

Final Recommended Housing Affordability Strategy

Council Presentation

December 10, 2024

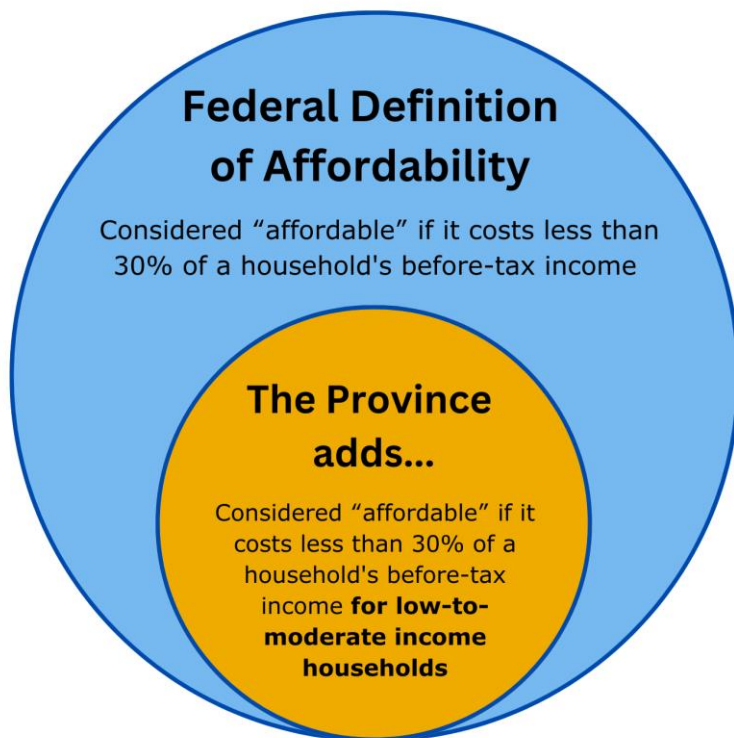
What do we mean by Affordable Housing?

- Sometimes, people think affordable housing means:
 - "housing for people on social assistance", or
 - "housing owned by the government", or
 - "housing not built by development industry"
- **However, the focus of the HAS has always been on below-market affordable housing. Why?**
 - Consistent with the Province of Ontario (PPS, 2024).
 - Available tools are primarily focused on this segment of housing need.
 - We recognize that housing needs extend beyond what the City can directly influence, so we do want to work with partners to assist where we can and where it is feasible to do so.

All of Guelph's Housing Needs to 2051

	Ownership Units	Rental Units	Total units
Affordable	2,640	6,060	8,700
All other Market Units	11,830	5,445	17,280
Total Combined	14,470	11,500	26,000
% affordable	18%	53%	33%

Explaining Income-based Affordability



What do we mean when we say affordable housing - ownership?

Unit Type	Market-based Threshold	Income-based Threshold (benchmark for 2024)
Single-detached	\$837,000	\$398,800
Semi-detached	\$666,000	\$398,800
Townhouse	\$621,000	\$398,800
Apartment	\$513,000	\$398,800

The least expensive of:

Ownership

1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households;
- or**
2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the municipality;

Guelph's Housing Needs - Ownership

- Focus of Strategy is on 2,640 affordable ownership units by 2051 (approximately 98 units annually).

What do we mean when we say affordable housing - rental?

Rental Unit Size	Market-based Threshold (benchmark for 2024)	Income-based Threshold
Bachelor	\$1,160	\$2,050
1-bedroom	\$1,508	\$2,050
2-bedrooms	\$1,646	\$2,050
3+ bedrooms	\$1,695	\$2,050

The least expensive of:

Rental

1. a unit for which the rent does not exceed 30 percent 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 municipality.

Guelph's Housing Needs - Rental

	Affordable Housing Need, 2024-2051	Percentage Share of Total Rental Housing Growth
Less than 40% Average Market Rent (i.e., deeply affordable)	1,057	9%
40-60% Average Market Rent	2,070	18%
60-80% Average Market Rent	813	7%
80-100% Average Market Rent (focus of HAS)	2,120	18%
Total	6,060	53%

What tools does the City have?

What is within the City's control?	What is not within the City's control?
Authority over how land is used.	No authority to require that affordable housing is built across the City.
Policies that dictate the number and type of units needed, and where those units will be located.	No authority to require that builders build within a certain timeframe.
Financial incentives to encourage housing development.	No control over provincial and/or federal legislation, funding, or priorities.
Policies that support and promote a full range of housing types.	The City has no ability to influence sale or rent prices in the private market.

Using One Tool Now – Updating Policy

- Amend the affordable housing targets in Section 7.2 of the City of Guelph Official Plan:
- “**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).”

Housing Affordability Strategy Vision

Guelph is a welcoming community where diverse housing options are available for residents as a human right: We have homes that are affordable, accessible, and suitable, regardless of income, age, or situation. By working with our private and not-for-profit sector partners and other levels of government, we will emerge as leaders in addressing housing affordability. Current and future residents will thrive in their ideal homes.

Housing Affordability Strategy Goals

Goal 1: Our community is able to access affordable housing throughout the City.



Goal 2: Our community can contribute to diverse and inclusive housing options for everyone.



Goal 3: Our community knows and shares the importance of long-term housing options.

Housing Affordability Strategy Actions

- Actions crafted with public engagement over Spring and Summer 2024.
- Community expectation is we be **bold** – actions reflect that.
- We have thirty (30) actions.
- Actions need to be prioritized so we are clear on how Strategy evolves.

Action Prioritization

- Since October 8th, staff have prepared a prioritization of the actions and an Implementation and Monitoring Plan.
- Prioritization is critical to guide the workplan over the next 10 years.

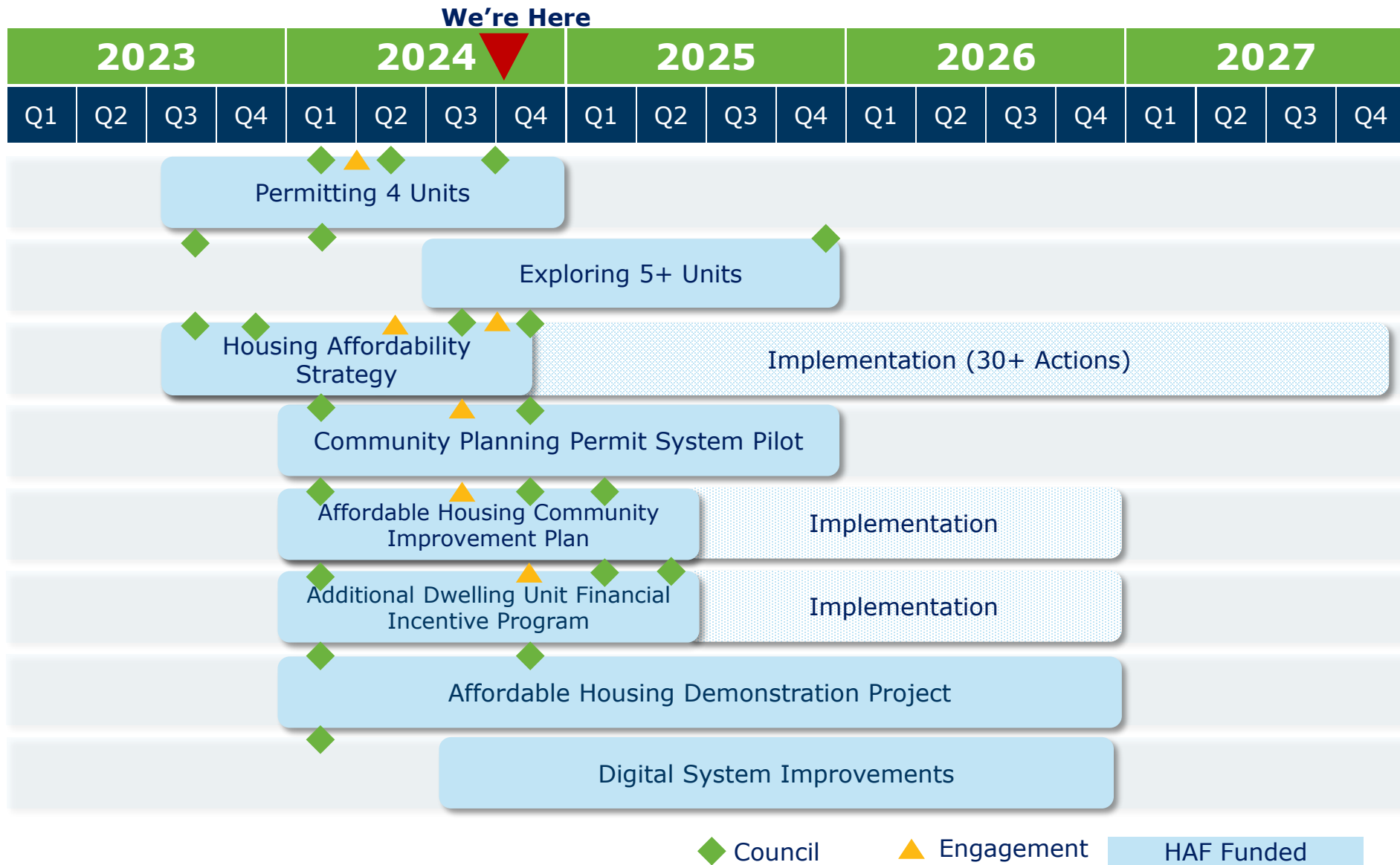
Prioritization Assessment Criteria

- **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?

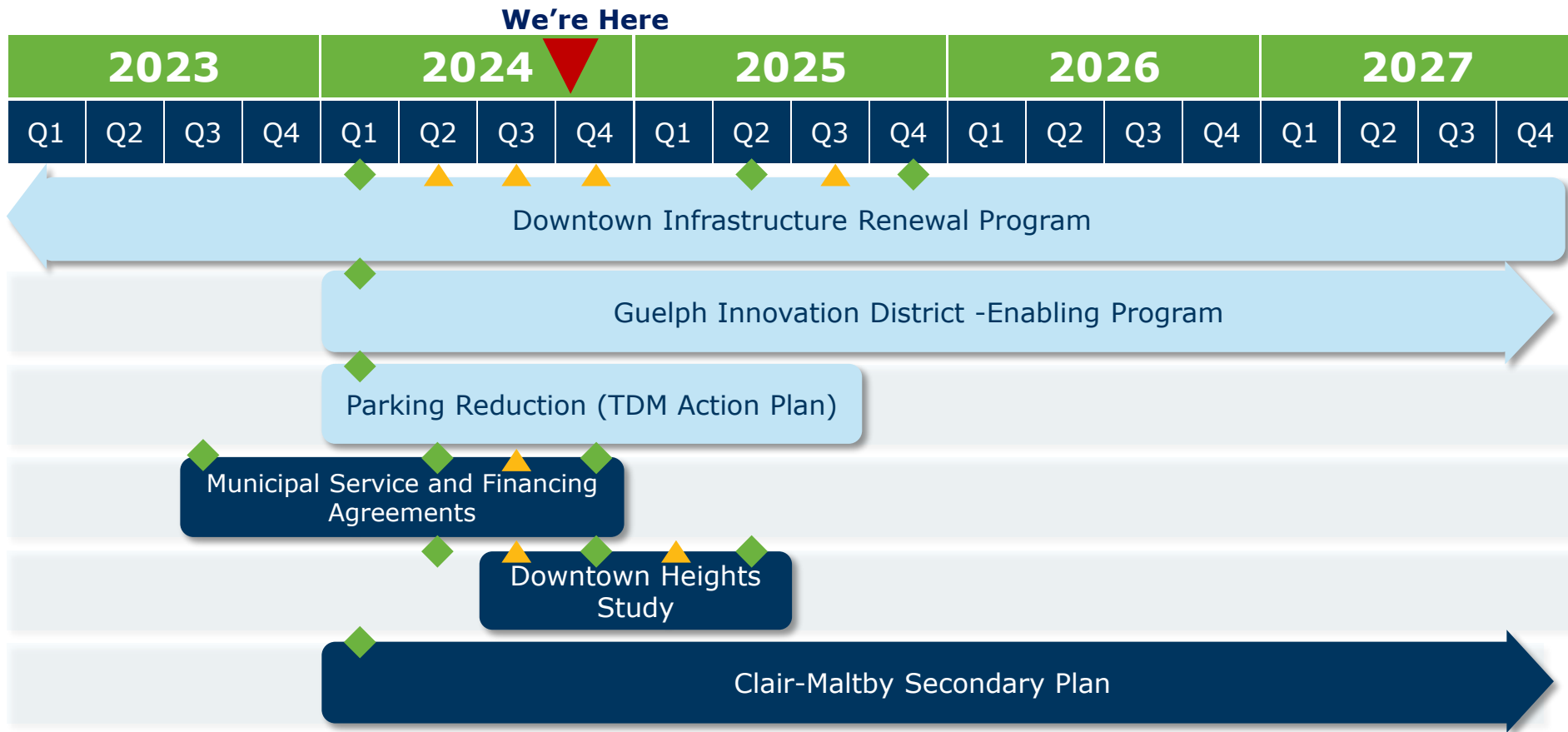
First Priority – HAF-related Actions

Action Number	Summarized Action
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 DC exemptions and CIPs) 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

Here's **when** we're making it happen:



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High Priority Actions

Action Number	Summarized Action
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.

Medium Priority Actions

Action Number	Summarized Action
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, VHT, or rental replacement by-law).
Action 2.2.1	Look into creative financing tools.
Action 2.3.1	Leverage existing and establish new relationships.
Action 3.1.1	Gather and share insights.
Action 3.3.1	Target and support funding opportunities.

Low Priority Actions

Action Number	Summarized Action
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 3.1.4	Work with health, housing support and service providers.
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.

Implementation and Monitoring

- Implementation and Monitoring Plan includes full action titles, scope, resourcing, indicators, links to the State of Housing Report gaps, and municipal tools to support the action.
- Approx. 50 unique indicators have been created to monitor outcomes of the actions in the Housing Affordability Strategy.
- Indicators are limited by data source availability and cadence.

Building Affordable Housing

- Watson & Associates prepared several proforma affordable housing development scenarios to show potential project costs and revenue.
- All seven development scenarios showed large development costs.
- Four of the seven development scenarios show a 10% rate of return, which is a strong threshold for feasibility.

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.