

## **Affordable Housing and Funding Requests – 2020-116**

### **General Correspondence**

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Mayor Guthrie and Members of Council:

In making decisions about where to invest public funds for affordable housing, Council needs to read the fine print and look at long-term returns.

The 75 Dublin St. N file was an eye-opener for the community. We learned that a potential \$3 million investment of public funds would secure a limited number of affordable units for a 20-year period. After a 5-year phase out, the developer would be free to sell the units or charge market rents. When citizens did the math, it was clear that only about half of the \$3 million would actually benefit future tenants and the other \$1.5 million would go into the developer's pocket.

We wonder why we aren't making any progress on the affordable housing front. Perhaps it's because most of the housing we do invest in spontaneously combusts after 20 years?

What individual or private sector investor would want to make an investment into something that would be worth nothing after 20 years? Why should this be happening with tax dollars?

It's my understanding that we get long-term value from housing investments in public (County), non-profits and co-operative housing investments. These organizations do not convert affordable housing to for-profit after a 20-year period.

We need to prioritize this kind of housing investment. This is why I fully support Option B for the St. Joseph's housing project:

*Option 2: Provide funding of \$800,000 and draw the Affordable Housing Reserve into a deficit of \$300,000. This would be repaid by the 2021 base budget contribution and leave \$200,000 for other community developments or to rebuild the reserve into 2022 and beyond.*

We are only 4 months out from Fiscal 2021. We would only be carrying a deficit for a very short period of time. I am concerned that if the City does not fully support this project, the grant from the National Housing Co-Investment Fund could be at risk. The Staff Report doesn't address this, nor does it make clear what the amount is.

Affordable housing is a critical need in our community. St. Joseph's is a key non-profit community partner with a proven track record.

Don't be "penny-wise and pound foolish."

Sincerely,

Susan Watson

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August 14, 2020

Mayor C Guthrie

City of Guelph Councillors

c.c. Danna Evans City of Guelph Staff person

Dear Mayor Guthrie & Councillors:

**Re: Council Meeting August 24, 2020**

**Item 6.2 Affordable Housing and Funding Requests - 2020-116**

First to thank you all in advance – I think the agenda package of almost one thousand pages for one council meeting has been the largest I have seen in my life time.

I do not know where you all get the time to read and absorb that much material.

It would appear from the information provided in the report to date that Option 2 for item b.2 is a reasonable funding contribution.

*Option 2: Provide funding of \$800,000 and draw the Affordable Housing Reserve into a deficit of \$300,000. This would be repaid by the 2021 base budget contribution and leave \$200,000 for other community developments or to rebuild the reserve into 2022 and beyond.*

However, I have a series of questions about the above noted item. I would be grateful if you would direct staff to respond to them in a timely manner prior to the August 24<sup>th</sup> Council meeting, so that citizens have a fuller picture of the project and so that council members may make an informed and educated decision about the options (1 & 2) with respect to new housing units for seniors which St. Josephs is planning to build, that staff have included in the report.

- What are the number of units to be built at St. Josephs in this specific project?
- What is the value of land being contributed by the St. Joseph's Housing Corporation?
- What is the value of funding being contributed by the St. Joseph's Housing Corporation?
- What is the amount of money that the project is eligible to receive from the National Housing Co-Investment Fund?
- Will the funding from the National Housing Co-Investment Fund be at risk if the City does not contribute the full amount needed?
- Has \$1,600,000 from the County additional funding been received?
- What is the total that the County are contributing to this project?
- Under the terms of the funding agreement, will the St. Joseph's housing only be affordable for a 20 year period?
- What will happen to the affordable seniors housing after that time?
- How much money has the County contributed to building affordable housing in Guelph in the past 10 years?

Sincerely

E. Lin Grist