

# Staff Report



To Committee of the Whole  
Service Area Office of the Chief Administrative Officer  
Date Tuesday, November 4, 2025  
Subject **Advancing Affordable Housing on City Owned Properties**

## Recommendation

1. That Council endorse exploring an expanded City role in delivering affordable housing through options two and three, as described in this report, depending on the site-specific context, while maintaining the ability to pursue option one, as described in this report, where required.
2. That Council endorse option three, as described in this report, for delivering affordable housing on lands located at 5 Normandy Drive and 7 Eastview Road.
3. That the project budget of \$3,406,150 be funded through both the Housing Accelerator Fund and \$400,000 from the Affordable Housing reserve (119), and this capital project budget be set-up through the Q3 Budget Monitoring report.

## Executive Summary

### Purpose of Report

This report explores the City’s role in building affordable housing, as identified in the 10-year Housing Affordability Strategy Action 1.1.3. This report also advances the goals of [Mayoral Direction 2023-B3](#), to leverage underutilized city-owned lands to increase the supply of affordable housing in the community.

This report then provides a staff recommendation to explore the expansion of the City’s role in advancing the potential development of affordable housing through three possible operational options, or a combination thereof, as described in this report. An expanded role in providing affordable housing presents an opportunity, in some instances, for the City to contribute to an increased supply of affordable housing, maintain ownership of land, and develop a revenue-generating assets. In situations where assets are revenue generating, this revenue would go back into supporting the future creation of affordable housing.

This report then identifies two City owned properties, 5 Normandy Drive and 7 Eastview Road, for development under one of the operational options.

### Key Findings

- The City of Guelph approved its [10-year Housing Affordability Strategy](#) (HAS) in December 2024.
- The City’s current role supports the creation of affordable housing through financial incentives in the form of grants and land transfers ([Affordable Housing](#)

[Community Improvement Plan](#), 65 Delhi Street, 14 Edinburgh Road South) or through regulation (e.g., Community Planning Permit System).

- The HAS identifies two specific actions that apply to this report:
  - Action 1.1.3: Evaluate the City’s role in getting more affordable housing built, beyond providing funding and incentives, to develop a housing model that will get more affordable housing built faster throughout the city.
  - Action 1.2.1.3: Review any City-owned land assets to decide if housing can be built on it.
- For Action 1.1.3 the evaluation consisted of an analysis of four operational options to expand the role of the City in building affordable housing, where the City:
  1. provides subsidies and/or disposes of City-owned land to a private developer or non-profit organization (status quo, for example 14 Edinburgh Road South);
  2. provides City-owned land through a land-lease agreement;
  3. maintains ownership of City-owned land and develops the units and leases the building (units) to an affordable housing operator (i.e. the County or non-profit organization). Where the city is unable to find a partner, a contractor could be sought;
  4. maintains ownership of City-owned land, future buildings (units) and administers the affordable housing directly.
- Staff recommend proceeding with exploring an expanded City role in delivering affordable housing through options two and three, depending on the site-specific context, while maintaining the ability to pursue option 1 (status quo) where site specific or project circumstances limit the City’s ability to pursue options two or three.
- Staff have identified two properties, 5 Normandy Drive and 7 Eastview Road, that could collectively provide 12 affordable housing units through option three, where the City maintains ownership of the land and buildings, and leases to an affordable housing operator:
  - 5 Normandy Drive could support a fourplex as of right, in accordance with the [CMHC housing design catalogue](#).
  - 7 Eastview Road could support two fourplexes (eight units), with a severance, in accordance with the [CMHC housing design catalogue](#).
  - CMHC has confirmed their support for the City’s potential innovative use of its new design catalogue.
- Option four is not recommended as there are significant administrative costs associated with operations requiring additional City Staff, and additional risk/administrative requirements associated with becoming a Housing Services Provider.
- Options two and three provide the opportunity for the City to increase the supply of affordable housing while also creating a revenue-generating asset, which in turn can be used to continue to build City-owned affordable housing in a financially sustainable way.
- This approach could apply to future properties that the City may strategically acquire for affordable housing, which is part of the ongoing work into HAS Action 1.2.1 Preparing and Implementing a City-owned land strategy.

- These projects will advance with funding through the Housing Accelerator Fund (HAF). The funding is contingent on the City receiving the third installment of the HAF. However, should the City not receive the third installment, it is likely that one of the sites could still advance using existing HAF funds.
- These projects may also be eligible to use up to \$400,000 from the Affordable Housing reserve fund.
- The exploration of the City's role will also include a future report to Council that develops more in-depth financial and legal implications for pursuing the identified operational options. However, using HAF funds to pursue the identified properties in this report presents an opportunity for the City to explore option three while minimizing financial implications to the City.

## **Strategic Plan Alignment**

This report aligns with the priority of improving housing supply in the 2024-2027 Strategic Plan.

### **Future Guelph Theme**

City Building

### **Future Guelph Objectives**

City Building: Improve housing supply

## **Financial Implications**

### **Affordable Housing Delivery Options**

Each option for the delivery of affordable housing, as described in this report, has different financial implications for the City, which vary in significance. A very high-level overview of the implications is provided below.

For the first option, where the City provides its land and one-time grants, there are funding requirements for the program. Additionally, where the City decides to transfer land (e.g. 14 Edinburgh Road South), there are financial impacts from the lost revenue from the sale of the lands. Where the City sells its land with agreements for affordable housing, the residual land value is lower where the City demands a higher number of affordable housing units.

For the second option, where the City enters into a land-lease agreement, the financial impacts are less significant. The City may benefit financially from a land-lease agreement that provides annual cash-flows. Alternatively, the City would lose out on the opportunity cost of selling a parcel of land that it enters into a land-lease agreement with for the terms of the lease.

For the third option, where the City builds affordable housing and leases to an operator, there are financial implications regarding capital funding of the proposed project. However, this option may provide potential net revenue for the City from its lease partner, as well as the development of a City asset. The potential for revenue depends on the type of affordable units provided (affordable or deeply affordable) as well as the ongoing operating costs. If the City wishes to take on debt to fund these types of projects, there are less up-front capital requirements for a project, however, there would be increased debt obligations and risk. This is discussed further in this section.

The fourth option, where the City builds, owns, and operates the affordable housing development, is not recommended, as it would require significant operational and financial efforts with regards to increased staff capacity to deliver a housing program that includes becoming a residential landlord.

### **Proposed Affordable Housing Builds**

Below is a very high-level overview of the financial implications associated with the proposed projects at 5 Normandy Drive and 7 Eastview Road. Further details must be determined to fully understand the net revenue potential, including the rental model (mix of affordable/deeply affordable housing to be provided), the operating costs (operator fee, ongoing repairs and maintenance, utilities, etc.).

The total capital requirements for the projects are estimated to be \$3,406,150, and funding would be provided through the Affordable Housing reserve (119) of \$400 thousand, and HAF for the remainder (\$3.1 million). Use of HAF funding is contingent on:

- Receiving the third installment of the HAF. Should the City be unsuccessful and not receive the third installment, it is likely that only one of these sites would be able to advance.
- Identifying an appropriate mechanism for managing the timing of expenditure of the HAF funds for these projects and confirming the approach with CMHC, as construction is unlikely to be completed by the end of 2026

In addition to the recommended option outlined above, two alternative approaches to financing the required capital costs for these projects were considered at a high level, which include:

- The City obtains capital funding for the project through upper level of government funding administered by the County for our service area (through, for example, OPHI), and
- The City funds an equity portion of the project and seeks debt financing from CMHC (or a traditional lender) for the remaining mortgage.

Obtaining funding through the County administered programs would still require a capital funding contribution from the City. This option has less certainty, as it would require coordination with the County for delivery. Timing of availability of these funding programs from upper levels of government and decision making on allocations, as well as the terms of such funding agreements are not currently known.

Debt financing these projects would impact the City's debt burden and must be factored into the City's overall debt strategy if it is to be pursued. Debt servicing costs would also increase the future ongoing costs associated with the project and would decrease the likelihood of generating net operating revenue for these projects.

The recommended funding options are palatable to move forward as a first foray into this model as it provides the required financial flexibility to figure out the optimal operating model without the burden of debt servicing obligations; however, there are details to be further fleshed out with respect to the timing of the expenditure and the HAF grant requirements. The Affordable Housing reserve (119) will be fully committed following this approval.

Future work to flesh out the capital financing alternatives will be completed in collaboration with the Finance team to fully understand the financial implications based on learnings from these projects.

---

## Report

### Background

In December 2024, City Council approved the [City's 10-year Housing Affordability Strategy](#) (HAS). The HAS identifies 30 actions aimed at achieving three goals; access to housing that is affordable, contributing to diverse and inclusive housing options, and promoting the importance of long-term affordable housing options.

The HAS lists the following actions as primary action items, with timelines for the completion of zero to three years:

#### 1.1.3 Evaluate the City's role in building affordable housing

- Evaluate the City's role in getting more affordable housing built, beyond funding and incentives
- Develop a housing model to help the City get more affordable housing built faster

#### 1.2.1 Create a City-owned land strategy

- Review any City-owned land assets to decide if housing can be built on it

The City has undertaken a preliminary review of City-owned land which has been made available through a publicly [available inventory map](#). This was also part of the [HAF Action Plan](#) commitments, as part of initiative four.

Further, through this same HAF initiative, the City has been taking a more active role in the development of affordable housing on City-owned lands through an affordable housing demonstration project. As part of the demonstration project, the City is transferring lands located at 14 Edinburgh Road South, as well as \$1,500,000 in HAF funding to a non-profit housing provider to develop 13 affordable housing units.

As the City continues to review its municipally owned lands, a better understanding of the different delivery options for affordable housing on those lands is needed, and the scenarios in which each option could be used.

### Affordable Housing Delivery Options

It is clear through work completed on the City's land inventory that the City has limited land assets that could be made available for disposal. Through the current status quo, the City requires that identified lands be determined surplus prior to disposal and development for affordable housing. These limited resources have placed increased importance on finding new ways to deliver affordable housing that is sustainable for the long term.

To fulfill actions in the HAS listed above, and to better position the City to support the substantial need for affordable housing to 2051, an analysis of the City's current and potential future role in facilitating affordable housing development has been conducted. This includes the following delivery options where the City:

1. Provides subsidies and/or disposes of City-owned land to a private developer or non-profit organization (status quo, for example 14 Edinburgh Road South);

2. Provides City-owned land through a land-lease agreement;
3. Maintains ownership of City-owned land and develops the units and leases the building (units) to an affordable housing operator (i.e. the County or non-profit organization). Where the City is unable to find a partner, a contractor could be sought;
4. Maintains ownership of City-owned land, future buildings (units) and administers the affordable housing directly.

A review of each of the strengths and weaknesses of each of the delivery options is included in Table 1 below. Further, it is anticipated that the City would use different options depending on the development context, which could vary by project. A discussion on when each option would be beneficial to be used is also included below.

**Table 1: Analysis of Delivery Options**

Option	Strengths	Weaknesses
1. Provides subsidies and/or disposes of City-owned land to a private developer or non-profit organization (status quo, for example <a href="#">65 Delhi Street, 14 Edinburgh Road</a> )	<ul style="list-style-type: none"> <li>• Relatively low risk and low effort to administer (efficient)</li> </ul>	<ul style="list-style-type: none"> <li>• Requires continuous City capital with no financial return.</li> <li>• City has limited land holdings to transfer to non-profit organizations.</li> <li>• Subsidy amounts currently covered through the HAF; there is not currently a continued sustainable funding source beyond HAF.</li> </ul>
2. Provides land through land-lease agreement (land-lease)	<ul style="list-style-type: none"> <li>• Low capital requirements (land)</li> <li>• City maintains some leverage over development (timelines, design, etc.).</li> <li>• Potential for net revenue to contribute to long term affordable housing goals with returns to Affordable Housing reserve (119).</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially reduced cash flow return through land leases (compared to building lease).</li> <li>• Increased uncertainty regarding partner funding requirements.</li> <li>• Less control over the timeline for development of affordable units.</li> </ul>

Option	Strengths	Weaknesses
<p>3. Maintains ownership of City-owned land and develops the units and leases the building (units) to an affordable housing operator (i.e. the County or non-profit organization). Where the city is unable to find a partner, a contractor could be sought.</p>	<ul style="list-style-type: none"> <li>• City maintains ownership of land and newly developed affordable housing (asset).</li> <li>• Potential for net revenue to contribute to long term affordable housing goals with returns to Affordable Housing reserve (119).</li> <li>• City maintains control over development timelines, design, etc.</li> <li>• Potential for additional land to be unlocked through co-locating of non-conflicting infrastructure and housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased capital funding requirements and relative risk.</li> <li>• Risk associated with the operator partnership including the cost of the operator, long-term stability of that relationship (if operator exits the relationship unexpectedly), ensuring the operator maintains the building to the City’s standards.</li> </ul>
<p>4. Maintains ownership of City-owned land, future buildings (units) and administers the affordable housing directly.</p>	<ul style="list-style-type: none"> <li>• City maintains ownership of land and newly developed affordable housing (asset).</li> </ul>	<ul style="list-style-type: none"> <li>• Significant administrative burden associated with operating building requiring additional City Staff with specific expertise.</li> <li>• Additional risk/administrative requirements associated with becoming a Housing Services Provider.</li> </ul>

Table 1, above, summarizes all the delivery options that are considered in this report. Below are the summarized recommendations.

**Option 1. Provides subsidies and/or disposes of City-owned land to a developer or non-profit (status quo, for example 14 Edinburgh Road South).**

Staff recommend using this option where surplus lands are identified that can be disposed of, such as for complex development projects that require the transfer or sale of lands. Additionally, staff recommend that this option be considered where funding is made available through other levels of government, for example, through HAF.

**Option 2. Provides land through a land-lease agreement**

Staff recommend using this option where large-scale development projects are feasible on City-owned lands (e.g. downtown), and the City wants to participate in the development process. This option allows the City to maintain control over the development, receive financial compensation, maintain ownership of the land, and allow developers to use their expertise in managing large projects.

**Option 3. Maintains ownership of City-owned land and develops the units and leases the building (units) to an affordable housing operator (i.e. the County or non-profit). Where the city is unable to find a partner, a contractor could be sought.**

Staff recommend using this option where small scale development may be executed on City-owned lands. This option is especially recommended on lands that contain existing City infrastructure that is compatible with residential development that is already zoned for residential uses. However, it is noted that building on land with existing City infrastructure does reduce flexibility and options as the land and building may not be able to be sold, or would require a sale with conditions, if the City wishes to exit this model at a future date.

**Option 4. Maintains ownership of City-owned land, future buildings and administers the affordable housing directly.**

Staff do not recommend this option due to the administrative requirements and overlap with the County's responsibilities.

Staff are recommending that options two and three be considered as they provide the opportunity for the City to provide affordable housing while also creating a potentially revenue-generating asset. Any net revenue after operating costs can be directed to the Affordable Housing reserve (119) to continue to build City-owned affordable housing in a financially sustainable way.

## **5 Normandy Drive and 7 Eastview Road**

An additional review of City-owned lands was conducted through an alternative lens regarding the City's role in developing affordable housing. When the City maintains ownership of the land, it unlocks additional possibilities where previous infrastructure, such as watermains or testing wells, precluded development onsite. This infrastructure is compatible with residential development but requires that the City co-locate residential units with the infrastructure.

After a review of small lots with existing low-density zoning, six (6) City-owned sites were identified. The sites were analyzed for fit using CMHC's design catalogue for fourplexes and sixplexes. The CMHC catalogue was used as it provides a building envelope and provides future cost savings to the City. Sites were then discussed with Engineering, Water and Wastewater services to determine potential constraints due to existing infrastructure on site.

As a result of the preliminary review, two sites were identified to continue to advance: 5 Normandy Drive (Fourplex) and 7 Eastview Road (two fourplexes with severance). A preliminary site layout is included as Attachment-1 of this report, and the CMHC design catalogue for fourplexes is included as Attachment-2. A summary of the developments is included below in Table 2. These sites have been included in this report as an example of the feasibility of option three.

**Table 2: Development Summary of Identified Sites**

<b>Development Considerations</b>	<b>Five (5) Normandy</b>	<b>Seven (7) Eastview</b>
Number of potential units	Four units	Eight units
Planning & Site preparation considerations	<ul style="list-style-type: none"> <li>• Minor variance</li> <li>• 5m setback from stormwater pipe and associated engineering design.</li> </ul>	<ul style="list-style-type: none"> <li>• Severance application</li> <li>• Potential decommissions and relocation of existing monitoring well.</li> </ul>
Total project costs* including: <ul style="list-style-type: none"> <li>• Hard construction costs at \$250/sq ft (e.g. grading, foundations, framing, finishes)</li> <li>• Soft costs at 20-30% of hard costs (e.g. Planning, permit costs, engineering)</li> </ul>	\$1,117,050	\$2,289,100
Estimated time to completion (from RFP proponent selection to occupancy)	Eight (8) to 12 months	Eight (8) to 12 months

\* Total costs are calculated using best estimates from industry wide development standards, including ALTUS Construction Cost Guides.

### **Funding Options for 5 Normandy Drive and 7 Eastview Road (Operating Option 3)**

An affordable housing development project can be funded several different ways with various advantages and disadvantages depending on desired outcomes and risk appetite. Table 2 provides a summary of the pros and cons of three funding options for potential affordable housing development on City-owned lands:

1. The City funds a project outright.
2. The City shares capital funding with the County or Non-Profit (e.g. OPHI).
3. The City funds an equity portion of a project and seeks financing from CMHC (or traditional lender) for remaining mortgage.

**Table 3: Summary of Funding Options Pros and Cons**

Option	Pros	Cons
1. City funds the projects outright.	<ul style="list-style-type: none"> <li>• Reduced risk of ongoing debt servicing requirements.</li> <li>• Increased potential for positive future cash flow associated with the leasing of the building.</li> <li>• Available grants can be sought for this option.</li> <li>• Outright ownership of new asset.</li> </ul>	<ul style="list-style-type: none"> <li>• Large amount of upfront capital required (entire project cost).</li> <li>• Loss of forgone interest revenue.</li> <li>• Availability of capital funding for these projects compared with other City priorities.</li> </ul>
2. City obtains upper level of government capital funding (e.g. County administered programs such as OPHI).	<ul style="list-style-type: none"> <li>• Reduced risk of ongoing debt servicing.</li> <li>• Reduced City capital requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding is limited, and this approach may require us to compete against other projects in the community and County owned affordable housing projects.</li> <li>• The terms of these funding agreements are not known at this time.</li> </ul>
3. City funds an equity portion of the project and seeks financing from CMHC (or traditional lender) for remaining mortgage.	<ul style="list-style-type: none"> <li>• Lowered amount of upfront capital required.</li> <li>• Potential to split available capital across multiple projects (leveraged).</li> </ul>	<ul style="list-style-type: none"> <li>• Debt servicing requirements increase risk.</li> <li>• Lower annual future cash flows due to debt servicing requirements.</li> <li>• Decreased flexibility for future partnerships.</li> <li>• Must be factored into and considered as part of the City's overall debt strategy.</li> </ul>

Capital funding has a direct impact on the City's flexibility in selecting a partner for the operation of the future affordable housing. For example, in option three, if the City wants to maintain financial sustainability, it would require that a non-profit or the County leases the building at a rate that would, at minimum, cover the debt obligations that the City has. A debt coverage ratio, which is the ratio of debt to operating income, of 1.2-1.3 is commonly expected for residential development.

These options will continue to be reviewed as it may relate to future opportunities. However, at this time, there is an opportunity to use funding from the HAF for the City to explore the model while minimizing risk to City capital funds. For this reason, it is recommended that the City use HAF funds and a contribution from the Affordable Housing reserve (119) to fund the projects outright, contingent on receiving the third installment of the HAF, and identifying a satisfactory resolution

for the timing obstacles with respect to the requirements to spend HAF funding by December 31, 2026.

## **Development Steps**

Should Council move ahead with the recommended options, the development projects will proceed through the simultaneous release of a request for proposals and an expression of interest. The request for proposals (RFP) will be to provide building services for the City and deliver the building as designed in CMHC's guidebook. The City will be looking for a reputable general contractor or builder to provide a detailed budget and cost of services.

As with any development project that has to go through planning and building applications, the layout and design of the projects are subject to change based on feedback through this process. These demonstrations, including total unit numbers, are intended to provide guidance on what is potentially possible on site, however, the planning process is iterative and as such the project could be subject to change to satisfy potential flags that are raised further along in the process.

The expression of interest (EOI), released at the same time, will target potential future partners for the lease of the building. This could include non-profit organizations or Wellington County. The City will be looking for applicants to provide an offer for leasing the building, and description of the level of affordability provided. Detailed financials may be sought at this time to determine financial sustainability of the selected proponent.

Importantly, the funding of a project has significant impacts on the flexibility that the City has when choosing an operator and the terms of a future agreement. If the City intends to use these assets as a way to provide affordable housing in a financially sustainable manner, it is important that the terms of the lease have a sufficient debt coverage ratio. Where the City decides to fund projects outright in this option, there is increased flexibility due to not incurring debt on the project.

The simultaneous release of the RFP and EOI gives staff an opportunity to ground truth both budgetary expectations and annual lease expectations. Doing so at the same time provides more certainty of the project's financial viability.

When a successful proponent has been selected, minor planning requirements (severance and minor variance) will be sought. It is expected that this is a proponent-led course of action, with support from City staff. When these applications have been reviewed and approved, the proponent will then go forward with a building permit application using the CMHC design catalogue. Construction will proceed once permits are obtained.

## **Financial Implications**

### **Affordable Housing Delivery Options**

Each option for the delivery of affordable housing, as described in this report, has different financial implications for the City, which vary in significance. A very high-level overview of the implications is provided below.

For the first option, where the City provides its land and one-time grants, there are funding requirements for the program. Additionally, where the City decides to transfer land (e.g. 14 Edinburgh Road South), there are financial impacts from the lost revenue of the sale of the lands. Where the City sells its land with agreements

for affordable housing, the residual land value is lower where the City demands a higher number of affordable housing units.

For the second option, where the City enters into a land-lease agreement, the financial impacts are less significant. The City may benefit financially from a land-lease agreement that provides annual cash-flows. Alternatively, the City would lose out on the opportunity cost of selling a parcel of land that it enters into a land-lease agreement with for the terms of the lease.

For the third option, where the City builds affordable housing and leases to an operator, there are financial implications regarding capital funding of the proposed project. However, this option may provide potential net revenue for the City from its lease partner, as well as the development of a City asset. The potential for revenue depends on the type of affordable units provided (affordable or deeply affordable) as well as the ongoing operating costs. If the City wishes to take on debt to fund these types of projects, there are less up-front capital requirements for a project, however, there would be increased debt obligations and risk. This is discussed further in this section.

The fourth option, where the City builds, owns, and operates the affordable housing development, is not recommended, as it would require significant operational and financial efforts with regards to increased staff capacity to deliver a housing program that includes becoming a residential landlord.

### **Proposed Affordable Housing Builds**

Below is a very high-level overview of the financial implications associated with the proposed projects at 5 Normandy Drive and 7 Eastview Road. Further details must be determined to fully understand the net revenue potential, including the rental model (mix of affordable/deeply affordable housing to be provided), the operating costs (operator fee, ongoing repairs and maintenance, utilities, etc.).

### **Proposed Affordable Housing Builds**

Below is a very high-level overview of the financial implications associated with the proposed projects at 5 Normandy Drive and 7 Eastview Road. Further details must be determined to fully understand the net revenue potential, including the rental model (mix of affordable/deeply affordable housing to be provided), the operating costs (operator fee, ongoing repairs and maintenance, utilities, etc.).

The total capital requirements for the projects are estimated to be \$3,406,150, and funding would be provided through the Affordable Housing reserve (119) of \$400 thousand, and the Housing Accelerator Fund (HAF) for the remainder (\$3.1 million). Use of HAF funding is contingent on:

- Receiving the third installment of the HAF. Should the City be unsuccessful and not receive the third installment, it is likely that only one of these sites would be able to advance.
- Identifying an appropriate mechanism for managing the timing of expenditure of the HAF funds for these projects and confirming the approach with CMHC, as construction is unlikely to be completed by the end of 2026.

In addition to the recommended option outlined above, two alternative approaches to financing the required capital costs for these projects were considered at a high level, which include:

- The City obtains capital funding for the project through upper level of government funding administered by the County for our service area (through, for example, OPHI), and
- The City funds an equity portion of the project and seeks debt financing from CMHC (or a traditional lender) for the remaining mortgage.

Obtaining funding through the County administered programs would still require a capital funding contribution from the City. This option has less certainty, as it would require coordination with the County for delivery. Timing of availability of these funding programs from upper levels of government and decision making on allocations, as well as the terms of such funding agreements are not currently known.

Debt financing these projects would impact the City's debt burden and must be factored into the City's overall debt strategy if it is to be pursued. Debt servicing costs would also increase the future ongoing costs associated with the project and would decrease the likelihood of generating net operating revenue for these projects.

The recommended funding options are palatable to move forward as a first foray into this model as it provides the required financial flexibility to figure out the optimal operating model without the burden of debt servicing obligations; however, there are details to be further fleshed out with respect to the timing of the expenditure and the HAF grant requirements. The Affordable Housing reserve (119) will be fully committed following this approval.

Future work to flesh out the capital financing alternatives will be completed in collaboration with the Finance team to fully understand the financial implications based on learnings from these projects.

### **Consultations and Engagement**

This report was done in consultation with Finance and Planning and Building Services.

### **Attachments**

Attachment-1 Preliminary Site Concepts

Attachment-2 CMHC Fourplex Design Concept

### **Departmental Approval**

Cushla Matthews, Manager, Community and Affordable Housing

### **Report Author**

Dawson McKenzie, Planner II, Community and Affordable Housing

### **This report was approved by:**

Jodie Sales

General Manager, Strategic Initiatives and Intergovernmental Services

Office of the Chief Administrative Officer

519-822-1260 extension 3617  
jodie.sales@guelph.ca

**This report was recommended by:**

Tara Baker  
Chief Administrative Officer  
Office of the Chief Administrative Officer  
519-822-1260 extension 2221  
tara.baker@guelph.ca