

# COMMITTEE AGENDA



TO **Governance Committee**

DATE Tuesday, May 3, 2016

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 2:00 p.m.

---

## DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

**CONFIRMATION OF MINUTES** – March 23, April 7 and April 18, 2016 open meeting minutes

## PRESENTATIONS (Items with no accompanying report)

a) None

## CONSENT AGENDA

*The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.*

| ITEM   | CITY PRESENTATION  | DELEGATIONS | TO BE EXTRACTED |
|--|--|-------------|-----------------|
| GOV-2016.5<br>Project Charter to Update the City's Affordable Housing Reserve Policy | Staff from Intergovernmental Relations, Policy and Open Government |             | ✓               |

Resolution to adopt the balance of the Governance Committee Consent Agenda.

## ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

---

**STAFF UPDATES AND ANNOUNCEMENTS**

**ADJOURNMENT**

**NEXT MEETING – July 5, 2016**



The Corporation of the City of Guelph  
Governance Committee  
Council Chambers  
Wednesday, March 23, 2016 at 2:30 p.m.

---

**Attendance**

Members: Chair Guthrie  
Councillor Bell  
Councillor Downer

Councillor Hofland  
Councillor Wettstein

Staff: Mr. S. O'Brien, City Clerk

---

**Call to Order (2:30 p.m.)**

Chair Guthrie called the meeting to order.

**Authority to Resolve into a Closed Meeting**

1. Moved by Councillor Bell  
Seconded by Councillor Hofland

That the Governance Committee now hold a meeting that is closed to the public with respect to Sec. 239(2) (b) of the *Municipal Act* with respect to personal matters about an identifiable individual, including municipal or local board employees.

CARRIED

**Closed Meeting (2:32 p.m.)**

The following matters were considered:

**GOV-C-2016.2 CAO Contract**

**Rise from Closed Meeting (3:28 p.m.)**

**Open Meeting (3:28 p.m.)**

Chair Guthrie called the open meeting to order.

Chair Guthrie reported he was provided direction regarding the closed item on the CAO Contract.

**Adjournment** (3:30 p.m.)

2. Moved by Councillor Bell  
Seconded by Councillor Hofland

That the meeting be adjourned.

CARRIED

---

Stephen O'Brien  
City Clerk



**The Corporation of the City of Guelph  
Governance Committee  
Thursday, April 7, 2016 at 4:00 p.m.  
City Hall Council Chambers**

---

**Attendance**

Members: Mayor C. Guthrie  
Councillor B. Bell  
Councillor C. Downer

Councillor J. Hofland  
Councillor K. Wettstein

Councillors: Councillor J. Gordon  
Councillor M. Salisbury  
Councillor D. Gibson

Councillor A. Van Hellemond

Staff: Ms. A. Pappert, Chief Administrative Officer  
Mr. M. Amorosi, Deputy CAO of Corporate Services  
Mr. S. Stewart, Deputy CAO of Infrastructure, Development & Enterprise  
Mr. D. Thomson, Deputy CAO of Public Services  
Mr. P. Cartwright, General Manager, Business, Development & Enterprise  
Mr. R. Kerr, Corporate Manager, Community Energy Initiative  
Mr. S. O'Brien, City Clerk  
Ms. G. van den Burg, Council Committee Coordinator

---

**Call to Order (4:00 p.m.)**

Chair Guthrie called the meeting to order.

**Disclosure of Pecuniary Interest and General Nature Thereof**

There were no disclosures.

**Confirmation of Minutes**

1. Moved by Councillor Bell  
Seconded by Councillor Hofland

That the open and closed meeting minutes of the Governance Committee held on February 11, 2016 and March 1, 2016 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Downer, Hofland and Wettstein (5)  
VOTING AGAINST: (0)

CARRIED

**Consent Agenda**

The following items were extracted:

---

**GOV-2016.2 Corporate Strategic Plan (2012-16) Priority Project Update**

**GOV-2016.3 Council Committee Structure – Committee of the Whole**

**GOV-2016.4 Community Energy Initiative Update – Proposed Scope**

**Extracted Items**

**GOV-2016.2 Corporate Strategic Plan (2012-16) Priority Project Update**

Ms. A. Pappert, Chief Administrative Officer, provided highlights on key accomplishments and the progress on administering the strategic plan.

2. Moved by Councillor Hofland  
Seconded by Councillor Downer
  1. That report CAO-S-1601 'Corporate Strategic Plan (2012-16) Priority Project Update' be received; and
  2. That report CAO-S-1601 'Corporate Strategic Plan (2012-16) Priority Project Update' be approved.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Downer, Hofland and Wettstein (5)

VOTING AGAINST: (0)

CARRIED

**GOV-2016.4 Community Energy Initiative Update – Proposed Scope**

Mr. Evan Ferrari, Executive Director of eMerge Guelph spoke to this item.

Mr. Peter Cartwright, General Manager of Business, Development & Enterprise, and Rob Kerr, Corporate Manager of Community Energy Initiative, provided an overview of the objectives of the 2007 Community Energy Plan, activities completed, and the future of the initiative.

A point of order was declared in relation to how the motion will be placed on the floor.

It was requested that clauses within the motion be voted on separately.

3. Moved by Councillor Downer  
Seconded by Councillor Hofland
  1. That Council receive Report IDE-BDE-1604 for information; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Downer, Hofland and Wettstein (5)

VOTING AGAINST: (0)

CARRIED

4. Moved by Councillor Downer  
Seconded by Councillor Hofland

2. That Council direct staff to provide a stand-alone, detailed formal report on the progress of the Community Energy Initiative (CEI) from inception in April 2007 to date that is consistent with format of previous and current (as described in this report IDE-BDE-1604) CEI reports; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Downer, Hofland and Wettstein (5)

VOTING AGAINST: (0)

CARRIED

5. Moved by Councillor Downer  
Seconded by Councillor Hofland

3. That Council approve the establishment of a Community Energy Initiative update process that includes the following key principles as described in report IDE-BDE-1604:

- Establishing a community-based advisory committee which will provide governance, oversight and reporting to the community and to Council;
- A reference to the most recent Community Energy Initiative activity, status and gap analysis report;
- Improved community engagement with a strong interaction with local stakeholders;
- Clarity on roles of Local Government, Local Government Agencies, and local stakeholders;
- Improved understanding of the local, regional and global transforming energy market;
- Reconfirmation of policy, program and regulation framework;
- Partnering with external third party advocacy and support groups such as, but not limited to Ontario Sustainable Energy Association and QUEST (Quality Urban Energy Systems of Tomorrow);
- Initiating rigorous analysis, reporting and oversight in support of developing acceptable baseline and targets and communicating measurable results; and
- Update performance metrics which measure annual local performance, and measures such performance against benchmark communities; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Downer, Hofland and Wettstein (4)

VOTING AGAINST: Councillor Bell (1)

CARRIED

6. Moved by Councillor Downer  
Seconded by Councillor Hofland

4. That staff report back to Council with the results of the CEI update process described at key milestones as described in this report with a final report on the overall CEI process to be delivered no later than Q1 2017; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Downer, Hofland and Wettstein (4)

VOTING AGAINST: Councillor Bell (1)

CARRIED

7. Moved by Councillor Downer  
Seconded by Councillor Hofland

5. That Council delegate authority to staff to make funding applications, subject to the joint approval of the Deputy CAO of Infrastructure, Development and Enterprise Services and the Deputy CAO of Corporate Service, to the Ontario Ministry of Energy's Municipal Energy Plan Program, and the Federation of Canadian Municipalities' Green Municipal Funds for supporting funds and other resources in support of the CEI Update process.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Downer, Hofland and Wettstein (5)

VOTING AGAINST: (0)

CARRIED

### **GOV-2016.3 Council Committee Structure – Committee of the Whole**

8. Moved by Councillor Downer  
Seconded by Councillor Wettstein

1. That a Committee-of-the-Whole governance structure, as outlined in this report and effective on September 1, 2016, be approved; and
2. That City Clerk's Office staff report back to Council in June with a Meeting Management Review report based on the adoption of a Committee-of-the-Whole governance structure.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Downer, Hofland and Wettstein (5)

VOTING AGAINST: (0)

CARRIED

### **Authority to Resolve into a Closed Meeting**

9. Moved by Councillor Hofland  
Seconded by Councillor Bell

That the Governance Committee now hold a meeting that is closed to the public according to Sec. 239(2) (b) of the *Municipal Act* with respect to personal matters about identifiable individuals, including municipal or local board employees.

CARRIED



**Closed Meeting** (6:50 p.m.)

The following matters were considered:

**GOV-C-2016.2 CAO Performance Objectives**

**Rise from Closed Meeting** (7:28 p.m.)

**Open Meeting** (7:29 p.m.)

Mayor Guthrie called the meeting to order.

**Closed Meeting Summary**

Mayor Guthrie reported that Committee provided the CAO with directions regarding the closed item GOV-C-2016.2 - CAO Performance Objectives.

**Staff Updates and Announcements**

None

**Adjournment** (7:30 p.m.)

10. Moved by Councillor Hofland  
Seconded by Councillor Wettstein

That the meeting be adjourned.

CARRIED

---

Gina van den Burg  
Council Committee Coordinator



The Corporation of the City of Guelph  
Special Governance Sub-Committee  
Council Chambers  
Monday, April 18, 2016 at 3:30 p.m.

---

**Attendance**

Members: Chair Guthrie  
Councillor Bell  
Councillor Downer  
Councillor Hofland  
Councillor Wettstein

Councillors: Councillor Gordon  
Councillor Salisbury

Staff: Ms. A. Pappert, Chief Administrative Officer  
Mr. S. O'Brien, City Clerk

---

**Call to Order** (3:30 p.m.)

Chair Guthrie called the meeting to order.

**Disclosure of Pecuniary Interest and General Nature Thereof**

There were no disclosures.

**Authority to Resolve into a Closed Meeting**

1. Moved by Councillor Downer  
Seconded by Councillor Bell

That the Governance Committee now hold a meeting that is closed to the public with respect to Sec. 239(2) (b) of the *Municipal Act* with respect to personal matters about an identifiable individual, including municipal or local board employees.

CARRIED

**Closed Meeting** (3:33 p.m.)

The following matters were considered:

**GOV-C-2016.4 CAO Performance Objectives**

Ms. A. Pappert provided Members with a confidential document outlining draft 2016 CAO performance objectives.

**Rise from Closed Meeting** (4:07 p.m.)

**Open Meeting** (4:10 p.m.)

Chair Guthrie called the open meeting to order.

Chair Guthrie reported direction was provided to the CAO regarding the closed item on the CAO Performance Objectives.

**Adjournment** (4:10 p.m.)

2. Moved by Councillor Bell  
Seconded by Councillor Downer

That the meeting be adjourned.

CARRIED

---

Stephen O'Brien  
City Clerk

**GOVERNANCE COMMITTEE  
CONSENT AGENDA**

**May 3, 2016**

Members of the Governance Committee.

**SUMMARY OF REPORTS:**

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.

**Reports from Administrative Staff**

| <b>REPORT</b>  | <b>DIRECTION</b> |
|--|------------------|
| <p><b>GOV-2016.5      Project Charter to Update the City's Affordable Housing Reserve Policy</b></p> <p>That Council approve Report # CAO-I-1602 and the Project Charter (Attachment 1) to draft an Affordable Housing Reserve Policy.</p> | <p>Approve</p>   |

# STAFF REPORT



TO Governance Committee

SERVICE AREA Office of the CAO

DATE May 3, 2016

**SUBJECT Project Charter to Update the City's Affordable Housing Reserve Policy**

REPORT NUMBER CAO-I-1602

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To outline the scope and objectives to update the City's policy on the Affordable Housing Reserve and to seek Council endorsement of key principles in the development of the policy.

### KEY FINDINGS

The City is developing an Affordable Housing Strategy (AHS) that will provide concrete recommendations on how to best support achievement of the city-wide 30% affordable housing target, along with mechanisms to monitor achievement of the target. It will recommend approaches to address affordable housing issues within the market end of the housing continuum which will complement the non-market strategies and recommendations contained in Wellington County's Ten-year Housing and Homelessness Plan (HHP). The strategy will also provide direction to the future of the City's Affordable Housing Reserve (AHR).

The AHR was established in 2002 as a mechanism to fund and incent the development of affordable housing. This reserve is one of the tools available to the City to help address affordable housing issues facing our community. Staff and Council have consistently identified the need to develop a more comprehensive, contemporary AHR policy and sustainable funding model.

Staff is beginning the work to update the policy framework for the reserve. As staff begins this work, a key principle being proposed is that in the updated policy, the reserve be used for the creation of permanent housing options only. In the past, the reserve has been used to develop both non-permanent and permanent housing. Proposing that the AHR be used only for permanent housing options aligns with the financial incentives proposed in the draft directions of the AHS. It also supports the goal of the County's HHP to "increase the supply and mix of affordable housing options for low-to-moderate income households".

Focussing on the creation of permanent housing also aligns with the Housing First principle. Housing First is the contemporary approach towards ending homelessness that moves homeless people directly into permanent housing.

# STAFF REPORT



Funding for non-permanent housing and programs, such as homelessness, emergency shelters and transitional housing, will continue to be supported through the City's funding to the County, as Service Manager for the social programs.

This policy work is being done separately from but aligned to the work of the City's AHS. The scope of the reserve policy will be broader than the strategy. The AHS is focussed only on market housing, however, the AHR policy is being developed to be applicable to the creation of both market and non-market affordable housing opportunities. When completed, the policy will emphasize the types of projects/investments that provide the best return on investment for the City.

A project charter has been developed which outlines the strategy, scope and work of this project. It is intended that the policy will define:

- What is funded
- Who is funded
- How much funding is provided
- How funding is requested/accessed
- How the reserve is funded

## **FINANCIAL IMPLICATIONS**

No financial impact. Consulting funds are available through the Affordable Housing Strategy project budget.

## **ACTION REQUIRED**

Approve the project charter which outlines the approach to the work of updating the Affordable Housing Reserve policy.

## **RECOMMENDATION**

1. That Council approve Report # CAO-I-1602 and the Project Charter (Attachment 1) to draft an Affordable Housing Reserve Policy.

## **BACKGROUND**

### History of the Affordable Housing Reserve

Since 2002, the City has had an AHR. The AHR was established as part of the implementation of the City's 2002 Affordable Housing Action Plan. The current AHR policy identifies the reserve's purpose to:

- Fund the City's share of capital costs for affordable housing projects in partnership with Wellington County, pursuant to Federal-Provincial programs available at the time; and
- Offer incentives to encourage affordable housing projects.

The existing policy provides minimal direction to staff and Council for assessing funding requests and determining an appropriate funding amount. Over the past several years, staff and Council have consistently identified the need to develop a more comprehensive, contemporary AHR policy and sustainable funding model. This need was recognized in the AHS project charter.

# STAFF REPORT

---



The Reserve has been used for capital costs to renovate a building to establish a youth shelter and to offset City fees for:

- non-profit housing
- affordable home ownership units
- supportive housing

Over its life, the Reserve has been funded by transfers from year-end surpluses of the County-managed Social Housing operation budget and from one time transfers from the City's operating revenue. A consistent funding source or amount has not been established.

As part of the last two budget cycles (2015 and 2016), City Council contributed \$250,000 and \$100,000 respectively to the AHR. The current balance of the fund is \$650,493 (as of December 31, 2015).

## The City's Affordable Housing Strategy

The City is in the process of developing an AHS. The purpose of this strategy is to address municipal requirements under the Provincial Growth Plan and Provincial Policy Statement to plan for a range of housing types and densities by establishing and implementing minimum targets for the provision of affordable rental and ownership housing. The strategy will provide concrete recommendations regarding how to best support achievement of the city-wide 30% affordable housing target, along with mechanisms to monitor achievement of the target.

The approved project charter for the AHS (Housing Strategy Background Report, **PBEE Report 14-15**) scoped the strategy to focus on affordable market housing<sup>1</sup>. The County of Wellington, as Service Manager, is responsible for the non-market end of the housing continuum<sup>2</sup> and its related programs, which the City supports through its funding to the County in the social services budget.

The AHS work has identified three key affordable housing issues facing our city:

1. There are not enough small units to rent or buy to meet the affordability needs of all smaller households
2. A lack of available primary rental supply makes it difficult for people to find affordable rental housing
3. The secondary rental market provides choice of affordable dwelling types but the supply is not as secure as the primary rental market.

The Affordable Housing Strategy: Draft Directions Report (**IDE Report #15-101**) described a number of potential tools which may impact the city's affordability

---

<sup>1</sup> **Market Housing** refers to rental or owned housing that receives no direct government subsidies and, as such, has rents and purchase prices that are determined through market forces

<sup>2</sup> **Non-market housing** is rental or ownership housing that requires government money to build or operate

---

# STAFF REPORT

---



issues. One of these tools is the provision of financial incentives which includes the City's existing AHR.

## REPORT

Staff is beginning to work on updating the policy framework for the City's AHR. The AHR policy will guide the provision of financial incentives to encourage the development of affordable housing projects. The reserve is intended to support the goals of and respond to the key issues of housing affordability facing our city and is one of the tools available to the City to help address affordable housing issues.

This policy work is being done separately from but aligned to the work of the City's AHS. The reserve policy will be broader than the strategy. The AHS is focussed only on market housing, however, the AHR policy is being developed to be applicable to the creation of both market and non-market affordable housing opportunities. When completed, the policy will focus on the types of projects/investments that provide the best return on investment for the City.

The project charter for this work is contained in Attachment 1 and provides details about the project strategy, scope and beginning assumptions. In summary, it is intended that the policy will define:

- The type of projects and/or investments which are eligible for funding
- The type of organizations which are eligible to apply for funding
- The amount (or range) of funding available for each type of project/investment
- The process to administer funding to eligible organizations and projects/investments
- Sustainable funding sources and levels for the reserve
- Connections with and ability to leverage other funding sources

### Principles for Council Consideration:

A key principle being proposed for developing the AHR policy is that the reserve will be focused on the creation of new, permanent housing. This approach aligns with the financial incentives proposed in the draft directions of the AHS. It also supports the goal of the County's HHP to "increase the supply and mix of affordable housing options for low-to-moderate income households". Focussing on the creation of permanent housing aligns with the Housing First principle which is the contemporary approach towards ending homelessness that moves homeless people directly into permanent housing.

For the purposes of developing the AHR policy, non-permanent housing is considered to be temporary or interim accommodations for individuals and families who have no shelter, are at risk of homelessness or are in crisis. Funding for non-permanent housing and programs, such as homelessness, emergency shelters and transitional housing, will continue to be supported through the City's social services budget to the County, as Service Manager, and the City's direct funding to Wyndham House Youth Emergency Shelter.

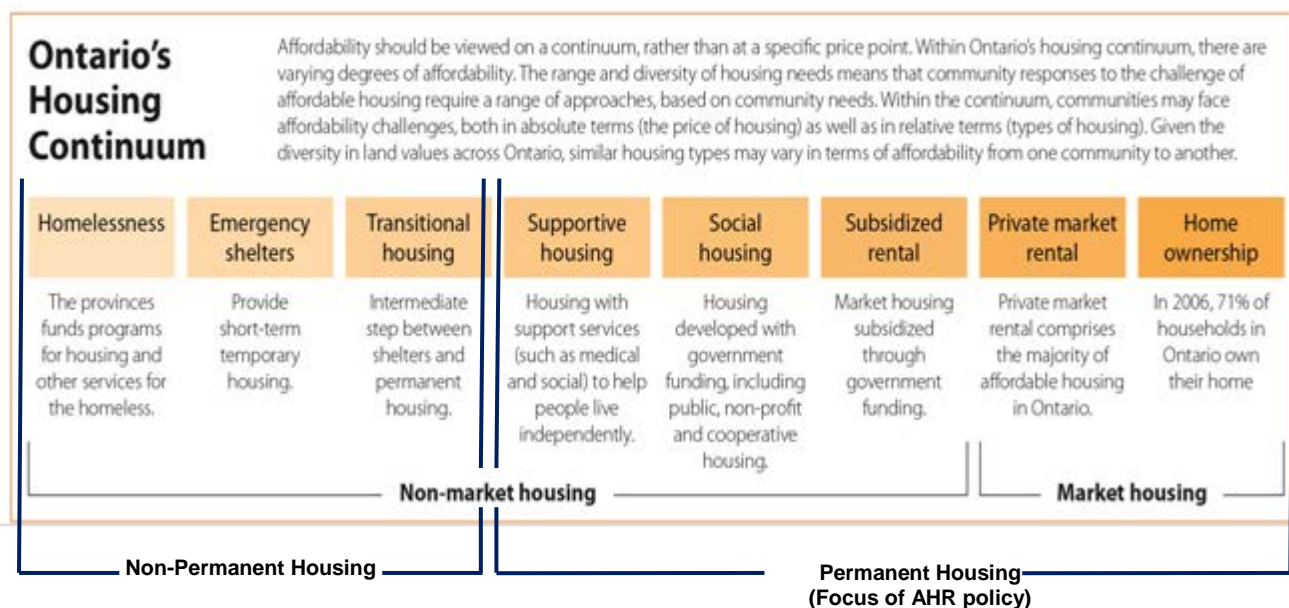
---



# STAFF REPORT

The City budgeted \$19.9M in 2016 to fund Wellington County as the Service Manager for Ontario Works and Social Housing for the provision of housing and homelessness services. This funding includes homelessness programs, emergency shelters and transitional housing. Of that amount, the County reimbursed the City \$1.7M (2015) as a year-end surplus. The City also provides over \$400,000 in direct funding to Wyndham House Youth Emergency Shelter.

The following chart depicts the continuum of housing and identifies non-market and market housing. The chart also identifies permanent and non-permanent housing.



When scoping this work, the following assumptions were made:

- Council supports and wants an AHR as demonstrated by their decision to allocate funds to the reserve in both the 2015 and 2016 budgets
- Meaningful incentives are required to encourage and influence the development of new affordable housing opportunities in the city
- The AHR will be designed to have an impactful influence on the creation of affordable housing within the city
- The AHR must maintain a healthy financial balance and make funds available to entities (e.g. developers, providers, others) which create affordable housing.

The work to develop the policy will:

- Be guided by the issues identified and actions (directions) proposed in the City's AHS work;
- Be designed so that the financial incentives provided will be impactful on the creation of affordable housing;

# STAFF REPORT

---



- Be based on latitudes and limitations of governing legislations (e.g. Planning Act, Municipal Act, etc.);
- Complement strategies and plans developed by Wellington County as the Service Manager for social and affordable housing, including the HHP;
- Employ community engagement and open government principles for policy development;
- Consider the practices of other municipalities' use of incentives for the creation of affordable housing;
- Examine past funding practices and use of reserve funds;
- Consider community engagement feedback received during the development of the AHS.

It is staff's intention to present the proposed policy in time to guide the 2017 budget process and provide Council with a framework to determine reserve contributions for future years.

## Next Steps

Over the next several months, staff will:

- Conduct research and an environmental scan of other municipalities
- Work with a consultant to perform pro forma modelling to calculate the "tipping point" at which a City investment/financial incentive will impact the affordability of new housing.
- Consult with expert stakeholders.

The work with the consultant will also support the development of the recommendations of the AHS. It is anticipated that the modelling will provide insight into the cost factors which drive the development of ownership units over rental units. Since the AHS has identified that the City is not meeting its targets for new affordable rental housing, this information will influence what approaches will be recommended in the AHS to assist the City in meeting the target in future years.

The draft AHR policy will be presented to Council for approval in November 2016.

## Timelines, coordinated with the City's Affordable Housing Strategy

June 2016                      Affordable Housing Strategy: Draft Directions Assessment

October 2016                Final Affordable Housing Strategy

November 2016             Affordable Housing Reserve Policy

## **CORPORATE STRATEGIC PLAN**

### Organizational Excellence

- 1.2 Develop collaborative work team and apply whole systems thinking to deliver creative solutions
  - 1.3 Build robust systems, structures and frameworks aligned to strategy
-

# STAFF REPORT

---



## Innovation in Local Government

- 2.1 Build an adaptive environment, for government innovation to ensure fiscal and service sustainability
- 2.2 Deliver Public Service better
- 2.3 Ensure accountability, transparency and engagement

## City Building

- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
- 3.3 Strengthen citizen and stakeholder engagement and communications

## **DEPARTMENTAL CONSULTATION**

The AHR Policy will be developed in collaboration with:

- Finance
- Planning
- Legal
- Business Development and Enterprise
- Communications
- Intergovernmental Relations, Policy and Open Government

## **COMMUNICATIONS**

A community engagement plan will be developed to seek input from expert stakeholders on the City's financial incentives in support of affordable housing. A tactical communication plan will be developed to promote the stakeholder input opportunities and communicate the final policy on the AHR.

## **ATTACHMENTS**

ATT-1 Affordable Housing Reserve Policy Project Charter

### **Report Author**

Karen Kawakami  
Social Services Policy and Program Liaison  
Intergovernmental Relations, Policy and Open Government

\_\_\_\_\_  
Manager, Policy and Intergovernmental  
Relations  
Office of the Chief Administrative  
Officer  
519-822-1260 X 2255  
[cathy.kennedy@guelph.ca](mailto:cathy.kennedy@guelph.ca)

\_\_\_\_\_  
**Re**  
Barbara Swartzentruber  
Executive Director, Intergovernmental  
Relations, Policy and Open Government  
Office of the Chief Administrative Officer  
519-822-1260 ext. 3066  
[barbara.swartzentruber@guelph.ca](mailto:barbara.swartzentruber@guelph.ca)

# ATT-1: Project Charter to Update the City's Affordable Housing Reserve Policy

## PROJECT CHARTER

|       |          |
|-------|----------|
| Date: | 01-04-16 |
|-------|----------|

|               |                                   |
|---------------|-----------------------------------|
| Project Name: | Affordable Housing Reserve Policy |
|---------------|-----------------------------------|

### PROJECT DEFINITION

#### CORPORATE PROJECT PURPOSE:

To develop a policy which governs the use and funding of the City's Affordable Housing Reserve (AHR)

#### CRITICAL SUCCESS FACTORS:

Project success will be influenced by:

- A reserve which can make a impactful influence on creating affordable housing within the city
- A stable funding source for the reserve
- Support from municipal and sector specialists
- Support from City Council
- Connection with and implementation of the City's Affordable Housing Strategy (AHS) and the city-related strategies of the County's 10-year Housing and Homelessness Plan (HHP)

#### PROJECT GOALS:

The policy will outline:

- The type of projects and/or investments which are eligible for funding
- The type of organizations which are eligible to apply for funding
- The amount (or range) of funding available for each type of project / investment
- The process to administer funding to eligible organizations and projects / investments
- Funding sources for the reserve
- Connections with and ability to leverage other funding sources

#### PROJECT STRATEGY :

The approach to the project work will:

- Be guided by the issues identified and actions (directions) proposed in the City's AHS
- Be designed so that the financial incentives provided will be impactful on the creation of affordable housing
- Utilize a consultant to perform "pro forma modelling" that:
  - Calculates and itemizes the cost of development under various conditions (e.g. new construction, renovation, etc.), tenures (e.g. rental, ownership, etc.) and unit sizing
  - Calculates the "tipping point" at which the City's investment / financial incentive impacts the affordability of housing development
  - Provides insight into the cost factors which drive the development of ownership units over rental units
  - Will be used to assess the financial feasibility of funding-related directions in the AHS
- Be based on latitudes and limitations of governing legislations (e.g. Planning Act, Municipal Act, etc.)
- Support / complement strategies and plans (including the HHP) developed by the Wellington County as the Service Manager for social and affordable housing
- Employ community engagement and open government principles for policy development
  - Engagement will be limited to elements of the proposed policy which are within scope
- Consider the practices of other municipalities' use of incentives for the creation of affordable

# ATT-1: Project Charter to Update the City's Affordable Housing Reserve Policy

## PROJECT CHARTER

### housing

- Examine past funding practices and use of reserve funds
- Consider/use community engagement feedback received during the development of the AHS

When completed, the AHR policy will be presented to Council for approval. Presentation of the policy will be in sufficient time to provide Council with a framework for decision-making regarding the AHR for the City's 2017 budget process

### PROJECT PRODUCT DEFINITION

#### END PRODUCTS:

#### A detailed policy which defines:

- The type of projects and/or investments that are eligible for funding
- The type of organizations which are eligible to apply for funding
- The high-level process to administer funding to eligible organizations and projects/investments (i.e. establish decision-making authority to administer funding)
- Funding sources for the reserve

#### KEY INTERIM PRODUCTS:

- Open government policy development framework
- Community engagement framework
- Communications plan
- Staff report to Governance Committee which approves the scope and approach to the project

### PROJECT SCOPE

| Project Scope Is (Includes):  | Project Scope Is Not (Does Not Include):  |
|---|---|
| Funding which incents the creation of new permanent affordable housing within both the market <sup>1</sup> and non-market <sup>2</sup> end of the housing continuum                               | Deliberation of whether or not the City should maintain an affordable housing reserve   |
| A spectrum of financial transaction types for fund uses will be considered such as direct financial incentives, purchasing of land, fee waivers, forgivable loans, etc.                           | Undertaking any actions to develop new corporate entities which may complement the City's efforts to encourage new affordable housing development |
| An analysis of the legal and financial implications of the various ways in which the fund could be used   | Providing funding commitments to any stakeholders   |
| Retaining a consultant to perform "pro forma modelling" to calculate the cost of development under various conditions (e.g. new construction, renovation, etc.), tenures (e.g. rental, ownership, | Development of any application forms, etc. to access reserve funding  |

<sup>1</sup> Market Housing refers to rental or owned housing that receives no direct government subsidies and, as such, has rents and purchase prices that are determined through market forces

<sup>2</sup> Non-market housing is rental or ownership housing that requires government money to build or operate

**ATT-1: Project Charter to Update the City’s Affordable Housing Reserve Policy**

**PROJECT CHARTER**

|   |  |
|---|--|
| etc.) and unit sizing and calculate the “tipping point” at which the City’s investment / financial incentive impacts the affordability of housing development   |  |
| Utilization of the consultant’s work to assess the financial feasibility of funding-related directions of the AHS   | Development of any legal contracts, etc. for reserve fund recipients   |
| A defined process to access funding from the AHR, including a timeframe during which requests for funding can be made   | Review and/or change to any funding provided through other mechanisms, such as Community Benefit Agreements (e.g. CBA with Wyndham Housing for the Youth Emergency Shelter)  |
| Consultation with expert stakeholders who can advise the City on financial incentives which will have a meaningful impact on the creation of affordable housing   | Funding for any forms of temporary housing, including emergency shelters and transitional housing  |
| Recommendations for a source and amount of sustainable funding  | If the AHR funding is supplemented with other municipal funding sources to leverage federal/provincial funding, determining any conditions or parameters for this additional funding falls outside the scope of the AHR policy development |
| The AHR will be considered the first source for any City contributions required to leverage federal and/or provincial funding of affordable housing opportunities which could be supplemented by other municipal sources as appropriate | Funding for retrofits or other incentives for existing housing   |
| Community engagement principles and open government practices   |  |

**PARAMETERS**

|                           |   |
|---------------------------|---|
| <b>PROJECT OBJECTIVES</b> |   |
| <b>SCHEDULE:</b>          |   |
| <b>April – July 2016:</b> | <ul style="list-style-type: none"> <li>Research practices of other municipalities</li> <li>Review past practices and uses of the current AHR</li> <li>Retain consultant and complete related work</li> <li>Research and analyze elements of draft policy</li> </ul> |
| <b>Aug - Oct 2016:</b>    | <ul style="list-style-type: none"> <li>Propose AHR contribution for 2017 budget based on work to date</li> <li>Conduct all stakeholder consultation</li> <li>Modify draft policy with stakeholder input</li> </ul>  |
| <b>Nov 2016:</b>          | <ul style="list-style-type: none"> <li>Submit report and draft policy to Governance Committee</li> </ul>  |
| <b>BUDGET:</b>            |   |

# ATT-1: Project Charter to Update the City's Affordable Housing Reserve Policy

## PROJECT CHARTER

TBD

### KNOWN CONSTRAINTS:

#### RESOURCES:

##### Time

Historically, the AHR has been funded by annual contributions which have been decided upon through the City's budget process. The policy, and its anticipated approval, must be completed in time to guide the 2017 budget process and provide Council with a framework to determine reserve contributions for future years

##### Staffing

The Project Committee is committed to this project until completion of the policy

The proposed timelines and strategy are ambitious. Priority and dedicated time must be assigned to this project by the Steering Committee

Additional expertise will be accessed as required

##### Cost

Planning has funds available for consulting fees if required. These funds are part of the AHS strategy

#### OTHER:

##### Scope

The project scope is limited to the development of the policy for Council's approval. Implementation of any approved policy will be managed as work outside the scope of this project

### BEGINNING ASSUMPTIONS:

- Council wants and supports an AHR as demonstrated by their decision to allocate funds to the reserve as part of the 2015 and 2016 budget
- Council wants to establish an AHR that can have a impactful influence on the creation of affordable housing within the city
- Encouraging and influencing the development of new affordable housing opportunities would be strongly enhanced by providing impactful municipal financial incentives, in conjunction with other tools and strategies to be identified through the AHS. The AHR is one of the tools available to the City to help address affordable housing issues
- In order to be an effective tool, the AHR must maintain a healthy financial balance and make those funds available to entities (e.g. developers, providers, others) which create affordable housing
- The policy will be connected to the findings and recommendations from the City's AHS (and associated reports) and also the County's HHP, for guiding the use, access and funding of the AHR
- Staff will propose an AHR contribution amount based on the work done to date as part of the budget building process (est. July 2016). The policy will be completed in time to provide a framework for Council when deliberating a contribution to the AHR as part of the 2017 budget (est. Nov 2016)

# ATT-1: Project Charter to Update the City's Affordable Housing Reserve Policy

## PROJECT CHARTER

- The reserve will be focused on the creation of new, permanent housing. This approach will also address the financial incentives proposed in the draft directions of the AHS. It also aligns with Housing First principles. Housing First is the contemporary approach towards ending homelessness that moves homeless people directly into permanent housing.
- Non-permanent housing options on the housing continuum (i.e. homelessness, emergency shelters and transitional housing) will not be eligible to receive financial incentives from the Affordable Housing Reserve. These services will continue to be supported through the City's funding to the County, as Service Manager for the social programs which include homelessness, emergency shelters and transitional housing
- New requests for funding from the existing AHR will not be considered until the policy and associated funding model are approved by Council
- The policy and procedures surrounding an AHR may require updating / reworking if/when proposed legislative changes take effect (e.g. inclusionary zoning)
- Historically, federal and/or provincial funding of new affordable housing developments has required a municipal contribution. The AHR will be the first source of funding for the municipal contribution. Other municipal funding sources may be utilized to supplement the AHR as appropriate
- The City provides support (facilities, funding, other) to organizations via other mechanisms, such as Community Benefit Agreements. These other funding/support mechanisms fall outside the scope of the review and development of the AHR policy
- The list of expert stakeholders used for the Affordable Housing Strategy will be the basis for the expert stakeholders for the AHR, plus others as appropriate

| RISK ASSESSMENT:   | (High, Medium, Low) |            |
|--|---------------------|------------|
|  | Probability         | Impact     |
| Schedule Risk:<br><b>2017 budget timelines are changed and Council deliberations are held earlier than previous years</b>              | <b>Low</b>          | <b>Low</b> |
| Budget Risk:<br><b>A consultant is needed to either conduct research or facilitate stakeholder and/or public consultation sessions</b> | <b>High</b>         | <b>Low</b> |
| Technical Risk:<br><b>Proposed provincial legislations are enacted which negatively impact proposed policy recommendations</b>         | <b>Medium</b>       | <b>Low</b> |
| Other Risk:  |                     |            |



## **ATT-1: Project Charter to Update the City's Affordable Housing Reserve Policy**

### **PROJECT CHARTER**

#### **REPORTING RELATIONSHIPS:**

**Interim report(s) and the final policy will be presented to City Council for approval through the Governance Committee**

#### **COMPLETION CRITERIA**

**The project will be considered complete when:**

- **A draft policy has been developed**
- **The draft policy has been presented to Governance Committee**