

Staff Report



To	City Council
Service Area	Infrastructure, Development and Enterprise Services
Date	Tuesday, October 17, 2023
Subject	Housing in Guelph Workshop Actions and Responses

Recommendation

1. That the City of Guelph adopts a human rights-based approach to housing, including a Housing First philosophy, to align with the National Housing Strategy.
2. That the Mayor and CAO be directed to work with the County of Wellington Warden and CAO to conduct a review of the governance model of the County of Wellington's Social Services Committee, to establish clarity and accountability regarding the City and the County's role in the approval of priorities and spending related to Social Services, and report back to Council no later than Q1 2024.
3. That Council supports the County of Wellington's plan to host a Housing and Homelessness Symposium, no later than Q1 2024, including key community stakeholders to address the urgent needs facing the community. The planning committee should include representatives from the City of Guelph, the GW Ontario Health Team, WDG Public Health, the WG Drug Strategy and the Guelph and Wellington Task Force for Poverty Elimination. The Symposium should consider the community needs for housing on the left-hand side of the continuum including shelter services and permanent supportive housing, as well as the integration of health services in the housing sector.
4. That Council call on the County of Wellington to develop and lead a coordinated, joint community advocacy effort as articulated in Appendix A of the County of Wellington's preliminary Homelessness Plan presented to Council on September 12, 2023.
5. That the Mayor be directed to send a letter to the Minister of Municipal Affairs and Housing, copied to the County of Wellington, the Premier of Ontario and area MPPs, requesting that that the Government of Ontario develop and adopt a provincial housing strategy that considers the donation of provincial lands for affordable and supportive housing and incorporates measurable targets and sufficient funds for ending homelessness and ensuring access of all Ontarians, including those of limited income, to housing of an adequate standard without discrimination.
6. That staff be directed to work with the County of Wellington, GW Ontario Health Team and local supportive housing service providers to provide letters of

support to the Ministry of Health expressing the urgent need for accessible base funding to support wraparound health supports on the left-hand side of the housing continuum; and that staff work with CMHA Waterloo Wellington to provide any necessary letter of support for the application to the Ministry of Health to establish an alternate care destination clinic.

7. That given the recent success with donated land for the Kindle Supportive Housing project, Council urge local developers and the Chamber of Commerce to discuss and consider opportunities for land donation to address urgent housing needs in Guelph; and that the City continue to utilize the Strategic Real Estate program to look at all opportunities to repurpose City land and assets in ways to address housing needs.
8. That staff are directed to seek feedback from the DGBA, local downtown social service agencies and the County of Wellington to consider the best location(s) and delivery method for the provision of 12-hour service, 7 days a week daytime shelter space in the downtown secondary plan area, reporting back to Council on recommended next steps no later than November 2023. Options presented should consider issuing a Request for Proposals to identify interested service partners, and identification of possible funding sources. Staff are also directed to work with Royal City Mission to consider a month-to-month extension of the current Community Benefit Agreement, to ensure consistent service provision until Council has time to consider next steps.
9. That the Housing Affordability Strategy be completed with a goal to enable a greater supply and mix of housing and to enhance capacity, awareness and support for affordable housing throughout the community.
10. That the newly hired Development Advisor develop and support partnerships by establishing a community Housing Affordability Strategy focus group to advance the housing supply initiatives along the right-hand side of the housing continuum.
11. That the Development Advisor and Housing Stability Advisor review all available incentives to increase supply in the housing market of both affordable and market rate housing.
12. That staff be directed to immediately prepare a zoning by-law amendment that would permit, as-of-right, up to 4 residential units per lot within residential zones where the Council-approved (subject to appeal) Comprehensive Zoning Bylaw (2023)-20790 permits a maximum of 3 residential units per lot. The implementing zoning by-law may address criterion such as servicing capacity to support the proposed units.
13. That the City use the Housing Accelerator Fund (HAF) funding, if received, to incentivize approximately 975 additional new residential units by prioritizing and implementing initiatives such as advancing a cash-in-lieu program for parking, stormwater, and parkland, developing an evaluation framework to optimize city-owned land, and supporting, incentivizing, and attracting development of housing types that the City has identified as most needed. Attachment 1 provides a detailed overview of the City's HAF Action Plan initiatives.
14. That the Mayor be directed to follow up on his [correspondence to Minister Calandra](#), dated September 7, 2023, to discuss the provincial actions identified

in Guelph's [Housing Pledge](#) to help reach our housing targets, including making us whole financially.

15. That Council call on the Province of Ontario and the Government of Canada to reconsider the fiscal framework in a new deal for municipalities to achieve healthy, equitable and thriving communities, and refine the way we engage across orders of government.
 16. That the City support local post secondary institutions in requesting funding from other levels of government, beyond those already provided by the City in the form of development fee exemptions to expedite the development of more post secondary accommodation spaces.
 17. That the Development Advisor work with the Guelph and District Homebuilders Association and Developers Association to advance outstanding sites that have approvals in place but have not been built and that the City maintain the list of approved and unbuilt sites.
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Executive Summary

Purpose of Report

To provide key recommendations for Council's consideration following the Council Orientation and Education Workshop Meeting of [July 11, 2023](#), the Special City Council meeting of [September 12, 2023](#) and the Council Orientation and Education Workshop of [October 11, 2023](#).

Key Findings

The city of Guelph is a desirable place to live. As a result, Guelph has seen steady growth coupled with an increasingly more expensive housing market (ownership and rental).

Our community continues to experience challenges with the affordability of housing. There is an imbalance between the supply of and demand for housing which has contributed to increases in average home ownership and rental costs that have far outpaced increases in average income. The market, alongside existing government funding programs and various policy levers, does not deliver enough housing that is at a level of affordability to meet community needs.

The Province has increased the City's 10-year housing targets and to date, has not addressed the Housing Pledge requests made by the City that are required to support the City to fulfill the pledge target of 18,000 units by 2031.

Concurrently, there are increasing pressures in our community related to housing and homelessness issues. While the responsibility for the delivery of homelessness and housing stability services lies with the County of Wellington as our Consolidated Municipal Services Manager (CMSM), there are increasing pressures on the City of Guelph to consider how to respond to the critical issues related to homelessness in our community, and budget pressures as cost-overruns for providing these services are passed along to the City.

Strategic Plan Alignment

These recommendations align with the City Building theme by focusing on growth and all the supporting elements needed to make Guelph a more liveable city. Specifically, to help increase the availability of housing that meets community

needs by working with partners and the community to create smart programs and policies that enable more people to obtain housing.

This report also aligns to Future Guelph, Guelph's 2024 – 2027 Strategic Plan through the theme of people and economy where our goal is to support community well-being.

Financial Implications

There are a number of financial implications that result from prioritizing the actions identified from the Housing Workshop and doing our part to meet the Housing Pledge. The City's investment ranges from additional funds flowing to our CMSM to improve access to social and supportive housing and homelessness programs, new investment for people resources to improve and accelerate access to the City's housing development processes, and new investment needed to make up the lost development charge revenues required to enable the housing-related capital infrastructure. City staff are working to quantify these budgetary impacts, and strategies for phasing them in over time, and these will be presented as part of the City's multi-year budget to be launched on November 3, 2023.

The Province has yet to respond to the call to "make us whole" as it relates to lost development charges revenues from Bill 23. Capital grant funding streams that have been announced to support municipalities in getting critical housing-enabling infrastructure in the ground now have been tied to meeting housing targets, putting the financial risk solely on the current and future homeowners in Guelph. This is a difficult position for local communities across the province that are trying to prioritize this needed investment when we are also facing significant aging infrastructure deficits in a time of unfavourable economic conditions.

The City is leveraging the funding streams that have been made available including applying for the Housing Accelerator Fund (HAF) and utilizing the Streamlining Development Approval Fund to implement housing incentive programs, improved revenue tools, and invest in new technology required to speed up development application processes. Staff anticipate hearing back from the Province before the end of 2023 on the City's HAF application that may result in up to \$28 million for these housing priorities.

Report

The City of Guelph is a desirable place to live. As a result, Guelph has seen steady growth in recent years. Since the approval of the 2022 Official Plan update (OPA80) the province has updated population projections through A Place to Grow and imposed housing targets that exceed our growth projections. As a community, we continue to experience challenges with the affordability of housing across the housing spectrum; existing government funding programs and various policy levers do not deliver enough market, affordable, social, transitional and emergency housing to meet community needs. There is a lack of equilibrium between the number of residents to be housed, household income, and the availability of new affordable ownership housing and/or purpose-built rental.

There have been significant legislative changes in the past year in response to widespread acknowledgement of a substantial lack of affordable housing across Ontario. The More Homes for Everyone Act, 2022 (Bill 109), the More Homes Built Faster Act, 2022 (Bill 23), and the Better Municipal Governance Act, 2022 (Bill 39),

are examples of pieces of legislation that were introduced to collectively facilitate the provision of housing in Ontario, although the focus is not necessarily on affordable housing.

The primary responsibility for affordable housing rests with the Federal and Provincial governments, through housing policies, legislation, and funding. The County of Wellington is the local-designated housing service manager, with considerable expertise and responsibility for administering a range of housing programs, services, and funding in the local context, including the provision of nonmarket (subsidized) housing.

City staff are primarily responsible for facilitating private-market housing — housing that is bought and sold through a realtor or directly from a developer or private market rental. The City can lay the groundwork for how many units are needed, the kinds of units, (e.g., single-detached homes, semi-detached, townhomes, apartments, etc.), and where they can go within Guelph. The City does have a limited role (primarily funding) to play in helping Wellington County address the portion of the housing continuum between homelessness and community housing. Enhanced collaboration between the City and Wellington County is anticipated through the Housing Affordability Strategy. To further facilitate cooperation with the county, a dedicated role of Housing Stability Advisor will work to support the implementation of a human rights-based approach to housing and liaise with the County of Wellington and local service providers on addressing issues related to housing and homelessness this role has been filled and will be added to the 2024-2027 Multi-Year Budget.

The City does not have the authority, in most cases, to ensure that a developer will build housing that is affordable according to an accepted Provincial definition. The City also does not have the authority to force a developer to build within a certain timeframe nor influence either the price a developer decides to list a new housing unit for or resale housing prices within the private market. The newly created position of Development Advisor will assist in working with the development community to explore partnership opportunities to advance affordable or supportive housing across the city.

The City has identified, through the Shaping Guelph studies including the Residential Intensification Analysis, the Land Needs Assessment, the Growth Management Strategy, and Official Plan Amendment 80, an abundant capacity to accommodate a range and mix of housing. The challenge remains how to unlock the capacity in a way that can contribute to more affordable housing in Guelph. Completing the Housing Affordability Strategy in 2024 will identify opportunities to create more affordable housing across the city.

Housing Accelerator Fund

To complement the work that is already in progress to unlock housing capacity in Guelph, City staff submitted an application in August to the Federal Housing Accelerator Fund (HAF), identifying initiatives that will help drive transformational change and accelerate the supply of housing within our community; affordable housing was specifically addressed in several of the identified initiatives. Attachment-1 provides an overview of the City's HAF Action Plan initiatives with an additional column that provides details of major milestones under each initiative. Some examples of initiatives include advancing cash-in-lieu for parking, stormwater, and parkland, developing an evaluation framework to optimize City-

owned land, and supporting, incentivizing, and attracting development of housing types that the City has identified as most needed. Once an announcement has been made regarding potential funding from the HAF, anticipated this Fall, staff will work quickly to prioritize and implement many of the identified initiatives.

It is also important to note, several cities that are part of the growth leaders stream of the HAF have begun to receive feedback about their submissions, several of which have received media coverage. Guelph is part of the general intake for the large/urban stream and has been in regular contact with the HAF program staff to advocate for our application and clarify any questions.

Advocating for Guelph

Intergovernmental staff continue ongoing advocacy efforts to raise awareness and create opportunities for provincial and federal governments to work more closely to support municipalities and to coordinate their efforts to increase housing supply. This includes advocacy specific to the City's housing pledge requests in recognition that there are many factors related to increasing and expediting housing supply that are outside of municipal control. Another key theme for advocacy efforts, as an individual municipality and as a sector, is the need for municipalities to be made whole financially. However, this is only a starting point. Municipalities need new tools to manage revenues and offset expenses. In short, municipalities need a new deal and must work together to achieve it.

Recommendation 4 calls on the County of Wellington to develop and lead a coordinated, joint community advocacy effort. This recommendation responds to stakeholders and acknowledges that a collaborative community effort that strategically employs a variety of tactics is the most effective approach given the complex relationship between health and housing (along the left-hand side of the housing continuum).

There are capacity challenges in Intergovernmental Services given the simultaneous and voluminous advocacy files combined with significant changes in key ministries, open and upcoming grant and funding applications that are becoming increasingly more complex throughout the grant lifecycle, and an increase in government consultations requiring a municipal response. The multi-year budget will consider a strategy to address some of these pressures.

Daytime Shelter Services

In December 2022, Council approved funding to extend daytime drop-in hours at Royal City Mission. The [Collective Results Report](#) commented on the lack of daytime low-barrier locations for people with substance issues to go to for social support, recreational opportunities, safe consumption and support services (System Recommendation 6) and also noted in Housing Recommendation 2 that City staff should undertake a review of the City's role and process in daytime shelter space.

Recommendation 8 in this report directs staff to seek feedback from the DGBA, local downtown social service agencies and the County of Wellington to consider the best location and delivery method for the provision of 12-hour service, 7 days a week daytime shelter space in the downtown secondary plan area, reporting back to Council on recommended next steps no later than November 2023.

Further it states that options presented should consider issuing a Request for Proposals to identify interested service partners, and identification of possible funding sources.

Lastly, given the current agreement with Royal City Mission expires at the end of 2023, the motion directs staff to work with Royal City Mission to consider a month-to-month extension of the current Community Benefit Agreement, to ensure consistent service provision until Council has time to consider next steps. Given the timing and uncertainty of this work, this will need to be considered as an addition to the budget to be tabled in November.

Staffing Updates

Through the City's predictive hiring program we have been able to get ahead of some of our recruitment needs related to housing. This approach lets us manage within our current approved budget utilizing vacancy and other savings to hire staff mid-year to address capacity issues and respond to legislative requirements. These predictive hires do not require a motion from Council as they are currently managed within an existing budget, however, they do require a permanent budget investment in 2024 to recognize the on-going need for these roles. The 2024-2027 Budget will include a budget request package that addresses the broader staffing resources required to accelerate housing-enabling services provided by the City.

Over the last month staff have recruited for and filled two critical positions to support housing along the housing continuum. Cushla Matthews is the successful candidate for the recently posted Development Advisor position in Planning and Building Services. The Development Advisor will lead the City's Housing Affordability Strategy and focus on accelerating opportunities on the right-hand side of the housing continuum.

On October 23, Anthony Dolcetti will join the City in a new role as Housing Stability Advisor reporting to the Strategy, Innovation and Intergovernmental Services team. The Housing Stability Advisor role will help execute the recommendations from Collective Results, including our efforts to adopt a human rights-based approach to housing. This role will also strengthen our relationship with Wellington County and other local stakeholders supporting housing needs along the left-hand side of the continuum.

Financial Implications

There are a number of financial implications that result from prioritizing the actions identified from the Housing Workshop and doing our part to meeting the Housing Pledge. The City's investment ranges from new investment flowing to our CMSM to improve access to social and supportive housing and homelessness programs, new investment for people resources to improve and accelerate access to the City's housing development processes, and new investment needed to make up the lost development charge revenues required to enable the housing-related capital infrastructure. City staff are working to quantify these budgetary impacts, and strategies for phasing them in over time; and these will be presented as part of the City's multi-year budget to be launched on November 3, 2023.

The Province has yet to respond to the call to "make us whole" as it relates to lost development charges revenues from Bill 23. Capital grant funding streams that have been announced to support municipalities in getting critical housing-enabling infrastructure in the ground now to meet housing targets, putting the financial risk

solely on the current and future homeowners in Guelph. This is a difficult position for local communities across the province that are trying to prioritize this needed investment when we are also facing significant aging infrastructure deficits in a time of unfavourable economic conditions.

The reality of the current economic environment is that high interest rates in place to respond to inflation are causing a slowdown in building activity, which is expected to persist until interest rates decrease. While this means that municipalities are unlikely to meet their Housing Pledge targets in the short-term, it could be a significant opportunity to build the infrastructure needed to support future building if provincial and federal funding for housing enabling infrastructure was decoupled from meeting short-term targets. As we know, skilled labour is in short supply, and a decrease in demand from homebuilders as they pause activity due to the economic environment could increase the availability of skilled labour to work on municipal infrastructure projects. The City is leveraging the funding streams that have been made available including the HAF and the Streamlining Development Approval Fund to implement housing incentive programs, improved revenue tools, and invest in new technology required to speed up development application processes. Staff anticipate hearing back from the Province before the end of 2023 on the City's HAF application that may result in up to \$28 million for these housing priorities.

Consultations

This report resulted from a Council workshop where Council members shared ideas to help with housing in Guelph (details of which were published in the August 18 information items [Housing Workshop Facilitation Summary - 2023-341](#)) as well as a special Council meeting where the findings of the Collective Results report were presented, along with the County of Wellington's presentation of the draft Housing and Homelessness plan.

Attachments

Attachment-1 Housing Affordability Fund – Detailed City of Guelph Action Plan Initiatives

Attachment-2 Staff Presentation

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