace available to Guelph property owners. The Canada Greener Homes Grant (CGHG), Interest-free Loans for Retrofits, Enbridge Home Efficiency Rebate (HER), Enbridge Winterproofing Program, Alectra Energy Affordability Program (EAP), and the Canadian Mortgage and Housing Corporation (CMHC) Green Home are the programs that will be reviewed. These programs were chosen because they apply to the City of Guelph and are the most up-to-date programs offered. Each of these options will have a brief description including advantages and disadvantages about the program.

## Government of Canada: Canada Greener Homes Grant (CGHG)

The Government of Canada runs the CGHG, which provides grants of up to \$5,000 to help homeowners make energy efficient retrofits, and EnerGuide evaluations (worth up to \$600) along with expert advice to homeowners so they can begin to plan their retrofit projects. Eligible property types include single and semi-detached houses, row housing, townhomes, all-season cottages, mobile homes on a permanent foundation, permanently moored floating homes, mixed-use buildings, and small multi-unit residential buildings. New homes are not eligible for the grant. The program has received at least 30,000 applications so far.

To begin the process the applicant must complete a pre- and post-retrofit EnerGuide evaluation. The applicant then completes at least one retrofit that is both eligible and recommended by the energy advisor in their report. The retrofits eligible for reimbursement include heat pumps, water heaters, renewable energy, air sealing, insulation, windows and doors, thermostats, and certain resiliency measures.<sup>1</sup> The homeowner is responsible for choosing products and materials and getting permits. The homeowner must also provide and keep copies of all their documents.

## Advantages

- Only one retrofit needs to be performed to be eligible for reimbursement
- Covers purchasing of renewable energy systems (solar panels)
- Funded by the Government of Canada

## Disadvantages

- Once upgrades are certified, the government reimburses homeowners within a month. This means the grant only arrives after participants have spent the money, which leaves out renters and homeowners who can't afford to spend the money up front
- A homeowner isn't guaranteed the maximum grant of \$5,600 as the amount of the grant depends on the audit conducted when the work is done
- There is limited capacity (700,000 grants)

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<sup>1</sup> [Web Link to Canada Greener Homes Grant](#)

- The surge in demand for the program is driving up wait times for energy advisers and contractors, and applicants probably will have to wait longer than they'd like for repairs to begin
- As with a number of federally-run programs, funding is tied to the government of the day

### **Government of Canada: Greener Homes Interest-free Loans for Retrofits**

In the 2021 budget, the Government of Canada proposed to provide \$4.4 billion on a cash basis (\$778.7 million on an accrual basis over five years, starting in 2021-22, with \$414.1 million in future years), to the CMHC to help homeowners complete home retrofits through interest-free loans of up to \$40,000.<sup>2</sup> Loans would be available to homeowners and landlords who undertake retrofits identified through an authorized EnerGuide energy assessment. This program will also include a dedicated stream of funding to support low-income homeowners and rental properties serving low-income renters, including cooperatives and not-for-profit owned housing.

Eligible retrofits include replacing oil furnaces or low-efficiency systems with a high-efficiency furnace, air source heat pump, or geothermal heat pump, upgrading wall or basement insulation and/or wall or roof panels, installing a high-efficiency water heater or on-site renewable energy like solar panels, and replacing drafty windows and doors. More details on the program are anticipated to be announced in early 2022. It is estimated that more than 200,000 households will take advantage of this opportunity.

#### **Advantages**

- Funded by the Government of Canada
- Interest-free loan
- Large source of funding to help pay for more costly retrofits
- Provides access to capital up front since it is a loan

#### **Disadvantages**

- Some of the details about the program have not been announced as it is still in the design phase and has not been implemented
  - This creates uncertainty because the implementation of the program may change how it works
  - It is not clear if the savings will be less than debt service and if the customer will be left with a net cost for the length of the loan that they are repaying
- Lack of clear qualifying criteria (no guarantee homeowner would receive the loan)
- The program has capacity constraints and is time sensitive because funds are limited and spread over five years
- As with a number of federally-run programs, funding is tied to the government of the day

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<sup>2</sup> [Web Link to the 2021 Federal Spring budget](#)

## **Enbridge: Home Efficiency Rebate (HER)**

HER is a program run by Enbridge, which reimburses homeowners up to \$5,000 for home energy efficiency improvements. A household is eligible if:

- It was planning to renovate or replace old equipment and has not started the work
- The household is a residential Enbridge Gas customer
- The house is a detached, semi-detached, row townhouse, or a mobile home with a permanent foundation
- The home is heated with a natural gas furnace or boiler

Before starting any work, an applicant must first complete a home energy assessment with a registered energy advisor. The registered energy advisor will then provide a report with a list of recommended upgrades to help lower the household's natural gas bill. An applicant must complete at least two eligible upgrades. A few retrofits that are eligible for reimbursement through HER are exterior wall insulation (up to \$3,000), basement insulation (up to \$1,250), boiler (\$1,000), and attic insulation (up to \$750). For each additional upgrade installed, households get additional bonus incentives up to \$750. A final home energy assessment must be completed to qualify for rebates. The \$600 for the energy assessments is reimbursed in the final cheque.

### **Advantages**

- Allowed to participate in the HER and CGHG stacking the rebates.
- The program is not politically sensitive
- Funded by Enbridge

### **Disadvantages**

- A natural gas furnace or boiler must be the primary heating source for both the initial and final energy assessments which means the rebate is not available if natural gas appliances are being removed completely and replaced with alternative fuel appliances
- HER does not cover renewable energy systems (solar panels)
- Cannot receive duplicate rebates for the same efficiency improvements
- Two retrofits must be performed to be eligible for reimbursement
- Applicants are responsible for covering the upfront cost of the initial and final home energy assessments costing \$600
- If the customer has already started a renovation, he/she is not eligible for the rebate

## **Enbridge: Home Winterproofing Program**

The Home Winterproofing Program can help customers lower their natural gas bill and make their home more comfortable. For a home to qualify the participant must have an Enbridge Gas account in their name and the home must be heated with a natural gas furnace or boiler. A customer's household income level must also fit within specific levels to qualify. If a customer qualifies, they are eligible to receive free insulation, draft proofing, and a smart thermostat to reduce energy costs up to 30%. More than 22,000 homes have participated.

The first step is for a customer to see if their home qualifies. Customers can apply online or by phone. The next step is to schedule a home visit where an authorized delivery agent will visit the customer's home to check whether it's properly insulated, or if air is escaping through windows and doors. If it is found that a customer's home is eligible for free upgrades, Enbridge's qualified contractors will install the upgrades at the customer's convenience. The final step is a follow-up home visit which is where the same delivery agent visits the customer again to make sure everything's working properly and answer any follow-up questions.

### **Advantages**

- Free for eligible customers
- Includes customers who rent their home (with written permission from their landlord)
- Not politically tied or time-sensitive

### **Disadvantages**

- Must be an Enbridge Gas customer to qualify
- A home must be heated with a natural gas furnace or boiler to qualify
- Income eligibility requirements disqualifies many households

### **Alectra: Energy Affordability Program**

Alectra's EAP supports income-eligible electricity consumers by helping them to lower their monthly electricity costs through expert advice and energy-saving home upgrades completely free of charge. Alectra also has an extensive educational website, which has useful tips and tricks to save on energy costs.<sup>3</sup> To qualify, the participant must be a resident of an eligible Social Housing property or an individual who owns, rents, or leases a residence, is listed as the primary or secondary utility account holder, and meets one of the following criteria:

- Has an annual household income for the previous year that does not exceed certain limits<sup>4</sup>
- Received Allowance for the Survivor, Guaranteed Income Supplement, Allowance for Seniors, Ontario Works, Ontario Disability Support Program or Healthy Smiles Ontario Child Dental in the past 12 months
- Received a Low-Income Energy Assistance Program grant or were part of the Ontario Electricity Support Program within the last 12 months
- Is qualified to participate in a natural gas income-eligible demand side management program during the past 12 months

Some participants may qualify for a free home energy needs assessment conducted by a trained energy professional that will help identify energy-efficient upgrades available for their homes, such as replacement of inefficient appliances and professionally installed insulation and draft proofing. These upgrades may be installed during or after an in-home visit. Other participants may qualify instead for free energy saving kits. These are customized to meet their energy needs and could

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<sup>3</sup> [Web Link to Save on Energy](#)

<sup>4</sup> [Web Link to Save on Energy - Energy Affordability Program](#)

include energy-saving LED lighting, timers, faucet aerators, and/or a clothes-drying line.

### **Advantages**

- Free for eligible participants
- Educational tips and tricks on the Save on Energy website
- Not politically tied or time-sensitive

### **Disadvantages**

- Eligibility requirements disqualifies many households

### **Canada Mortgage and Housing Corporation: Green Home**

CMHC Green Home offers a partial refund on the cost of mortgage loan insurance. A homeowner who buys, builds, or renovates for energy efficiency may be eligible for a refund of up to 25% of the premium. Various houses and condominiums are eligible depending on the building standards they were built to meet.<sup>5</sup> Before and after a homeowner makes the improvements, the home must be assessed by a Natural Resources Canada qualified energy advisor. The advisor will measure the home's efficiency using one of two EnerGuide scales: the 0-100 scale or the gigajoules per year scale.

### **Advantages**

- Unique way to finance home energy retrofits
- Not politically tied or time-sensitive

### **Disadvantages**

- The homeowner is not reimbursed for the \$600 home energy assessment
- Requires the applicant to have mortgage insurance

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<sup>5</sup> [Web Link - CMHC Green Home](#)

# Property Assessed Clean Energy (PACE) Update

Antti Vilkkko, James Krauter & Jayne Holmes

February 7, 2022

# The Opportunity

- Facilitation of energy efficiency retrofits (ERR) for the residential sector
- Funding approval from Federation of Canadian Municipalities (FCM)
- Amounts loaned to the property owner for ERR are recovered utilizing Local Improvement Charges (LIC)
- Property Assessed Clean Energy or PACE programs are typically administered by the municipality

# Recommendations

1. That staff be directed to finalize the funding opportunity including a loan of up to \$10 million and a grant of up to \$5 million for a residential Property Assessed Clean Energy program with Federation of Canadian Municipalities through the Community Efficiency Funding of the Green Municipal Fund.
2. That staff be directed to develop, implement, and administer a Property Assessed Clean Energy program and that delegated authority be provided to both the Deputy Chief Administrative Officer, Infrastructure Development Enterprise and Deputy Chief Administrative Officer, Corporate Services to enter into and execute any required agreements and staffing contracts for such implementation.



# Recommendations

3. That the City's financial contribution to the Property Assessed Clean Energy program of up to \$3.5 million be funded from the 100 Renewable Energy Reserve Fund and that this funding obligation be incorporated into future City budgets or apportioned from other funding opportunities.
4. That Appendix A of the General Reserve and Reserve Fund Policy be amended to reflect the creation of a Property Assessed Clean Energy Reserve Fund with the terms and authority as identified in the Property Assessed Clean Energy Update dated February 7, 2022.
5. That staff be directed to draft the appropriate bylaws required for a Property Assessed Clean Energy program and bring those forward to a future council meeting for approval.

# Next Steps

- Hire specific PACE resources
- Develop PACE program details
- Develop applicable By-laws
- Enter into Agreement with FCM
- Establish community partner roles
- Implement the PACE program

# Thank You

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Office of the Chief Administrative Officer
Date	Monday, February 7, 2022
Subject	<b>Smart Cities Update – Our Food Future and Circular Opportunity Innovation Launchpad</b>

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## Recommendation

1. That the report “Smart Cities Update – Our Food Future and Circular Opportunity Launchpad” dated February 7, 2022 be received.
- 

## Executive Summary

### Purpose of Report

To provide Council with an update on the progress of the Smart Cities initiatives – Our Food Future and Circular Opportunity Innovation Launchpad (COIL) - since the last update presented in March 2020.

### Key Findings

Since the last report to Council, Our Food Future has achieved many milestones while adapting to the changing needs of our community due to the COVID-19 pandemic. We rapidly shifted priorities and launched [Grow Back Better](#) to support the economic and social recovery efforts in Guelph and Wellington County over 18 months. With additional funding and resources from FedDev Ontario we launched the COIL business accelerator program. COIL broadens program reach both geographically and thematically with the introduction of businesses from the environmental and sustainability sectors. Combined, Our Food Future and COIL have laid the groundwork for a growing number of Guelph-Wellington circular economy initiatives.

Notable achievements at the midpoint of this work include:

- Victory on our goal of supporting the development of 50 new circular businesses and collaborations – identifying over 181 that have established or expanded their circular practices since the launch of the initiative
- Secured an additional \$14.2 million dollars in funding to support the work of City, County and community collaborators (details below)
- Launched the Guelph-Wellington Urban Agriculture Challenge providing \$106,000 to ten successful community projects
- Prevented 1,769 tonnes of greenhouse gas emissions
- More achievements can be seen in our short [video](#) (Attachment 4) “Our Food Future: Circular Food Systems”

## Financial Implications

### Leveraged Funds

The Smart Cities Office seeks private and public sector funding and support for the ongoing work of Our Food Future and COIL to position Guelph-Wellington as a circular economy innovation hub. One of the key deliverables of the initiative is to demonstrate the degree to which the original \$10 million in funding can leverage additional investment from partners. Over \$14.2 million in additional funding has been secured to date.

### Circular Opportunity Innovation Launchpad (COIL)

In April 2021, the Smart Cities Office confirmed an additional \$4.96 million in funding from FedDev Ontario to extend a range of programs focused on the incubation and acceleration of circular economy businesses and innovations. The City of Guelph entered into a grant funding agreement for the period April 2021-2024.

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## Report

### Context – Growing momentum of circular economy in Canada and globally

Since Our Food Future launched, momentum around the circular economy has increased significantly. We are seeing:

- Canada's largest trading partners setting targets and making major investments into the circular economy including China ([US\\$468 billion investment by 2024](#)) and the EU ([€10 billion investment by 2023](#))
- Major corporations in the food sector, including General Mills, McCain Foods and Danone have committed to creating more sustainable and circular supply chains
- Canada's federal political parties articulated commitments referencing food security and the circular economy in their 2021 election platforms

Guelph-Wellington has positioned itself at the forefront of this global movement. Our initiatives have been featured in reports at the World Economic Forum and on multiple panel discussions at the World Circular Economy Forum. The City has also signed the Milan Urban Food Policy Pact. This international agreement of 200 Mayors around the world is tackling food and sustainability issues at the urban level and is committed to developing sustainable food systems that are "inclusive, resilient, safe and diverse."

### Circular Economy & Local Government

Transitioning to a circular economy must happen at the local level, and municipalities can both support and steer the evolution. Municipal public policy influences activities such as waste management, zoning, and urban planning which can be engaged as drivers of the circular economy. Municipal governments also have the power to create markets for circular products and services through public procurement and to cultivate localized networks and innovation systems.

It is estimated that 44% of Canada's greenhouse gas emissions (GHGs) are controlled by municipalities. Both the City of Guelph and the County of Wellington have climate plans and are committed to reducing GHGs. The City of Guelph is a

designated member of the Cities Race to Zero campaign due to its pledge to a 100 per cent renewable energy transition, commitment to carbon neutrality, and acknowledgment of the climate crisis. The County of Wellington also has a [climate change mitigation plan](#) that commits to a 6% reduction in GHGs by 2030 and an 80% reduction by 2050.

The Smart Cities Office is at the forefront of a nationwide discussion on how the circular economy can address climate change and advance a waste prevention agenda that maximizes local economic opportunity. We are advising in the [Canadian Circular Cities and Regions Initiative](#), connecting 15 local governments with knowledge and tools to accelerate circular economy strategies. This initiative is led by key partners such as the National Zero Waste Council, the Federation of Canadian Municipalities, the Recycling Council of Alberta and RECYC-Quebec.

The Smart Cities Office alongside Solid Waste Services will also be representing the City as a member of the National Zero Waste Council (NZWC). In joining the country's largest metropolitan centres, the City of Guelph offers a unique position as a mid-sized city. Our strong partnership with Wellington County also offers an important perspective for resources, networks and toolkits that are adaptable to the place-based needs of similarly sized communities from coast to coast to coast.

## Midterm Report Overview

### Key Activities: 2020 -2021

Nearing the midpoint of this initiative we have updated our strategic framework to reflect both new program funding and understandings of the potential and impact of the circular economy initiatives. Throughout the COVID-19 pandemic, the Smart Cities Office reported to council regularly providing updates on the [Grow Back Better](#) program.

The **Our Circular Future: Midterm Report** (Attachment 1) provides an updated vision statement, expanded outcomes, guiding principles and an overview of the array of programs, pilots, demonstration projects and interventions underway in each area of the food system value chain. The framework is integrated into an interactive digital map and [graphic \(Kumu\)](#) and [presentation \(Prezi\)](#) that will serve as a tool for further education and community engagement on the project. Further, this newly released short [video](#) provides an overview of our progress to date.

Moving forward, the initiative will be producing an annual program impact report for the City and County Councils, and the public.

## Financial Implications

### Leveraged Funds

Alongside our community collaborators, the Smart Cities Office seeks private and public sector funding and support for the ongoing work of Our Food Future and COIL to position Guelph-Wellington as a circular economy innovation hub. One of the key deliverables of the initiative is to demonstrate the degree to which the \$10 million in funding can leverage additional investment from the community and contribute to the building of the circular economy. Some of the additional \$14.2 million dollars in funding includes:

- \$4.96 million from FedDev Ontario to support the COIL program
- \$4.95 million from Canadian Institute of Health Research for the SMART Training Platform via the University of Guelph
- \$1.5 million from the Helderleigh Foundation for the University of Guelph Food Literacy research for the Guelph Family Health
- \$350,000 from the Co-operators Group to launch COIL's Zero Waste Economic Transformation Lab (details below)

## **Circular Opportunity Innovation Launchpad (COIL)**

In April of 2021, the Smart Cities Office confirmed an additional \$4.96 million in funding from FedDev Ontario to extend a range of programs focused on the incubation and acceleration of circular economy businesses and innovations. The City of Guelph entered into a grant funding agreement for the period April 2021-2024.

The funding allows for coverage of all expenses related to the execution of the COIL leveraging the partnerships and resources of the Our Food Future initiative, enabling additional staffing resources, and program funds.

## **Contract Management**

The Smart Cities Office continues to maintain funding agreements in good standing with both Infrastructure Canada and FedDev Ontario. Throughout the funding period, the Smart Cities Office has established and monitored agreements with six key project collaborators that provide leadership and delivery of a range of programs. These collaborators include the County of Wellington, 10C, Wellington-Dufferin-Guelph Public Health, Innovation Guelph, Provision Coalition, and Toward Common Ground. The project management plan continues to be monitored in accordance with the City of Guelph's Tier 1 project management protocols.

## **Building a Circular Food Economy Movement**

The goal of Our Food Future and COIL is to transform the food system by embedding circular economy practices throughout municipal departments, local organizations, and residents as well as catalyze a circular food economy social movement that will outlive the program. Throughout Guelph-Wellington, the project is sparking a conversation that inspires the community to see themselves as agents of change, participating in and advancing the goals in novel ways.

Below is a snapshot of program achievements highlighting some communications and engagement activities that have advanced this movement:

- Presented at over 115 conferences, broadcasts and events, locally, nationally and internationally, reaching an audience of over 1,103,331 people
- Supported the launch of the world's [first circular restaurant meal](#)—a gourmet restaurant meal created entirely from unavoidable waste
- Held the first meetings of the Food System Resiliency Table, an organization that supports the development of a resilient regional food system that contributes to a green recovery from COVID-19

- Launched [Our Food Future Data Hub](#), an open-source platform which compiles over 52 food-system datasets from federal, provincial and local sources, providing a test bed for a public open data utility
- Produced meaningful content for capacity building and education:
  - On Our Plate, a quarterly newsletter with a reach of 861
  - [In Conversation with Our Food Future](#), a monthly podcast series which has been downloaded 617 times

## **Circular Opportunity Innovation Launchpad**

COIL launched a suite of four business accelerator programs since August 2021. Evolve is a pre-accelerator program for early-stage businesses or early-stage circular transitions. The [Activate Accelerator](#) supports the growth and scaling of circular economy business, products, and solutions through mentorship, a CE curriculum, and international networking. [The Circulate CoLab](#) supports the emergence of new ideas, products or models through collaborative interdisciplinary ventures. The [Re\(PURPOSE\) Incubator](#) provides a business audit and plan to revalorize by-products and generate revenue streams for food-based businesses. Forty organizations, companies, research labs and non-profits are now participating in the first round of programming. Applications for the second round of all four programs will begin in Spring 2022.

Complementing the programming is COIL's Circular Business Toolkit. By opting in to the Circular Economy Digital [Passport](#), participants are connected to our [Urban-Rural Testbed](#) of concentrated innovation and leadership across the Guelph-Wellington region. Individuals and enterprises across Ontario can sign up for [Resource Exchange Marketplace](#), our free business-to-business material exchange platform. Additional investment is available through Harvest Impact, a community finance intermediary run through 10C.

In November 2021, COIL formed an Advisory Committee of eleven industry leaders from Deloitte, Maple Leaf Foods, Telus, Tim Hortons, Co-operators, Canadian Food Innovation Network (CFIN), and more. This Committee will help guide the strategic direction and innovative leadership of the project.

## **Impact**

We have designed, developed and/or delivered 80 cross-functional pilots/projects that connect our four goals and demonstrate broad community impact. Attached (Attachment 2 – Our Impact 2020-2021) is a graphic showing the broad impact the program is having in the community.

## **Consultations**

We work cross-departmentally with Solid Waste Services, Economic Development and Tourism, Engineering and Transportation Services, Planning and Building Services, and the Parks Department to inspire and support the shift to a circular mindset throughout the organization. Internal teams have articulated Circular Economy (CE) ideas in the City's Solid Waste Master Plan. The City's Economic Development and Tourism Strategy positions the CE as a set of tools for attracting investment to grow a resilient local economy, and champion our innovation ecosystem. Further, we work in partnership with many departments at the County.



## **What's Next: 2022-2023**

### **Zero Waste Economic Transformation Lab**

The [Zero Waste Economic Transformation Lab \(ZWETL\)](#) aims to both maximize diversion and expand secondary markets for material-streams across all sectors. With private sector support from the Co-operators, our region will be a living lab to both research and test ideas, to fill gaps and overcome barriers. Beginning with construction and demolition materials (CDM), we will then expand to other sectors that could include textiles, electronics, plastics, etc. ZWETL will aid the transition to a circular economy through the development of a strong and robust economic system for each material-stream that can be replicated in, or scaled to, other cities, regions, and jurisdictions across Canada.

### **Regenerative Agriculture**

Regenerative agriculture describes a suite of practices focused on improving the soil microbiome and is a key approach in transitioning the agricultural sector to a more sustainable model. In the context of Our Food Future, this program aims to encourage a shift in agricultural practices without placing more stress on our food producers. The Experimental Acres pilot is being shaped in partnership with local agronomists and farmers as well as students from the University of Guelph's Arrell Food Institute and ICON program. The aim of the project is to better understand the mechanisms needed to protect farmers from risk as they transition into more sustainable practices. Partnerships and public events are planned to share these findings in 2022. In addition to this, we will be launching a place-based carbon study to further understand to value of this work in the regulatory and voluntary carbon markets.

### **Food Hub Feasibility Study**

In addition to a suite of activities to support the expansion of access to rural broadband, the County of Wellington Smart Cities Office and Our Food Future has partnered with Next Generation Manufacturing Canada (NGEN) to contract a Food Hub Feasibility and Circular Food Manufacturing Capability Model. This report will evaluate the gaps and opportunities within the regional food growing, processing and distribution system. It will inform future partnerships or interventions intended to support local food businesses and introduce advanced manufacturing required for modern food-chain transparency and traceability. It will also provide a reproducible framework for evaluating other food regions.

### **Upcoming Community Engagements & Interventions**

#### **Reimagine Food Engagement Campaign & Motivations Survey**

The Reimagine Food public awareness and engagement campaign aims to spark conversation with local businesses and residents about lighter living, food access, and the real costs of food waste. Research including a Motivations Survey are part of this work and will help us to discover the diverse motivations that lead residents to support circular products and services, reduce food waste, and live more sustainably. Findings will also help fine tune campaign messaging and program design to better support the uptake of climate and planet-friendly initiatives and pilot projects.

## **Nutritious Foods Community Engagement & Interventions**

The Nutritious Foods Workstream initiative completed a [Food Environment Assessment](#) for Guelph-Wellington that brings together local data and past research to provide a snapshot of food access and security in our region. The Food Environment Assessment is intended to be a launch point for community engagement in February and March 2022 that will define the most effective actions we can take as a community to improve access to affordable, nutritious food. These community-identified interventions will receive over \$300,000 in funding.

## **Strategic Plan Alignment**

The Our Food Future and COIL initiatives specifically align with the Strategic Plan priority areas of Powering our future, Building our future and Sustaining our future.

Our Food Future and COIL support local and regional economies through the creation of new circular food businesses/collaboration opportunities and increasing revenues by recognizing the value of waste. Innovation through collaborations is encouraged and businesses opportunities fostered, all of which contribute directly to the priority of [Powering our future](#).

The Our Food Future initiative contributes to the [Building our future](#) priority area of the Strategic Plan. Food access programs nurture social well-being, and increasing access to affordable, nutritious food, is a building block for strong, vibrant, safe and healthy communities.

Key goals to both reduce food waste in businesses and residences will result in a reduction of GHG emissions and continue the City's commitment to care for the local environment which is directly supportive of the [Sustaining our future](#) priority area of the Strategic Plan.

One of the values articulated in the Strategic Plan as well as the Guelph Community Plan is "inclusion". The Smart Cities Office is committed to listening to our community, reflecting on internal bias and delivering programs and services that are inclusive and responsive to the needs of communities who have been historically marginalized.

## **Attachments**

Attachment 1 – Our Circular Future: Midterm Report

Attachment 2 - Our Impact 2020-2021

Attachment 3 - Smart Cities Office Update Report to Council Presentation

Attachment 4 - [Our Food Future: Circular Food Systems Video](#)

## **Departmental Approval**

None.

## **Report Authors**

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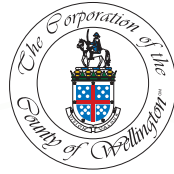
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# Our circular future

Midterm Report  
January 2022



# An Initiative of



# Lead Funders



Federal Economic Development  
Agency for Southern Ontario

# Delivery Partners



# Contents

Foreword	4	<b>Goal 1: Affordable, nutritious foods</b>	<b>26</b>
<b>Our world, our food system</b>	<b>5</b>	Objectives	26
Our Food Future: cultivating a circular framework	6	Outcomes	27
A movement with worldwide momentum	7	Our impact 2020-2021	27
Supporting the global shift to sustainability	8	Stories and Spotlights	28
<b>Community at the core: Our history</b>	<b>9</b>	<b>Goal 2: Circular businesses and collaborations</b>	<b>38</b>
A shared circular vision	12	Objectives	38
Program overview by Strategic Intervention Area	13	Outcomes	39
<b>Planting the seeds: Our work to date</b>	<b>14</b>	Our impact 2020-2021	39
A fork in the road: growing back better from COVID-19	16	Stories and Spotlights	40
<b>Evolving our framework: Our circular economy</b>		<b>Goal 3: Waste as a resource</b>	<b>46</b>
<b>initiative strategic map</b>	<b>18</b>	Objectives	47
Strategic Framework	19	Outcomes	48
Our Strategic Framework	20	Our impact 2020-2021	48
Vision	20	Stories and Spotlights	49
Guiding principles	20	<b>Goal 4: Systems change</b>	<b>57</b>
Circular initiatives	20	Objectives	58
Goals	21	Outcomes	59
Approach	21	Our impact 2020-2021	59
System transformation tools	22	Stories and Spotlights	60
Strategic Intervention Areas	23	<b>Conclusion: Unlocking opportunity</b>	<b>64</b>
		Collaborators	66
		<b>Program Descriptions</b>	<b>67</b>

# Foreword

## A global transformation has begun – and Guelph-Wellington is leading the way.

In 2020, Guelph-Wellington officially launched Our Food Future: an ambitious undertaking to build a circular food economy. Supported by \$10 million in funding from Infrastructure Canada’s Smart Cities Challenge, we set out to reimagine how our community produces, distributes, sells, and consumes food.

It’s important work locally. Both the County’s and the City’s strategic plans prioritize people and sustainability. By creating a more circular food system, we’re strengthening our community, ensuring greater access to good nutrition and taking action to address the climate crisis. This work has become even more relevant as our community recovers from the profound effects of the COVID-19 pandemic.

Transforming food systems is also important globally. In August 2020, the United Nations’ Intergovernmental Panel on Climate Change released a landmark report warning that the world cannot avert a climate crisis unless we rapidly transform our food systems. Meanwhile, a recent EAT-Lancet Report concluded that feeding a future population of 10 billion people a healthy diet within planetary boundaries will require transforming eating habits, improving food production, and reducing food waste.

Guelph-Wellington is on the forefront of this change. The innovations we’re creating and the lessons we’re learning here can inform and inspire change around the world and advance progress towards the UN’s Sustainable Development Goals.

But food is just the beginning. We believe embracing a circular approach more broadly is good for the planet and good for our communities.

That’s why we launched the Circular Opportunity Innovation Launchpad (COIL) in 2021. This network aims to create, prove, and scale transformative solutions in both the food and environment sectors, helping move Canada toward a more sustainable, circular economy.

We’re proud to see how businesses, local organizations, academic institutions, individuals, and municipal governments have come together to make this possible. Collectively, we’re making significant strides towards more sustainable and equitable systems and a resilient, forward-looking community.

Sincerely,



Mayor Cam Guthrie  
City of Guelph



Warden Kelly Linton  
County of Wellington

# Our world, our food system





# Our Food Future: cultivating a circular framework

Circularity lies at the heart of Our Food Future and Circular Opportunity Innovation Launchpad. Our Food Future’s goal is to create a circular food system in Guelph–Wellington that eliminates waste by keeping as much energy, nutrients, and materials as possible cycling through the system — and generating value as a result. We’re rethinking everything from how we produce food to how we distribute, sell, and consume it.

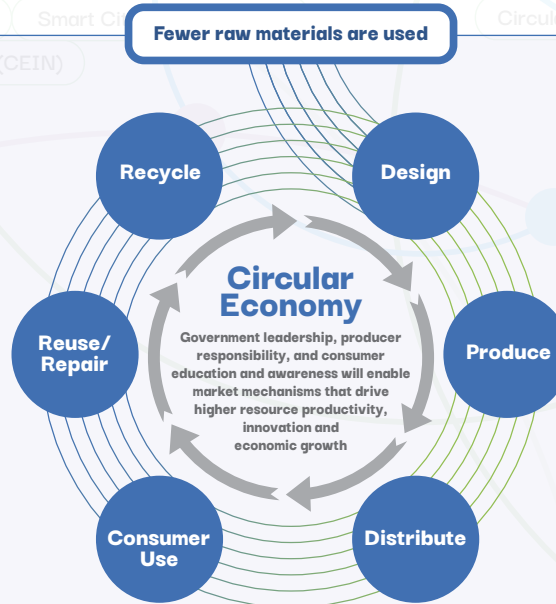
COIL extends that thinking across southern Ontario and even further afield, focusing on the nexus of the food and environment sectors.

The current food system is based on a linear model that flows in one direction: production, processing, distribution, consumption, and disposal. Because this approach fails to recover the nutrients in food by-products and waste, it’s expensive both financially and environmentally.

Circular food systems take a different approach. They seek to design out waste and pollution. They seek to improve production practices, value chains, and collaborative networks to keep nutrients cycling through the system. As a result, they reduce the need for virgin inputs and reduce the waste that must be disposed of. This allows the same area of farmland to feed more people, while curbing greenhouse gas emissions and reducing the pressure on municipal landfills.



Fewer raw materials are used



Improved, cost-efficient collection and treatment systems will lead to fewer and fewer materials ending up in landfill and support the economics of circular design

Producers are fully responsible for recovering materials from their products and packaging throughout their lifecycle

There are many ways consumers can contribute to a circular economy, like making greener buying choices, sharing assets (e.g., cards, tools) and repairing or offering them to others for reuse and refurbishing

Products and packaging are designed to last longer and be more durable, using more sustainable materials that can be easily recycled at end-of-life

Businesses collaborate and coordinate across sectors to reduce greenhouse gas products and fossil fuel use

Retailers offer products that can be easily reused and refurbished, offer end-of-life take back or maintenance and repair services, and support producers in providing education and awareness to consumers

Circular food systems also go beyond food production and manufacturing. This approach challenges us to innovate and grow our food economy with equity and dignity, to question and address issues of food access, and to learn about and relate to our neighbours locally and globally through knowledge exchange and celebration.



## A movement with worldwide momentum

It's an urgently needed transformation. The global food sector accounts for **a third of the world's greenhouse gas emissions**. It's also the biggest cause of biodiversity loss and the biggest user of water on the planet.

In the two and a half years since we launched Our Food Future, momentum around circular economy principles has accelerated. For example, Canada's largest trading partners are making major investments into the circular economy, including [China](#) (US\$468 billion by 2024) and the [E.U.](#) (€10 billion by 2023).

Major food corporations — including General Mills, McCain Foods, and Danone — have committed to creating more sustainable and circular supply chains, and in the recent federal election, we saw all three of Canada's main national parties referencing the importance of a circular economy.

Through Our Food Future and COIL, Guelph-Wellington has positioned itself at the forefront of this global movement. Our efforts have been featured in reports at the World Economic Forum and in multiple panel discussions at the World Circular Economy Forum. We're also working with our peers across the country, the Federation of Canadian Municipalities, and other organizations to develop national circular economy strategies that build on our work.

# Supporting the global shift to sustainability

Creating a more circular food system will create plenty of local benefits. But it's also going to contribute to the UN's Sustainable Development Goals (SDGs).

In 2015, all UN member states adopted these 17 goals as a universal call to action to end poverty, protect the planet, and improve the lives of everyone, everywhere. Sustainable development blends and balances social inclusion (people), environmental protection (planet), and economic growth (prosperity), meeting the needs of the present without compromising the ability of future generations to thrive.

Some of the goals have obvious links to food systems, such as zero hunger or good health and well-being. However, each SDG connects to food in one way or another. For example, reducing inequalities includes improving access to affordable nutrition. Climate action includes reducing carbon emissions from agricultural sectors. And quality education can't happen without well-fed students.

Indeed, the UN has recognized just how powerful food systems can be in achieving those goals. In September 2021, they convened their first-ever Food Systems Summit — a landmark event that saw more than 150 countries commit to addressing hunger, climate change, poverty, and inequality by transforming the way they produce, consume, and think about food.

That's exactly what we're doing with Our Food Future and COIL.



# Community at the core: Our history



Government of Canada announces Smart Cities Challenge



Our Food Future is shortlisted and awarded \$250,000 to further develop its vision



Official project launch.

COVID-19 recovery plan **Grow Back Better** provides community programs, funding and business supports



Harvest Impact social finance fund launches



Our Food Future supports **Emergency Food Home Delivery** during pandemic



**Food Future Data Hub** launches to provide access to centralized, robust data set



## Visioning Our Food Future

## Bringing our Vision to Life

2017			2018		2019		2020				
Nov.	April	June	May	Oct.	Jan.	May	June	August	Oct.	Nov.	

OurFoodFuture Guelph-Wellington

Guelph-Wellington submits **Our Food Future**, a bold vision to build a modern circular food economy



Guelph-Wellington is awarded \$10 million!



Unique governance model and leadership team established



740 Kids Get Growing gardening kits distributed budding backyard gardeners

**PROVISION COALITION**

MAKING FOOD SUSTAINABLY

R-Purpose and R-Purpose Micro business and social enterprise coaching program launches



Community and sector collaboration platform **Kitchen Table** launches

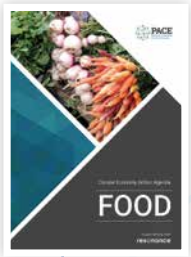


World's first **fully circular restaurant meal** celebrates unique food business partnerships



Our Food Future named a **top recovery project in Canada** by Future of Good

Our Food Future featured in **World Economic Forum's PACE Report on Food**



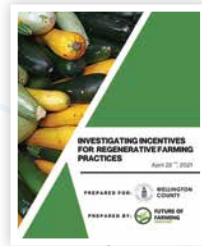
Cohort of 40 enterprises complete **Seeding Our Food Future** program



**Circular Opportunity Innovation Launchpad** – launches as parallel program to Our Food Future, with \$5 million FedDev funding



**Regenerative Agriculture** survey report published



COIL launches **ReSource Exchange** marketplace



COIL launches **Activate Circular Accelerator** program



COIL launches **Re(Purpose) Incubator**



Joined **National Zero Waste Council**



**Community Food System Resiliency Table** convenes

## Visioning COIL

2021

January    Feb.    March    April    May    July    August    September    Oct.    Nov.    Dec.

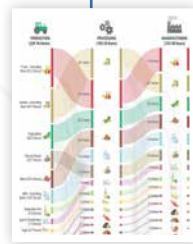


**Cultivating Community & Connections** progress report released

**Guelph-Wellington Urban Agriculture Challenge** granting program winners announced



**Groceries from The SEED** pay-what-you-choose online grocery store launches



**Food Waste Flow Material Study** phase 1 released; funding announced for phase 2



COIL launches **Circular Economy Digital Passport**



COIL launches **Circulate Co-Lab Challenge #1**



**Experimental Acre** Pilot Project launched in partnership with Arrell Food Institute at University of Guelph



Our Food Future featured at **World Circular Economy Forum**



**Guelph-Wellington Food Environment Assessment** completed

## A shared circular vision

In 2018, a group of community stakeholders imagined a food system that would recognize the value of waste, create space for businesses to grow and adapt their operations, and ensure everyone had access to healthy, nutritious food. From those discussions, Our Food Future was born: a bold initiative that aims to create a circular food economy here in Guelph–Wellington.

Now we're making it happen, thanks to the support of Infrastructure Canada's Smart Cities Challenge funding, local partners, and dedicated community members. Today, the City of Guelph and the County of Wellington are working alongside community groups, businesses, industry associations, NGOs, post-secondary institutions, research institutes, public agencies, and utilities through Our Food Future.

Together, we are redesigning our economic system. We are mobilizing organizations towards sustainability and adapting our processes to live within planetary boundaries. We are supporting a prosperous, regenerative economy that uses innovation, data, and collaboration to drive change.

When we first started planning Our Food Future in 2018, we worked with our community partners to establish nine initial Pathfinder projects:

- [Assess the Guelph–Wellington food environment](#)
- Create a [circular food security and health action plan](#)
- Establish a [circular food economy innovation hub \(CFE iHub\)](#)
- Coordinate a [Harvest Impact Fund funding and financing ecosystem to support circular enterprises](#)
- Foster [new food economy skills and training](#)
- Develop and share [circular business tools and services](#)
- Launch a [Reimagine Food awareness campaign](#)
- Increase the circularity of [carbon credits in the food system](#)
- Increase [circularity in municipal waste systems to drive innovation along the food value chain](#)

Today, that number has multiplied. In some cases, the original projects have spun off new ventures such as the Circular Opportunity Innovation Launchpad (COIL). In other cases, new stakeholders have joined Our Food Future and fresh opportunities have emerged that support our overarching goals.

On the following page, we have grouped our projects into the strategic intervention areas listed above. Many projects have cross-cutting aspects. For example, the Guelph Farmer's Market Refresh project falls under "Celebration & Food Culture" and also contributes to "Processing & Distribution." Many of these programs are highlighted in this report through stories and spotlights. For a complete detailed description of every program, see the program descriptions.

# Program overview by Strategic Intervention Area







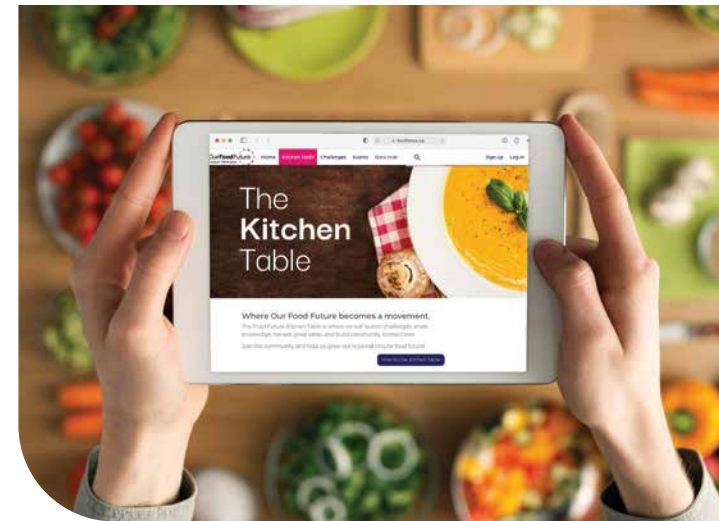
# Planting the seeds: Our work to date

To date, much of our work has focused on creating the right growing conditions for transformative ideas to flourish.

To foster collaboration, we established a diverse network of **49 partner organizations** and **995 stakeholders**, including local businesses, not-for-profit organizations, youth, farmers, and community members. We also launched [The Kitchen Table](#), an online community collaboration platform with over **700 registered users**.

To give those stakeholders and partners the information they need to create evidence-based solutions, we launched an [open data platform](#), compiling maps, applications, and more than **50 food-related datasets** from federal, provincial, and local sources.

And to help bring those solutions to life, we've attracted more than **\$1 million in in-kind contributions**, including advisory support, transportation services, and access to warehouse space and equipment.



We've also launched the **Circular Opportunity Innovation Launchpad (COIL)**. Founded in 2021, in collaboration with Innovation Guelph and 10C, with support from other business organizations, COIL is helping accelerate circular businesses and innovations across southern Ontario in the food and environment sectors. COIL is launching innovation challenges across supply chains and will support five industrial scale demonstration projects that inspire broader circular change. It also established [Resource Exchange Marketplace](#), an online platform that helps businesses connect, buy, sell, and repurpose products/co-products or waste that they generate in their business but can't use.

Finally, we're keeping the momentum going through capacity-building and education. This has included taking part in nearly **50 broadcasts and events** — locally, nationally, and internationally — reaching more than 100,000 people. Meanwhile, our quarterly [On Our Plate](#) newsletter boasts nearly **900 subscribers**, and [our monthly podcast](#) has been streamed at least 614 times.

Each day, our core team, partners, and collaborators deliver tangible results that are transforming how Guelph-Wellington produces and consumes food.

Collectively, we are increasing community prosperity and environmental sustainability. We are fostering greater social equity. And we are establishing a clear vision of an inclusive green economy of the future — one that values nutrition, health, diversity, equity, and dignity.

# ● A fork in the road: growing back better from COVID-19



Volunteers pack emergency food boxes for delivery to community members during the pandemic – supported in part by Our Food Future’s Grow Back Better strategy

In 2020, the coronavirus pandemic disrupted social and economic structures and exacerbated food insecurity: issues that Our Food Future was working to resolve. It quickly became clear that Our Food Future could support Guelph–Wellington’s response to COVID-19 and the recovery from the global crisis. That’s why we accelerated our project roll-out and immediately leveraged \$1.4 million in funding from Infrastructure Canada’s Smart Cities Challenge.

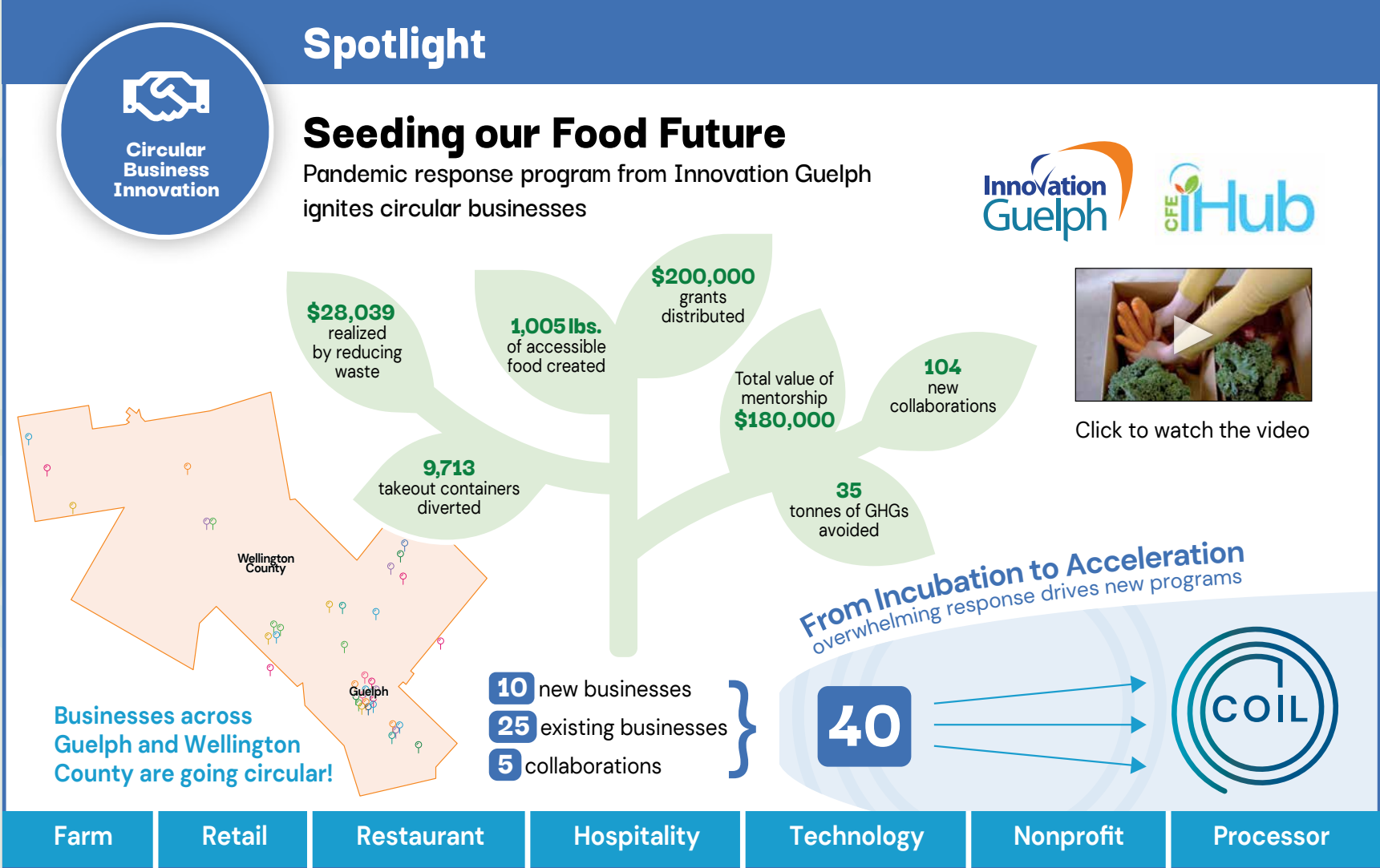
The result was [Grow Back Better](#): an 18-month strategy to support Guelph–Wellington’s agri-food and social benefit sectors. The 10-point plan and subsequent programs were structured around three key priorities:

- Increasing access to affordable, nutritious food
- Supporting new and existing food businesses
- Strengthening regional food system resiliency



Grow Back Better created immediate community impact in Guelph–Wellington. In addition, it has demonstrated that strong cross-sectoral partnerships and circular economy principles can be applied to businesses and social benefit programs in short order.

As Guelph–Wellington began to emerge from the worst economic impacts of the pandemic, we integrated ongoing Grow Back Better programs into the broader Our Food Future and COIL initiatives, ensuring they continue to support the community during COVID-19 and the subsequent recovery.





# Evolving our framework: Our circular economy initiative strategic map

# Strategic Framework

## Vision

We are accelerating a circular regional economic system inspired by nature's regenerative processes and by traditional cultures that live in harmony with the Earth. The food system is our entry point to foster innovation, collaboration, and system-wide change throughout many communities and sectors. Through these efforts, we are supporting healthy ecosystems, thriving communities, and a regenerative economy.

## Guiding Principles

Context-sensitive

Resilient

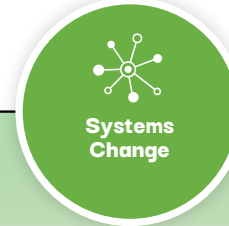
Reciprocal, relational,  
responsible, and respectful

Equitable  
and inclusive

## Our Initiatives



## Goals



## Objectives

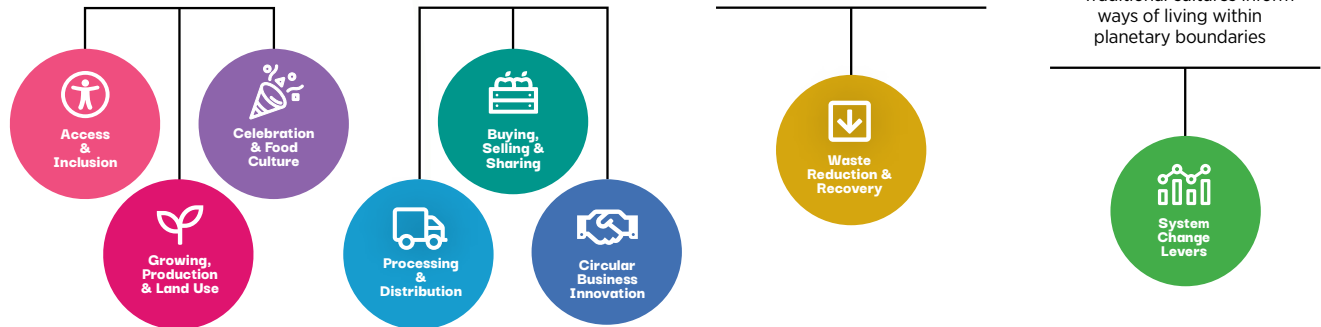
- Everyone can access nutritious, affordable, and culturally relevant food
- Food is valued, celebrated, and shared
- Circular business models support regenerative farming practices
  - Urban agriculture increases local food security
  - Informed and empowered residents

- Businesses collaborate to create circular supply chains
- Regional business innovation is a living lab for new circular business models
- Businesses use circular economy principles to transform the regional economy
  - Supports are available to accelerate and scale circular business ideas

- Communities understand the true cost of food waste
- New collaborations foster environmental economic benefits across the supply chain
- Innovative business models reduce waste
- Research, demonstration projects, and data drive change

- Collective action creates regional, whole-system change
- Circular policies and practices
- Governance strengthens new system relationship
  - Data, analysis, and sharing furthers understanding of local assets, opportunities, and issues
  - Expertise is shared to support a national and global circular economy
  - Traditional cultures inform ways of living within planetary boundaries

## Strategic Intervention Areas



Since we launched Our Food Future in January 2020, it has grown and evolved. We've strategically expanded our programs and initiatives, building on the results of existing projects and taking advantage of new opportunities that emerged from the community to create even bigger impacts. We also launched COIL to advance our circular vision into the environment sector and extend our work beyond Guelph-Wellington.

To reflect this evolution, we refreshed our vision and strategic framework in the summer of 2021 and operationalized it into goals, objectives, projects, impact to date, and expected outcomes. Through design sessions with our partners, we encapsulated our updated framework.

## Our Strategic Framework

### Vision

We are accelerating a circular regional economic system inspired by nature's regenerative processes and by traditional cultures that live in harmony with the Earth. The food system is our entry point to foster innovation, collaboration, and system-wide change throughout many communities and sectors. Through these efforts, we are supporting healthy ecosystems, thriving communities, and a regenerative economy.

### Guiding principles

To inform how we do our work with our partners and community, we established the following guiding principles:

**Context-sensitive** — We design programs and projects that build on the unique place-based context of our community.

**Resilient** — We plan and design systems to respond and adapt to a changing environment.

**Reciprocal, relational, responsible, and respectful** —

We are [inspired](#) by the Indigenous values of reciprocity, relationality, responsibility, and respect and are committed to learning and integrating traditional ways of knowing, being, and doing in our work.

**Equitable and inclusive** — We strive to ensure that everyone (individuals, families, and neighbourhoods) can access a diverse range of affordable, nutritious, and culturally relevant foods, as well as equitable and inclusive access to opportunities in the circular economy.

### Circular initiatives

The City of Guelph and County of Wellington are collaborating with community partners on a growing number of circular economy initiatives led by:

- Our Food Future, Smart Cities Initiative — funded by Infrastructure Canada
- Circular Opportunities Innovation Launchpad (COIL) — funded by FedDev Ontario

These initiatives work together to support the common vision.

## Goals

Our central vision is now reflected in four goals that we believe describe a circular food system and how it can support a regenerative economy.

A circular food system:

- Values, shares, and celebrates a diversity of affordable, nutritious, and culturally relevant foods that support a healthy, resilient community (**Affordable, nutritious foods**)
- Inspires and creates a thriving, circular, and regenerative economy (**Circular businesses and collaborations**)
- Respects planetary boundaries by recognizing the impact of wasted resources and the value of what's being thrown away (**Waste as a resource**)
- Enables the systems change required for a circular regional economy, beginning with the food system, through collective knowledge, governance, and action (**Systems change**)

## Approach

To achieve our goals, we have co-created a Theory of Change, which we revisit and adapt as we test and learn. Our theory of change takes a place-based, system wide approach, with objectives and strategic interventions in each area of the food system value chain.

Our approach:

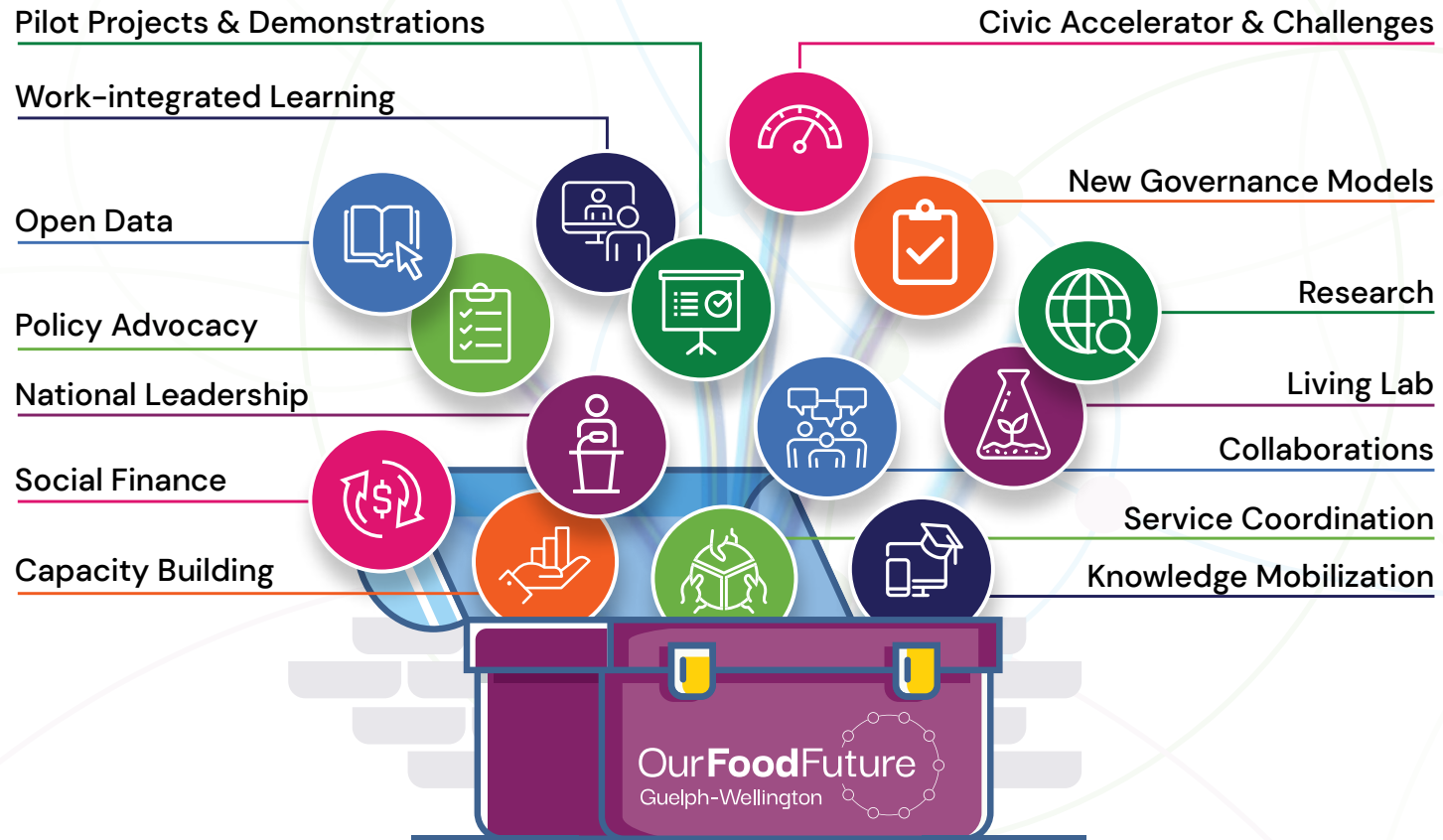
- begins with the creation of the circular food system because changes in the food system have the power to reshape economies, create healthy connected communities, and rebalance our relationship with the environment
- takes a whole of system and place-based approach where through local testing and learning, we will demonstrate the art of the possible
- employs a distributed governance and community capacity building approach where we co-create projects that address the impacts of today's linear economic system
- uses circular principles and practices, smart data and technology, and city building approaches to effect system change and implement our shared vision
- builds a regenerative economic system that is grounded in place and culture in Guelph-Wellington but connected to national and global supply chains
- measures our success with a quadruple bottom line that values purpose, planet, people and prosperity.

Ultimately, these changes will create a **roadmap for a larger, inclusive circular culture, and regenerative economy.**



# System transformation tools

Supporting our approach, we are deploying a broad array of systems transformation tools.



## Strategic Intervention Areas

The circular economy is a roadmap for tackling climate change and biodiversity loss while supporting economic prosperity and addressing critical social needs. In Guelph-Wellington, we kickstarted our circular economy transformation with the development of a regional circular food system. The following key Strategic Intervention Areas aligned with components of the food system value chain, from field to fork, help us envisage the whole system transformation. We have added components to the traditional food system value chain to help transform it from a linear to a circular system. Our approach emphasizes waste reduction and recovery, circular business innovation, and increasing access to affordable, nutritious foods.

We realize that all of these components are not always connected in a sequential linear fashion, instead they are interconnected at every stage of the value chain. These nodes of interconnection present opportunities to create change and test innovations utilizing systems change enablers. The six R's help close loops, reduce waste and create new circular practices, businesses, and supply chains in every step of the system. Systems change enablers help to break through barriers and better understand challenges in the system. Finally, inspired by the Doughnut economics framework, our work contributes to a strong social foundation for human well-being, while respecting the ecological ceiling or planetary boundaries within which we must live.



# Our Strategic Intervention Areas help us move from the linear model to a circular food system



**Access and inclusion** — Support everyone's right to nutritious food and create a culture where people who need help are supported, honoured, and validated.



**Celebration and food culture** — Promote, share, and celebrate food as an essential expression of culture and a key ingredient for the well-being of strong community members, families, and neighbourhoods.



**Growing, production, and land use** — Ensure ample rural and urban spaces and sustainable methods to grow healthy food with climate-friendly agricultural practices that build ecological health.



**Processing and distribution** — Discover efficiencies and responsible solutions when processing, storing, and distributing food products.



**Buying, selling, and sharing** — Engage the full food supply chain — from wholesale to retail, institutions to restaurants, global grocers to local markets — to embed circular practices and strengthen the sharing economy.



**Circular business innovation** — Enable circular, collaborative and resilient business strategies for a regenerative economy.



**Waste reduction and recovery** — Pursue a system and society where all foods and food by-products continue to circle back into the system, contributing value rather than waste.

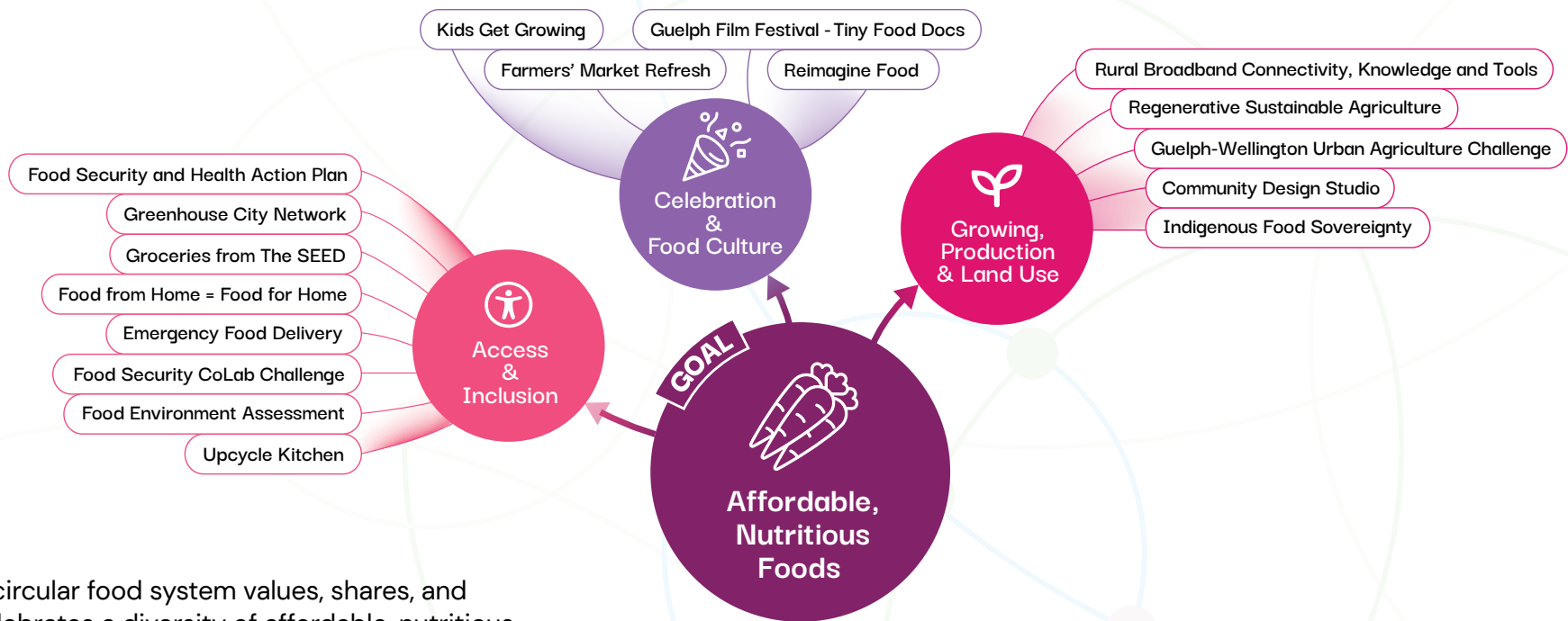


**Systems change enablers** — Leverage data and system analysis, new governance and collaboration approaches, supporting policy, continual learning and sharing to better understand current challenges of the linear system and transform them into sustainable circular economic opportunities.

# Goal 1: Affordable, nutritious foods



# Goal 1: Affordable, nutritious foods



A circular food system values, shares, and celebrates a diversity of affordable, nutritious, and culturally relevant foods that support a healthy, resilient community.

## Objectives

1. Everyone — individuals, families, and neighbourhoods — can access a diverse range of nutritious, affordable, and culturally relevant food.
2. Food is valued, celebrated, and shared. People are empowered to eat well, reduce waste, and are connected to local food, producers, and the land.
3. Innovative community collaborations and new circular business models are developed that support food producers/farmers who are creating sustainable livelihoods and implementing regenerative practices.
4. The demand for new circular economy business models, services and products is created through the development of a circular culture.
5. Urban agriculture models are supported to increase local food production capacity, food security, and resiliency.

# Outcomes



## Growing, production and land use

- 1.1 Increased local production of nutritious food
- 1.2 Improved agricultural practices that support ecological health



## Access and inclusion

- 5.1 Increased access to affordable, nutritious food and when possible, culturally relevant
- 5.2 Increased availability and preference for local, nutritious foods of choice



## Celebration and food culture

- 8.1 Increased awareness and engagement in local food (including youth)
- 8.2 New behaviour change strategies and interventions in the food system

## Our impact 2020-2021



**21** Guelph-Wellington farmers began using regenerative practices as identified in the Regenerative Agriculture Report



prepared and delivered **77,013** meals and **57,187** nutritious food boxes to community members

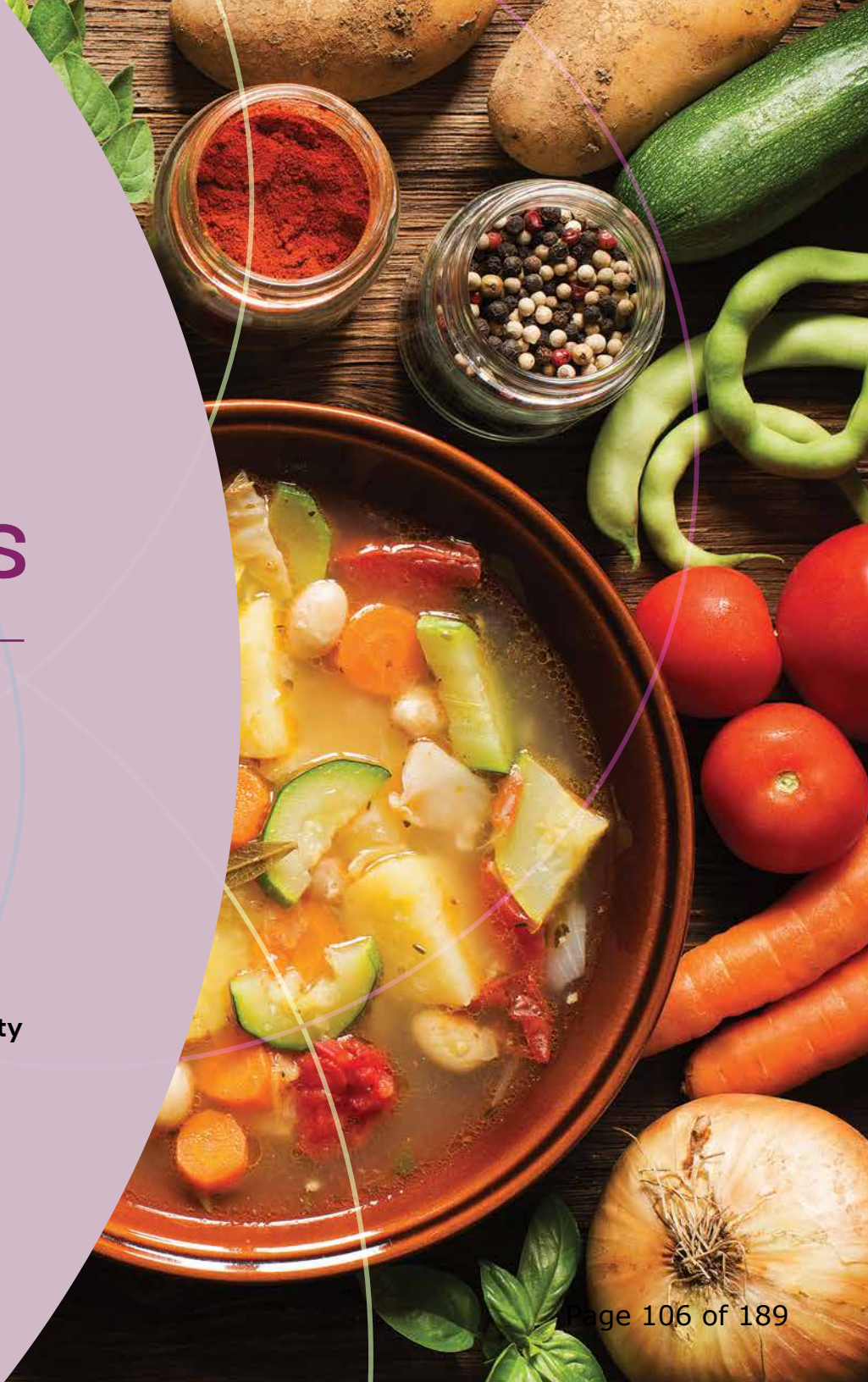


**3,267** Individuals with increased access to affordable, nutritious foods

# Goal 1: Affordable, nutritious foods

## stories and spotlights

- Understanding our local food environment
- Driving truly collaborative solutions to food insecurity
- Growing possibilities for food access
- Improving access to nutritious foods
- Connecting with newcomers
- Engaging youth in Our Food Future
- Expanding rural broadband connectivity
- Regenerative farming



## Understanding our local food environment

According to Cornell University researchers, consumers make an average of 200 food-related decisions every day about what, where, when, and how much to eat. Most of these decisions are unconscious, shaped by the surrounding food environment: the physical, social, economic, cultural, and political factors that impact access to nutritious food.

For the past two years, Our Food Future has been scrutinizing the food environment in Guelph-Wellington.

We used GIS technology to map retail food outlets and community agriculture spaces. We audited grocery stores, looking at the availability, affordability, and promotion of nutritious foods. We conducted surveys, focus groups, and interviews with residents about eating habits and the barriers that make nutritious eating difficult. We reviewed municipal policies, we scanned educational programs, and we examined food access programs.

The result is Guelph-Wellington's first-ever [Food Environment Assessment](#). Published in November 2021, it provides a detailed snapshot of food access in Guelph and Wellington County, including physical access; economic access; food and nutrition knowledge and food skills; and marketing, promotion and celebration of food. The report revealed many strengths. However, it also highlighted a number of gaps and issues.

For example, one in eight residents experience food insecurity. And for nearly 60 per cent of them, lack of transportation to grocery stores is a barrier to accessing nutritious food. Meanwhile, a scan of outdoor billboards and signage reveals that many elementary and secondary schools are located near retail food outlets, which regularly expose students to ads for ultra-processed foods.

The findings establish a baseline to measure the impact of interventions to increase access to nutritious foods. It will also facilitate conversation and community engagement, helping to shape a **Food Security and Health Action Plan** that ensures nutritious foods are available, accessible, and affordable to everyone in Guelph-Wellington.





### Driving truly collaborative solutions to food insecurity

This year, 10C Executive Director Julia Grady, as co-chair of the Business and Collaborations Workstream, and Toward Common Ground Lead, Sarah Haanstra, as the chair of the Nutritious Food Workstream, helped facilitate a highly collaborative exercise to allocate \$100,000 through Our Food Future's Harvest Fund. From April to August, the **CoLab Action and Funding Process** gathered a group of community members and organizational leaders to co-create solutions to help address food insecurity.

Rather than applying for a particular amount of funding, as they would in a standard granting competition, groups brought ideas forward to indicate their intention to participate in the Co-Lab process. And because they didn't need to be incorporated to get involved, it opened the door to a wider range of participants.

Seven innovative solutions emerged — ranging from expanding community markets that sell fresh food on a sliding scale to making farmland and commercial kitchen space available to support local food initiatives. The process emphasized synergies, prioritizing ideas with strong potential for collaborative action. This process is helping to advance the following projects:

- **Sustain and Grow Community Markets** to meet ever-increasing demand and sustain free access to fresh produce at the North End Harvest Market and the Silvercreek Market and Advance Your Voice, a gathering of people with lived experience of poverty, to grow their leadership in community food access.
- **The Two Rivers Neighbourhood Group** to add an additional community-based market that sells affordable year-round fresh local food.
- **The Hub and Spoke Collaborative Pilot Project** to test shifting Guelph Food Bank away from direct-to-client food support and member agency excess distribution program to a model where GFB will be a distribution hub for smaller neighborhood-based food security programs.
- **The Anishinaabeg Ways of Living, Being and Doing** project to bring together people from First Nations, Inuit, and Métis communities and allies to learn from and with each other and share time together in Anishinaabeg Ways of Living, Being and Doing. This Indigenous-led initiative weaves through every Co-Lab challenge project, informing and supporting all the others.
- **The HOPE House – Holding Spaces and Place** project to offer arable land, space and food infrastructure (e.g., kitchen space) to support other project ideas to emerge. This project chose not to receive funding, but rather offered gifts to be shared across the other projects.
- **The Cultural Meals Social Enterprise** project to create opportunities for immigrant women to make meal kits and cook meals from different cultures to be made available for sale.
- **Parkwood Gardens Curated Meals** project to engage in a partnership with HOPE House to produce weekly ready-made free meals for families.

The applicants began by co-creating a set of shared principles to guide their interactions and decision-making. Next came a participatory fund allocation process to decide how best to share the funds between the projects, based on their collective impact toward the shared objective of tackling food insecurity. The Co-Lab process was one of the ways that these groups were able to lead with empathy, share knowledge and work together to tackle problems facing our communities.

## Spotlight



### Growing possibilities for food access

Guelph-Wellington Urban Agriculture Challenge awards strengthen community garden projects

**10** projects funded      **\$106,000** distributed      **\$1,380,279** total value of projects submitted

**1,650** community members engaged      **40** workshops and seminars      **2,297+** lbs of food grown      **50+** raised garden beds built



**1.** Helping community members build composters using recycled materials



**1.** Rainwater harvesting bench brings water supply to community gardens - .83 gallons collected for every inch of rain. **2.** Piloting garden trellis made with cattle fencing produced better yields that were easier to tend. **3.** Newcomer youth community garden programs and workshops.



## Spotlight



Access  
&  
Inclusion

### Improving access to nutritious foods (and reducing waste, too!)

#### Emergency Home Food Delivery during Pandemic

**265** volunteers spent  
**12,020** hours preparing  
**77,013** meals and  
delivering **51,687** food  
boxes to **2,674**  
individuals with a value of  
**+\$670,000**



Gift cards  
available!

Social enterprise  
transforms unwanted  
produce into delicious  
sauces, dips and jams



A sustainable approach to  
food security across Guelph  
& Wellington County.

For every customer who pays  
full price up to 3 others access  
food at discounted costs.



**GUELPH**TODAY.com

"...as simple as buying groceries."  
Click to read more.



Harvest  
Impact



**\$53,643**

to date raised  
through  
community  
donations  
to support  
food security.

Donate at  
[harvestimpact.ca](http://harvestimpact.ca)

# Spotlight



Access & Inclusion

## Connecting with newcomers

Helping new Canadians grow culturally-significant foods and build community



**13** countries **60+** families **200+** crops **5,168** volunteer hours



**"Newcomers grow vegetables and herbs from their homelands."**  
Click to read more.



Celebration & Food Culture

## Spotlight

### Engaging youth in Our Food Future

Furthering our understanding of local food, urban gardens, and reducing waste



Teaching newcomer youth about urban food production.

Leveling the Ground Winner \$2,000  
Guelph-Wellington Urban Agriculture Challenge.



A youth education community partners campaign.



#### Kids Get Growing

- 300** families
- 740** home gardening kits
- 1,480** seed packets distributed



#### Tiny Docs for Tiny Food People



Budding youth filmmakers create food focused documentaries.



"I liked digging in the garden, the purple beans and finding worms!"  
Grayson, age 5

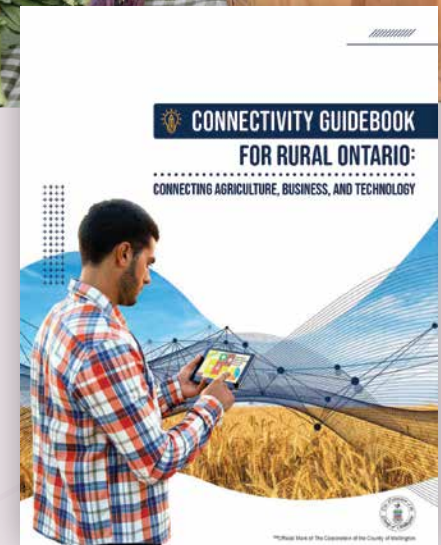
## Expanding rural broadband connectivity

For farmers in Wellington County, digital technologies offer many opportunities. Fourth-generation farmer Romy Schill uses an e-commerce platform to sell sustainably produced wool. Robotic milking systems support operations at the Elora Research Station. And Bob Wilson uses RFID tags to track each of his calves over the course of their lives.

However, a lack of reliable high-speed internet prevents many producers from taking full advantage of high-tech innovation. Our Food Future's **Rural Broadband Connectivity, Knowledge, and Tools** initiative is helping to change that in a number of ways.

Our [Connectivity Guidebook for Rural Ontario](#) is helping producers understand and access digital solutions. We're advocating for better infrastructure: surveying community members to map service gaps and engaging with internet service providers and funders to get underserved areas connected sooner. We're also working with host farms to test signal-boosting equipment and similar options.

And because the possibilities for data-driven agriculture continue to grow, we're liaising with University of Guelph researchers and organizations like R2B2 to facilitate those advances.





# Spotlight

## Regenerative farming

Healthier soils reduce reliance on extractive resources

### The Experimental Acres Pilot



24  
farms

Coaching and funding for up to 24 farms to explore regenerative farming techniques.

#### Other supports offered:

- Place-based carbon market study
- Future funding paths
- Best management practices
- Community of support
- Knowledge transfer
- Wellington Soil Symposium

### Principles

Minimize soil disturbance



### Practices

- Avoid soil compaction
- Precision agriculture
- Low-till or No-till

### Benefits

- Ecological services
- Water management
- Erosion prevention
- Carbon sequestration
- Improved soil biology
- Lower GHGs
- Reduced fuel costs
- Improved soil structure
- Reduced inputs
- Improved pest management
- Improved biodiversity

Keep soil covered



- Leave crop residues
- Cover crops

Maximize crop diversity



- Crop rotation
- Intercropping
- Silvopasture

Maintain living roots



- Perennial plant

Integrate livestock



- Mob grazing
- Rotational grazing
- Animal integration
- Manure management

# Goal 2: Circular businesses and collaborations





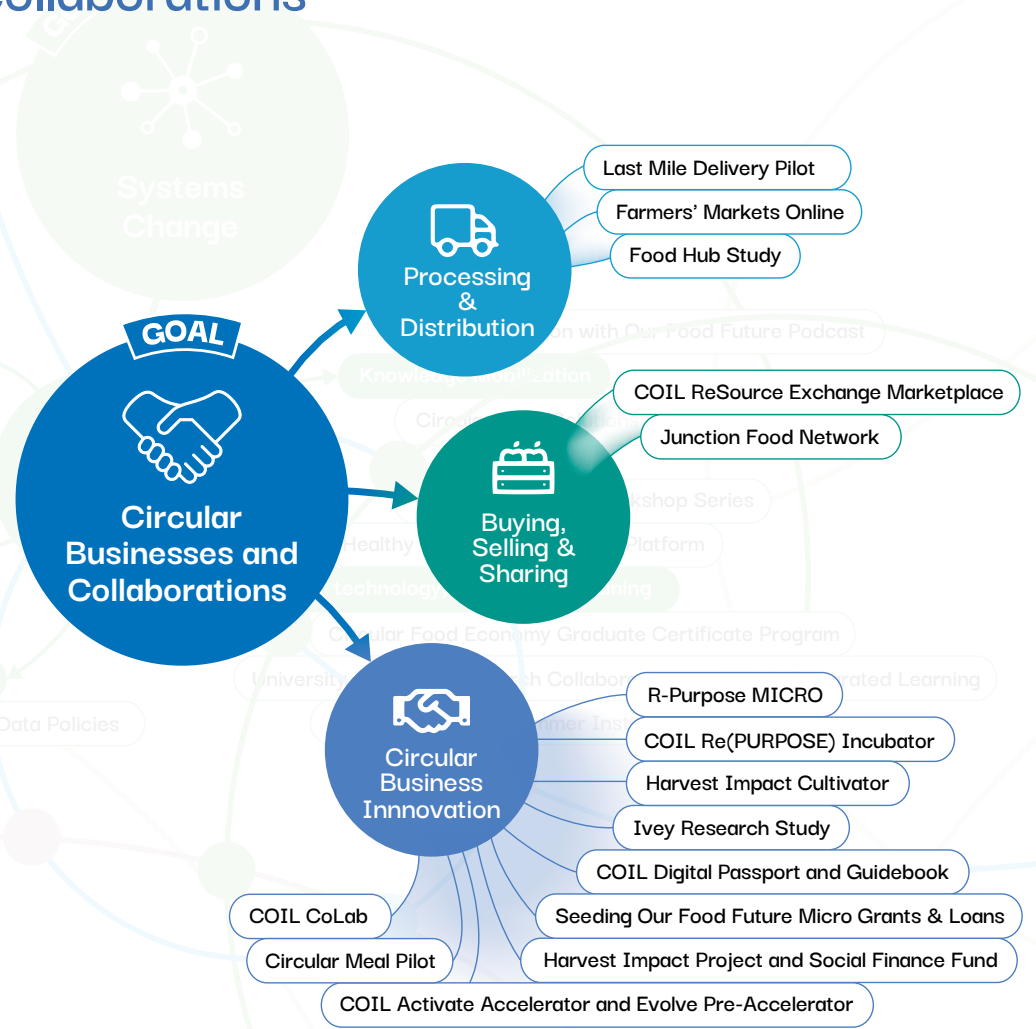
## Goal 2: Circular businesses and collaborations

A circular food economy inspires and creates a thriving, circular and regenerative economy.

### Objectives

1. Businesses collaborate to create circular supply chains that reduce and reuse resource inputs and design out greenhouse gas emissions and waste.
2. The regional business innovation ecosystem acts as an urban-rural living lab and test bed for new circular business models, products and services.
3. Purpose-driven businesses use circular economy principles, data and technology, and collaborate with public partners to transform the regional economy.
4. Impact funding and services are readily available to community collaborations, demonstration projects, businesses and social enterprises to accelerate and scale their ideas.

Community Steering Table



# Outcomes



## Processing and distribution

- 2.1 Reduced environmental/carbon footprint
- 2.2 Increased processing and distribution of local products



## Circular business innovation

- 3.1 Increase in businesses adopting circular, collaborative strategies
- 3.2 New circular businesses launching and creating jobs
- 3.3 Increase in circular business revenue and cost savings



## Buying, selling and sharing

- 4.1 Increase connections between local food businesses, manufacturers and consumers
- 4.2 Stronger and more resilient local supply chain
- 4.3 Increased circularity within the supply chain

## Our impact 2020-2021



NGOs received support valued at **\$2,919,218**



Businesses and social enterprises received support valued at **\$1,503,755**



**\$960,812** Was saved and/or earned by shifting to more circular business practices



**112** Business collaborations strengthened the circular supply chain



**14** New products and services were created from diverting waste



Businesses that established or expanded their use of circular practices: **181**

City of Guelph  
**79**

Wellington County  
**69**

Ontario  
**33**

# Goal 2: Circular businesses and collaborations

## stories and spotlights

- **Creating a launchpad for circular innovation**
- **Backing big ideas through the Harvest Impact Fund**
- **Turning waste into opportunity**
- **Building a Circular Business Ecosystem**
- **Discovering value in waste**

## Creating a launchpad for circular innovation



Launched in April 2021 with \$5 million in funding from the [Federal Economic Development Agency for Southern Ontario](#) (FedDev Ontario), the **Circular Opportunity Innovation Launchpad (COIL)** helps create, prove, and scale transformative circular solutions. By using Guelph–Wellington’s circular economy test-bed ecosystem, and in collaboration with Innovation Guelph and IOC, with support from University of Guelph, LaunchIT Minto, Guelph Chamber of Commerce, Provision Coalition, Wellington–Waterloo

Community Futures, and the Guelph Wellington Business Centre, COIL aims to accelerate 49 circular businesses and launch five industrial-scale demonstration projects across southern Ontario.

The initiative includes several components. The **COIL Activate Accelerator and Evolve Pre-Accelerator** supports businesses with funding, training, and mentorship as they develop and scale their circular operations. COIL is also developing learning modules and guidebooks to educate businesses on circular economy concepts and opportunities, as well as a **Digital Passport** program that allows participating companies to collect badges based on their circular practices and raise their community profile.

Meanwhile, the **COIL ReSource Exchange Marketplace** is a free online platform that helps find new uses and collaborations for food by/co-products or other waste, rather than sending them to landfill.

Finally, the **COIL Circulate CoLab** puts out challenges, inviting innovators to propose ways to reduce waste, redesign supply chains, and transform existing linear business practices. The first challenge was launched in August 2021, focused on redesigning upstream food systems. Five teams, consisting of a total of 21 organizations have been funded to prototype their idea and in February 2022 the teams will pitch their prototypes to an expert evaluation committee, with at least one team winning up to \$100,000 to scale into a full demonstration project. More CoLab challenges will be issued in spring and fall 2022.

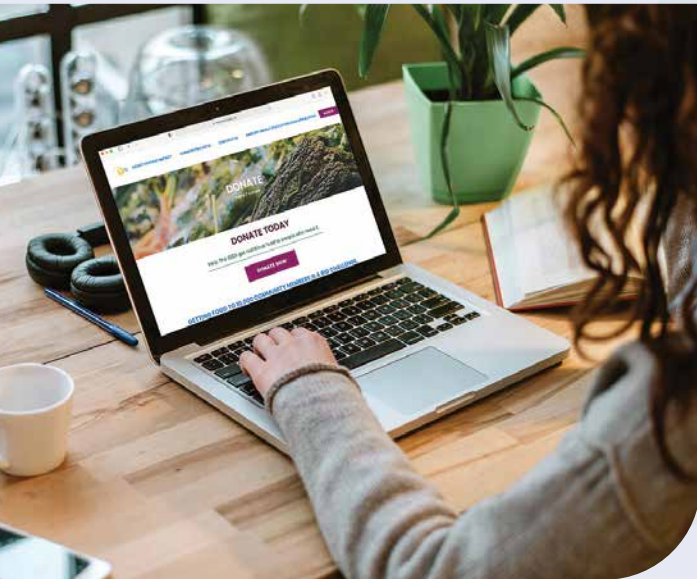


“If we want to create a more circular economy, we need innovators to blaze the trail with new ideas and solutions,” says COIL manager David Messer. “Through Circulate CoLab we hope to give innovators space and resources to test big ideas that can inspire and transform their industry or even create new ones.”

A circular food system inspires and creates a thriving, circular and regenerative economy.

### Backing big ideas through the Harvest Impact Fund

COVID-19 sent shockwaves through Guelph-Wellington, exacerbating existing food insecurity and many other system-level issues. Now, [Harvest Impact](#) Cultivator Loans are helping local businesses recover from the pandemic, while shifting practices in ways that contribute to a more sustainable, equitable, and healthy food economy.



As one of the methods to seed Harvest Impact, the program is a collaboration with Wellington-Waterloo Community Futures and Saugeen Economic Development Corporation. In 2020, it provided \$10,000 in interest-free loans to help 17 local food companies advance circularity across the region. For example, WaterFarmers is designing and installing urban agriculture systems. A Friendlier Company is pioneering sustainable packaging for take-out food. And Winterhill Farm and Garden is providing organically grown vegetable boxes from their family farm near Rockwood.

Meanwhile, the Harvest Impact team is developing a place-based social finance fund and is working collaboratively within the social finance ecosystem to enable an increase in local investing and respond to growing demand from investors looking for more than just financial returns. As a new Social Finance Fund, Harvest Impact promises to offer opportunities to invest in projects that deliver meaningful social and environmental impacts. Its focus will be to support organizations and individuals, including non-profits, who have big ideas but wouldn't typically qualify for bank loans or other traditional funding — whether due to narrowly defined financial criteria or restrictions on who can apply.

“This isn't a venture capital fund. Harvest Impact is a community lending tool,” says Julia Grady, executive director of 10C Shared Space, the organization behind the Harvest Impact Fund. We will always lead with a social-first principle and are building towards having a blend of funding (non-repayable) and financing (repayable) to support the early-stage capital that these circular economy projects need. The fund will be structured as a share capital cooperative, where members and investors contribute to the pool of available money in exchange for shares and a voice in the organization. This embodies the seven principles of the cooperative movement, which include members' economic participation and concern for community.

Grady's team has been working hard to develop the application platform, lending procedures and practices, and they have created an impact dashboard that will capture non-financial investment results — such as the number of nutritious meals distributed or the amount of greenhouse gas emissions reduced. Now, they're aiming to provide the first prototype loans in January 2022.

## Turning waste into opportunity

One company's trash can be another company's treasure. That's the idea behind the research that Western University's Ivey School of Business is conducting in collaboration with Our Food Future.

Associate professor Jury Gualandris and post-doctoral fellow Dr. Sourabh Jain identified the most common examples of how businesses are exchanging surplus materials and by-products to create economic and environmental benefits. They also looked at current gaps, barriers, and ways to facilitate these synergies. "In a nutshell, our study unveils how the structure of circular systems affect their economic and environmental impacts," says Gualandris.

It wasn't simple. The Ivey researchers couldn't find any datasets of circular systems in general, let alone circular systems dealing with food loss and waste (FLW). So, they set out to build one from scratch. Once they identified companies using these synergies, the next challenge was convincing them to share the details in order to shed light on best practices.

Through perseverance, the researchers created Canada's first repository of business-to-business FLW repurposing exchanges. They also made it available online through an [interactive map](#), which they continue to expand. (Businesses that want to be listed can [fill out this survey](#).)

Now, Gualandris and his team are analyzing their data. This includes identifying operational and organizational enablers that businesses should consider before embarking in the journey towards circularity. They also aim to tease apart the anatomy of circular systems, understand what scale maximizes their benefits, and identify how government policies could facilitate their success.

Currently, they are performing a quantitative life cycle assessment, looking at how different processing options for different types of food waste can cut carbon emissions. As a result, they'll help generate the insights businesses need to advance powerful circular solutions that mitigate climate change.



# Spotlight



## Building a Circular Business Ecosystem

Engaging with 1,000+ businesses and collaborations to promote and enable circularity



Platforms, networks, training, mentor teams and toolkits connect and support circular businesses across Guelph-Wellington



resourceexchange.ca



**Coming soon!**



**Circular Economy 101**  
post-secondary credit course

# Spotlight



## Discovering value in waste

Rapid, high-impact training pathways to help businesses create new products and markets by designing out waste.



**60%** of Canadians will purchase upcycled products

**68%** of Canada's food waste is unavoidable

**\$46B** value of upcycled market

**64** participating businesses across Guelph-Wellington... so far

Connecting local food businesses to discover and exchange unusable waste resulted in Canada's first fully circular meal, generating international attention.

Heartwood Farms identified waste in processing and transportation and is developing new products from their waste stream.



Friendlier is eliminating single-use take-out containers and has quickly become Canada's fastest-growing reuse company.

**A Circular Food Experience: Seeing Food Differently**

Click to watch the video



# Goal 3: Waste as a resource



## Goal 3: Waste as a resource

A circular food system respects planetary boundaries by recognizing the impact of wasted resources and the value of what's being thrown away.

### Objectives

1. Community members and businesses understand the true cost of food waste and the environmental and economic benefits of designing waste out of the food system.
2. New collaborations to restore and regenerate environmental economic benefits are formed between businesses, researchers, public sector, and across the supply chain.
3. Innovative business models and approaches are tested to reduce waste, including upcycling, reducing avoidable waste, and repurposing unavoidable waste.
4. Research, demonstration projects, experiments, data, and learnings help drive change.



# Outcomes



## Waste reduction and recovery

- 6.1 Greater awareness and attention to waste, and strategies for reducing waste
- 6.2 Increased use of food/food by-products to generate new value
- 6.3 Lower carbon footprint from food related economic activities




Community Steering Table

Circular Table Collaborative Platform

**Our impact  
2020-2021**



**6,479** tonnes of food waste were diverted from landfill  
That's equal to about 18 million apples



**1,769** tonnes GHG Emissions prevented  
Equal to 295 passenger vehicles driven for one year

Circular Procurement Policies and Practices

Smart Cities Data Policies

Circular Economy Summer Institute

Circular Economy Innovation Network (CEIN)

# Goal 3: Waste as a resource

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## stories

- **Weeknight Supper Savers**
- **Keeping food waste out of landfill**
- **Zeroing in on food waste hotspots**
- **Pioneering AI-powered waste audits**
- **Circular carbon credits**
- **Building a sustainable food system can require starting from the ground up – with the soil**



### Weeknight Supper Savers

Households end up tossing a lot of usable produce in the compost bin — and that’s especially true for families with children. Could a little food literacy plus some kid-friendly recipes help cut that waste?

To find out, researchers from the University of Guelph launched a pilot program in 2020. Funded by Danone Institute North America, **Weeknight Supper Savers** targeted families with children between the ages of nine and 12. A total of 19 families signed up to learn how to make nutritious meals, save money, reduce waste, and get kids involved in the cooking process.



The researchers began by collecting and analyzing the food waste each household produced, determining their baseline habits. After that, the participants took part in a four-week intervention that involved an online cooking class, meal-planning tools, tips delivered via text messages, and a cookbook with recipes designed to reduce food waste.

Those efforts paid off. When the Supper Savers team examined household waste at the end of the four weeks, the volume of avoidable waste had shrunk 34 per cent. And in a follow-up survey, parents reported being confident in reducing food waste. They also reported that the cookbook, classes, and meal planning tools helped kids participate in meal prep.

“Our team was excited to see how this program was able to get the whole family involved — both parents and their children,” says Jess Haines, the University of Guelph researcher who co-led Weeknight Supper Savers.

Now, future research with a larger sample group is in the works to confirm these findings and build on the successful pilot program.

## Keeping food waste out of landfill

When food waste ends up in landfills, it gets buried under layers of garbage that starve it of the oxygen it needs to decompose aerobically. As a result, it generates potent greenhouse gases instead of being converted into nutrient-rich compost that can fertilize land.

But until recently, the landfill was the only option for residents in Wellington County who didn't compost food waste themselves. That all changed in July 2020, when the County launched its **Green Bin Organics Program**. Through the initiative, 34,000 green bins and kitchen catchers were distributed to households in the area.

In the first year alone, the program diverted nearly 2,500 tonnes of organic material from landfill — 25 per cent more than their target — and thus avoided the equivalent of 2,575 tonnes of CO<sub>2</sub> emissions. In addition, the company contracted to collect waste for the County switched to trucks that are more eco-friendly. These new vehicles run on compressed natural gas instead of diesel, further reducing emissions.

Meanwhile, the City of Guelph is currently reviewing and updating its **Solid Waste Management Master Plan**. Developing the new 25-year plan has involved rigorous public engagement that revealed a strong appetite for embracing circular economy principles. It also identified numerous opportunities to support grassroots initiatives that are already diverting material from landfill.

The plan, slated to go to City Council in December 2021, includes several recommendations to increase circularity, build on Guelph's leadership in waste minimization and leverage synergies between the City and County.



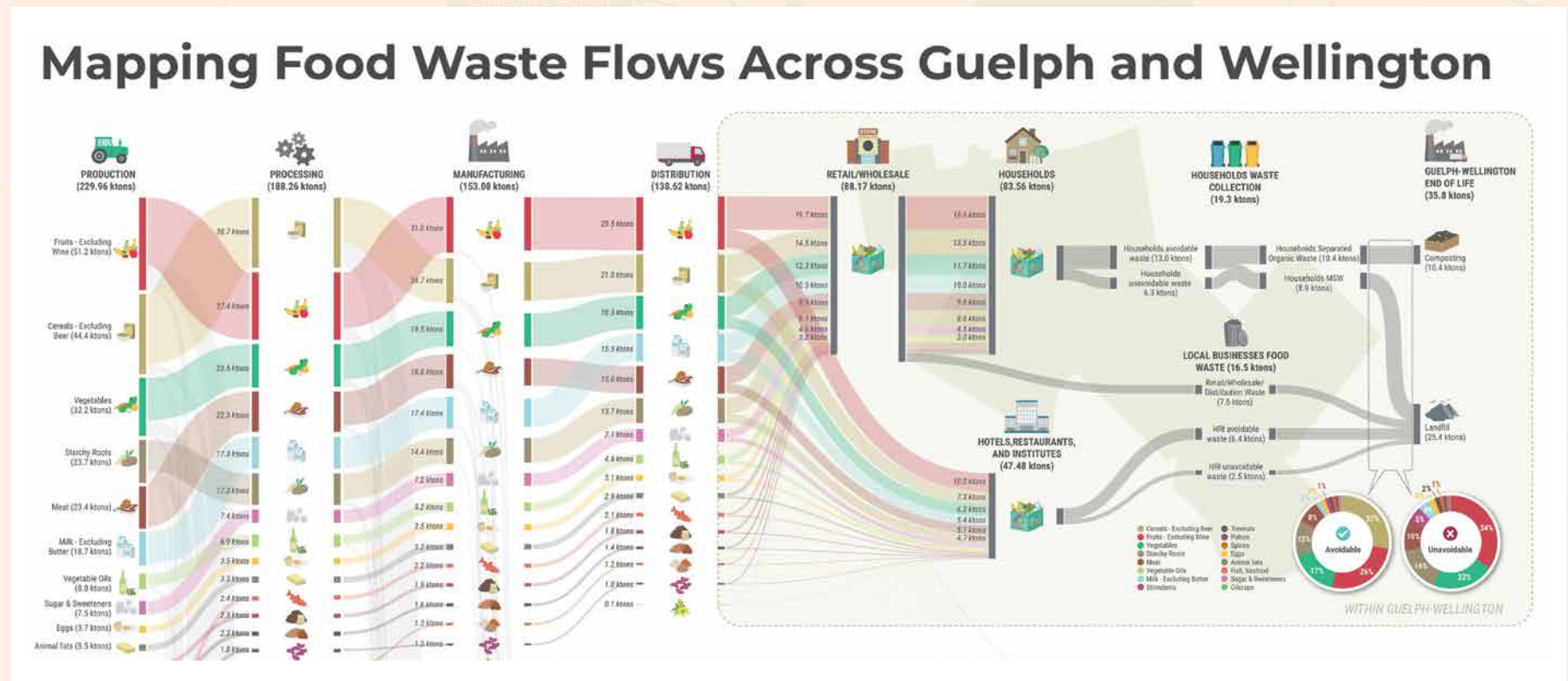
## Zeroing in on food waste hotspots

Where does the greatest amount of waste happen within our region's food system? Our Food Future researchers set out to identify these waste "hotspots." The Food Material Flow Study is the first of its kind in Canada, offering valuable insights to inform circular strategies. Click the link below to view the full image.

[Kitchen Table Collaboration Platform](#)

[Collective Action](#)

[In Conversation with Our Food Future Podcast](#)



More than 70 datasets were analysed to produce this [Sankey diagram](#) snapshot of food waste flows in the region.

In the first phase of this complex undertaking, researchers from Dillon Consulting, Metabolic, and the University of Guelph compiled more than 70 sets of national and local data. Next, they undertook a Material Flow Analysis of that data to understand what resources flow into the food system, where they end up and where waste occurs at each stage: growing and processing, distribution and packaging, and consumption in restaurants, institutions, and homes.

The findings — published in the June 2021 [Food and Food Waste Flow](#) report — revealed that 55 per cent of all food in Guelph-Wellington is thrown away. Almost half of this could be avoided. The analysis also identified specific areas that warrant deeper investigation, such as fruit losses before manufacturing and losses of cereals at the processing stage. Meanwhile, although the volume of wasted meat and milk isn't as high as other food categories, it creates significant environmental impacts because of the energy required to produce these foods.

Now, Our Food Future collaborators are exploring the most effective interventions to reduce these losses or find new value in the waste through living lab pilot projects.

“By reimagining food and food waste, we create opportunities to rescue food that would otherwise be wasted and create opportunities for new food businesses,” says Cameron Walsh, division manager, City of Guelph Solid Waste Services. “This study and data give us a better understanding of where to invest our resources.”

55 per cent of all food in Guelph-Wellington is thrown away and 25 per cent of this waste is avoidable.



### Pioneering AI-powered waste audits

How much avoidable food waste and non-organic material are Guelph residents tossing in their green cart? In October 2020, the City of Guelph launched a **Residential Waste Data Challenge** to find out. Eagle Vision Systems responded.

The Kitchener company had worked with the City in the past to automate other aspects of waste collection by developing CartSeeker, an automated arm operation. Leveraging similar technology, this time they set out to develop a first-of-its-kind system to analyze organic waste in real time as each household green cart is emptied into the collection vehicle.



Working with researchers at the University of Guelph's Intelligent Control and Estimation (ICE) Lab, Eagle Vision developed a video system that records material going into the trucks. From there, Artificial Intelligence algorithms were used to detect five target items: compostable bags, non-compostable bags, yard waste, recyclables, and avoidable food waste.

Two summer students reviewed thousands of video stills to train the AI to identify target items. By the end of the pilot project, the technology could identify these items with 90 per cent accuracy. "It is amazing the technology that is coming from these projects," says

Chad Scott, Manager of Logistics and Site Operations at the City of Guelph Solid Waste Resources Division, "We are only beginning to learn how to leverage this amazing work to improve safety, help our environment by reducing contaminants, and help our team raise the bar on service."

This high-tech initiative provides a lot more knowledge about exactly what is being thrown away and in which neighbourhoods, without the need for manual waste audits. As a result, it can help inform public education programs and interventions aimed at reducing food waste in the green cart. And, because Guelph's green carts have RFID tags that link them to their street address, City staff could also provide targeted interventions to areas of the city producing the most unnecessary food waste.

## Circular carbon credits

As the global climate crisis worsens, carbon offsets are becoming an increasingly valuable commodity. Essentially, they allow individuals and businesses that emit greenhouse gases to reduce their environmental footprint by paying other businesses or organizations to sequester carbon. And that holds all kinds of potential for the circular food economy.

“The circular economy is intrinsically linked to emissions reductions,” says David Messer of the Smart Cities Office. “By cutting food waste, we’re saving the energy required to produce it, transport it, and dispose of it — and avoiding all the carbon these activities create.”

These types of emissions are often challenging to track. But Messer points to examples like Indigo Carbon in the U.S., which pays farmers to cut greenhouse gases through regenerative practices like cover cropping and no-till farming. “The model can work, it just hasn’t been done here at scale,” he explains. So, Our Food Future is filling that gap.

Individuals and small businesses often lack the scale and capacity to participate in voluntary carbon offset schemes, however, taken together, the positive actions of hundreds of smaller actors could combine to generate a significant volume of carbon credits. What is missing is a system or technology to track, attribute and verify smaller scale actions which could then be bundled to reach a sellable scale.

In November 2021, our group leveraged City of Guelph’s Civic Accelerator model to issue a **Circular Carbon Credit Challenge** focused on reducing food waste and promoting climate friendly actions. We are inviting companies or developers to help us co-create an app that tracks, verifies and rewards actions that reduce emissions and support the circular economy.

We are also working with the David Suzuki Foundation (DSF) to examine our project activities considering voluntary and regulatory carbon credit markets. Research being done by DSF will help us prepare a Request for Proposals to engage in our next phase of work — a **Regional Carbon Market Study**. This will be a place-based study of Guelph-Wellington’s food supply chain and the emission-avoidance activities our project has helped create. Through this we can identify or develop tools that enable each sector of the food chain to track its carbon credits, creating a further source of revenue for climate-friendly food production.



## ● Our Stories

### Building a sustainable food system can require starting from the ground up – with the soil

When we talk about the environmental impacts of food production, we are using global aggregate emission averages and the numbers are dizzying. But if the footprint looks large, so does the hope for remedy; globally, shifts in agricultural practices hold the potential to be our largest carbon sink, and the soils in our local food region are well matched for this purpose.



The suite of practices known as Regenerative Agriculture – rebuilding soil health to increase GHG sequestration – are dynamic, sometimes offering different results in different fields. Because of the complexity, these solutions will require cooperation to effect meaningful change.

Our Food Future began with a survey of farmers, methods, and funding in our region. We wanted to know who was already leading this change, whether there were best practices emerging, and where there were gaps in support.

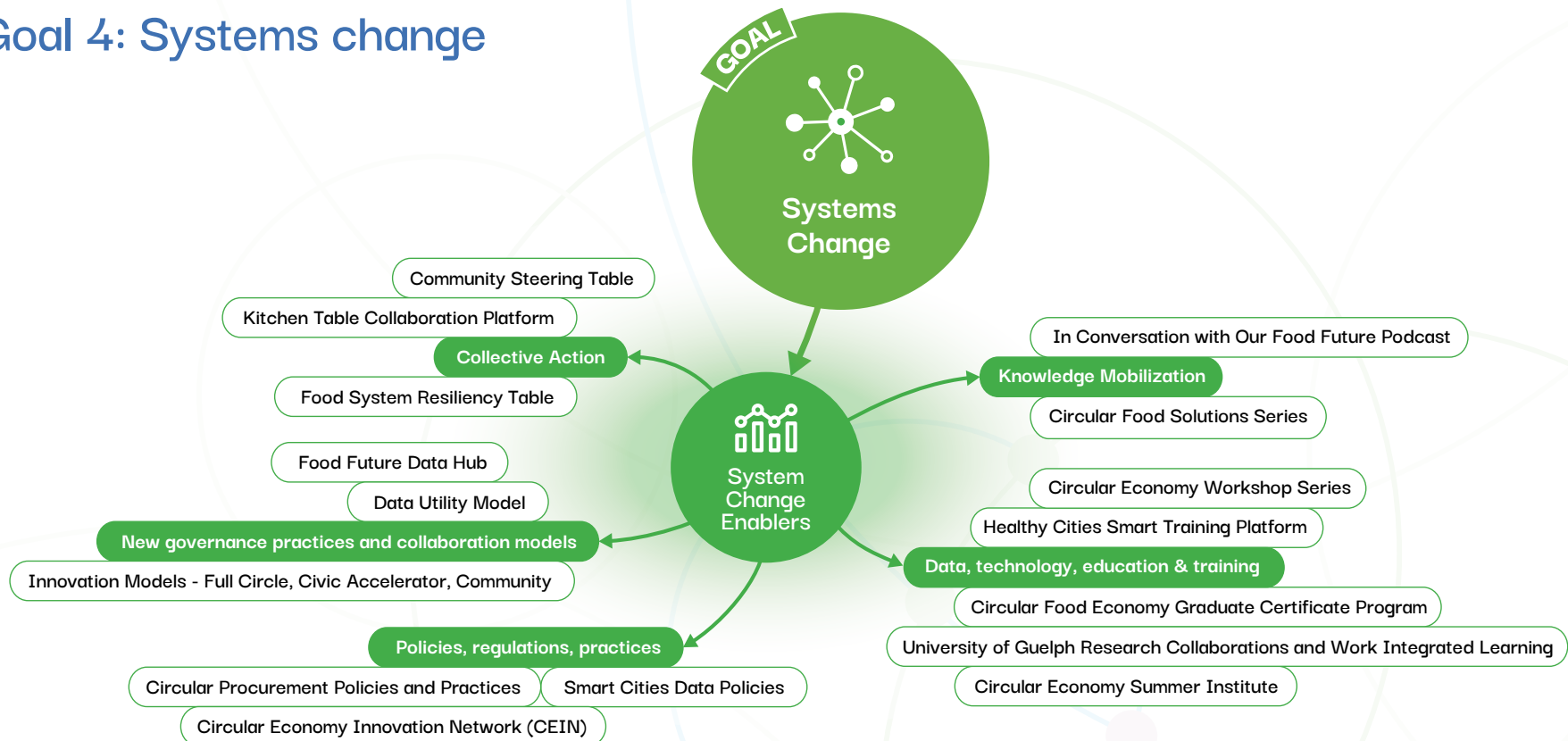
“Our farmers are always innovating, and now are poised to be climate heroes,” said Justine Dainard, Smart Cities Project Manager at the County of Wellington. “Our job is to provide a system of support which enables easy uptake of these regenerative agriculture approaches.”

Building on this, we are launching the Experimental Acres, an on-farm pilot designed to protect farmers from risk as they learn what works for their soil. This pilot is designed as an ‘on ramp’ which builds layers of support over the growing season, and includes components such as soil assessment, verification tools, a community of practice, and identifies a path to future funding.

As we learn from this pilot, the findings will be shared with both farmers and other municipalities so successes can be duplicated. As well, public events such as the upcoming Wellington Soil Symposium will further amplify and celebrate the regenerative agriculture in our foodshed.

# Goal 4: Systems change

## Goal 4: Systems change



Our circular regional food system enables the systems change required for a circular regional food system through collective knowledge and action. A circular food economy – enables the systems change required for a circular regional economy, beginning with the food system, through collective knowledge, governance, and action.

## Objectives

1. **Collective action** is undertaken to create regional, whole-system change.
2. **Policies, regulations, and practices** are established to support a circular food economy.
3. **New governance practices and collaboration models** are developed to strengthen and create new system relationships.
4. **Data, systems analysis, continuous learning**, and sharing are used to better understand local assets, opportunities, and issues.
5. **Expertise is shared** and learnings published in support of a national and global circular economy.
6. **Relationships and teachings** from traditional cultures and land stewards inform ways of living within planetary boundaries.

# Outcomes



## Systems Change Enablers

- 7.1 Increased knowledge, skills, resources, capacity, and collaboration to design and implement innovative/strategic solutions
- 7.2 Greater understanding and awareness of circular practices through research and data
- 7.3 Change in practice and policies to enable circular innovation

## Our impact 2020-2021



**\$14,223,374**  
of funding was leveraged




**\$1,275,004**  
in in-kind contributions  
was leveraged



**52** relevant datasets  
were centralized in the Food  
Future Data Hub



**995** stakeholders  
were engaged in  
Our Food Future

An aerial photograph of a rural landscape. A paved road curves through the scene, intersecting with another road. The surrounding area is filled with green fields, some of which appear to be planted in rows, possibly for agriculture. There are several trees, some with white blossoms, scattered throughout the landscape. The overall scene is bright and clear, suggesting a sunny day.

# Goal 4: Systems change

## stories and spotlights

- **Building smart, healthy cities**
- **Harnessing data and technology to guide Our Food Future**

## Building smart, healthy cities

To make cities healthier, more livable and more resilient, the University of Guelph is investing in an innovative training program.

The **Implementing Smart Cities Interventions to Build Healthy Cities (SMART) Training Platform** will equip students with multidisciplinary and implementation skills needed to run and manage the ever-more complicated cities of tomorrow – cities that incorporate everything from healthy food and green space to public transportation, housing and social services.

The federally funded \$4.95-million project builds on Smart Cities proposals developed by Guelph-Wellington, Montreal and the Opaskwayak Cree Nation in Manitoba, bringing together 48 researchers at 10 institutions across Canada.

At the University of Guelph, 10 researchers will contribute their expertise in nutrition, health and agri-food systems. “Food security and resilient food systems are critical to building healthy cities,” says Dr. David Ma, the principal investigator for the project at the University of Guelph.

The SMART Training Platform aims to cultivate a new generation of multidisciplinary researchers in health, social sciences and humanities, engineering and environmental sciences equipped with implementation skills. Through the program, trainees will examine and test bold solutions in real urban settings, moving knowledge into action in support of building healthy and smart cities.



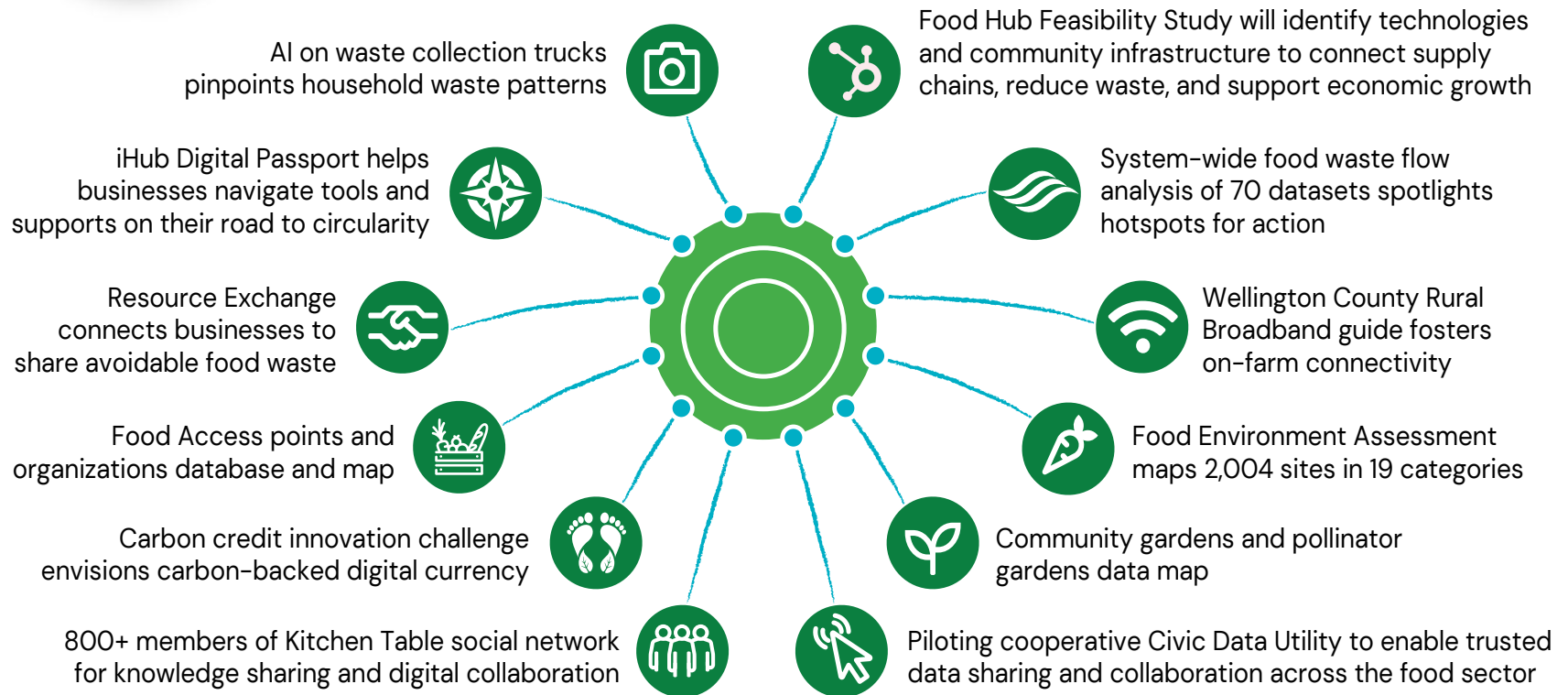


## Spotlight



### Harnessing data and technology to guide Our Food Future

Enabling, collecting and analysing data and technology to further direct evidence-informed circular solutions



To build a smart food system we need to start by understanding the system we have now – what data, technologies and relationships are in place, and where we need something new to address existing gaps. The first two years of the Our Food Future project have focused primarily on understanding these vital elements and exploring opportunities to prototype new, collaborative, and scalable technology approaches to enable circularity across the food system.

# Conclusion: Unlocking opportunity

## The stage is set for a more circular future

Our Food Future has created significant impacts in Guelph–Wellington since our launch in 2020, despite the considerable challenges created by COVID-19.

We've diverted thousands of tonnes of food waste from landfills. We've established collaborations with businesses to improve the circularity of supply chains. We've helped more farmers adopt regenerative practices. And we've prepared and delivered more than 60,000 meals to families in need.

Most importantly, we've laid the groundwork to deliver more programs and deeper impacts moving forward. Our growing collection of data is giving us new insights into issues and opportunities. Our pilot projects are showing what works and what doesn't. And our refreshed model for success puts Guelph–Wellington in an even stronger position to create a circular food economy that can serve as an example for the world.



COIL takes that even further, broadening our focus into packaging, emissions, and other environmental issues, and expanding our geographic focus.

In 2022, watch for us to be launching our Reimagine Food engagement campaign and motivations survey, as well as implementing food access projects from the Food Environment Assessment. In the County, we will be furthering our work in regenerative agriculture and exploring the carbon credit market for farmers. Our Material Flow Study is evolving into a Zero Waste Economic Transformation Lab that COIL will be launching soon. And much more.

Together with partners from every sector, we're driving the kind of transformative changes that allow community members, businesses and the planet to thrive.

But we're just getting started. Take a seat at the table. Join the conversation and help us unlock even more opportunities for circularity in our food system and our regional economy.



**77,013** meals and  
**57,187** food boxes  
prepared and delivered  
to community members



Individuals with increased  
access to affordable,  
nutritious foods

**3,267**



Regional farmers  
using regenerative  
practices

**21**



Data sets  
centralized in the  
Food Future Data Hub

**52**



Stakeholders  
engaged in  
Our Food Future

**995**



New funding  
leveraged

**\$14,223,374**

# Our Impact 2020-2021



Circular Opportunity  
Innovation Launchpad



Value of inkind  
contributions

**\$1,275,004**



Value of supports  
for NGOs

**\$2,919,219**



Value of supports  
for businesses  
and social enterprises

**\$1,503,755**



Value saved and/or earned  
by shifting to more circular  
business practices

**\$960,812**



Businesses  
engaged in  
the program

**191**



Businesses that  
established or expanded  
their circular practice

**181**



Business collaborations  
strengthening the  
circular supply chain

**232**



New products and  
services from  
diverted food waste

**14**



Tonnes of food  
waste diverted  
from landfill

**6,479**



Tonnes of food  
upcycled to  
new products

**66**



GHG Emissions  
prevented

**1,769 tonnes**

● Increasing access to affordable, nutritious and culturally specific foods  
■ Leading system change through collective knowledge and action

▲ Accelerating businesses and collaborations to create a thriving circular economy  
◆ Reducing and creating new value from waste

# Collaborators



# Program descriptions



## Program Descriptions

<b>Affordable, Nutritious Foods</b>	<b>68</b>
Growing, Production and Land Use	68
Access and Inclusion	69
Celebration and Food Culture	70
<b>Circular Businesses and Collaborations</b>	<b>70</b>
Processing and Distribution	71
Circular Business Solutions	72
Buying, Selling and Sharing	73
<b>Waste as a Resource</b>	<b>73</b>
Waste Reduction and Recovery	73
<b>Systems Change</b>	<b>75</b>
Collective Action	75
Policies, regulations, practices	75
New governance practices and collaboration models	76
Data, technology, education & training	76
Knowledge Mobilization	77

## Affordable, Nutritious Foods



### Growing, Production and Land Use

**Community Design Studio** – Faculty and students in the University of Guelph Landscape Architecture department are connecting with the City, businesses and community members to engage in place-based design projects that centre food infrastructure, community and culture in the development of public spaces. The first project focused on how designing for food could be incorporated into plans for the Baker Street redevelopment, a major project in downtown Guelph. The second studio looked at design interventions for the lands surrounding the Guelph Farmers’ Market.

**Guelph-Wellington Urban Agriculture Challenge** – A call for projects and ideas in 2021 that support a circular economic recovery and accelerate food production, getting more food to the table with less environmental impact. A total of \$106,000 was awarded to 10 winners spanning small community projects to transformative built-form projects. Applications ranged from augmenting existing gardens and community agriculture spaces with growing infrastructure such as fruit trees, rainwater harvesting and composters to providing unique opportunities for growing, learning and capacity building. [Learn more](#) about the winning projects and follow their implementation progress.

**Indigenous Food Sovereignty** – Developing relationships with Indigenous community members to better understand their worldview and recognize and promote their social and ecological wisdom is the first step in achieving the long-term goal of ensuring all Indigenous people have access to land and healthy, culturally relevant food. In addition, Our Food Future aims to support Indigenous-led and co-created projects. The four key Indigenous principles of relationality, responsibility, reciprocity and respect have much to teach Our Food Future and the broader settler community about community-centric approaches. We are committed to building positive relationships with local Indigenous communities to bring these values to life in our work and community to co-create an equitable and bountiful food system.

**Regenerative Sustainable Agriculture** – Applying the circular economy to farms means supporting the shift towards regenerative agriculture: a suite of best practices focussed on rebuilding soil health. We conducted research and [released a report](#) on some of the climate-friendly, or regenerative farming practices in our County. We also have launched the Experimental Acres, an on-farm pilot designed to protect farmers from risk as they learn what works for their soil. This pilot is designed as an “on ramp” that builds layers of support over the growing season and includes components such as soil assessment, verification tools, a community of practice and a path to future funding. As we learn from this pilot, the findings will be shared so successes can be duplicated.

**Rural Broadband Connectivity, Knowledge and Tools** – Improving the County’s rural broadband access includes advocacy with both internet service providers (ISPs) and funders; an ongoing survey of ISPs and community members to map services and gaps; discussions with existing and incoming ISPs in order to support expansion strategies; creation of a [tool kit](#) for residents; and keeping abreast of innovations and opportunities regarding rural broadband. Public workshops and on-farm visits will offer further opportunity to practise the Connected Farm Living Lab approach, matching host farms that wish to engage in real-world testing with researchers and technology.



## Access and Inclusion

**Food Environment Assessment** – Our Food Future’s Nutritious Foods Workstream, led by Wellington–Dufferin–Guelph Public Health and the non-profit Toward Common Ground, undertook research to understand the local food landscape to inform broad policy and programming decisions. The research included: a policy review; food retail audits; neighbourhood

mapping; programming and infrastructure scans; and analysis of consumer purchasing and consumption behaviour. Surveys and focus groups with local community members were conducted to understand the resident experience and facilitators/barriers to acquiring, preparing and consuming nutritious foods. The research also identified opportunities to support residents in accessing nutritious food under both normal conditions and during COVID-19. Read the final report.

**Food Security and Health Action Plan** – This plan will articulate an intervention strategy (2022–23) for developing, implementing, and evaluating evidence-based programs, policies and cross-sector solutions. It will be developed in collaboration with local agencies and community groups and draw on insights from the Food Environment Assessment. Interventions will focus on promoting nutritious foods through the following areas: knowledge and skills for healthy eating, transforming food insecurity (economic access) and healthy food neighbourhoods (physical access).

**Food Security CoLab Challenge** – Our Food Future’s CoLab initiative gathered a group of community members and organizational leaders around a common goal – to break down existing barriers to food security within the Guelph–Wellington region. Rather than following a typically competitive and rigid granting process, these groups, led by Our Food Future collaborators 10C and Toward Common Ground, co-created a highly collaborative and equitable framework. This included a collective budgeting process to decide how to allocate funding to achieve the shared objective of community food security. The learnings of the Our Food Future Co-Lab will continue to be captured in the final months of evaluation and shared in a final report. This equitable and inclusionary funding model may support other departments, grantors, and organizations negotiate a similar place-based framework.



**Emergency Food Delivery** – When the pandemic first hit in 2020, The SEED – a community food project of the Guelph Community Health Centre – rapidly shifted its programs to give those most impacted by COVID-19 immediate access to nutritious food. By leveraging technology, transforming their supply systems and mobilizing a community of cooks and delivery options, The SEED distributed over 61,000 nutritious food boxes between April and October 2020, including fresh foods, frozen meals and shelf-stable goods free of charge to community members in need via contact-free home delivery.

**Groceries from The SEED** – Building on the success of local Sliding Scale Markets and the Emergency Food Delivery program, The SEED has launched “Groceries from The SEED,” a pay-what-you-choose online grocery store with a social purpose. Through the project, residents can do their regular grocery shopping online through The SEED, paying the full retail price. The profit from these purchases then goes to subsidize substantial discounts for community residents in need. With this program, The SEED aims to support 2,000 low-income residents in about 750 households.

**Food from Home = Food for Home** – New arrivals to Canada often come from distinctly different climates, and geographies and bring a wealth of new flavours and cuisines. This urban growing program provides gardening space and resources for newcomers to grow and distribute culturally relevant foods and share gardening practices. Located at the Westmount Farm on land near Guelph’s St. Joseph’s Hospital, it brings together local urban farmers and participants from newcomer communities with experience and/or interests in growing food. The goal is to grow and share healthy nutritious foods, including culturally relevant varieties that are often difficult to source, as well as provide meaningful connections between Newcomers and the local community.

**Greenhouse City Network** – This proposed network of year-round urban greenhouses will allow both food relief agencies and community growers to efficiently grow a substantial amount of the produce they desire. The harvest will be used to feed those in our community without the resources to always access fresh, nutritious food. Produce will be distributed to local relief agencies and directly to those in need through a variety of means, including free and sliding-scale food-box programs, community markets, emergency food pantries and community meal experiences. The result will be a replicable model of governance, operations and data sharing that will best respond to community needs and increase the yield of year-round fresh food. Greenhouse City Network will build local capacity through enhancing shared agriculture infrastructure, technology, knowledge and action.

**Upcycle Kitchen** – This social enterprise initiative run by The SEED – a community food project of the Guelph Community Health Centre – rescues produce that would otherwise be discarded by distributors and transforms it into jams, sauces, soups, dips and other products. They also piloted an “Upcycle Kitchen Café,” providing meals made from upcycled ingredients to the Guelph Community Health Centre staff and clients.



## Celebration and Food Culture

**Guelph Film Festival – Tiny Food Docs** – In 2020 and 2021, Our Food Future co-presented a kids’ documentary program around the theme of food as part of the Guelph Film Festival. This builds awareness and community engagement and supports nutritious food, urban agriculture, and food waste project objectives, especially for children. In both 2020 and 2021, the festival sponsorship resulted in 18 short films from Guelph-Wellington children exploring how food is a part of their daily lives.

**Farmers' Market Refresh** – Our Food Future partnered with the City of Guelph Farmers' Market team to design and implement a public call for ideas, proposals and potential partners to explore new opportunities to augment the continued success of the weekly farmers' market. Through an innovative partnership that aligns with the Market's vision, the City sought proposals from the community to strengthen and expand this vital community asset. After a successful bid and negotiations, [Council signed an agreement](#) in November 2021 that will see Our Food Future collaborator 10C assuming the management of the market building and Saturday event operation. The intention of the agreement is to co-create a multi-purpose indoor-outdoor community market that is thriving with new partnerships, enterprises and is actively used 7 days per week.

**Kids Get Growing** – Working with the YMCA-YWCA of Guelph and Big Brothers Big Sisters of Centre Wellington, we safely distributed 740 children's gardening kits in Guelph and Fergus in 2020. Kits included soils, seeds/seedlings and educational materials to help Guelph-Wellington children learn about growing their own food. All kits were provided free of charge.

**Reimagine Food** – This public awareness and engagement campaign (2021-22) aims to spark conversation with Guelph-Wellington businesses and residents around lighter living, food access, and the real costs of food waste. Research through this project will help us discover the diverse motivations that lead residents of Guelph-Wellington to support circular products and services, reduce food waste, and undertake lighter living actions. Findings will also help fine-tune an engagement campaign and program design to better support uptake of climate and planet-friendly initiatives, including circular products and services and food waste reduction. Using a range of digital and place-based community engagements, the initiative will use interventions to drive behaviour change and encourage residents and stakeholders to take action.

## Circular Businesses and Collaborations



### Processing and Distribution

**Food Hub Study** – In collaboration with the NGen Advanced Manufacturing Supercluster, this study will assess the supports, facilities and other infrastructure needed to create an innovative circular agri-food system. This work includes a survey of the services and infrastructure in Wellington County that support food producers, as well as an assessment of whether there are adequate supports and facilities for the local agri-food industry.

**Farmers' Markets Online** – To support local food producers during the pandemic, Our Food Future partnered with the [Open Food Network](#), an open-source, not-for profit e-commerce platform, to help farmers' markets across Guelph and Wellington County create online sales channels. Funding was made available to farmers and food vendors to access this online platform for all interested Guelph-Wellington markets and vendors.

**Last Mile Delivery Pilot** – This demonstration project addressed immediate community needs through novel food distribution models, transforming a local restaurant that was forced to close as a result of the pandemic into a market for fresh, local, affordable food. Renamed Corner Market Guelph, it acted as a delivery point for healthy groceries and locally prepared foods. The restaurant hired back some of its employees to pack and prepare pre-made meals and then deliver them using zero-emission electric bicycles.



## Circular Business Innovation

### **COIL Activate Accelerator and Evolve Pre-Accelerator –**

These unique business accelerator programs help sustainability-focused companies in the food and environment sectors learn, scale their business and expand their socio-environmental impacts. Participants receive funding, executive-level mentorship, access to a globally designed circular economy curriculum and connections across our Rural-Urban Testbed ecosystem. Participants in the program will become part of COIL's circular economy business community and act as inspirational leaders to other businesses moving along the path of circular transformation.

**COIL CoLab –** With support from Innovation Guelph's Circular Economy iHub, the CoLab issues innovation challenges to redesign supply chains in the food and environment sectors to reduce waste and transform existing linear business practices. The winning teams (made up of 3–7 businesses and collaborators) will be funded through our CoLab process to work with mentors and experts to build out their idea, create a prototype and pitch how the solution would work at full scale.

**COIL Digital Passport and Guidebook –** Working with Guelph's Circular Economy iHub (CE iHub) at Innovation Guelph, COIL is implementing an intake process and a passport system that allows participating businesses to track their engagement with the many facets of Our Food Future. It will include a backend customer relationship management system to track interactions that will feed into a broader evaluation system and create a marketing presence for circular economy businesses.

**Harvest Impact Cultivator –** This loan program led by IOC offered up to \$360,000 of financing at 0% interest to approximately 36 Guelph-Wellington food system enterprises (including businesses, not-for-profits and social enterprises).

Implemented in collaboration with Wellington-Waterloo Community Futures and Saugeen Economic Development Corporation, it was designed to support their recovery from current economic shocks and to help them shift their practices in a way that contributes to a more sustainable, equitable and healthy food economy.

**Harvest Impact Project and Social Finance Fund –** The Harvest Impact Project works to engage circular and social entrepreneurs in transformational changemaking projects, offering pathways for collaborative grant-funding, social finance investment across an emerging network of social-first lenders. In its development stages, the Harvest Impact Social Finance Fund will provide circular and social entrepreneurs to access grants, loans, awards, including non-repayable start-up capital to high-potential projects. Harvest Impact is a pooled community-lending utility structured as a share capital cooperative, with available capital of \$3,000,000+ to create local investment opportunities and provide seed financing investments to Guelph and Wellington's leading circular solution businesses and collaborations.

**COIL Re(PURPOSE) Incubator –** The Re(PURPOSE) Incubator, led by Provision Coalition, is specifically designed to help Ontario's small and medium-sized food and beverage enterprises commercialize unavoidable food waste. Its services include by-product quantification, nutritional analysis, market analysis, value proposition analysis, partnership acceleration and more. The Re(PURPOSE) Incubator will be the first of its kind in Canada to associate these key functions and resources into one virtual and easily accessible platform.

**Seeding Our Food Future Micro Grants & Loans –** This program provided expert advice from Innovation Guelph, a series of virtual classes and non-repayable grants of up to \$5,000

to help individuals, businesses and social enterprises across Guelph and Wellington County promote a green economic recovery and enhance food security in the wake of COVID-19. Support was offered to 40 new and existing businesses to advance circular business practices, for a total investment of \$200,000. Learnings from this program informed the design of the new Evolve incubator program.

**Ivey Research Study** – Researchers at Western University’s Ivey Business School undertook a study to identify the most common existing food and plastic waste synergies and assess the impact of a circularity broker in facilitating these synergies. Currently, they are looking at what barriers exist and what policy levers could encourage food-waste synergies and plastic-waste synergies at scale through well-designed waste exchanges. They will also assess the structuring, functioning and impacts of circular networks of waste synergies that are currently emerging.

**R-Purpose MICRO – Provision Coalition** – an Our Food Future collaborator – developed and delivered this training program for small businesses to incorporate circular economy principles and practices, thereby making their businesses more sustainable. Over 50 companies graduated from the program, expanding their skills and expertise in circularity and sustainability, creating valuable collaborative networks and implementing their own circularity plans.

**Circular Meal Pilot** – In this circular pilot project, three food items produced using circular practices – rainbow trout, bread and potatoes – were prepared and showcased at three local Neighbourhood Group restaurants as an “Our Food Future” menu special. Spent grain from a local brewery was used to create a fish supplement to feed the rainbow trout, and waste from the fish farm was used to fertilize the potato crop. Meanwhile, spent grain and spent yeast were used to make the sourdough bread.



## Buying, Selling and Sharing

**COIL ReSource Exchange Marketplace** – This online platform supports the exchange and recycling of end-of-life materials between businesses and the sharing of underutilized equipment and resources. Functioning as a “commodities exchange,” it allows people to connect and utilize otherwise wasted materials, facilitating the distribution of by-products and waste generated in the food system.

**Junction Food Network** – Testing circular principles, baseline mapping and engagement at the local neighbourhood level with local food businesses and community members to better understand the food ecosystem. In Guelph’s Junction neighbourhood, this involves ecological asset mapping, community asset mapping and piloting an online platform that allows home gardeners to sell (or donate) the foods they are growing directly to their neighbours.

## Waste as a Resource



### Waste Reduction and Recovery

**City and County Food Waste Audits** – Both the County and the City utilize food waste audits to better understand how residents are using their green bins. The County completed food waste audits before and after the implementation of its new curbside green bin collection program, establishing baseline tonnage and composition data and assessing the impact of the green bin service. Interventions will be tested against the same households in future years to encourage green bin usage, determine effective messaging and promote food waste reduction solutions.

### **Food Material Flow Analysis and Hotspot Interventions –**

Several experts were brought together to complete a [Food Material Flow Study](#) that mapped the flow of food produced, consumed and wasted in Guelph–Wellington. This work revealed several food waste “hotspots” across the region, including fruit losses before manufacturing and losses of cereals at the processing stage. A [Sankey diagram and video](#) were created to disseminate the results. Building on the knowledge gathered from the Food Material Flow Study, an advisory panel has identified strategic interventions that could reduce inefficiencies and waste in the regional food system. We are currently selecting which of these interventions to pilot in the next phase of this project (2022–23). We will then produce several case studies examining waste and greenhouse gas production before and after interventions are applied. An application process to the Federation of Canadian Municipalities is currently underway for this next phase.

**Circular Carbon Credit Challenge** – This innovation challenge will explore the potential a voluntary carbon credit-backed currency could play in supporting the community’s circularity and Net Zero goals. The pilot aims to leverage carbon credits generated by the city to seed a self-sustaining model that incentivizes and rewards businesses and residents who make climate and circular friendly actions. In early 2022, Our Food Future will work with the successful innovator to design and prototype this model with the hope of piloting a scalable system later in the year.

### **Industry, Commercial & Institutional Food Loss Waste Pilot –**

Led by Canada’s Circular Innovation Council, this pilot project focuses on the industrial, commercial & institutional sector within Guelph–Wellington, where organic materials are managed independently by the organization on a facility-by-facility basis. The project aims to identify and trial collaborations to coordinate collection, transportation, and consolidation of organic material. This material will be processed into compost

at All Treat Farms. The goal is to pilot a replicable model to better manage edible food to maintain its highest value and optimize organics recycling. Metrics will include greenhouse gas reduction and food diversion amounts.

**County Curbside Green Bin Collection** – Launched in 2020, the Green Bin Organics Program offers County of Wellington residents’ household organic waste collection for the first time. This waste is diverted from landfill and instead turned into high-grade compost through a carbon-verifiable process. In the first year of operation, more than 2,500 tons of organic household waste were processed. In addition, regular audits take place after planned educational interventions, allowing us to further understand and improve our engagement with residents.

**Residential Waste Data Challenge** – Following an innovation challenge, the City of Guelph has partnered with Eagle Vision Technology and the University of Guelph to pilot a technology-driven solution to analyze the waste in residential green carts. This first-of-its-kind system uses artificial intelligence to analyze organic waste in real time as each household’s green cart is emptied into the collection vehicle. This new data will help us to better understand residential food disposal habits so we can plan targeted public education/outreach and interventions that help residents reduce food waste and contaminants that cause problems in the organic waste stream.

**R-Purpose Food Loss and Waste Prevention** – Provision Coalition – an Our Food Future collaborator – is working with eight local food or beverage manufacturing/processing companies over an 18-month period to reduce food loss and waste. Companies have access to tools and a team of experts who will help build and integrate circularity into operations, products and services. Outcomes focus on creating a circular business strategy, promoting a regenerative culture, preventing food waste in operations and repurposing unavoidable waste.

**Guelph Solid Waste Master Plan** – The City of Guelph has updated its 2014 Solid Waste Management Master Plan (SWMMP), exploring new and innovative ways to support the waste management needs of Guelph’s growing community. The updated plan will guide the City in their waste management goals and objectives for the next 25 years. The process of developing it included assessing the current state of solid waste management in Guelph; analyzing strategies for single-use plastics; developing projections for future state and growth; and analyzing the industrial, commercial, institutional sectors. A key finding has been the growing community interest to prioritize and adopt a circular economy framework to further the City’s aspiration towards zero waste goals.

**Weeknight Supper Savers – Food Waste Audits and Interventions** – Supported by Danone, this project tested the feasibility, acceptability and preliminary impact of a food waste reduction intervention with local families that include children ages 9–12. It also examined the extent to which the intervention is associated with changes in household food waste, parents’ and children’s waste-related knowledge, attitudes and behaviour, and parents’ and children’s fruit and vegetable consumption.



## Systems Change

### Collective Action

**Community Steering Table** – This governance body includes core delivery participants, as well as organizations that may not be directly involved in project implementation but play a supporting role in achieving the outcomes of the initiative. As a local community-coordination table, it provides advice regarding implementation, resource coordination, community

and stakeholder engagement and outreach. The membership of this multi-sector group reflects principles of diversity and inclusion.

**Food System Resiliency Table** – This table launched in December 2021 supports the development of a resilient regional food system that contributes to a green recovery from COVID-19. Members are gathering intelligence on the regional agri-food sector and developing recommendations and programs to support short-term and mid-term needs. The table is poised to be a legacy project of Our Food Future, with the goal of becoming a policy council that is embedded in both City and County government.

**Kitchen Table Collaboration Platform** – This digital engagement and innovation platform is where we will launch challenges, share knowledge, harvest great ideas and build community connections. Its purpose is to increase visibility for local projects and businesses, drive crowd-sourced innovation through challenge processes, rally new voices and lay the foundation for an active community that can sustain the circular food economy well into the future.

## Policies, regulations, practices

**Circular Economy Innovation Network (CEIN)** – This is a collaborative proposal for a national initiative to develop a Canadian circular economy strategy and portfolio of programs to integrate circular economy strategies into supply chains; support industry by developing new business models; and improve productivity through new approaches and technology applications. It will engage 5,000+ companies of all sizes across 500+ communities in sectors that include agri-food, forest bioeconomy, mining and metals, plastics, construction, and manufacturing. The resulting national circular economy roadmap will guide individual projects and program investments.

**Circular Procurement Policies and Practices** – Circular public procurement can support the transition towards a circular economy. It helps cities and public sector partners purchase works, goods and services that contribute to closed-energy and closed-material loops within supply chains, minimizing or avoiding negative environmental impacts and waste creation. Our Food Future is conducting an analysis of opportunities for partners to implement circular procurement policies and practices.

**Smart Cities Data Policies** – We’re creating the technology and policy infrastructure to support deeper collaboration between the organizations participating in Our Food Future, as well as the broader community. This has included pursuing an umbrella MOU and governance structure between core public sector collaborators to support data sharing use cases as they are identified. Meanwhile, we have worked with Alectra Utilities to prototype technology solutions that enable decentralized data governance. We have also created new digital privacy and user policies for members of the public using our social network platform, [Kitchen Table](#).

## New governance practices and collaboration models

**Innovation Models – Full Circle, Civic Accelerator, Community** – We’ve established three complementary innovation models, which leverage Guelph’s proven Civic Accelerator innovation partnership approach to co-create new technologies and tools that advance Our Food Future objectives. These models have already been used for the Residential Waste Data Challenge, Circular Carbon Credit Challenge and the Urban Agriculture Challenge.

**Data Utility Model** – Data that can support shared economic, social and environmental priorities resides across a range of public, private and not-for-profit organizations. However, much of it is siloed off from each other. The Data Utility Model will test use cases for a civic data utility that will create a platform for sharing community data and sustainable digital infrastructure to support intelligent community solutions over the long term.

**Food Future Data Hub** – To facilitate data sharing, collaboration and app development, we launched a centralized data hub focused on food systems and the circular economy. It includes public-facing open data and apps (maps, dashboards, etc.), as well as a platform for controlled data collaboration (e.g., protected databases). The hub is accessible by the public, community groups, businesses and entrepreneurs, and food systems researchers to support the development of data-driven solutions.

## Data, technology, education & training

**Healthy Cities Smart Training Platform** – Led by the University of Guelph, the SMART Training Platform builds on three Smart Cities proposals from the cities of Guelph, Montreal and the Opaskwayak Cree Nation. This \$4.95 million investment from the Canadian Institute of Health Research will develop and deliver a high-impact training program for university students in implementation science. Focused on food and health issues, the program will give trainees access to 100+ ready-to-go projects, 100+ community partners and the expertise of 50+ researchers in epidemiology, public health, urban planning, management, economics, engineering, data sciences and more.

**Circular Food Economy Graduate Certificate Program** – Conestoga College is developing a new post-graduate program designed to train change-makers to shape the transition of the food system to a circular food economy. The program will produce graduates with employment potential in industry, government and the non-profit sector. The program emphasizes applied learning and incorporates an internship or a co-operative placement.

**Circular Economy Workshop Series** – One of the anticipated recommendations in the Guelph's updated Solid Waste Management Master Plan will be to create a framework that provides a clear roadmap for developing a circular economy. The new approach will challenge the City to rethink how it delivers services to residents and provides an opportunity to be a leader in strengthening local ecosystems and resources.

**University of Guelph Research Collaborations and Work Integrated Learning** – We engaged students in a variety of projects including the University of Guelph's Agrifood Innovation course, the Arrell Food Institute and the ICON Ideas Congress. Students taking the Agrifood Innovation course conducted research to supplement the Food Environment Assessment with in-store audits of food retailers. Five Arrell Food Institute graduate students are participating in the design process for the Experimental Acres on-farm pilot and are developing our frameworks and metrics. As well, the undergraduate ICON Ideas Congress at the University of Guelph engaged with Our Food Future to use the project as a springboard for their curriculum in Fall 2021.

**Circular Economy Summer Institute** – This is a partnership with the University of Guelph to develop a Circular Economy Summer Institute. Beginning with a national circular food economy course (2022) that links an elite cohort of students from across Canada with practitioners from business, civil society, government, and industry in an experiential multidisciplinary setting. This will be delivered via a combination of an immersive summer school, online workshops that run through the fall and winter semesters, and a team-based group project where groups of students will work with policy or corporate executives to design solutions for identified problems.

## Knowledge Mobilization

**Circular Food Solutions Series** – A research project, supported by the Smart Cities Office in collaboration with Vancouver's National Zero Waste Council, Circular Economy Leadership Canada and the NGen Advanced Manufacturing Supercluster. Part of the GLOBE Solution Series, [the report](#) aims to identify circular food practices present in communities across Canada. The project aligns with our commitment to develop replicable approaches to growing a circular food economy and to research policy innovations to accelerate the growth of circular businesses.

**In Conversation with Our Food Future Podcast** – A monthly podcast that explores the creation of a circular food economy in Guelph-Wellington. Host Barbara Swartzentruber, who heads up Our Food Future, joins guests to discuss projects and policies, share the stories behind our work, discuss emerging ideas in the food sector and introduce listeners to the people who are working to take our community's vision from theory to action.





## Contact information

To learn more about the projects in this report, or to discuss sponsoring or participating in the programs and projects of Our Food Future, please contact us at:

### **Smart Cities Office**

City of Guelph

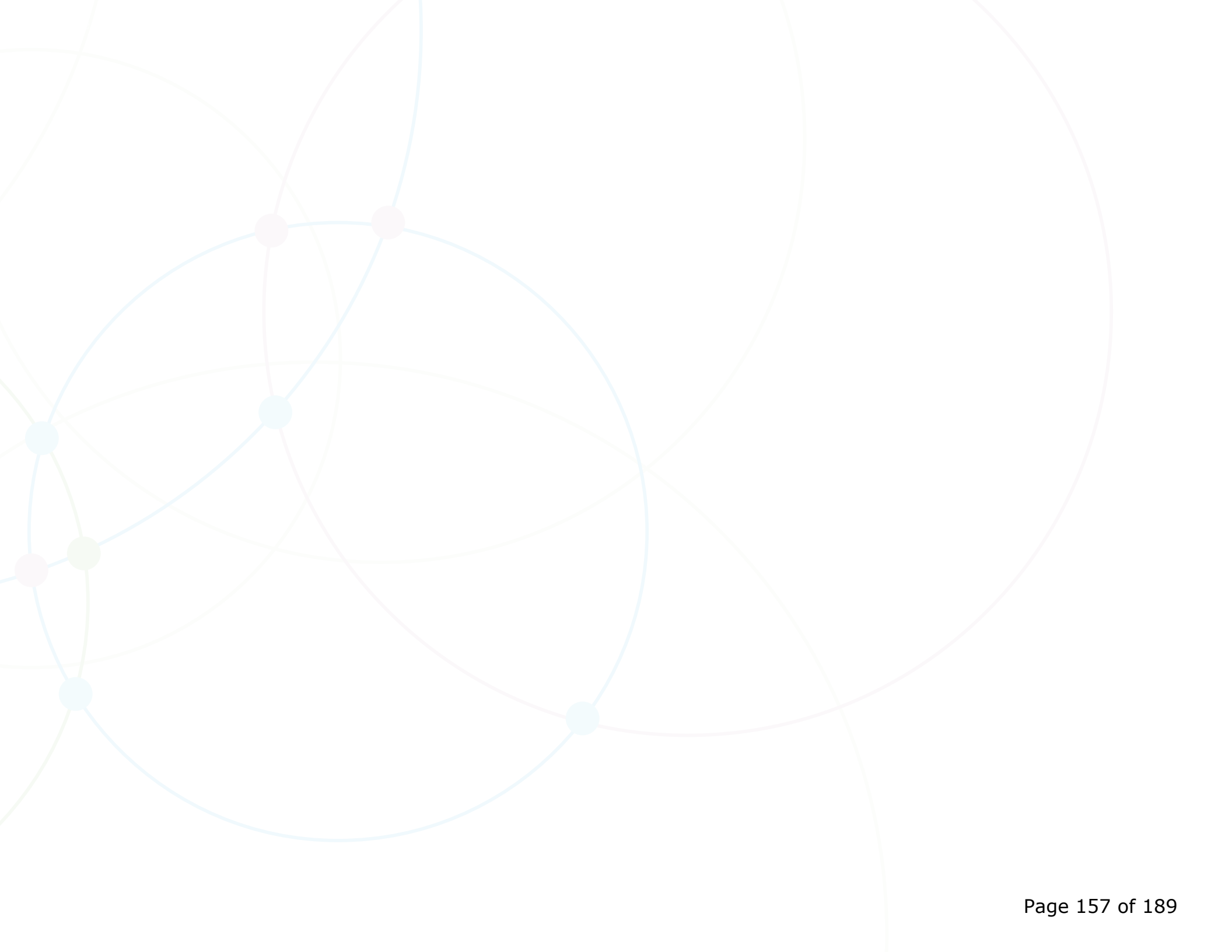
519-822-1260 extension 3559

[foodfuture@guelph.ca](mailto:foodfuture@guelph.ca)

[www.foodfuture.ca](http://www.foodfuture.ca)

## Accessibility statement

Every effort has been made to make this document accessible for all readers. For additional support please contact the Smart Cities Office of the City of Guelph at 519-822-1260 extension 3559.





# Our Food Future

Guelph-Wellington





**77,013** meals and  
**57,187** food boxes  
prepared and delivered  
to community members



Individuals with increased  
access to affordable,  
nutritious foods

**3,267**



Regional farmers  
using regenerative  
practices

**21**



Data sets  
centralized in the  
Food Future Data Hub

**52**



Stakeholders  
engaged in  
Our Food Future

**995**



New funding  
leveraged

**\$14,223,374**

# Our Impact 2020-2021



Circular Opportunity  
Innovation Launchpad



Value of inkind  
contributions

**\$1,275,004**



Value of supports  
for NGOs

**\$2,919,219**



Value of supports  
for businesses  
and social enterprises

**\$1,503,755**



Value saved and/or earned  
by shifting to more circular  
business practices

**\$960,812**



Businesses  
engaged in  
the program

**191**



Businesses that  
established or expanded  
their circular practice

**181**



Business collaborations  
strengthening the  
circular supply chain

**232**



New products and  
services from  
diverted food waste

**14**



Tonnes of food  
waste diverted  
from landfill

**6,479**



Tonnes of food  
upcycled to  
new products

**66**



GHG Emissions  
prevented

**1,769 tonnes**

● Increasing access to affordable, nutritious and culturally specific foods  
■ Leading system change through collective knowledge and action

▲ Accelerating businesses and collaborations to create a thriving circular economy  
◆ Reducing and creating new value from waste



# Smart Cities Office Update Report to Council

February 7, 2022

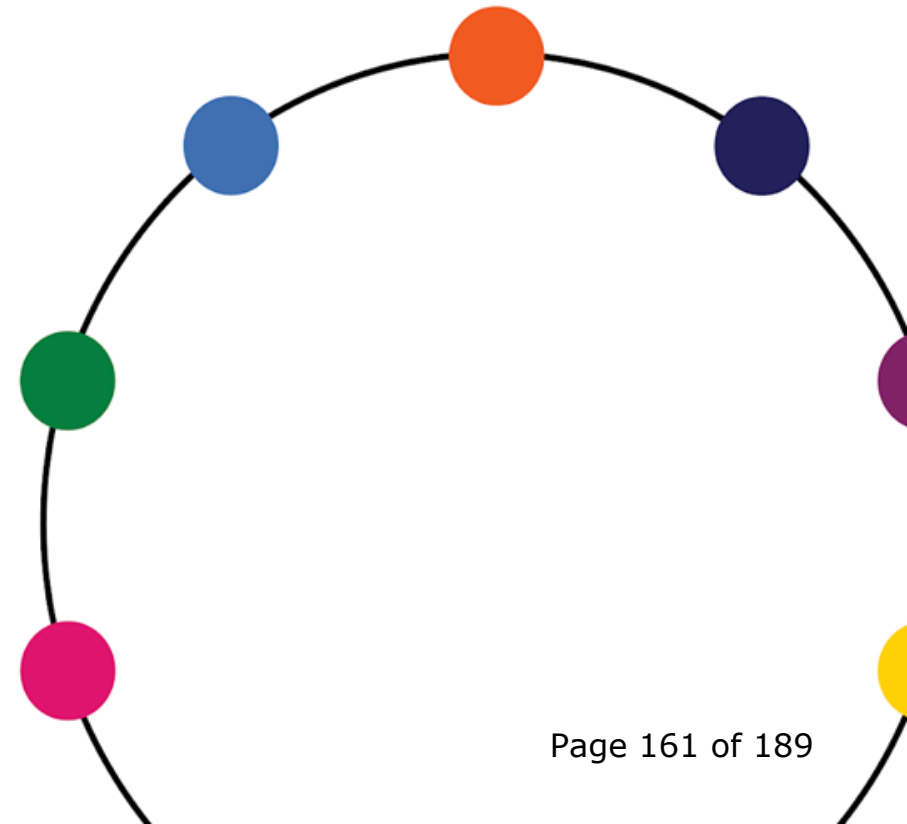


Funded by



# Our food system

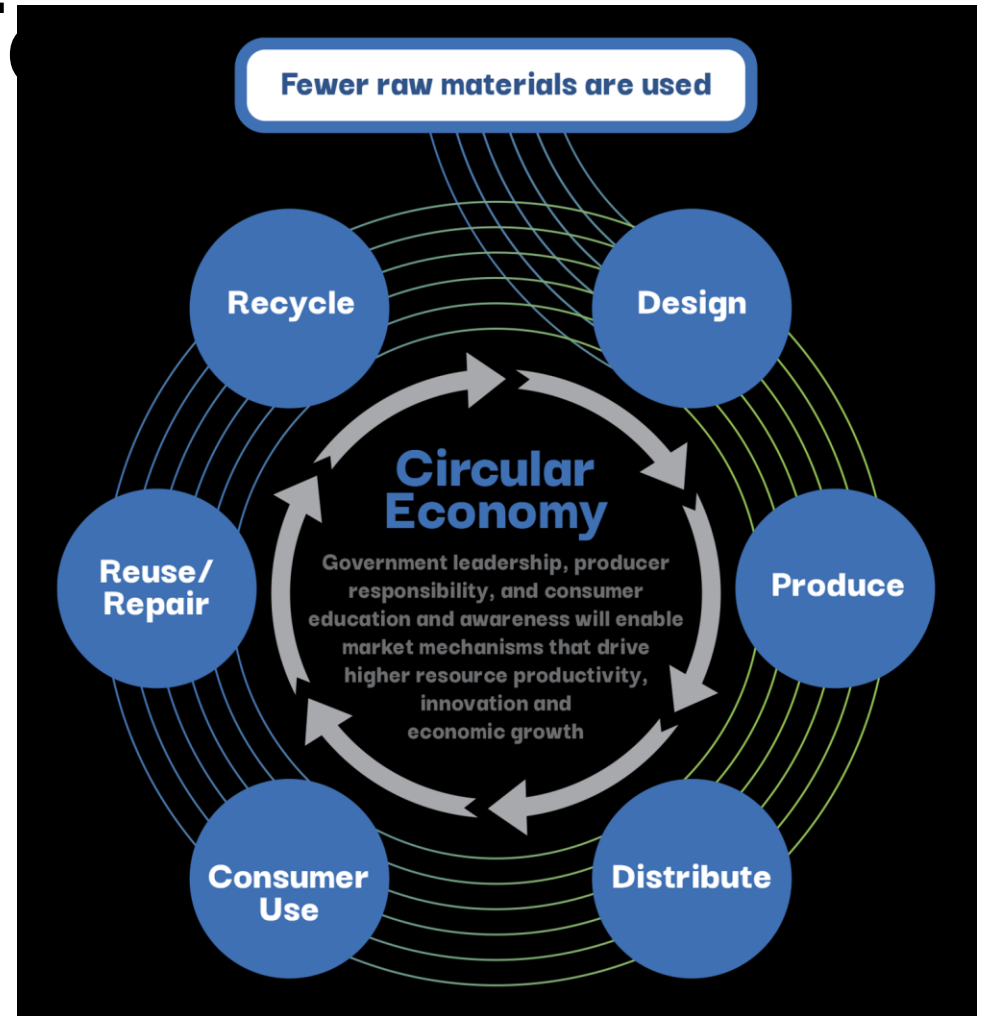
- Food systems are the greatest contributor to GHGs on the planet
- Food waste costs Canadians +\$17 billion/year
- In Dec/20, 1 in 8 Guelph–Wellington residents reported living in a food insecure household



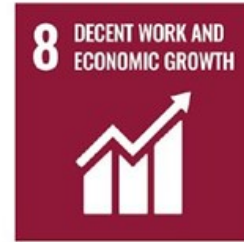
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 **SUSTAINABLE DEVELOPMENT GOALS**

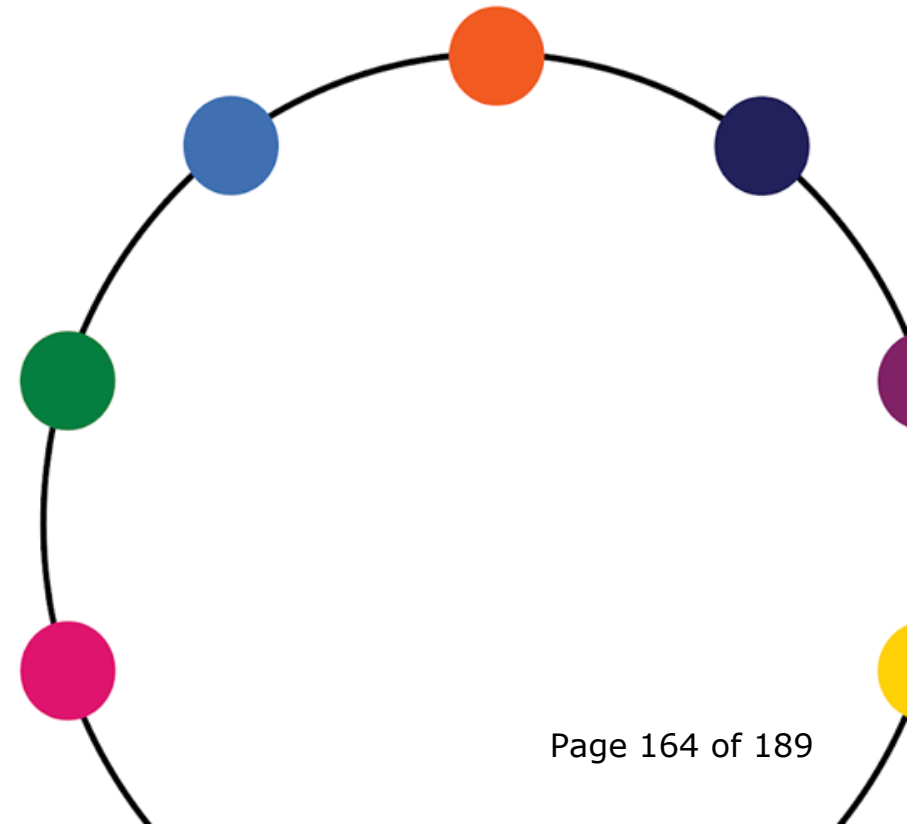




# Our goals

- **50** new circular businesses
- Increase food access by **50%**
- **50%** increase in value from waste

... by 2025





**77,013** meals and  
**57,187** food boxes  
prepared and delivered  
to community members



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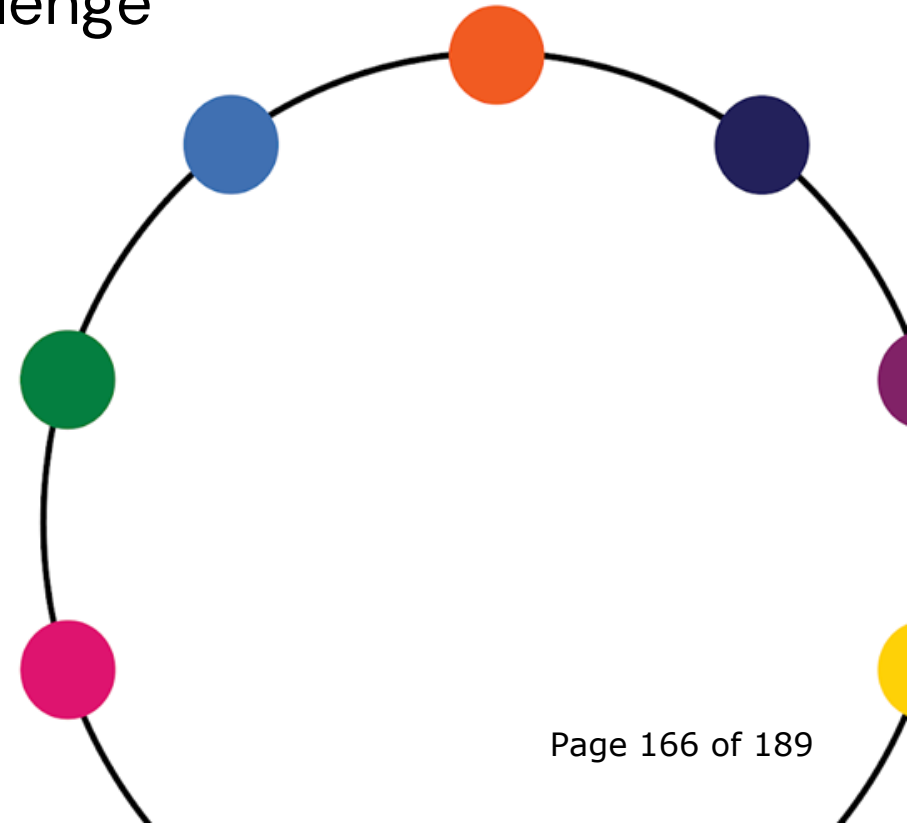


GHG Emissions  
prevented  
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# Attracting investment to Guelph-Wellington

## Highlights:

- **\$10M** Infrastructure Canada Smart Cities Challenge
- **\$4.96M** FedDev Ontario
- **\$4.95M** Canadian Institute of Health Research
- **\$1.5M** Helderleigh Foundation
- **\$175K** Green Municipal Fund
- **\$350K** The Co-operators Group





# **Circular Opportunity Innovation Launchpad**



Businesses that  
established or expanded  
their circular practice

**181**



# WORLD CIRCULAR ECONOMY FORUM

Driving economic and social innovation  
with the circular food economy

A WCEF2021 Accelerator session



David Messer,  
Guelph Smart Cities Office



Andrea Magarini,  
Milan Food Policy Office



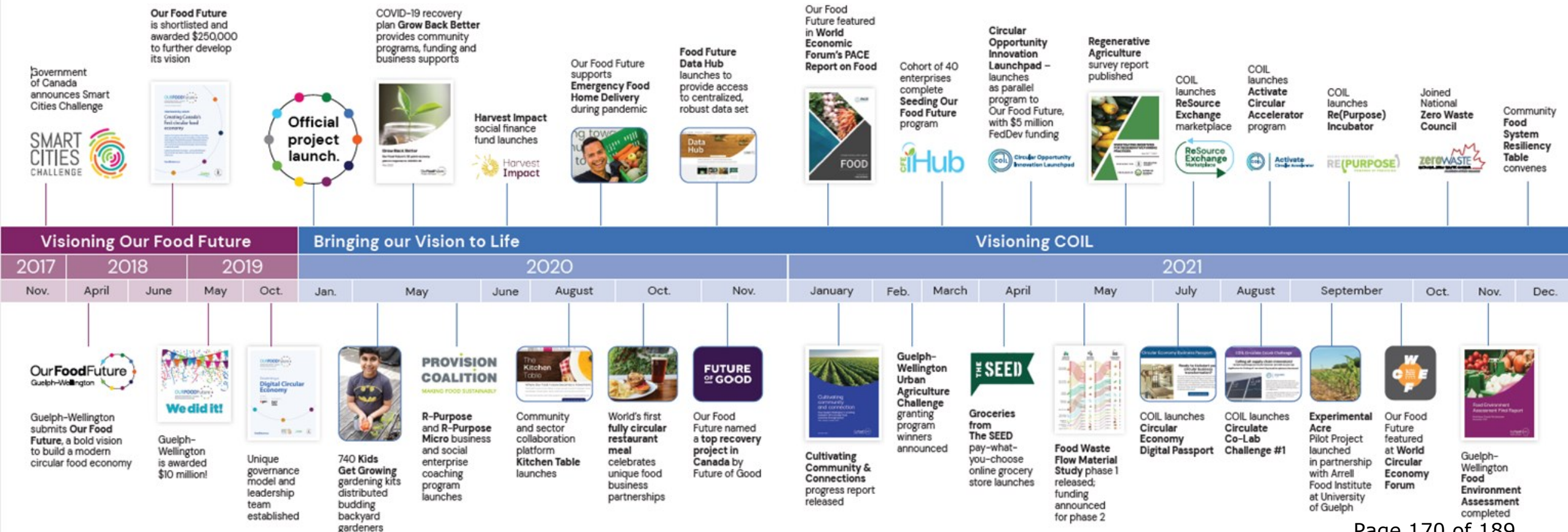
Tamara Streefland,  
Metabolic



Dana Gunders, ReFed



# Smart Cities Timeline



# Grow Back Better – Our impact

Over 18 months,  
Grow Back Better:



generated **\$1.4 million** in community donations and in-kind contributions



leveraged an additional **\$1.5 million** in public- and private-sector funding



prepared and delivered **77,013** meals and **57,187** nutritious food boxes to community members



provided **\$106,000** for 10 community-led urban agriculture projects



provided **\$1.3 million** in cash and support for local food businesses



## Vision

We are accelerating a circular regional economic system inspired by nature's regenerative processes and by traditional cultures that live in harmony with the Earth. The food system is our entry point to foster innovation, collaboration, and system-wide change throughout many communities and sectors. Through these efforts, we are supporting healthy ecosystems, thriving communities, and a regenerative economy.

## Guiding Principles

Context-sensitive

Resilient

Reciprocal, relational,  
responsible, and respectful

Equitable  
and inclusive

## Our Initiatives



## Goals

**Affordable,  
nutritious foods**

**Circular  
businesses and  
collaborations**

**Waste as  
a resource**

**Systems  
Change**

## Objectives

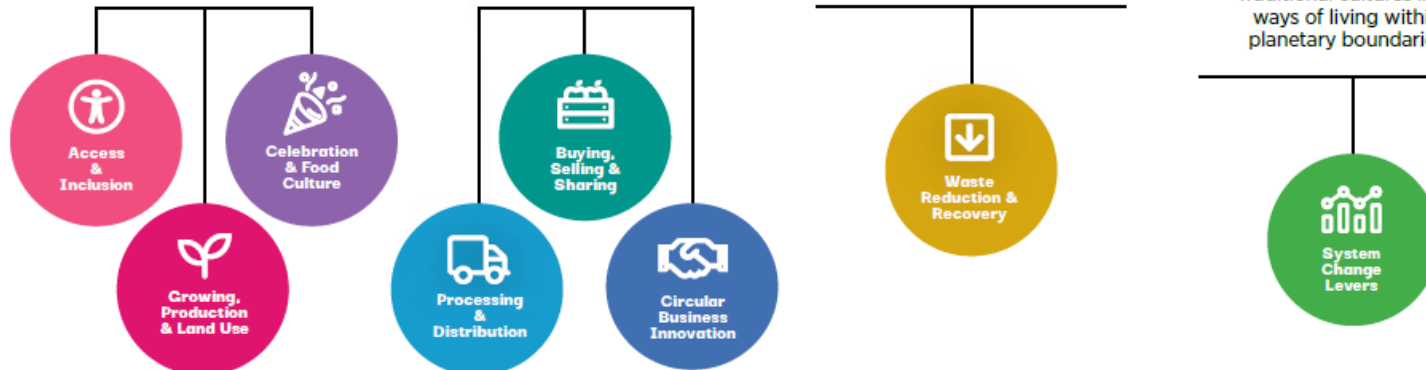
- Everyone can access nutritious, affordable, and culturally relevant food
  - Food is valued, celebrated, and shared
- Circular business models support regenerative farming practices
  - Urban agriculture increases local food security
  - Informed and empowered residents

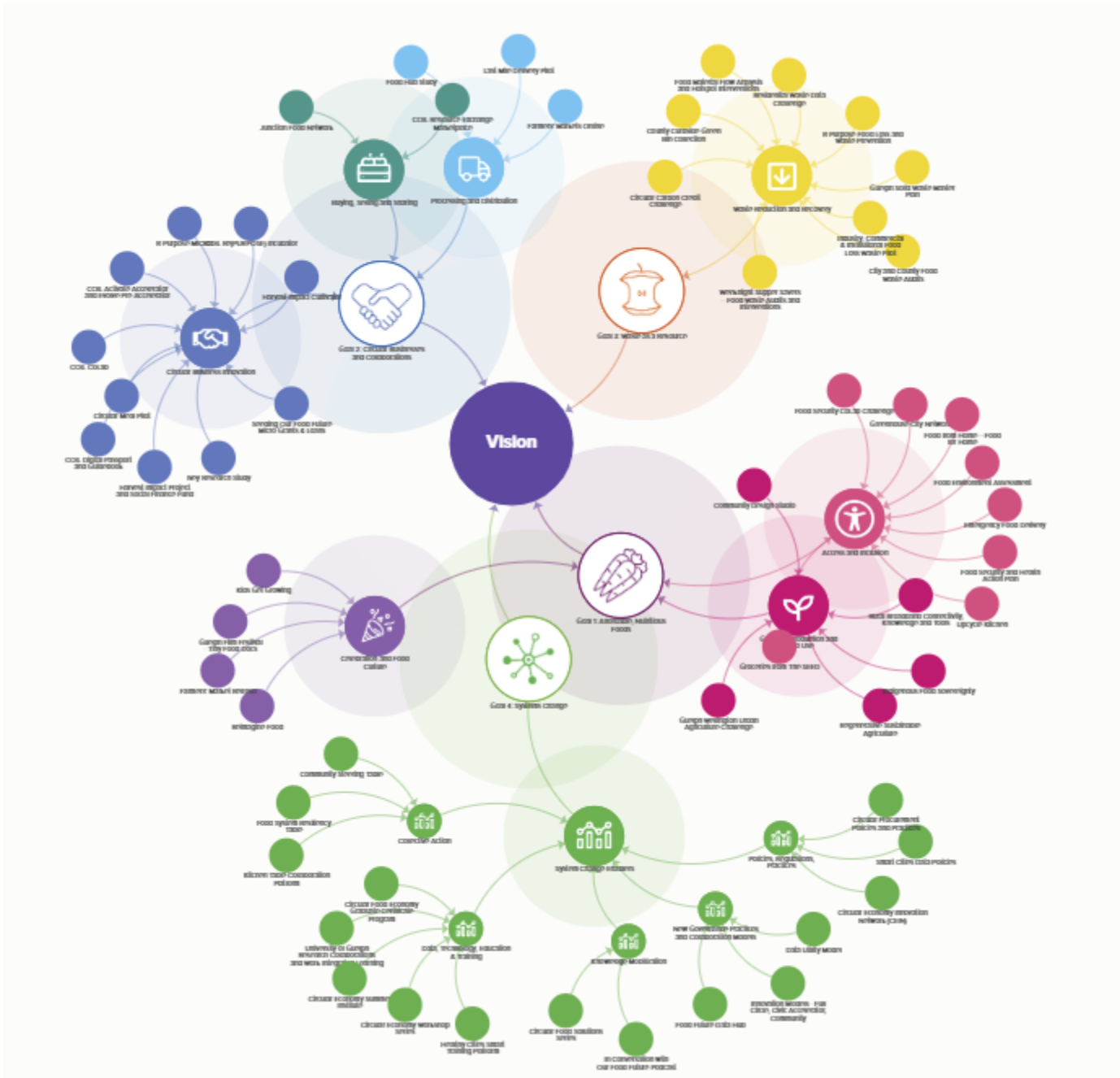
- Businesses collaborate to create circular supply chains
- Regional business innovation is a living lab for new circular business models
- Businesses use circular economy principles to transform the regional economy
  - Supports are available to accelerate and scale circular business ideas

- Communities understand the true cost of food waste
- New collaborations foster environmental economic benefits across the supply chain
- Innovative business models reduce waste
- Research, demonstration projects, and data drive change

- Collective action creates regional, whole-system change
- Circular policies and practices
- Governance strengthens new system relationship
- Data, analysis, and sharing furthers understanding of local assets, opportunities, and issues
- Expertise is shared to support a national and global circular economy
- Traditional cultures inform ways of living within planetary boundaries

## Strategic Intervention Areas







# Spotlight

## Growing possibilities for food access

Guelph-Wellington Urban Agriculture Challenge awards strengthen community garden projects

**10** projects funded

**\$106,000** distributed

**\$1,380,279** total value of projects submitted

**1,650** community members engaged

**40** workshops and seminars

**2,297+** lbs of food grown

**50+** raised garden beds built



Helping community members build composters using recycled materials



**1.** Rainwater harvesting bench brings water supply to community gardens - .83 gallons collected for every inch of rain. **2.** Piloting garden trellis made with cattle fencing produced better yields that were easier to tend. **3.** Newcomer youth community garden programs and workshops.





## Spotlight

### Connecting with newcomers

Helping new Canadians grow culturally-significant foods and build community



**13** countries **60+** families **200+** crops **5,168** volunteer hours



**"Newcomers grow vegetables and herbs from their homelands."**  
Click to read more.



# Food Environment Assessment Final Report

Nutritious Foods Workstream  
October 2021





# Spotlight

## Discovering value in waste

Rapid, high-impact training pathways to help businesses create new products and markets by designing out waste.

60%

of Canadians will purchase upcycled products

\$46B

value of upcycled market

68%

of Canada's food waste is unavoidable

64

participating businesses across Guelph-Wellington... so far

Heartwood Farms identified waste in processing and transportation and is developing new products from their waste stream.



Friendlier is eliminating single-use take-out containers and has quickly become Canada's fastest-growing reuse company.



Connecting local food businesses to discover and exchange unusable waste resulted in Canada's first fully circular meal, generating international attention.

A Circular Food Experience: Seeing Food Differently

Click to watch the video

**World Class Circular  
Economy Accelerator**

**Sector-wide Challenges &  
Demonstration Projects**

**National Circular Economy  
Accelerator Ecosystem**



**Expanded Urban  
Rural Testbed**

**Expanded Harvest Impact  
Investment Fund**

**ReSource Exchange  
Marketplace**

**Expand the GW  
Circular Data Hub**

# COIL Business Accelerator Programs



**Activate**  
Circular Accelerator



**Circulate**  
CoLab



**Evolve**  
Pre-Accelerator



**Re(PURPOSE)**  
Incubator

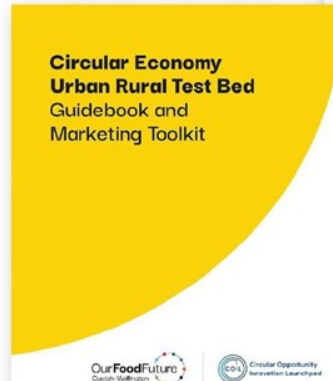




# Spotlight

## Building a Circular Business Ecosystem

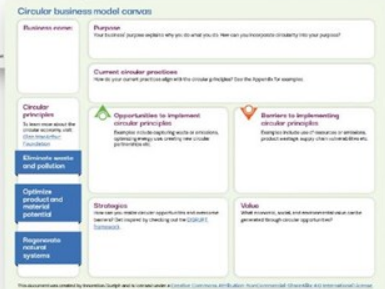
Engaging with 1,000+ businesses and collaborations to promote and enable circularity



Platforms, networks, training, mentor teams and toolkits connect and support circular businesses across Guelph-Wellington



resourceexchange.ca



Circular Economy 101 post-secondary credit course

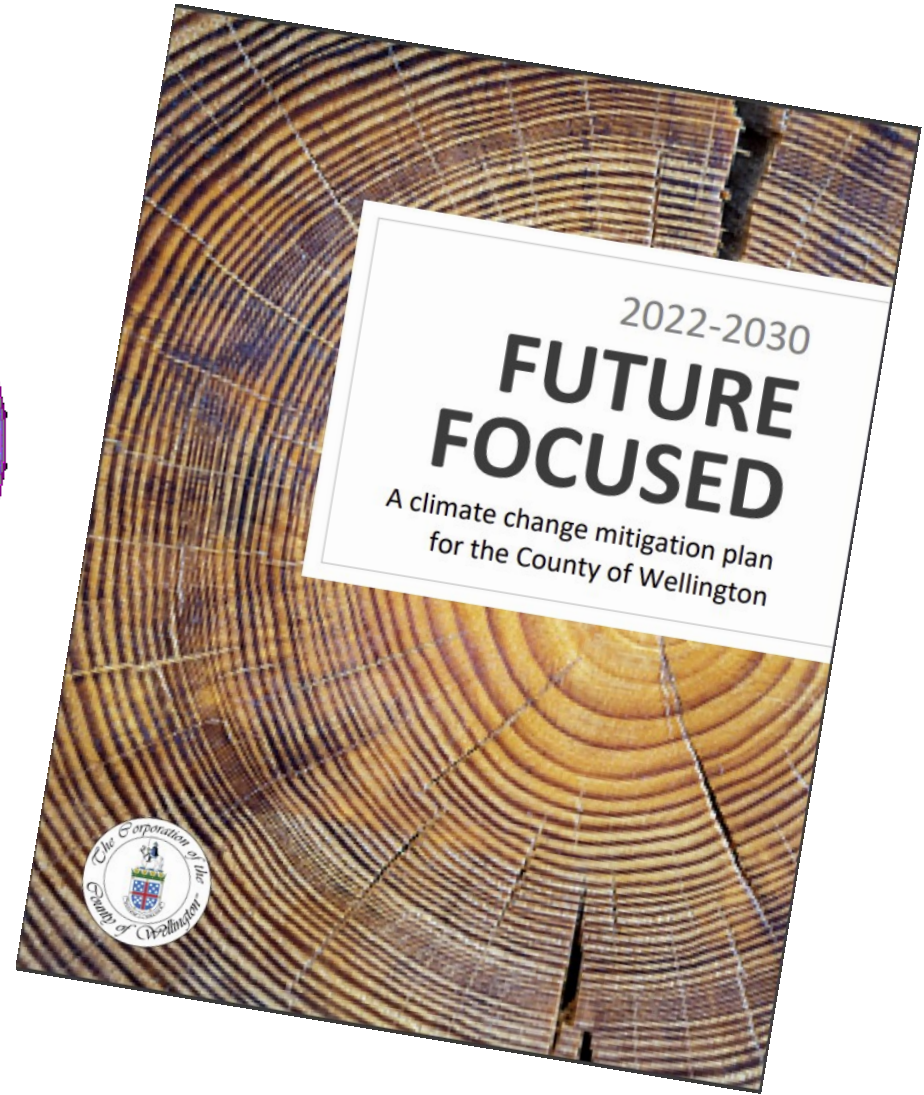


# Zero Waste

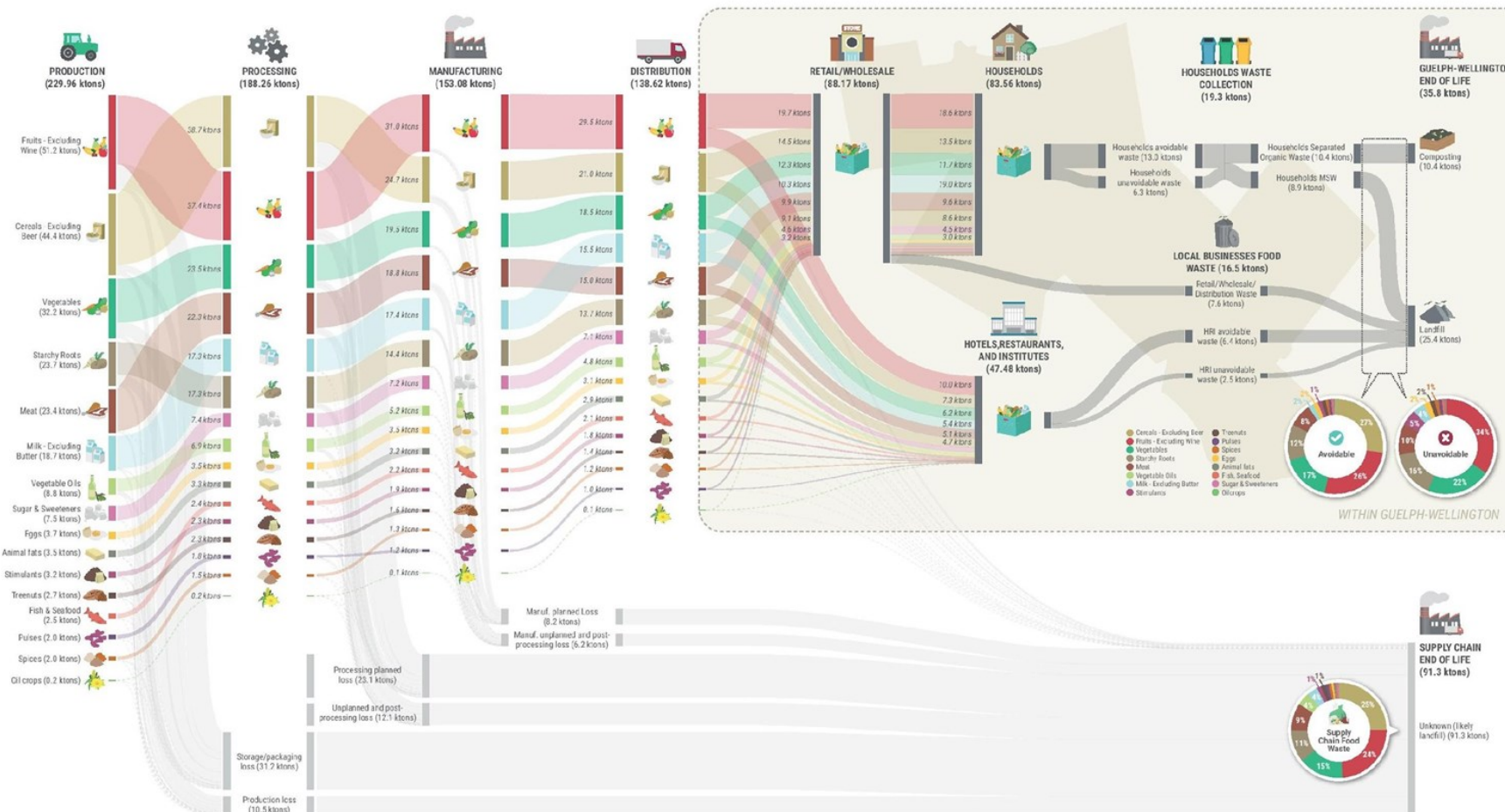
## Economic Transformation Lab



# RACE TO ZERO



# Food Material Flow Study





# Spotlight

## Regenerative farming

Healthier soils reduce reliance on extractive resources

### Principles

Minimize soil disturbance



### Practices

- Avoid soil compaction
- Precision agriculture
- Low-till or No-till

Keep soil covered



- Leave crop residues
- Cover crops

Maximize crop diversity



- Crop rotation
- Intercropping
- Silvopasture

Maintain living roots



- Perennial plant

Integrate livestock



- Mob grazing
- Rotational grazing
- Animal integration
- Manure management

### Benefits

- Ecological services
- Water management
- Erosion prevention
- Carbon sequestration
- Improved soil biology
- Lower GHGs
- Reduced fuel costs
- Improved soil structure
- Reduced inputs
- Improved pest management
- Improved biodiversity

## The Experimental Acres Pilot



24

Coaching and funding for up to 24 farms to explore regenerative farming techniques.

### Other supports offered:



Place-based carbon market study



Future funding paths



Best management practices



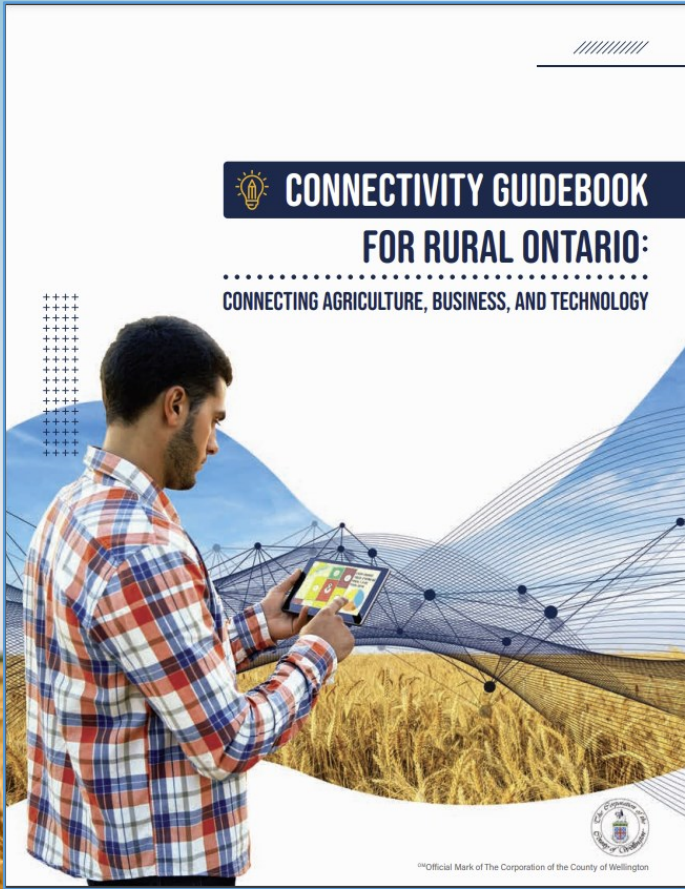
Community of support



Knowledge transfer



Wellington Soil Symposium



# Delivery Partners



# Collaborators



# Goal 4: Systems change





An aerial photograph of a community garden. The garden is organized into several long, narrow raised beds filled with various green plants and vegetables. In the center of the garden, a group of about ten people are gathered around a wooden table. The table is covered with fresh produce, including tomatoes, cucumbers, and leafy greens. Some people are wearing hats, and one person is pushing a stroller. The ground between the beds is covered with a layer of brown mulch. The overall scene is vibrant and active, suggesting a community event or a regular garden meeting.

**Join the movement.**

**Your seat is waiting.**

**[www.foodfuture.ca](http://www.foodfuture.ca)**



**Thank you!**