

# Staff Report



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To	<b>City Council</b>
Service Area	Infrastructure, Development and Environment
Date	Tuesday, December 10, 2024
Subject	<b>Final Recommended 2024 Housing Affordability Strategy</b>

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## Recommendation

1. That Council approves the final recommended 2024 Housing Affordability Strategy, included as Attachment-1 to Report 2024-517, dated December 10, 2024.
  2. That the City-initiated Official Plan Amendment No. 101 for the new affordable housing targets be received and approved in accordance with Attachment-2 of Report 2024-517, dated December 10, 2024.
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## Executive Summary

### Purpose of Report

To present the final recommended 2024 Housing Affordability Strategy (“HAS”). This document will replace the 2017 Affordable Housing Strategy. The updated Strategy enumerates several strategic actions aimed at making progress toward the affordable housing targets outlined in the City’s Official Plan. The Strategy also provides an implementation and monitoring framework to provide further direction.

This report also includes a City-initiated Companion Official Plan Amendment No. 101 for approval, to implement new affordable housing targets to 2051.

Staff are recommending the approval of the Housing Affordability Strategy so that staff can begin to implement the Strategy through the prioritized actions therein.

### Key Findings

- 26,000 additional units are needed to meet the City’s housing needs to 2051.
- In Ontario, the term “affordable housing” is defined by the Province through the Provincial Planning Statement. The [Affordable Residential Unit Bulletin](#) sets the exact affordable purchase price and rental rate for each municipality in Ontario.
- Staff are recommending an amendment to Section 7.2 of the Official Plan to set an affordable housing target of 33 per cent of these units to 2051 (8,700 units) be affordable, including affordable ownership and affordable rental units.
- The definition of rental affordability uses a range of Average Market Rent (AMR) to distinguish between different affordability thresholds. With the limited municipal tools available, the focus of the Housing Affordability Strategy for rental housing is on 80-100% of AMR, which equates to 2,120 affordable rental units to 2051.

- For affordable ownership, the focus of the Housing Affordability Strategy is on all 2,640 affordable ownership units to 2051.
- This is equal to 4,760 units in total, and does not include rental affordability below 80% AMR, or the non-market, Deeply Affordable units.
- The focus of the Housing Affordability Strategy is on below-market affordable housing to cool the demand on opposite ends of the housing continuum – the market side and the Deeply Affordable sides – by facilitating more below-market affordable housing for low- to moderate-income households, which is the largest single gap in affordable housing need.
- **Achieving this affordable housing need by 2051 will be an ongoing and continuous fiscal challenge. It is representative of decades of divestment in affordable housing from upper levels of government. Municipalities are not fully equipped to meet this challenge alone, especially given recent legislative changes (i.e. Bill 23 and Bill 185).**
- The City’s ability to incent housing is limited by the tools available which include:
  - Authority over how land is used;
  - The definition and enforcement of building standards;
  - Policies that dictate the number and type of units needed, and where those units will be located;
  - Financial incentives to encourage housing development; and
  - Policies that support and promote a full range of housing types.
- There are several limitations to the City’s capacity to encourage the development of affordable housing including:
  - The City has no authority to require that affordable housing be built across the City;
  - The City has no authority to require that builders build within a certain timeframe;
  - The City has no control over provincial and/or federal legislation, funding, or priorities; and
  - The City has no ability to influence sale or rent prices in the market.
- With this scope in mind and through this Housing Affordability Strategy, staff are proposing a comprehensive suite of thirty (30) actions that will facilitate more affordable housing while recognizing that housing affordability is a shared responsibility with all levels of government, the private sector, and the non-profit sector.
- **Actions that are either funded by or related to the Housing Accelerator Fund (HAF) are the highest priorities, as there is a short-term contractual obligation for those actions, and they are financially supported through HAF.**
- The rest of the actions have been prioritized compared to the following criteria:
  - **Impact:** What actions have the greatest potential to create more affordable units?
  - **Timeline:** How long will it take to do this?
  - **Alignment:** Does the action align with Council direction, funding commitments, the Corporate Strategic Plan, and/or commitments to various agencies or the community?

- **Budget:** Is the action already funded through upper levels of government or through the City's existing budget?
- Staff are now recommending three sets of actions: high priority actions, medium priority actions, and low priority actions.
  - High-priority actions are generally actions that were scored as: can advance in the short-term, align with existing Council direction, legislated requirements, or contractual obligations, and can have a significant impact on delivering affordable housing.
  - Medium-priority actions are generally actions that were scored as: take some time to advance and build capacity, align with priorities in the Strategic Plan, and have an impact on delivering affordable housing.
  - Low-priority actions are generally actions that were scored as: take the most time to advance and build capacity, align with public/agency feedback, and have a smaller impact on delivering affordable housing.
- All actions in the final recommended Housing Affordability Strategy are important in the lifecycle of this 10-year Strategy. However, staff cannot start all of these actions at once so prioritization gives direction to guide affordable housing work over the next decade.
- **Following the completion of the HAF-related actions, staff are recommending that the high priority actions are started.**
- Attachment-3 contains the full Housing Affordability Strategy Implementation and Monitoring Plan.
- City staff have also identified approximately 50 unique indicators that will be monitored and communicated to Council and the public to determine if actions are achieving desired outcomes. See Attachment-3 for those indicators.

## **Strategic Plan Alignment**

The Housing Affordability Strategy will inform how best to facilitate the development of below market housing options that are affordable to the majority of Guelph residents.

This project aligns with the City Building theme by focusing on housing growth and all the supporting elements needed to make Guelph a more livable city. Specifically, this project will:

- Help to increase the availability of housing that meets community needs; and
- Work with partners and the community to create smart programs and policies that enable more people to obtain housing.

With respect to key performance indicators, by 2051, the City of Guelph will need 8,700 affordable units. Breaking this down further, with the limited municipal tools available, the focus of the Housing Affordability Strategy is on 2,640 affordable ownership units and 2,120 affordable rental units by 2051. The remaining number of affordable units would be a mix of subsidized and Deeply Affordable and would be a joint effort between the City of Guelph and the County of Wellington, with significant support from upper levels of government, to facilitate.

## **Future Guelph Theme**

City Building

## Future Guelph Objectives

City Building: Improve housing supply

## Financial Implications

The main financial implications from the HAS are related to Development Charge (DC) exemptions for affordable housing and the cost of implementing the actions outlined in the strategy.

If the targeted creation of 8,700 affordable units to 2051 is achieved, these units would require investment in housing-enabling infrastructure and amenities that would otherwise be funded by DCs. However, any units meeting the Province's definition of affordability (for which an agreement to maintain affordability for 25-years is in place) would be exempt from DCs. These DC exemptions would need to be funded by property taxes and utility rates. DC exemptions for 8,700 units to 2051 would be estimated to cost \$289.3 million in 2024 dollars. Using a straight-line assumption of the number of units built per year, DC exemptions for the 10 year time frame of the HAS would be projected at \$107.2 million. DC exemptions are funded by property taxes and utility rates, and the actual cost of exemptions in any given year are dependent on eligible development activity. The City's budget includes estimates of the cost of DC exemptions and discounts and takes a long-term approach to phasing in funding for these costs. The budget includes an estimate of \$49.5 million in DC exemptions for affordable and non-profit housing from 2025 to 2034, and these costs are not fully funded within the 10-year time frame to 2034. Therefore, if the rate of affordable housing development increases toward the target level outlined in this strategy, additional funding will be required through the growth strategy to support DC exemptions and discounts. Finance will continue to monitor and report on DC exemptions and discounts through quarterly budget monitoring reports.

The full cost of implementing the actions proposed within the HAS will depend on key decisions made throughout the implementation of the HAS. The initial steps of all high-priority actions in the HAS have funding. Some action items are in the workplans of existing staff roles, and others are in the capital budget, funded by a combination of reserves and grants. The Housing Accelerator Fund (HAF) grant supports several priority projects within the HAS.

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## Report

### Background

The 2024 Housing Affordability Strategy project was initiated in September 2023 through [Report 2023-331](#) which laid out the workplan and deliverables for the project. Staff engaged a team composed of Dillon Consulting, Watson & Associates, and Tim Welch Consulting through a request for proposals to assist with the Housing Affordability Strategy work.

On December 12, 2023, City staff presented the [2023 State of Housing Report](#) to Council. The State of Housing Report presented the following five key issues that are affecting housing affordability in Guelph:

1. Guelph is working towards achieving its affordable housing targets;
2. There is a need for smaller units;

3. There is a need for increased supply of primary rental units;
4. The secondary rental market offers more affordable choices but could benefit from the stability offered by the primary rental market; and
5. There is a need for an increased supply of non-market rental housing (i.e., housing typically associated with the left side of the housing continuum such as supportive, rent geared to income, and affordable).

The [2023 State of Housing Report](#) concluded that to begin to address housing affordability, the following will need to occur:

- More primary rental units are needed to meet increased demand as housing becomes increasingly unaffordable.
- Smaller units will be needed in Guelph to meet the increased demand as household sizes decrease.
- Additional residential units will be needed to provide more accessible affordable housing options for lower income earners.
- More supportive and subsidized housing is needed to meet the needs of lower income earners.

On January 12, 2024, the City of Guelph received \$21.4 million dollars from the federal Housing Accelerator Fund (“HAF”) to incentivize and support initiatives that will accelerate the supply of housing. The first initiative as part of the City of Guelph’s HAF Action Plan was to complete and implement an accelerated Housing Affordability Strategy that would identify short, medium, and long-term opportunities to expand housing options throughout the City of Guelph. [Information Report 2024-82](#) contains the full HAF Action Plan. Many of the initiatives in the HAF Action Plan are also replicated in the actions included in the Housing Affordability Strategy and are the highest priority as part of the Strategy. See further sections in this report for discussion on action prioritization.

On April 5, 2024, the Province of Ontario published the Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin ([Affordable Residential Unit Bulletin](#)). Effective as of June 1, 2024, this Bulletin sets both the market-based and income-based thresholds that are to be used to determine the eligibility of a residential unit from DC exemptions. In other words, it is the price or rent for an affordable residential unit in Guelph, set by the Province of Ontario. Table 1 and Table 2 below compare the affordable market- and income-based thresholds by unit type for both ownership and rental.

Table 1: Comparing Affordable Market- and Income-based Ownership Thresholds by Unit Type

<b>Unit Type</b>	<b>Market-based Threshold</b>	<b>Income-based Threshold</b>	<b>Affordable Housing Benchmark Price for 2024</b>
Single-detached	\$837,000	\$398,800	\$398,800
Semi-detached	\$666,000	\$398,800	\$398,800
Townhouse	\$621,000	\$398,800	\$398,800
Apartment	\$513,000	\$398,800	\$398,800

Table 2: Comparing Affordable Market- and Income-based Monthly Rental Rate Thresholds by Unit Type

<b>Rental Unit Size</b>	<b>Market-based Threshold</b>	<b>Income-based Threshold</b>	<b>Affordable Housing Benchmark Rent for 2024</b>
Bachelor	\$1,160	\$2,050	\$1,160
1-bedroom	\$1,508	\$2,050	\$1,508
2-bedrooms	\$1,646	\$2,050	\$1,646
3+ bedrooms	\$1,695	\$2,050	\$1,695

On October 20, 2024, the new [Provincial Planning Statement, 2024](#) (PPS, 2024) came into force and effect. The PPS, 2024 will require planning authorities to establish and implement minimum targets for the provision of housing that is affordable to low- and moderate-income households.

The definition from the PPS, 2024 is provided below for both affordable ownership and rental housing:

Affordable ownership is the least expensive of:

1. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for low- and moderate-income households; or
2. Housing for which the purchase price is at least 10 per cent below the average purchase price of a resale unit in the regional market area.

Affordable rental is the least expensive of:

1. A unit for which the rent does not exceed 30 per cent of gross annual household income for low- and moderate-income households; or
2. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Low- and moderate-income households means:

1. In the case of ownership housing, households with incomes in the lowest 60 per cent of the income distribution for the municipality; or
2. In the case of rental housing, household with incomes in the lowest 60 per cent of the income distribution for renter households for the municipality.

The City of Guelph is now mandated to use the data from the Affordable Residential Unit Bulletin when applying exemptions from DCs to determine what an affordable residential unit is, whether for purchase or for rent. It is the measurement we must use, and all housing providers should now use, to define whether a unit is affordable or not.

## The Role of The City of Guelph

The City of Guelph is the local land use planning authority. The City is responsible for creating the conditions for housing (i.e. infrastructure, land supply, zoning) but does not build new housing supply. Therefore, the City of Guelph’s control over housing affordability is limited. The table below contains information on what is and what is not within the City’s control when it comes to housing affordability.

Table 3: What the City of Guelph has control over regarding affordable housing

<b>What is within the City’s control?</b>	<b>What is not within the City’s control?</b>
Regulatory authority over land use and building standards	No authority to ensure that affordable housing is built across the City
Laying the groundwork for the number of units needed, the types of units and where they can go	No authority to force homebuilders to build within a certain timeframe
Financial incentives to encourage the development of rental housing and non-profit housing	No ability to change current provincial or federal legislation to make this happen faster
Policies to promote the availability of a full range of housing types	No influence over the list price or rent for new housing or resale housing within the market

As the City of Guelph, we are best positioned to facilitate below-market affordable housing, recognizing that this means significant collaborative efforts with other levels of government, including Wellington County, the Government of Ontario, and the Government of Canada. As described in the next section of this report, that is also the area with the largest need.

## Affordable Housing Need to 2051

Guelph’s affordable housing needs have grown. The housing system has also changed since the 2017 Affordable Housing Strategy, with an increased demand for housing which, in part, is making home ownership and rent more expensive. Guelph is planning to meet provincial growth forecasts for 2051 and will therefore

need all types of homes. As housing supply grows, we will need homes that meet the affordability prices and rents included in the Affordable Residential Unit Bulletin.

Based on the results of an analysis of Guelph’s 27-year housing needs (2024 to 2051), Guelph will need the following number of housing units by type, tenure, and affordability:

Table 4: Forecasted housing need by type, tenure, and market, 2024 to 2051

	<b>Owner</b>	<b>Renter</b>	<b>Total units</b>
Affordable	2,640	6,060	8,700
Market	11,830	5,445	17,280
<b>Total</b>	<b>14,470</b>	<b>11,500</b>	<b>26,000</b>
% affordable	18%	53%	33%

For the affordable rental target of 6,060 units, a range of affordability types will be needed, as categorized below in Table 5.

Table 5: Forecasted rental housing need by Average Market Rent (AMR) ranges

	<b>Affordable Housing Need, 2024-2051</b>	<b>Percentage Share of Total Rental Housing Growth</b>
Deeply affordable units (i.e., less than 40% AMR)	1,057	9%
40-60% AMR	2,070	18%
60-80% AMR	813	7%
80-100% AMR	2,120	18%
<b>Total</b>	<b>6,060</b>	<b>53%</b>

The focus of the Housing Affordability Strategy is on the affordable rental housing need of between 80 to 100 per cent of average market rent, which totals 2,120 units by 2051 or approximately 78 rental units annually. From an ownership perspective, the focus of the Housing Affordability Strategy is on all 2,640 affordable ownership units by 2051 (approximately 98 units annually).

The focus of the Housing Affordability Strategy is on below-market affordable housing to cool the demand on opposite ends of the housing continuum – the market side and the Deeply Affordable sides – by facilitating more below-market affordable housing for low- to moderate-income households, which is the largest single gap in affordable housing need. The full breakdown and analysis of Guelph’s housing needs can be found in Section 3 of the final recommended 2024 Housing Affordability Strategy, included as Attachment-1 to the staff report.

**To bridge the affordability gap both over the next 10 years and to 2051, additional financial resources from other levels of government would be**

**required. This financial gap is reflective of a decades-long divestment from upper levels of government in affordable housing. The City simply cannot bridge the financial gaps alone, particularly given recent provincial legislative changes (e.g., Bills 23 and 185) that have drastically changed how we can pay for housing-enabling infrastructure and growth over the short and long term.**

## **Updating our Official Plan's Affordable Housing Targets**

As part of this staff report, staff are also recommending that Council receive and approve an Official Plan Amendment to the City of Guelph Official Plan to update the affordable housing targets in Section 7.2 to align with the affordable housing need analysis to 2051 in the final recommended 2024 Housing Affordability Strategy.

By updating the affordable housing targets in the Official Plan, we acknowledge the linkages between land use and affordable housing and can encourage and support the development of affordable housing to our planning horizon year of 2051. The annual Growth Management and Affordable Housing Monitoring Report will continue to report on our progress towards achieving these targets but as mentioned earlier in this section, significant investment from upper levels of government will be required for these targets to be feasible.

Through the proposed Official Plan Amendment, staff are recommending that Council update the affordable housing targets in Section 7.2 of the City of Guelph Official Plan to the following:

- *33% of new residential development is affordable housing:*
  - *10% affordable ownership units, and*
  - *23% affordable rental units (consisting of units within both the primary and secondary rental markets).*

Attachment-2 contains the full proposed Official Plan Amendment with full number changes from what is currently in the City of Guelph Official Plan.

## **Strategy Action Prioritization**

Following the October 8, 2024 Council meeting, City staff have been preparing the prioritization, implementation, and monitoring plan for the actions in the Housing Affordability Strategy.

As mentioned, several actions in the Housing Affordability Strategy reflect initiatives in the City's HAF Action Plan. As there is a short-term, federal contractual obligation for these initiatives, this set has the highest priority and will form much of the housing workplan until the end of 2026. These actions, as summarized, are as follows:

- Action 1.1.2: Implement a Community Planning Permit System.
- Action 1.1.3: Evaluate the City's role in building affordable housing.
- Action 1.1.4 & 1.1.5: Lower fees (e.g., through Development Charge exemptions and Community Improvement Plans) for building new homes.
- Action 1.1.6: Reduce parking requirements for new affordable housing.
- Action 1.1.8: Support homeowners looking to add new units.
- Action 1.1.9: Create and promote flexible development policies.
- Action 1.1.10: Invest in housing-enabling infrastructure.

- Action 1.2.1: Create a City-owned Land Strategy

The remaining actions were prioritized to determine the order in which staff would complete those actions throughout this 10-year Strategy. This prioritization was completed by ranking the actions against the following criteria:

- **Impact:** What actions have the greatest potential to create more affordable units?
- **Timeline:** How long will it take to do this?
- **Alignment:** Does the action align with Council direction, funding commitments, the Corporate Strategic Plan, and/or commitments to various agencies or the community?
- **Budget:** Is the action already funded through the federal government or through the City's existing budget?

Staff are now recommending three sets of actions: high-priority actions, medium-priority actions, and low-priority actions:

- **High-priority actions** are generally actions that were scored as: can advance in the short-term, align with existing Council direction, legislated requirements, or contractual obligations, and can have a significant impact on delivering affordable housing.
- **Medium-priority actions** are generally actions that were scored as: take some time to advance and build capacity, align with priorities in the Strategic Plan, and have an impact on delivering affordable housing.
- **Low-priority actions** are generally actions that were scored as: take the most time to advance and build capacity, align with public/agency feedback, and have a smaller impact on delivering affordable housing.

All actions in the final recommended Housing Affordability Strategy are important in the lifecycle of this 10-year Strategy. Staff cannot start work on all these actions at once so prioritization gives direction to guide affordable housing work over the next decade. **More details on full action titles, scope, resourcing, indicators, links to the State of Housing Report gaps and municipal tools to support the action can be found in Attachment-3, which contains the full action prioritization.**

Following the completion of HAF-related actions, **this next set of actions, as summarized, were ranked as high-priority:**

- Action 1.1.7: Speed up the development application process.
- Action 2.1.2: Ensure rental information is easy to access.
- Action 2.2.2: Explore other types of housing that are right for Guelph.
- Action 2.3.2: Work with Wellington County on housing solutions.
- Action 3.3.2: Advocate for more funding.

**The next set of actions, as summarized, were ranked as medium-priority:**

- Action 1.1.1: Continue to review City plans, policies, and initiatives.
- Action 1.2.3: Issue a call for land.
- Action 2.1.1: Track our current stock of affordable housing to guide policy development (e.g., through a renoviction by-law, vacant homes tax, or rental replacement by-law).
- Action 2.2.1: Explore creative financing tools.
- Action 2.3.1: Leverage existing and establish new relationships in this sector.
- Action 3.1.1: Gather and share insights.

- Action 3.3.1: Target and support funding opportunities.

**Finally, the last set of actions, as summarized, were ranked as low-priority.**

While these actions have ranked as lower priority actions, they are just as critical to the fulsome completion of this 10-year Housing Affordability Strategy:

- Action 1.2.2: Set aside City-owned land to build equity-deserving housing.
- Action 2.2.3: Promote climate resilience and incorporate green development standards.
- Action 3.1.2: Help students find places to live.
- Action 3.1.3: Enhance social equity and inclusion.
- Action 3.1.5: Promote affordable and inclusive housing principles.
- Action 3.2.1: Monitor housing targets.
- Action 3.2.2: Report annually on progress of the Housing Affordability Strategy.
- Action 3.3.3: Support climate resilience across the City.

**Affordable Housing Proformas Scenarios**

To provide some general examples of the costs of affordable housing construction, consultants at Watson & Associates have prepared several proforma affordable housing development scenarios. A proforma is an economic projection tool that estimates the potential revenue, expenses, and profitability of a development project. Proformas are based on assumptions and calculations and must be based on reliable information to create an accurate projection of the viability of development.

All seven development scenarios show large development costs, with Site 1, located in the Downtown, as the most expensive to build, with a full development cost (plus contingency) estimated to be approximately \$123 million dollars. Four of the seven development scenarios show a 10% rate of return, which is a strong threshold for feasibility.

These proforma scenarios are to provide Council with information on expected current construction costs and revenue for specific project scenarios and do not represent a full sensitivity analysis of requirements needed to build affordable housing and common development configurations being proposed. To read through all seven proforma scenarios, please see Attachment-4.

**Monitoring and Evaluation**

Monitoring, evaluating, and communicating key performance indicators will be a critical component of the final recommended Housing Affordability Strategy. As part of staff's work on implementation, approximately 50 unique indicators have been identified to monitor the outcomes of the actions in the Housing Affordability Strategy. A full list of these indicators can be found in Attachment-3.

While many of these indicators will provide a clearer picture of how the City of Guelph is doing relative to its new affordable housing targets, City staff are limited by the availability of certain data sources, especially in the secondary rental market. Staff will need to rely on agreements signed between the City and the secondary rental market to report on these indicators. The Additional Dwelling Unit ("ADU") Incentive Grant Program as part of the proposed Affordable Housing Community Improvement Plan is expected to facilitate many of these agreements, which will provide a limited picture into this market. Attachment-3 also notes the cadence that certain indicators will be reported on, as data source availability varies depending on the indicator.

# Financial Implications

## DC Exemptions

Bill 23, *More Homes Built Faster Act (2022)*, introduced DC exemptions for affordable housing. If the targeted creation of 8,700 affordable units to 2051 is achieved, these units would require investment in housing-enabling infrastructure and amenities that would otherwise be funded by DCs. However, any units meeting the province’s definition of affordability (for which an agreement to maintain affordability for 25-years is in place) would be exempt from DCs. These DC exemptions would need to be funded by property taxes and utility rates.

To calculate the financial impact of the target number of affordable housing units over the ten-year Housing Affordability Strategy timeline (2025-34), staff assumed that the 2,640 affordable ownership units and 6,060 affordable rental units would be built at an even pace over the 27-year timeframe to 2051. The annual costs of the DC exemptions were then calculated to determine the estimated cost of DC exemptions over the timeframe of the Housing Affordability Strategy. These estimates are in 2024 dollars, there has been no inflationary factor built-in. The below figures are estimates only, and the actual cost of DC exemptions and discounts will depend on eligible development activity in any given year.

Table 6: Estimated DC Exemptions for Affordable Housing Target

	<b>Affordable Ownership</b>	<b>Affordable Rental</b>	<b>Total</b>
Number of Units	2,640	6,060	8,700
Total DC Exemptions to 2051	\$88,322,000	\$200,986,000	\$289,308,000
DC Exemptions Per Year	\$3,271,000	\$7,444,000	\$10,715,000
DC Exemptions Over 10-Year HAS	\$32,712,000	\$74,439,000	\$107,151,000

The City’s budget includes estimates of the cost of DC exemptions and discounts and takes a long-term approach to phasing in funding for these costs. The budget includes an estimate of \$49.5 million in DC exemptions for affordable and non-profit housing from 2025 to 2034 based on the assumption that affordable units are created at the same rate as the average of the past five years. Even with that lower assumption, projected DC exemptions and discounts are not fully funded within the 10-year forecast as growth reserve fund (156) is projected to be in a deficit beyond the 2034 timeframe.

The total cost of DC exemptions for affordable rental and ownership units over the ten-year life of the strategy at the target level of 33 per cent is estimated to be \$107.2 million. Therefore, if the rate of affordable housing development increases, additional funding will be required through the growth strategy to support DC exemptions and discounts. Finance will continue to monitor and report on DC exemptions and discounts through quarterly budget monitoring reports.

## **Funding for the Actions in the Strategy**

The full cost of implementing the actions proposed within the HAS will depend on key decisions made throughout the implementation of the HAS. For example, a priority action item is to investigate the City's role in the provision of affordable housing. That work may result in recommendations to Council with financial impacts that are not known at this time. The costs associated with each action item will continue to be refined through detailed development of work plans and as procurement processes are undertaken.

The initial steps of all high-priority actions in the HAS have funding. Some action items are in the workplans of existing staff roles, and others are in the capital budget, funded by a combination of reserves and grants. The Housing Accelerator Fund (HAF) grant supports several priority projects within the HAS.

## **Consultations and Engagement**

Since the presentation of the draft Housing Affordability Strategy, City staff have undertaken many internal and external consultations and engagements.

City staff held pop-up engagement events on October 17, October 19, October 21, October 22, and October 24 at locations throughout the City. During these engagement events, City staff presented the draft Housing Affordability Strategy actions for feedback. A virtual engagement was also held on October 28.

The draft Housing Affordability Strategy was also presented to the Accessibility Advisory Committee ("AAC") on October 17, 2024. No specific comments from AAC members were provided, but there was general support for the project.

Finally, the Housing Affordability Strategy was presented to the Housing Affordability Strategy Focus Group ("HASFG") on October 23, 2024, and to some members of the Planning Advisory Committee on October 30<sup>th</sup>, 2024.

Generally, feedback was received that the actions reflected what community members had shared in earlier engagement events and City staff were encouraged to be bold in both identifying the magnitude of the issue and our actions to respond to those issues.

As a companion piece to the Housing Affordability Strategy, an Official Plan Amendment is also proposed, notice of the combined Council Statutory Public Meeting and Decision Meeting was advertised in Guelph Today on November 19, 2024. The notice was also mailed/emailed to local boards and agencies, City service areas and the Housing Affordability Strategy project mailing list. The final recommended 2024 Housing Affordability Strategy and Official Plan Amendment were posted to the City's website on November 29, 2024.

## **Attachments**

Attachment-1 Final Recommended 2024 Housing Affordability Strategy

Attachment-2 Proposed Official Plan Amendment No. 101

Attachment-3 2024 Housing Affordability Strategy Implementation and Monitoring Plan

Attachment-4 Affordable Housing Proforma Scenarios

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