

Staff Report



To	City Council
Service Area	Public Services
Date	Monday, October 25, 2021
Subject	County of Wellington Awards the City of Guelph Affordable Housing Funding

Recommendation

1. That, in accordance with report #2021-305 dated October 25, 2021, \$884,000 be awarded to the Guelph Welcome In Drop In Centre from the Affordable Housing Reserve (#119) for Grace Gardens, the supportive housing project at 721 Woolwich Street.
2. That to the satisfaction and authority of the City Solicitor and Deputy Chief Administration Officer of Public Services, the necessary agreements be entered into and executed with Guelph Welcome In Drop In Centre to fund, outline, and monitor project criteria for the supportive housing project at 721 Woolwich Street.
3. That, in accordance with report #2021-305 dated October 25, 2021, \$383,646 be awarded to Wyndham House Incorporated from the Affordable Housing Reserve (#119) for the Youth Supportive Housing Program at 51 Bellevue Street.
4. That to the satisfaction and authority of the City Solicitor and Deputy Chief Administration Officer of Public Services, the necessary agreements be entered into and executed with Wyndham House Incorporated to fund, outline, and monitor project criteria for the Youth Supportive Housing program at 51 Bellevue Street.

Executive Summary

Purpose of Report

For final approval to award financial incentives from the City of Guelph's Affordable Housing Reserve following the County of Wellington Request for Proposal process.

Key Findings

In June 2021, through the report [Process on Awarding Funding from the Affordable Housing Reserve](#), Council approved transferring distribution of funding from the Affordable Housing Reserve to a Request for Proposal (RFP) process led by the County of Wellington.

The County of Wellington issued an RFP in July 2021 to award up to \$1.5 million of financial incentives to support the creation of new affordable rental housing units in the City of Guelph.

Within Attachment-1, City of Guelph Affordable Housing RFP Recommendations, the County of Wellington recommends awarding \$884,000 of funding from the Affordable Housing Reserve to the Guelph Welcome In Drop In Centre for Grace Gardens, the supportive housing project at 721 Woolwich Street and \$383,646 to Wyndham House Incorporated for the Youth Focused Supportive Housing Program at 51 Bellevue Street.

Financial Implications

The City's base operating budget contribution includes an annual \$500,000 transfer to the Affordable Housing Reserve. With the 2021 contribution transferred, the reserve balance is \$2.13 million. With the recommended \$1.27 million investment to these two organizations, there would be \$864,050 remaining in the reserve for a 2022 RFP process.

At this time, there were no additional administrative costs from the County of Wellington to issue the RFP and recommend this funding.

Report

Background

As Consolidated Municipal Service Manager, the County of Wellington (County) is responsible for the delivery of Ontario Works, Social Housing, and Children's Early Years Programs for the geographic area covering Wellington County and Guelph on behalf of the Province of Ontario. The County administers and funds programs for Emergency Shelter, Transitional Housing, Supportive Housing, and Rent-Geared-to-Income as they relate to Social Housing. The City of Guelph is responsible for decisions regarding affordable rental housing and other rental or ownership housing.

The County provides expertise, accountability, and policy for the social services type housing work in the community. The City of Guelph annually funds \$16 million to this social housing work (inclusive of capital and operating budgets) which empowers the County to set priorities based on evidence of community need.

The City of Guelph has a role in Affordable Housing through the Official Plan. The City's Official Plan is a statement of goals, objectives, and policies that guide Guelph's growth and development. Part of the Official Plan is recognizing the importance of housing, including affordable housing, in meeting the needs of the City's existing and future residents. To address the need for affordable housing in Guelph, the [Affordable Housing Strategy](#) and the [Affordable Housing Financial Incentives Program](#) were established in 2017.

A report to Council in June 2021, [Process of Awarding Funding from the Affordable Housing Reserve](#), supported the County leading an annual RFP to award funding from the reserve as subject matter experts for the City of Guelph. Where a fulsome agreement between the City and the County is still to be finalized, staff followed City and County Council approvals to establish the RFP in order to support projects entering into the final stages of development. Following two years, or two RFP's, staff will collectively assess if the distribution of funds by the County is still working well for all.

The housing services staff from the County established details within the RFP to distribute funding for the City. Overall, the process looks to support the creation of

new affordable rental housing units in the city of Guelph for low to moderate income households, create permanent affordable housing, and ensure safe and adequate housing.

Request of Proposals – Development of Affordable Rental Housing, 2021

An RFP was published on July 22, 2021 and closed on August 20, 2021. In Attachment-1 City of Guelph Affordable Housing RFP Recommendations, the County reports four organizations submitted proposals requesting over \$3.4 million in funding. Within the attachment, the County provides further information on the RFP process, evaluation committee, and criteria in which projects were evaluated.

Also, Attachment-1, City of Guelph Affordable Housing RFP Recommendations, includes details on the 2021 recommendation to award \$884,000 of funding from the Affordable Housing Reserve to Guelph Welcome In Drop In Centre for Grace Gardens, the supportive housing project at 721 Woolwich Street, and \$383,646 Wyndham House Incorporated for the Youth Focused Supportive Housing Program at 51 Bellevue Street.

Combined, these projects will add 40 new permanent supportive and affordable housing units in Guelph. Municipal funding shows local support to other levels of government funders and can be critical for those applications.

Early in 2022, the County plans to issue the next RFP on behalf of the City for access to further funding from the Affordable Housing Reserve. The City and the County will review project criteria and process prior to the next RFP. Funding recommendations will continue to be presented to City Council for final approval.

Of note - Affordable vs Supportive Housing

The City's focus with this reserve funding is to support creation of new housing stock that is considered affordable. These permanent supportive housing projects capture this goal with added depth of affordability and supports. By definition within the County RFP, Affordable Housing rent would be below 80 percent of Canadian Mortgage and Housing Corporation's (CMHC) medium market rent (MMR) or average market rent (AMR) for the area. Further the RFP offers values for affordable rents, where a bachelor unit rent shall not exceed between \$696 and \$870 per month. The lower of this monthly rental amount aligns to targets necessary for CMHC funding programs. Both recommended projects offer the lower monthly rent for their project. In addition to being permanent affordable housing, these projects will also offer many onsite support, services, and supervision for the growth and future success to the most vulnerable target occupants.

Financial Implications

The base operating budget contribution includes a \$500,000 transfer to the Affordable Housing Reserve for a total reserve balance of \$2.13 million. With the recommended \$1,267,646 investment to these two organizations, there would be \$864,050 remaining in the reserve for the 2022 process.

The 2022 operating budget includes \$500,000 to transfer to the Affordable Housing Reserve that would contribute to the 2022 RFP process. A 2022 RFP, estimated for early in 2022, could then award up to \$1.36 million to further support the creation of affordable housing in Guelph.

The 2021 RFP was administrated within existing County staff resources with no additional costs to the City. As reported to Council in the June 2021 report, Process of Awarding Funding from the Affordable Housing Reserve, the County looks to continue to process and administer the municipal incentive using existing resources; however, if additional costs are incurred, the County would include and report through the normal cost sharing agreement with the City. If required and/or until based funding is approved in a budget process, Council could fund these staffing and administration supports from the Affordable Housing Reserve.

Consultations

County of Wellington, Social Services Department

Strategic Plan Alignment

Aligning to “Building our future”, distribution of funding opens more opportunities for housing in the community. This pillar supports a community that looks to make investments that nurture social well-being and offers a safe place where everyone belongs. With the County of Wellington, the City of Guelph supports Housing First initiatives as an approach to support everyone having access to safe and affordable housing.

This work also aligns with “Working together for our future” to offer the community a fair, open, and transparent process for accessing funding. This pillar supports running an effective, fiscally responsible and trusted local government by exploring new service-delivery models. Transferring responsibility of distributing the financial incentives or funding for affordable housing in Guelph to the County of Wellington provides a more streamlined delivery method for this funding stream and centralizes the expertise in the housing office at the County of Wellington.

Attachments

Attachment-1 City of Guelph Affordable Housing RFP Recommendations

Departmental Approval

Tara Baker, General Manager Finance, City Treasurer

Report Author

Danna Evans, General Manager Culture and Recreation

This report was approved by:

Danna Evans
General Manager, Culture and Recreation
Public Services
519-822-1260 extension 2621
danna.evans@guelph.ca

This report was recommended by:

Colleen Clack-Bush

Deputy Chief Administrative Officer

Public Services

519-822-1260 extension 2588

colleen.clack-bush@guelph.ca