

# Staff Report



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To	<b>City Council</b>
Service Area	Public Services
Date	Wednesday, August 16, 2023
Subject	<b>Funding Support for Kindle Communities Supportive Housing</b>

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## Recommendation

1. That an additional \$500,000 be awarded to Kindle Communities for the supportive housing project at 10 Shelldale Crescent from the Affordable Housing Reserve (#119)
  2. That to the satisfaction and authority of the City Solicitor and Deputy Chief Administrative Officer of Public Services, the necessary agreements be updated 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

To recommend that the municipal grant to the Kindle Communities (Kindle) supportive housing project at 10 Shelldale Crescent be increased by \$500,000, to ensure the needed financial stability as the project nears construction completion, which will assist with honouring the community contributions required as part of the funding agreement with the Canadian Mortgage and Housing Corporation (CMHC).

### Key Findings

The Home for Good Campaign (the Campaign), a project of United Way Guelph Wellington Dufferin and The Guelph Community Foundation, has been successful but is experiencing challenges in reaching their fundraising targets for three local supportive housing projects in one year. In order to ensure the stability of the Kindle project as it nears construction completion, a further municipal investment of \$500,000 is recommended to assist with the projected shortfall in the local Campaign. By contributing these additional funds at this time, it will ensure the project meets its requirements with CMHC, and ultimately will be able to open on time in fall 2023, which will ensure that 32 individuals experiencing chronic homelessness have a supportive housing unit available to them before the winter.

The shortfall from the Campaign to the Kindle project is approximately \$770,000; with the additional contribution from the City of \$500,000, the commitment from the Campaign is to cover the remaining balance owing on the funding commitment to Kindle to ensure the project's completion and success.

## 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. The City of Guelph supports Housing First initiatives as an approach to support everyone having access to safe and affordable housing.

## Financial Implications

The 2023 budget contribution to the Affordable Housing Reserve was \$500,000, which means the current available reserve balance is \$575,832. By allocating \$500,000 to the Kindle project, it will use the funds from the 2023 budget that were transferred to the reserve and mean that any future request for proposals in support of affordable housing projects will need to wait until after Council approval of the 2024-2027 multi-year budget and any subsequent budget contribution back into the reserve.

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## Report

Supportive housing is long-term housing for people experiencing chronic homelessness and/or who are highly vulnerable because of long-term disabilities such as mental illnesses, developmental disabilities, physical disabilities, substance use disorders, and chronic health conditions. The housing is combined with cross-sector supports like medical, substance use, and mental health supports. It combines independent housing options with common spaces while also providing access to individualized, flexible, and voluntary supports. Supports are typically provided by on-site staff and can be accessed 24 hours a day / 7 days a week. Supportive housing is recognized as an evidence-based and cost-effective solution, and is considered to be superior to the shelter system because it provides people stable housing and supports to enable them to move forward towards permanent housing.

In May 2022, following an open Request for Proposal (RFP) process and on the advice of the County of Wellington, [Council approved](#) the awarding of \$1,364,050 to Kindle Communities (Kindle) from the Affordable Housing Reserve for the supportive housing project at 10 Shelldale Crescent. This project will support the creation of 32 new permanent supportive (and affordable) housing units in Guelph and is on track for construction to be completed in fall 2023.

This municipal funding in 2022 demonstrated local support to other levels of government funders and was critical for those applications. The approximate \$12M budget for the Kindle project included the land donation, funding from the City of Guelph, other levels of government, Canadian Mortgage and Housing Corporation (CMHC), and a \$2M fundraising target for local donations raised through The Home for Good Campaign (Campaign).

The Campaign was organized by United Way Guelph Wellington Dufferin and the Guelph Community Foundation to initially raise some of the capital funds necessary to build three supportive housing projects; Kindle Communities at 10 Shelldale Crescent, Stepping Stone's Grace Gardens project at 721 Woolwich Street, and Wyndham House's 51 Bellevue Street. These three projects will provide a total of 72 housing units to individuals in Guelph. The total campaign goal of \$5M includes the immediate goal of \$3M in capital contributions to the three projects, along with

the long-term goal of raising an additional \$1M for capital maintenance and upkeep, and \$1M to establish a responsive fund for future projects.

The commitment from the Campaign to the Kindle project was \$2M in capital. The Campaign has been successful during a short period of time in raising and distributing funds to meet the capital requirements for the other two supportive housing projects and providing over \$1.2M to Kindle to date, however the Campaign has experienced several challenges. The three projects moved quicker than originally projected, which has put timeline pressure on the Campaign. The economic climate has significantly changed from when the Campaign feasibility study was completed in 2021. The provision of donations are also comprised of pledged amounts that will be collected in the future but are unavailable for distribution aligned with the Kindle project's timeline. Feedback from potential donors has signaled conflicting messaging in the community regarding the provision of housing supports which has had an effect on the Campaign's expected donation targets. As a result of these compounding factors, the Campaign has not been able to honour the full funding commitments to the Kindle project.

By flowing the full amount of \$500,000 directly to Kindle, this provides the much-needed stability to that project as it nears construction completion, while allowing the Campaign to continue its ongoing fundraising efforts and honour its longer time funding commitments. It also assists with the Campaign's mid-August deadline of the next round of funding needed to meet the CMHC contribution requirements.

As part of the CMHC funding, there is an expectation that there is municipal support for the project as well as local donations through a fundraising campaign. In the case of Kindle, this \$500,000 will increase the municipal contribution to \$1.8M and reduce the community contribution through the Campaign to \$1.5M, but the total contribution from Guelph will be the same, thereby honouring the CMHC commitments.

## **Financial Implications**

The recommendation is that the City's 2023 budget contribution to the affordable housing reserve of \$500,000 be granted in full to Kindle, as an additional municipal contribution to the project. This additional contribution is as a show of support for the project and to encourage continued community donations. The expectation is that the Campaign will cover the remaining amount currently owed to the Kindle project from the original funding contribution, in advance of the project completion in fall 2023, in order to ensure compliance with the terms of the CMHC funding for the project.

This additional municipal funding will be added to the contribution agreement between the City and Kindle Communities and increase the total grant amount to \$1,864,050.

This will reduce the balance in the affordable housing reserve to \$75,832 and will mean that no further RFPs will be issued until such time as an additional contribution is considered through the 2024-2027 multi-year budget and any subsequent budget contribution is made back into the reserve.

However, at this time, staff is not aware of any pending shovel-ready project that is looking for funds from the reserve. While the normal process is to issue an RFP to award funds from this reserve, staff are recommending this additional amount be granted directly to Kindle as the project has already gone through the RFP

submission and review process, and this is simply an increase in the total grant amount.

## **Consultations**

The report was reviewed by representatives from Kindle Communities, as well as from United Way Guelph Wellington Dufferin and the Guelph Community Foundation, on behalf of The Home for Good Campaign. It was also reviewed by staff from the City's Finance department, as well as the Community Investment division of Culture and Recreation.

A communications plan will be developed to ensure that public messaging reiterates the City's support for and confidence in the Kindle project, as well as to reinforce the urgent need for community and corporate donations made through the Campaign to address additional capital needs for permanent supportive housing. Additionally, the City is committed to supporting advocacy efforts to secure operational funding for all three supportive housing projects.

By providing this additional municipal grant amount, the City is encouraging all partners and stakeholders involved to work collaboratively and share positive messaging about coming together as a community to support these three projects.

## **Attachments**

N/A

## **Departmental Approval**

Tara Baker, General Manager Finance, City Treasurer

## **Report Author**

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