

Staff Report



To	City Council
Service Area	Public Services
Date	Monday, May 30, 2022
Subject	County of Wellington recommends 2022 funding from the City of Guelph Affordable Housing Reserve

Recommendation

1. That, in accordance with report #2022-178 dated May 30, 2022, \$1,364,050 be awarded to Kindle Communities from the Affordable Housing Reserve (#119) for the supportive housing project at 10 Shelldale Crescent.
 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 Kindle Communities to fund, outline, and monitor project criteria for the supportive housing project at 10 Shelldale Crescent.
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Executive Summary

Purpose of Report

For final approval to award 2022 financial incentives from the City of Guelph's Affordable Housing Reserve following the County of Wellington Request for Proposal and evaluation process.

Key Findings

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

The County of Wellington issued an RFP in April 2022 to award up to \$1.3 million of financial incentives to support the creation of new affordable rental housing units in Guelph.

Within Attachment-1, City of Guelph Affordable Housing RFP Recommendations, the County of Wellington recommends awarding \$1,364,050 of funding from the Affordable Housing Reserve to Kindle Communities supportive housing project at 10 Shelldale Crescent (formerly 85/89 Willow Road).

Financial Implications

The City's annual operating budget includes a \$500,000 contribution to the Affordable Housing Reserve. With the 2022 contribution transferred, the current reserve balance is \$2.6 million less \$1.27 million for 2021 commitments, leaving a

total of \$1.36 million in uncommitted funds. This recommended \$1,364,050 investment would utilize the total uncommitted balance in this reserve. The 2023 operating budget contribution would align to the next and annual RFP.

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](#) was established in 2017. An update of this strategy will be initiated in 2023.

A report to Council in June 2021, [Process of Awarding Funding from the Affordable Housing Reserve](#), delegated authority for the County to lead an annual RFP to award funding from the reserve as subject matter experts for the City of Guelph. The process includes evaluation and recommendation by the County with final approval by City Council.

The housing services staff from the County with City staff 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. Permanent supportive housing projects capture the goal with an added depth of affordability plus on site supports, services, and supervision for the growth and future success of the most vulnerable target occupants.

Request for Proposals – Development of Affordable Rental Housing, 2022

An RFP was published by the County of Wellington on March 11, 2022 and closed on April 8, 2022. In Attachment-1 City of Guelph Affordable Housing RFP Recommendations, the County reports that two organizations submitted proposals requesting over \$1.5 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 2022 recommendation to award \$1,364,050 of funding from the Affordable Housing Reserve to Kindle Communities for the supportive housing project at 10 Shelldale Crescent (formerly 85/89 Willow Road).

This project will support the creation of 32 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.

Project Update on funding from the 2021 Affordable Housing RFP and Reserve

Stepping Stone's Grace Gardens, 721 Woolwich Street

In October 2021, the City committed \$884,000 for Stepping Stone's (legally known as Guelph Welcome In Drop In Centre) Grace Gardens supportive housing project at 721 Woolwich Street. The project completed site plan approval in late January 2022 and a building permit was issued February 11, 2022. Renovations are underway for the 32 studio units. Grace Gardens is on schedule for occupancy by late summer/early fall of 2022.

Wyndham House, 51 Bellevue Street

In October 2021, the City committed \$383,646 for Wyndham House Incorporated for the Youth Focused Supportive Housing Program at 51 Bellevue Street. Since October, Wyndham House completed design for these eight new supportive housing units and a building permit was issued in early March. Renovations will begin in early May and be completed for occupancy in early 2023.

Financial Implications

The annual operating budget contribution includes a \$500,000 transfer to the Affordable Housing Reserve resulting in a 2022 reserve balance of \$2,631,696, less 2021 commitments of \$1,267,646, for an uncommitted balance of \$1,364,050. This balance is \$382,354 higher than disclosed in the 2021 year-end financial reporting as an adjustment to the estimated commitments was made upon a detailed review for the awarding of this agreement.

The 2021 RFP saw \$1,267,646 in funding commitments to Grace Gardens and Wyndham House, the recommended investment of \$1,364,050 to Kindle Communities would use all the uncommitted funds in this reserve for 2022. The 2023 operating budget contribution would align to the next and annual RFP.

There were no other costs associated with administrating, evaluating, and recommending the results of the 2022 RFP.

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

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