COMMITTEE AGENDA

TO **Infrastructure, Development & Enterprise Committee**

DATE Tuesday, October 6, 2015

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 5:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – September 8, 2015 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 Infrastructure, Development & Enterprise Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
IDE-2015.35 Affordable Housing Strategy: State of Housing Report	• Joan Jylanne, Senior Policy Planner		√
IDE-2015.36 Proposed Funding Alternatives for Stormwater Infrastructure *(presentation only - 30 minutes)*	• Kealy Dedman, General Manager /City Engineer • Don Kudo, Deputy City Engineer • Arun Hindupur, Infrastructure Engineer • Ray Tufgar, AECOM • Mike Gregory, Computational Hydraulics International		√

IDE-2015.37 Water Services Operational Plan Endorsement and 2015 Annual & Summary Report Update			

Resolution to adopt the balance of the Infrastructure, Development & Enterprise 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 – November 3, 2015

Infrastructure, Development & Enterprise Committee
Held in the Council Chambers, Guelph City Hall
Tuesday, September 8, 2015 at 5:00 p.m.

Attendance

Members: Chair B. Bell
Mayor C. Guthrie
Councillor D. Gibson
Councillor L. Piper *(arrived at 5:06 p.m.)*
Councillor M. Salisbury

Councillors: Councillor P. Allt
Councillor J. Gordon
Councillor J. Hofland
Councillor A. Van Hellemond
Councillor K. Wettstein

Staff: Mr. A. Horsman, Deputy CAO – Infrastructure, Development & Enterprise
Mr. D. Thomson, Deputy CAO – Public Services
Mr. T. Salter, General Manager, Planning Services
Mr. R. Kerr, Corporate Manager, Community Energy Initiative
Mr. P. Cartwright, General Manager, Business Development & Enterprise
Mr. A. Chapman, Corporate Manager, Community Energy Initiative
Mr. P. Busatto, Plant Manager, Water Services, Environmental Services
Ms. D. Black, Council Committee Coordinator

Call to Order *(5:00 p.m.)*

Chair Bell called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

1. Moved by Councillor Gibson
Seconded by Mayor Guthrie

That the open meeting minutes of the Infrastructure, Development & Enterprise Committee held on June 30 and July 7, 2015 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Gibson and Salisbury (4)
VOTING AGAINST: (0)

CARRIED

Consent Agenda

The following item was extracted from the September 8, 2015 Consent Agenda to be voted on separately:

IDE-2015.29 Guelph Energy Efficiency Retrofit Strategy (GEERS)

2. Moved by Mayor Guthrie
Seconded by Councillor Gibson

That the balance of the September 8, 2015 Infrastructure, Development & Enterprise Committee Consent Agenda, as identified below, be adopted:

IDE-2015.30 Residential Water and Wastewater Billing Frequency and Renewal of Meter Reading and Billing Agreement with Guelph Hydro Electric Systems Inc.

1. That Council approve and the Mayor and Clerk be authorized to execute the five year agreement with Guelph Hydro Electric Systems Incorporated for the provision of water and wastewater meter reading and billing services, subject to the satisfaction of the Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise, and the City Solicitor.

2. That the Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise, be authorized to update Schedule "A" of the Agreement for Water and Wastewater Billing Services as appropriate, to reflect current rates and fees as agreed to between the parties.

3. That Council approve the change to monthly billing for residential customers of municipal water and wastewater services.

IDE-2015.31 Sign By-law Variances – 170 Metcalfe Street

1. That the report from Infrastructure, Development and Enterprise dated September 8, 2015 regarding sign by-law variance for 170 Metcalfe Street, be received.

2. That the request for a variance from the Sign By-law for 170 Metcalfe Street to permit a freestanding sign to be a height of 3.23m above the adjacent road, be approved.

IDE-2015.32 Sign By-law Variances - 230 Silvercreek Parkway North

1. That the report from Infrastructure, Development and Enterprise dated September 8, 2015 regarding sign by-law variances for 230 Silvercreek Parkway North, be received.

2. That the request for variances from the Sign By-law for 230 Silvercreek Parkway North one (1) sign with an area of 7.91m^2 to be located 0.06m above the ground surface, be approved.

3. That the request for variances from the Sign By-law for 230 Silvercreek Parkway North to permit one (1) sign with an area of 3.17m^2 to be located 0.11m above the ground surface, be approved.

4. That the request for variances from the Sign By-law for 230 Silvercreek Parkway North to permit one (1) sign with an area of 3.15m^2 to be located 2.15m above the ground surface, be approved.

5. That the request for variances from the Sign By-law for 230 Silvercreek Parkway North to permit one (1) sign with an area of 4.7m^2 to be located 1.28m above the ground surface, be approved.

IDE-2015.33 Sign By-law Variances – 21 Surrey Street West

1. That the report from Infrastructure, Development and Enterprise dated September 8, 2015 regarding sign by-law variances for 21 Surrey Street West, be received.

2. That the request for a variance from the Sign By-law for 21 Surrey Street West to permit 20.08m^2 of signage in an Office Residential Zone, including a 1.52m^2 building sign located 1.52m above the ground surface, be approved.

IDE-2015.34 Sign By-law Variances – 75 Speedvale Avenue East

1. That the report from Infrastructure, Development and Enterprise dated September 8, 2015 regarding sign by-law variances for 75 Speedvale Avenue East, be received.

2. That the request for a variance from the Sign By-law for 75 Speedvale Avenue East to permit a freestanding sign with an area of 5.2m^2 be approved.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Gibson and Salisbury (4)
VOTING AGAINST: (0)

CARRIED

Extracted Consent Items

IDE-2015.29 Guelph Energy Efficiency Retrofit Strategy (GEERS)

Councillor Piper arrived at the meeting. *(5:07 p.m.)*

The Corporate Manager, Community Energy Initiative explained the objectives, business process, funding sources, revenue and cost structure, and goals and benefits of the strategy. He provided examples of potential homeowner's savings and explained why only residential properties are included. He noted eligibility requirements and processes are being reviewed and staff will report to Council.

Discussion ensued regarding eligibility criteria, liability issues, approval processes, administrative details, projected participation numbers, loan logistics, debt management, disposal of waste materials, benefits to citizens and staffing requirements and the feasibility of the initiating a pilot study.

Mr. Kithio Mwanzia, President and CEO, Guelph Chamber of Commerce, stated they support the proposal and believe it will provide opportunities for businesses to grow as proven by programs within other municipalities. They would like a timeline for inclusion of industrial and commercial properties and flexibility for the eligibility of products and services. They are committed to working with the City to make the program successful.

Mr. Evan Ferrari, Executive Director, eMERGE Guelph, supports the GEERS program. He believes the program will help people save money and reduce environmental impacts, put people to work locally and encourage efficiency and conservation. The program will also help keep renewable energy here and develop energy security within the City. They support the

work of staff and encourage Council to support the program. He stated that eMERGE would work with the City to assist with the administrative burden.

Staff will address the issues raised in a forthcoming report including the following: why only residential properties are included now; address implications of going to industrial and commercial sector later; impact on debt financing risk; liability issues; bureaucracy issues; fluidity of lists of acceptable new products or technology; scaling analysis and applicable costing and staffing levels; review of energy prices information used for the model; feasibility of a pilot project of two or five years; and determining the breakeven point and when a homeowner would see benefits.

3. Moved by Councillor Piper
   Seconded by Councillor Salisbury

   1. That the report from Infrastructure, Development and Enterprise dated September 8, 2015 entitled *Guelph Energy Efficiency Retrofit Strategy* (GEERS) be received.

   2. That staff be directed to continue with the detailed design of the GEERS program including establishing an advisory group, developing a financing structure, designing a business process using Local Improvement Charges to facilitate energy efficiency retrofit projects, and investigating potential investors.

   3. That staff be directed to draft the necessary by-laws to allow the use of Local Improvement Charges for energy projects.

   4. That staff be directed to report back by Q1 2016, with a full report on program details, as described.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Gibson and Salisbury (4)
VOTING AGAINST: Councillor Bell (1)

CARRIED

Staff Updates and Announcements

There were no staff updates or announcements.

Adjournment *(6:57 p.m.)*

6. Moved by Councillor Gibson
   Seconded by Mayor Guthrie

   That the meeting be adjourned.

CARRIED

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Dolores Black
Council Committee Coordinator

INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE COMMITTEE
CONSENT AGENDA

Tuesday, October 6, 2015

Members of the Infrastructure, Development & Enterprise 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 Infrastructure, Development & Enterprise Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
IDE-2015.35 AFFORDABLE HOUSING STRATEGY: STATE OF HOUSING REPORT 1. That Report 15-37 from Infrastructure, Development and Enterprise regarding the Affordable Housing Strategy: State of Housing Report dated October 6, 2015 be received.	Receive
IDE-2015.36 PROPOSED FUNDING ALTERNATIVES FOR STORMWATER INFRASTRUCTURE 1. That the Stormwater Funding Study presentation be received.	Receive
IDE-2015.37 WATER SERVICES OPERATIONAL PLAN ENDORSEMENT AND 2015 ANNUAL & SUMMARY REPORT UPDATE 1. That Guelph City Council endorse the Water Services' Operational Plan. 2. That Guelph City Council receive the 2015 Annual and Summary Water Services Report Update (compliance) for the period of January 1 to June 30.	Approve

attach.

STAFF REPORT

TO	Infrastructure, Development and Enterprise Committee
SERVICE AREA	Infrastructure, Development and Enterprise
DATE	Oct 6, 2015
SUBJECT	**Affordable Housing Strategy: State of Housing Report**
REPORT NUMBER	15-37

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To present the State of Housing Report, identify affordable housing issues in Guelph and report on the next steps and a community engagement strategy.

KEY FINDINGS

The provision of a full range of housing to meet the changing needs of all types of households is a fundamental component of Guelph's sustainable community vision.

This report, and the attached State of Housing Report, present a demographic and statistical analysis of households in Guelph and identify affordable housing issues affecting residents of our community.

The analysis revealed that the City's annual affordable housing target for ownership housing set at 27% of new residential development has been met over the past five years. However the annual affordable housing target for rental housing set at 3% has not been met over the same time period. The target for 90 accessory apartments per year has been exceeded each year with the exception of 2011 when an interim control by-law was in place limiting the creation of accessory apartments to the north end of the City.

Despite the City meeting the ownership target, detailed analysis reveals there are affordability challenges for certain household types that the market is not meeting. In 2011, 20% of owners and 41% of renters spent more than 30% of their income on housing and 11% of the City's households (5% homeowners and 26% renters) were living in core housing need, meaning they cannot find a unit that is adequate (not requiring any major repair), suitable (enough bedrooms for size and composition of household) and affordable, and they would have to pay 30% or more to pay median rent of alternative local housing that meets all three standards. The analysis showed:

- the market was not producing smaller units (i.e. bachelor and one

bedroom units) to meet the needs of smaller households;
- the market was only producing some primary rental housing stock for seniors and not for the full range of household types in need; and
- overcrowding and state of repair of the overall housing stock were not significant problems.

A stakeholder focus group session was held in February 2015 to discuss the preliminary findings and explore affordable housing issues. Overall, participants supported the data presented and felt it was representative of their experience. Staff's analysis of the data and the input received at the focus group session lead to the development of the following problem statement:

> The range of housing options available in Guelph is not fully meeting the affordability needs of low and moderate income households.

In addition the following three (3) issues were identified:

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 issues reflect the following:
- an aging population;
- supply and affordability challenges for smaller households;
- a lack of new primary rental units being constructed;
- a 0.6% vacancy rate reported for the primary rental market in April 2015 (lowest in Ontario); and
- the reliance of many households on the secondary rental market which accounts for approximately 45% of the City's rental housing stock.

The secondary rental market does not have the security of supply as the primary rental market. The primary rental market is subject to a demolition control by-law and condominium conversion controls in the Official Plan which have proven very helpful in retaining rental stock whereas the secondary rental market lacks these controls and can therefore be more transient in nature.

On the non-market side, as of December 31, 2014 there were 881 Guelph households on the Service Manager's (County of Wellington) rent-geared-to-income (RGI) waiting list for social housing units further, there have been no new social housing units created since 1995. The expiration of all housing provider RGI operating agreements between 2016 and 2031 could impact market housing needs if alternative assistance is not provided leaving previously supported households with the challenge of finding suitable housing in the

marketplace.

A Council Workshop on affordable housing was held in June 2015 as a means of building awareness and understanding around the roles, responsibilities and issues impacting affordable housing across the full housing continuum, including non-market and market housing. The Council Workshop also provided Council members with an opportunity to provide input into the Province's Long-term Affordable Housing Strategy. The workshop reinforced Council's desire to take action on affordable housing, a priority identified on the shared agenda produced by Council and City staff.

The potential involvement of the City in financially incenting the creation of affordable housing across the full continuum will be reviewed in Q2 2016 once this strategy is largely completed and the City has established recommended approaches to addressing affordable housing issues on the market end of the continuum which will complement the non-market strategies and recommendations contained in the approved Guelph and Wellington 10 Year Housing and Homelessness Plan. This review will provide direction to the future of the City's Affordable Housing Reserve that has historically been used to support the creation of affordable market and non-market housing.

The attached work plan and community engagement process presents the timing of key milestones. It outlines when both targeted and community-wide engagement opportunities will be provided. The final Affordable Housing Strategy is scheduled for completion in Q2 2016.

FINANCIAL IMPLICATIONS

The development of the Affordable Housing Strategy is funded through approved capital funding.

ACTION REQUIRED

To receive the Affordable Housing Strategy: State of Housing Report.

RECOMMENDATION

1. That Report 15-37 from Infrastructure, Development and Enterprise regarding the Affordable Housing Strategy: State of Housing Report dated Oct 6, 2015 be received.

BACKGROUND

The provision of a full range of housing to meet the changing needs of all types of households is a fundamental component of Guelph's sustainable community vision. Provincial policy and legislation sets out a framework for municipalities to address housing needs through their role as land use planning authorities and also sets out the requirement for Service Managers (County of Wellington) to develop Housing and Homelessness Plans (HHP) in collaboration with stakeholders, including the

City. The final HHP report was approved by County Council in November 2013 and presented to the City's Community and Social Services Committee in December, 2013. The City's Official Plan Update (Official Plan Amendment 48) establishes a policy framework that plans for a full range of housing types and densities, and commits the City to undertaking a Housing Strategy to support implementation of this policy framework.

On April 7, 2014 PBEE Committee received Staff Report 14-15 Housing Strategy Background Report and Proposed Project Charter with Council subsequently approving the project charter (posted as Attachment 1 on http://guelph.ca/housing/). The approved project charter scoped the City of Guelph Housing Strategy to focus on affordable market housing. This approach builds on work already completed through the Official Plan Update recognizing the City's land use planning role and the City's potential to influence the market housing components of a continuum of housing (i.e. market rental and ownership housing). The development of an appropriate project scope focused on policy drivers, roles, responsibilities and tools available to the City. The project scope recognizes the continued lead role of the County of Wellington as the Service Manager in implementing the HHP, and a need to coordinate City efforts with the County, where appropriate, to ensure that complementary and value-added strategies are developed. The approved project scope recognizes that all stakeholders must continue to work together to ensure an integrated, systemic approach to addressing the entire housing continuum shown in Figure 1 and adds value to other ongoing housing initiatives in which the City is participating, particularly HHP implementation.

The Background Report, completed as part of the scoping exercise, provides context to the City of Guelph Affordable Housing Strategy with a general overview of the housing continuum; definition of affordable housing; summary of various government roles, responsibilities and relationships; background policy documents; past studies and reports; and City funding initiatives.

In accordance with the approved project charter, staff has collected and analyzed housing statistics and demographic data, undertaken focused stakeholder engagement and identified an overall problem statement along with identified housing issues in Guelph. This information is contained in the attached State of Housing Report (Attachment 2) and is the subject of this staff report.

Purpose of Affordable Housing Strategy

The Affordable Housing Strategy is intended to address municipal requirements under the Provincial Growth Plan and Provincial Policy Statement regarding planning for a range of housing types and densities by establishing and implementing minimum targets for the provision of affordable rental and ownership housing. The City completed an Affordable Housing Discussion Paper in 2009 which provided the basis for the affordable housing target incorporated into the City's Official Plan

through OPA 48. OPA 48 also satisfied the requirement to plan for a range and mix of housing types through appropriate land use designations and supporting policies.

The Affordable Housing Strategy is intended to provide further clarity around affordability issues and advance the Official Plan policies by providing an implementation plan that addresses identified issues and achievement of the city-wide 30% affordable housing target along with a mechanism to implement and monitor achievement of the target. A separate target of 90 accessory apartments per year is also included. The work will include a review of the methods used in determining the affordable housing targets for rental and ownership units in the 2009 Affordable Housing Discussion Paper and an update of the benchmark prices.

The Affordable Housing Strategy will also assist Council in responding to affordable housing funding opportunities and evaluating the City's potential role in funding or incenting affordable housing projects, for example by using the City's Affordable Housing Reserve (AHR). The opportunity to integrate recommended actions with existing policies and processes, including other funding sources, the Growth Management Monitoring Framework and other monitoring processes, will also be explored.

REPORT

This report:

1) provides the State of Housing Report including:
    - housing and demographic statistics;
    - housing need and supply data;
    - updated affordable housing benchmarks for rental and ownership housing;
    - performance against the affordable housing targets for rental and ownership housing and identification of housing issues based on the data collected;
    - the results of a focus group session with key stakeholders;
    - affordable housing issues based on data to guide solutions to be presented in the upcoming Directions Report; and

2) outlines next steps in the work plan to complete the Strategy which includes a community engagement process.

State of Housing Report

The State of Housing Report, posted on http://guelph.ca/housing as Attachment 2 presents a demographic and statistical analysis of households in Guelph to identify and understand affordable housing issues affecting rental and ownership market housing in the City of Guelph.

Affordable Housing and Benchmark Prices

In general, according to Canada Mortgage and Housing Corporation (CMHC), housing is affordable for a given household if it costs less than 30% of gross

(before-tax) household income. The City's adopted Official Plan defines affordable housing based on the Provincial Policy Statement and Provincial Growth Plan definitions. According to provincial policy affordable housing means:

a) In the case of ownership housing, the least expensive of:
   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 (households with incomes in the lowest 60% of the income distribution for the regional market area); or
   2) housing for which the purchase price is at least 10 percent below the average price of a resale unit in the regional market area (City of Guelph);

b) In the case of rental housing, the least expensive of:
   1) a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income rental 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*.

The State of Housing Report quantifies the following income based and market based prices for both ownership and rental housing in accordance with the PPS definition:

	2013	
	Ownership	**Rental**
Market Based (a2,b2)	$294,000	$944
Income Based (a1, b1)	$316,000	$1,153
Benchmark Price	**$294,000**	**$944**

For the City of Guelph, the affordable housing benchmark is set at a price of $294,000 for ownership housing and $944 for rental housing to align with the provincial definition of affordable housing. The year 2013 was chosen because it is the most recent year where data was fully available for ownership housing.

Housing Continuum in Guelph

The housing continuum is also described and quantified in the State of Housing Report for the City of Guelph to understand the relative proportion of each component in terms of number of units available in the City's housing stock (See Figure 1).

Figure 1:

4% 96%

Within the City of Guelph approximately 96% of the housing supply is market housing (65% ownership, 31% rental) leaving 4% as non-market housing which includes emergency shelters, transitional housing, supportive housing, social housing and subsidized market housing. The percentage split of housing types is based on a cross tabulation of data within the MPAC database, listing of registered accessory apartments and an inventory of non-market housing units for the City of Guelph. The scope of this strategy focuses on the market supply of housing.

The market end of the continuum was further explored in terms of the number of units in rental and ownership housing. The rental housing market is made up of both primary market units and secondary market units. Primary rental market units are defined as buildings containing three or more units specifically developed for the rental market (typically apartment and townhouse units). Each year, CMHC conducts a rental market survey on the primary rental market which reports on vacancy rates and average rents. Secondary rental market units include accessory apartment units, rented condominiums and other housing units rented out by the owner of the unit. CMHC does not report on Guelph's secondary rental market. Guelph staff completed secondary rental market research during November and December of 2014 which included a survey of the City's 2,123 registered accessory apartments (all units registered as of Dec. 2013 were invited to participate in the survey) (See Attachment 3) and a study of advertised vacant units which meet the definition of secondary rental market. The research was completed during this timeframe to generally align with the timing of the CMHC Rental Market Survey (Fall) and to ensure figures are not skewed by rental market activity generated primarily by the City's student population.

In the City of Guelph, approximately 55% of rental market units are within the primary rental market with 45% within the secondary rental market based on a cross tabulation of data within the MPAC database, listing of registered accessory apartments and an inventory of non-market housing units for the City of Guelph.

Demographic and Statistical Analysis Highlights
The demographic and statistical analysis of households in Guelph uncovered a number of highlights that are discussed below.

1. Affordability is the main housing problem in Guelph.
    - 6,700 households cannot afford a suitable housing unit (i.e. they are in core housing need). A household is in core housing need if it falls below at least one of the adequacy (not requiring any major repair), affordability or suitability (enough bedrooms for size and composition of resident households) standards and it would have to spend 30% or more of gross income to pay median rent of alternative local housing that is acceptable (meets all three standards).
    - As of December 31, 2014 there were 881 Guelph households on the Service Manager's RGI waiting list for social housing units. The number of social housing units has remained constant since 1995 and all housing provider RGI operating agreements will expire between 2016 and 2031.
    - Overcrowding and state of repair of the overall housing stock are not significant problems.

2. Demographic change will influence housing demand.
    - Guelph's population is aging, which has impacts on the need for rental housing and multi-unit housing structure types.
    - One person households are the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types and the largest share (43%) of all renter household types.
    - The number of persons per household is also shrinking, further increasing the need for smaller units by 2031. Over the last 15 years household sizes have decreased from 2.7 persons per unit to 2.5 persons per unit. A continued decline of household sizes is forecasted to 2.4 persons per unit by 2031, meaning that more residential units are needed to house the City's forecasted population growth.
    - A comparison of the City's current housing supply with the number of bedrooms required by a household shows an insufficient number of smaller units for today's smaller households which means households need to seek out larger units which may result in affordability challenges. The affordability challenges of one person households for a suitable sized unit was greatest with one person renter households in the 50th income percentile (median income) not being able to afford to rent a bachelor unit and one person households in the 70th income

percentile not being able to afford to purchase a bachelor unit, priced 10% below the average price of a resale unit.

3. New construction is shifting toward more multi-unit housing types in line with forecasts.
   - Recent new residential construction has shifted towards more apartment and townhouse units which, in 2014 accounted for 64% of residential building permits. This trend reflects demographic, market and policy changes arising from the Provincial Growth Plan.

4. Renting is generally more affordable than homeownership. However renters are experiencing greater affordability challenges than homeowners.
   - More rental households (41%) spend 30% of their household income on housing than ownership households (20%).
   - Rental households face a greater challenge in finding housing given the City's vacancy rate of 0.6% (April 2015) which is the lowest in Ontario and according to FCM[1] is well below a widely accepted balanced and healthy vacancy rate of 3%.
   - Rental rates have increased at a faster pace than incomes for low and moderate renter households.
   - The lack of new primary rental construction and low vacancy rate along with a greater variety of housing types, locations and rental rates within the secondary rental market, is contributing to households looking to the secondary rental market to find appropriate accommodation. However, the secondary rental market does not have the same supply protection as the primary rental market (e.g. demolition and condominium conversion policy protection) and can be more transient in nature. The City's recent survey of registered accessory apartments showed that approximately 25% of the units were not being rented at the time of the survey. In addition, rents within the secondary rental market can be higher than in the primary market in part due to the inclusion of newer condominium units being rented.

5. Housing prices are rising at a greater rate than incomes and rents.
   - Home ownership prices have increased at a substantially faster pace than incomes for low and moderate income households.
   - Maintenance of historically low mortgage rates continues to fuel homeownership.

6. Loss of rental stock through demolitions and condominium conversions is not an issue.

[1] Federation of Canadian Municipalities, "No Vacancy: Trends in Rental Housing in Canada" (2012) http://www.fcm.ca/Documents/reports/FCM/No_Vacancy_Trends_in_Rental_Housing_in_Canada_EN.pdf

- Over the last twenty years an average of 12 residential dwellings per year have been demolished with the vast majority being replaced with new housing stock.
- Over the last twenty years a total of 172 rental units, which is an average of eight (8) rental units per year, have been lost to condominium conversions.

Achieving the Targets
The City's Official Plan Update (OPA 48) includes policy that establishes a target for the creation of affordable housing. The annual target is 30% of all new housing to be affordable (3% primary rental and 27% ownership). The City has exceeded its ownership target each year from 2009-2013 with approximately 48% of new residential units being at or below the affordable housing benchmark price. Approximately 94% of new ownership units that have been sold for less than the affordable benchmark price have been apartment and townhouse units. In contrast, the primary rental target has not been met. New residential construction continues to focus on the ownership market, including condominium apartment and townhouse units. However, recent residential developments have also included the secondary rental market, with investors purchasing condominium units with the intent to rent.

In addition a separate annual target of 90 accessory apartments was established which has been exceeded with an average of 145 accessory apartments being registered per year from 2009-2013 (the long term average of 117 registered units per year from 1995-2014 also exceeds the target).

Identifying Preliminary Housing Issues
On February 12, 2015, the City held a focus group session by invitation with key stakeholders to present the preliminary analysis of the State of Housing Report and engage them in the identification and confirmation of affordable housing issues to be addressed in the Strategy. Seventeen key stakeholders from the following groups were in attendance: CMHC, County of Wellington, Developer/Homebuilder, Guelph and District Association of Realtors, Habitat for Humanity, COALT (Community Older Adult Leadership Team), Poverty Task Force, University of Guelph, Central Student Association and Wellington Guelph Housing Committee.

In general, support was expressed for much of the data analysis presented. The results were considered to be reflective of stakeholder experience and in some cases additional information was requested to further flesh out issues. For example, more information was wanted about smaller households to better scope the issues. The work was expanded to include findings on one person households and primary household maintainers in the attached State of Housing Report.

Attachment 4 summarizes the input provided by the stakeholders at the focus group session on preliminary affordable housing issues. The attached State of Housing Report reflects many of the suggestions made by the participants.

An overall problem statement for the Affordable Housing Strategy was developed. Having an overall problem statement helps maintain the scope and focus of the Affordable Housing Strategy and provides context to the issue statements.

The problem statement is: **the range of housing options available in Guelph is not fully meeting the affordability needs of low and moderate income households**.

The remaining three preliminary issues were refined and these issues will be the focus of the Draft Directions Report. The issues are:

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.

On June 17, 2015 a Council Workshop on affordable housing was held as a means of building awareness and understanding around the roles, responsibilities and issues impacting affordable housing across the full housing continuum, including non-market and market housing. The Council Workshop also provided Council members with an opportunity to provide input into the Province's Long-term Affordable Housing Strategy. The workshop reinforced Council's desire to take action on affordable housing, a priority identified on the shared agenda produced by Council and City staff. The workshop results will help inform the next phase of the Affordable Housing Strategy which will present draft directions to address the identified affordable housing issues.

Community Engagement Approach and Work Plan
Attachment 5 presents the work plan and community engagement process for the Affordable Housing Strategy.

There are three stages involved in the development of the Strategy. A final Affordable Housing Strategy is scheduled for public release in Q2 2016. The release of project work in phases and the release of a draft Affordable Housing Strategy ensure Committee/Council members and community stakeholders are aware of and can provide input into project results and recommended actions prior to staff proceeding forward on the development of a final Affordable Housing Strategy for the community.

The work plan includes many and varied opportunities for community engagement along with the opportunity for community members to delegate at Committee and Council meetings when the Affordable Housing Strategy work is presented. The community engagement approach includes the following targeted and broad

community consultation events:

	Event	Proposed Timing
1.	Accessory Apartment Survey	November – December 2014
2.	Key Stakeholder Focus Group Session on Preliminary Issues	February 2015
3.	Council Affordable Housing Workshop	June 2015
4.	Release of State of Housing Report	October 2015
5.	Release of and Community Engagement on Draft Directions	December - January 2016
6.	Release of and Public Feedback Opportunity on Draft Affordable Housing Strategy	Q1 2016
7.	Finalization of Affordable Housing Strategy	Q2

In addition to key stakeholder focus group sessions, broader community consultation will occur with the release of the Draft Directions Report which will include a discussion of tools available and proposed directions to address identified affordable housing issues. The targeted discussions with key stakeholders will help refine the work presented to the broader public, especially the analysis of data and tools available to address identified affordable housing issues.

Affordable Housing Reserve
The continued use of an Affordable Housing Reserve in financially incenting the creation of affordable housing across the full continuum will be reviewed and recommendations provided once the Affordable Housing Strategy is largely complete and the City has established recommended approaches to addressing affordable housing issues on the market end of the continuum which will complement the non-market strategies and recommendations contained in the Guelph and Wellington 10 Year Housing and Homelessness Plan (See Attachment 5). The review, to be completed by Q2 2016, will include recommended funding levels, policies and processes to administer the reserve, including eligibility criteria.

Next Steps
The three preliminary housing issues identified in this report provide the scope for the Draft Directions Report which will identify available tools and draft directions to address the preliminary housing issues.

The community will be consulted on the tools identified by staff and how they could be used to address the issues. Tools could include regulatory responses (e.g Zoning Amendment), policies and procedures (e.g. development approvals process), financial (e.g. reserves, grants) and other (e.g. partnerships, communications, advocacy). The community will also be engaged on the Affordable Housing

Strategy issues and directions with the release of the Draft Directions Report. The Draft Affordable Housing Strategy will incorporate findings from the Background Report, State of Housing Report and Draft Directions Report.

CORPORATE STRATEGIC PLAN:

2.2 Innovation in Local Government - Deliver public services better.
3.1 City Building - Ensure a well-designed, safe, inclusive, appealing and sustainable City.

FINANCIAL IMPLICATIONS:

Council approved a capital budget of $40,000 for completion of the Housing Strategy. The budget has been used for data acquisition and analysis, including a survey of registered accessory apartments. Funds remain for the implementation of a community engagement process.

DEPARTMENTAL CONSULTATION:

The State of Housing Report was developed with the assistance of a cross departmental team with representatives from Planning, Urban Design and Building Services; and Culture, Tourism and Community Investments. Intergovernmental Relations, Policy and Open Government; Communications and Customer Service; and Finance staff will be consulted during subsequent phases of the work plan.

COMMUNICATIONS:

A Community Engagement Plan has been developed in coordination with Community Engagement and Communications staff. The public will be consulted throughout this process.

ATTACHMENTS

*Attachment 1	Staff Report 14-15 Housing Strategy Background Report and Proposed Project Charter
Attachment 2	State of Housing Report
Attachment 3	Registered Accessory Apartment Survey Results
Attachment 4	Affordable Housing Strategy: Focus Group Feedback on Issues
Attachment 5	Affordable Housing Strategy Work Plan and Community Engagement Process

* Attachment 1 is available on the City of Guelph website at http://guelph.ca/housing. Click on the link for the Oct 6, 2015 Affordable Housing Strategy: State of Housing Report (with attachments).

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Attachment 2

Affordable Housing Strategy: The Current State of Housing in the City of Guelph

Prepared by
City of Guelph
(October 2015)

Executive Summary

This **State of Housing** report presents the results of **Phase 2** of the **Affordable Housing Strategy**. It presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies three key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the Official Plan Update (Official Plan Amendment 48), 2012.

The primary focus of the Affordable Housing Strategy is on **private market housing for low and moderate income households.** In Guelph, private market housing represents 95% of the current housing supply (over 50,000 units).

The 10-year Housing and Homelessness Plan (HHP) for Guelph and Wellington County – A Place to Call Home, 2013 - produced by the Service Manager (County of Wellington) in collaboration with the City and other community providers, outlines the community's plan for non-market housing. The City recognizes the continued lead role of the Service Manager in implementing the 10-year HHP. The City's Affordable Housing Strategy is meant to complement the HHP, by ensuring that, where appropriate, complementary and value-added strategies are developed.

The City's Affordable Housing Strategy will focus on policy drivers, tools and incentives available to the City, in its role as the local land use planning authority. It will also assist Council in responding to affordable housing funding opportunities and the City's potential role in funding or incenting affordable housing projects, for example by using the City's Affordable Housing Reserve (AHR). The opportunity to integrate recommended actions with existing policies and processes, including other funding sources, growth management monitoring and other monitoring processes, will also be explored.

What is Affordable Housing?

The term "affordable housing" is often used interchangeably with "social housing." However, social (government subsidized) housing is just one category of affordable housing. Affordable housing is a much broader term that includes housing provided by the private, public and not-for-profit sectors, as well as all forms of housing tenure.

The City's Official Plan defines affordable housing according to the Provincial Policy Statement, 2014 and Provincial Growth Plan, 2006 definitions, as follows:

a) In the case of **ownership housing**, the least expensive of:
   i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or
   ii. Housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.

b) In the case of **rental housing**, the least expensive of:
   i. A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income rental households; or
   ii. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Summary of Data Findings

Economic and Demographic Factors that Influence Housing Demand

- ***High household growth*** – The population of Guelph is growing, which will contribute to strong household formation and housing demand. The number of households in Guelph is projected to rise 48% between 2011 and 2031.

- ***Aging population*** - The population is aging, and there is an increasing desire among seniors to "age in place". The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.

- ***Immigration*** – Immigration is expected to be a strong contributor of population growth in the Greater Golden Horseshoe area, which includes Guelph. Recent immigrants will increase the demand for rental accommodations.

- ***People on the move*** - Between 2006 and 2011, over 27,000 individuals changed houses within Guelph. In addition, 20,000 individuals moved to Guelph from other places. The majority of these new residents are intra-provincial migrants (i.e. moved to Guelph from other municipalities in Ontario).

- ***Low unemployment*** – Guelph has consistently outperformed the provincial average on a range of labour force indicators (i.e. participation rate, employment rate, etc.) over the past decade. Guelph typically holds one of the lowest unemployment rates in Ontario. When unemployment rates are low, more people are typically able to afford a house.

- ***Many commuters*** - The cost of housing is a determining factor in where a worker chooses to live. In 2011, about 25,000 workers commuted to positions located in Guelph, while roughly 15,000 Guelph residents travelled to jobs located outside the City. All told, Guelph residents held 61% of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County.

- ***Earnings*** - In 2014, half of Guelph's labour force earned less than $23 per hour, which equates to an annualized full-time salary of approximately $43,000 per year. Households whose primary income source is derived from

earnings in low paying industries and occupations tend to require affordable housing options.

- ***Household Income*** – Average household incomes in Guelph are slightly below the provincial average. In general, tenant households have lower incomes than homeowners.

Household Characteristics

- ***Shrinking household size*** - At present, the average household size in Guelph is 2.5 individuals. The average size of households has been declining for over 20 years, and this trend is expected to continue. In Guelph, the share of one person households has increased, while the proportion of three or more person households has declined.

- ***More one person households*** - Individuals living alone have been the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types, and the largest share (43%) of all renter household types.

- ***Seniors living alone*** – Seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. The median household income for this group ($32,379) is the lowest of all household types.

- ***Age of homeowners*** - Three-quarters of primary household maintainers above the age of 35 own their home, and homeownership rates remain high throughout the senior years.

- ***Preferred structure type*** - In general, renter households tend to occupy apartment structures while a majority of ownership households occupy single detached dwellings. Occupancy levels reflect the nature of the rental and ownership housing stock available.

Housing Supply

- ***Composition of housing stock*** - While there has been an increase in the number of new apartments and townhouse units being constructed in recent years, Guelph's housing stock is predominantly comprised of low density housing.

- ***Condominion conversions*** - Demolitions and rental conversions are not resulting in a significant loss of total rental housing stock.

- ***Low vacancy rate*** - The vacancy rate for Guelph's primary rental market is currently 0.6% (April 2015), well below the balanced and healthy benchmark of 3%.

- ***Increasing rental rates*** – Between 2011 and 2014, the private market rental rates for Guelph increased 8%, above the Consumer Price Index (CPI) rate of inflation for Ontario of 5% during this time period.

- ***Secondary rental market*** – 45% of Guelph's rental units are in the secondary market, and are considered to be temporary. One-quarter of all accessory apartments are not rented.

- ***Rising house prices*** – The average resale price of a home was $327,062 in 2013 – up 25% since 2009, well above the CPI for Ontario of 8% during this time period.

- ***Non-market housing*** – Non-market housing represents 4% of the total housing stock in Guelph. The City currently supports non-market housing by providing funding support to the Service Manager, as well as through its historic use of Affordable Housing Reserve funds to incent the development of affordable housing units.

Housing Affordability, Adequacy and Suitability

- ***Affordability challenges*** – One-quarter of Guelph's households spent above the affordability threshold for housing in 2011. Renters are more likely than homeowners to have affordability challenges.

- ***Lack of small housing units*** - There is a shortfall of bachelor and one bedroom units, and an abundant supply of dwelling types consisting of three or more bedrooms. The projected rise in the number of one person households will further increase the demand for small units.

- ***In good conditions*** - Over 90% of the housing stock is in good condition, requiring only regular maintenance and minor repairs.

- ***Households in core housing need*** - 11% of all Guelph households were living in core housing need in 2011. The incidence is highest among renters, lone parent households, and one person households.

The Updated Affordable Housing Benchmarks

The updated affordability targets for 2013 are:

- **Ownership - $294,000 per dwelling**
- **Rental - $944 per month**

These benchmarks were derived using market based calculations, as the rates are lower than income based ones. The calculations are detailed in the report.

The City is currently exceeding its affordable homeownership target to provide 27% of new units below the benchmark price, but is not meeting the affordable rental target of 3%.

Problem Statement

The range of housing options available in Guelph is not fully meeting the affordability needs of low and moderate income households.

Over half of all households in Guelph cannot afford housing at the affordable benchmark amounts.

Renter households with annual incomes at or below the 30th income percentile have very limited housing options in the private market. In Guelph, this represents about 4,300 renter households with incomes below $23,000 (some of whom would be living in non-market housing). These households are unable to afford a bachelor unit, with an average market rental rate of $654 per month. Affordable options for these households include: government subsidized housing, shared accommodations, rooming houses, or lower cost accessory apartments. When these options are not available, low income tenant households may be at risk of becoming homeless due to an inability to pay market rent.

Tenant households with incomes between the 30th and 60th income percentiles may be able to afford to rent units in the private market. However, they most likely do not have the financial means to rent a "suitable" unit (i.e. a unit that has enough bedrooms for the size and make-up of the household). In Guelph, there are approximately 5,700 renter households with incomes in this range (between $23,000 and $46,000). These households are able to afford a bachelor unit, and some one and two bedroom units in the private market.

With respect to ownership, households with incomes between $45,000 and $89,000 (i.e. 30th and 60th income percentile for all households) may be able to afford to enter the ownership market. In Guelph, there are about 19,000 households with annual incomes in this range. These households can afford to purchase apartments and some townhouse and semi-detached units.

Key Issues

Issue 1: **There are not enough small units to rent or buy to meet the affordability needs of all smaller households.**

Issue 2: **A lack of available primary rental supply makes it difficult for people to find affordable rental housing.**

Issue 3: **The secondary rental market provides choice of affordable dwelling types but the supply is not as secure as the primary rental market.**

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1. Introduction

Where you live impacts how you live. Having an appropriate, safe and affordable place to call home contributes to all aspects of individual development. It promotes positive health outcomes, supports strong educational and economic achievement, encourages social inclusion, and helps to reduce poverty and homelessness. All of which are essential to maintaining community health and wellbeing.

The provision of a full range of housing options to meet the changing needs of the population is a fundamental component of the City of Guelph's (City) sustainable community vision. One of the key priorities of the City's Corporate Strategic Plan (2012-2016) is, "to ensure a well-designed, safe, inclusive, appealing and sustainable City." Accordingly, the City has undertaken the development of an Affordable Housing Strategy. The primary focus of this strategy is on private market housing for low and moderate income households.

This **State of Housing** report presents the results of **Phase 2** of the **Affordable Housing Strategy**. It presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies three key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the Official Plan Update (Official Plan Amendment 48), 2012.

1.1 How To Read This Report

The information in this report has been organized into 11 sections, as follows:

1. **Introduction** – sets out the purpose and context of this report, and includes important background information about the sources of data used in this analysis.

2. **Affordable Housing Strategy Background** - provides an overview of the purpose, scope, approach and timeline for the development of the Affordable Housing Strategy.

3. D**efining Affordable Housing** – clarifies what the term "affordable housing" means, including how much an affordable unit would cost to rent or buy in the private market place.

4. **Demographic and Economic Factors Influencing Housing Demand** – presents Guelph's current and forecasted population, with a focus on key demographic and economic characteristics that influence the need for and supply of affordable housing.

5. **Household Characteristics** – explores the size and composition of households by structure type, tenure, and age of the primary household maintainer.

6. **Housing Supply** – describes the supply and make-up of both rental and ownership housing in the current private market place. Also includes some background information on non-market housing, which is primarily administered by the local Service Manager (County of Wellington).

7. **Housing Affordability, Suitability and Adequacy** – examines three vital indicators of community wellbeing individually- housing affordability, suitability and adequacy – and then as a combined indicator of core housing need.

8. **Updating the Affordable Housing Benchmarks** – describes how the housing affordability benchmarks were set, how these benchmarks have changed over time, and how the benchmarks compare to market prices and local household incomes.

9. **Achieving the Official Plan Amendment 48 Affordable Housing Targets** – outlines how the City has performed against the affordable housing targets in the Official Plan Update (OPA 48) to date.

10. **Findings and Conclusions** – describes three key issues about housing affordability that will guide the deliberations in the following phases of the Affordable Housing Strategy.

11. **References and Appendices** – includes supplementary information, such as a glossary of key housing terms, references, methodological and survey details, and technical data used to determine the housing affordability thresholds.

1.2 Data Sources and Limitations

This report presents a compilation of available demographic, socio-economic and housing market data about Guelph. The primary sources of data for this report include: Canada Mortgage and Housing Corporation (CMHC), City of Guelph, County of Wellington, EMSI (Economic Modeling Specialists Intl.), Municipal Property Assessment Corporation (MPAC), and Statistics Canada's Census of the Population, National Household Survey (NHS), and Labour Force Survey (LFS). For a detailed list of definitions and data sources, please refer to the References.

It is important to note that data from the 2011 NHS is of lower quality than the mandatory long-form Census it replaced, and some of the results show different trends than those derived from other surveys and administrative data. Consequently, data from the NHS has only been used when higher quality data is not available. In addition, due to changes in the collection methodology, the NHS data is not comparable to the Census-based estimates produced in the past, and this has limited the historical trending and analysis possible. In such instances, information for Ontario has been included for comparison purposes.

Where possible, data has been presented for the Guelph Census Subdivision (CSD population 121,688 in 2011) which aligns with the boundary for the City of Guelph. In some instances, data was only available for the Guelph CMA (Census Metropolitan Area), which includes the City of Guelph, the Township of Guelph/Eramosa and the Township of Puslinch (CMA population of 141,097 in 2011). The figures and tables cite where data represents the Guelph CMA. Where Guelph is stated alone, the data is for the Guelph CSD (City of Guelph).

2. Affordable Housing Strategy Background

The Affordable Housing Strategy is intended to address municipal requirements under the Provincial Policy Statement, 2014 and the Provincial Growth Plan, 2006. It builds on the City's Official Plan Update (OPA 48, currently under appeal to the Ontario Municipal Board), which establishes a framework for planning for a range of housing types and densities, through appropriate land use designations and supporting policies.

The Affordable Housing Strategy will provide further clarity around affordability issues and concrete recommendations regarding how to advance the Official Plan affordable housing target that 30% of all new residential units constructed be affordable. This target is broken down into an annual target of 27% ownership housing and 3% rental housing. While not part of the annual affordable housing target, the creation of 90 accessory apartments per year is also encouraged.

The Affordable Housing Strategy will focus on policy drivers, tools and incentives available to the City, in its role as the local land use planning authority. It will also assist Council in responding to affordable housing funding opportunities and the City's potential role in funding or incenting affordable housing projects, for example by using the City's Affordable Housing Reserve (AHR). The opportunity to integrate recommended actions with existing policies and processes, including other funding sources, growth management monitoring and other monitoring processes, will also be explored.

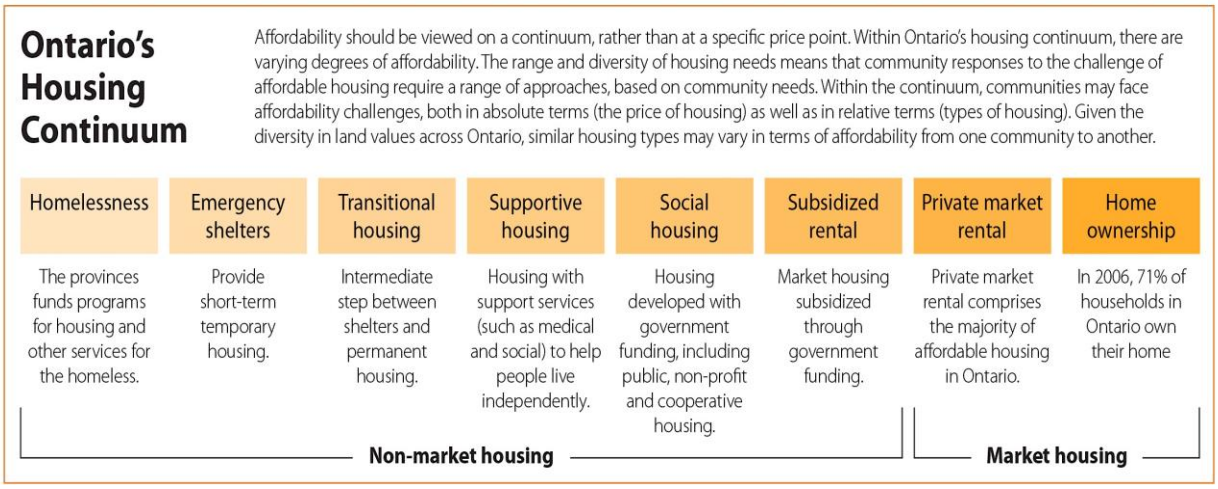
2.1 Scope

The current housing supply in Guelph consists of approximately 53,000 housing units – 96% of which are private market units and 4% of which are non-market units (MPAC, December 2013). As illustrated in Figure 1 – The Affordable Housing Continuum - the private market includes both private rental and homeownership. Non-market housing consists of emergency shelters, transitional housing, supportive housing, social housing and subsidized rental housing, and is generally administered by other levels of government.[1]

[1] In accordance with the Housing Services Act, 2011, the County of Wellington is the Consolidated Municipal Service Manager (Service Manager) for Guelph, and as such,

The primary focus of the Affordable Housing Strategy is on **private market housing for low and moderate income households.**[2] The 10-year Housing and Homelessness Plan (HHP) for Guelph and Wellington County – A Place to Call Home, 2013 - produced by the Service Manager (County of Wellington) in collaboration with the City and other community providers, outlines the community's plan for non-market housing. The City recognizes the continued lead role of the Service Manager in implementing the 10-year HHP. The City's Affordable Housing Strategy is meant to complement the HHP, by ensuring that, where appropriate, complementary and value-added strategies are developed.

Figure 1 – The Affordable Housing Continuum



Source: Ministry of Municipal Affairs and Housing, 2011

administers provincially legislated social services for residents of both the City of Guelph and Wellington County. The City of Guelph is a funder of provincially mandated housing and homelessness services, administered by the County.

[2] Households with an annual gross income at or below the 60th income percentile for the regional market area are considered to be low and moderate income households.

2.2 Approach

The process for developing the City's Affordable Housing Strategy is occurring in the following four phases, with community engagement opportunities provided at key stages:

1. **Background** - The Background Report was presented to Council in April 2014. It sets out the context and scope of the Affordable Housing Strategy. It details information about various government roles, responsibilities and relationships, background policy documents, past studies and reports, and City funding initiatives.

2. **State of Housing** – Over the past year, City staff have collected and analyzed available demographic, economic and housing market data, primarily from Statistics Canada, MPAC and CMHC. Due to a lack of available data on the secondary rental market in Guelph, two studies were undertaken in 2014: a Registered Accessory Apartment Survey and a Secondary Rental Market Study. Following preliminary analysis of the data, the City held a targeted focus group on February 2, 2015 with 17 stakeholders[3] to review the data findings, and discuss the emerging affordable housing issues. This report presents the results of this analysis.

   The methodological details of the secondary rental market studies, and data collection and analysis process, is included in the Appendices.

3. **Directions** – The next phase of the project will build on the data and preliminary housing issues presented in this report. Staff will begin by identifying available tools and formulating directions. Examples of tools include regulatory responses (e.g. Zoning Amendment), policies and procedures (e.g. development approvals process), financial (e.g. Affordable Housing Reserve) and other (e.g. partnerships, communications, advocacy). Community stakeholders will be consulted about the tools generated by staff and how could they best be used to address the affordability issues.

4. **Affordable Housing Strategy** – The final report, which is scheduled for completion in 2016, 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.

[3] Focus group participants included representatives from CMHC, County of Wellington, Developer/Homebuilder, Guelph and District Association of Realtors, Habitat for Humanity, COALT (Community Older Adult Leadership Team), Guelph and Wellington Task Force for Poverty Elimination, University of Guelph, Central Student Association and the Wellington Guelph Housing Committee.

3. Defining Affordable Housing

According to CMHC (2014), housing is considered to be affordable for a given household if it costs less than 30% of gross (before-tax) household income. The term "affordable housing" is often used interchangeably with "social housing." However, social housing is just one category of affordable housing; it usually refers to rental housing subsidized by the government. Affordable housing is a much broader term and includes housing provided by the private, public and not-for-profit sectors as well as all forms of housing tenure (i.e. rental, ownership – freehold, condominium, and cooperative). It also includes temporary as well as permanent housing. In other words, the term affordable housing can refer to any part of the housing continuum from emergency shelters to market homeownership (see Figure 1 above).

The City's Official Plan defines affordable housing according to the Provincial Policy Statement, 2014 and Provincial Growth Plan, 2006 definitions, as follows:

a) In the case of **ownership housing**, the least expensive of:
   i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or
   ii. Housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.

b) In the case of **rental housing**, the least expensive of:
   i. A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income rental households; or
   ii. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

The Provincial Policy Statement, 2014 defines households as low and moderate income households when their total annual income falls at or below the 60th income percentile for the regional market area. In Guelph, the 60th income percentile is $88,656 for all households, and $43,685 for tenant households (2013). The affordable housing benchmark is set at a price of $294,000 per dwelling for ownership housing, and $944 per month for rental housing (Refer to section 8 – Updating the Affordability Housing Benchmarks – of this report for detail on how these figures were derived).

Finally, it is important to note that the affordability definition in the Provincial Policy Statement, 2014 differs from the definition in the federal-provincial Investment in Affordable Housing (IAH) program. For properties built/renovated through the IAH, tenants pay no more than 80% of Average Market Rent (AMR).

3.1 Housing Terminology

The definitions of key housing terms are described in the text (or footnoted) when they first appear. In addition, a full glossary is provided in Appendix A.

4. Demographic and Economic Factors Influencing Housing Demand

This section of the report presents demographic and economic factors that influence the demand for affordable housing in Guelph. The data presented here includes: population size, growth and composition; employment and working conditions; and household income levels. Reviewing both past trends and future forecasts helps us to understand the community's future affordable housing needs.

4.1 Population Characteristics

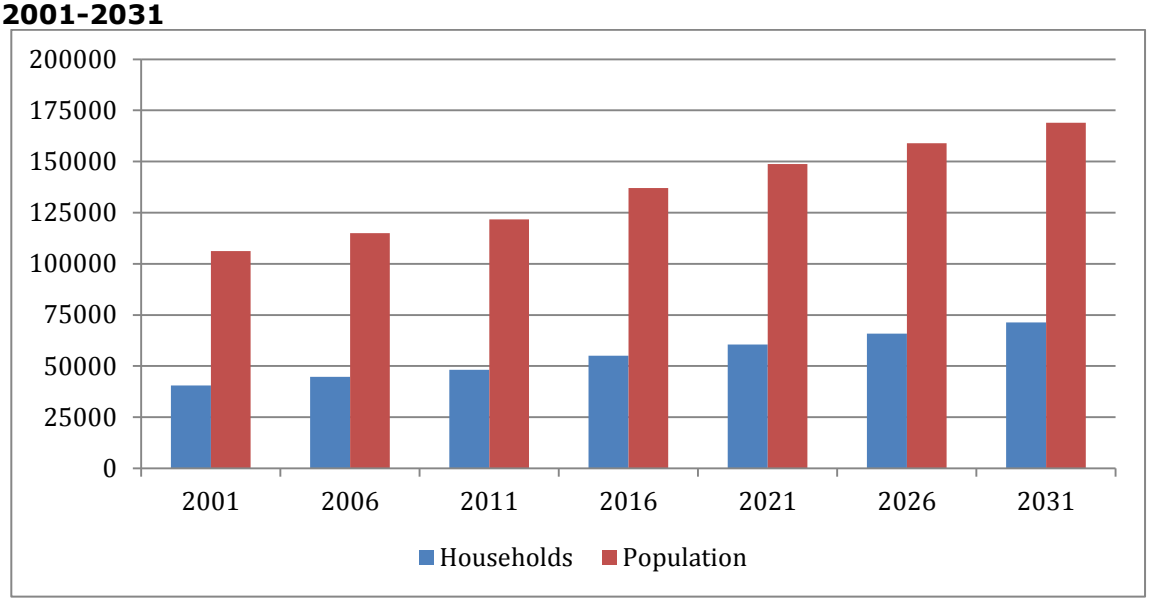
4.1.1 Population and Household Growth

The latest Census (2011) indicates that there are approximately 122,000 people and over 48,000 households in Guelph. Municipal projections estimate that the population will reach approximately 169,000 (excluding the Census undercount) by 2031. The total number of households is projected to reach 70,500 by 2031. The future increase in households will outpace population growth, primarily due to decreasing sizes of average households (see section 5 for detail). How the City manages this growth will have a large impact on livability and community wellbeing.

Data Highlights

- There were 121,688 individuals living in Guelph in 2011.
- Between 2011 and 2031, Guelph's population is expected to grow 39%, an increase of 50,000 people to a total of 169,000 people in 2031.
- Future population growth is projected to be higher (22% between 2011 and 2021) than historical trends (15% between 2001 and 2011).
- There were 48,115 households in Guelph in 2011.
- Between 2011 and 2031, the total number of households is projected to rise 48%, an increase of 22,500 households to a total of 70,500 households in 2031.
- Future household growth is projected to be higher (26% between 2011 and 2021) than historical trends (19% between 2001 and 2011).
- Future household growth will outpace population growth.

Figure 2 – Historical and Projected Population and Household Growth in Guelph, 2001-2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2001 2006 and 2011 Census, and Watson & Associates, Development Charge Background Study, 2014

4.1.2 Age Distribution

The age distribution of the population impacts the type and size of housing needed in a community:

- ***18-24 years*** – At the onset of adulthood, young people begin moving out of their parental home and seeking independent accommodation. They may be entering the workforce and/or pursuing post-secondary opportunities. They are generally looking for shared rental accommodations, bachelor or one bedroom units.
- ***25-44 years*** – People in this age category are in their "prime household formation" years, when most individuals get married, have children, and enter the housing market.
- ***45-64 years*** – Individuals in this age category are in their prime earning years. Their housing needs and aspirations may also begin to change as they have more disposable income, and their children age and leave home.
- ***65-74 years*** – People begin to retire, but are still relatively active. According to CMHC (2015 & 2008), there is an increasing desire among seniors to "age in place" (i.e. continue to live in their current home and familiar community for as long as possible, even if their health changes). This trend will create a need for homes that can be easily adapted. Others may choose to downsize out of lifestyle preferences, and a desire for less responsibility for looking after a home. Research conducted by Lin (2015) found that individuals who downsize after the age of 65 tend to move to rental accommodations, whereas those who downsize before the age of 65 tend to stay owners.

- ***75 years and over*** – As individuals age, they may need support services and assistance, such as personal care, homecare and meal preparation, to allow them to remain in their homes. Others may need some form of supportive housing or long-term care.

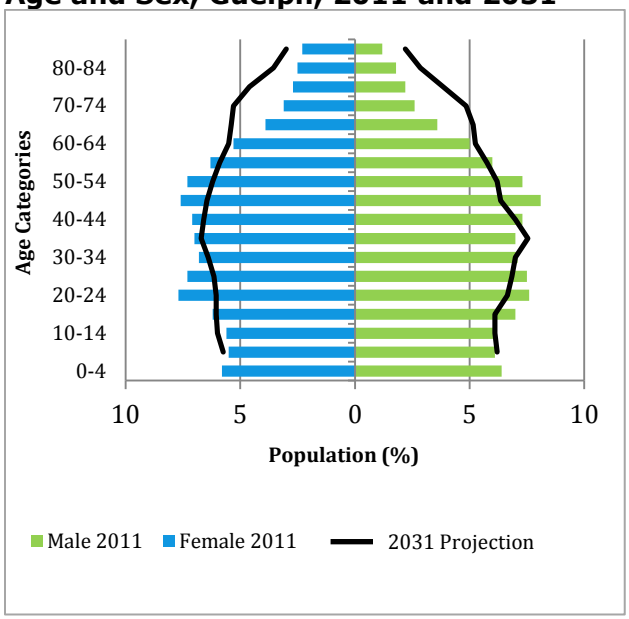
Figures 3 and 4 illustrate the 2011 Census and forecasted age distribution of males and females living in Guelph and in the Province of Ontario. In general, the population is aging and individuals of childbearing age are having fewer children than previous generations. Over time, the age distribution of the population is expected to become more uniform. There will be a decline in the proportion of households in their prime household formation years (25-44 years), and an increase in the proportion of seniors (65+ years). Although the absolute numbers of people living in the community, in all age groups, will increase due to population growth (see 4.1.1). The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.

Data Highlights[4]

- In 2011, the median age of Guelph's population was 37.7 years – 2.5 years younger than the provincial median of 40.4 years.
- The population in their prime household formation years (25-44 years) represented 29% of Guelph's total population – 3 percentage points more than the provincial average of 26%.
- Between 2011 and 2031, the share of Guelph's population aged 25-44 years is expected to decline by 2 percentage points. Although the absolute number will increase from 34,785 to 47,780 individuals.
- In 2011, older adults (55-64 years) represented 9% of Guelph's total population – 4 percentage points less than the provincial average of 13%.
- Between 2011 and 2031, the share of Guelph's population aged 55-64 years is expected to increase by 2 percentage points. The absolute number will increase from 10,860 to 18,670 individuals.
- In 2011, seniors (65+ years) represented 9% of Guelph's total population – 1 percentage point less than the provincial average of 10%.
- Between 2011 and 2031, the share of Guelph's population who will be seniors is expected to increase by 5 percentage points. The absolute number wil increase from 11,285 to 24,240 individuals.

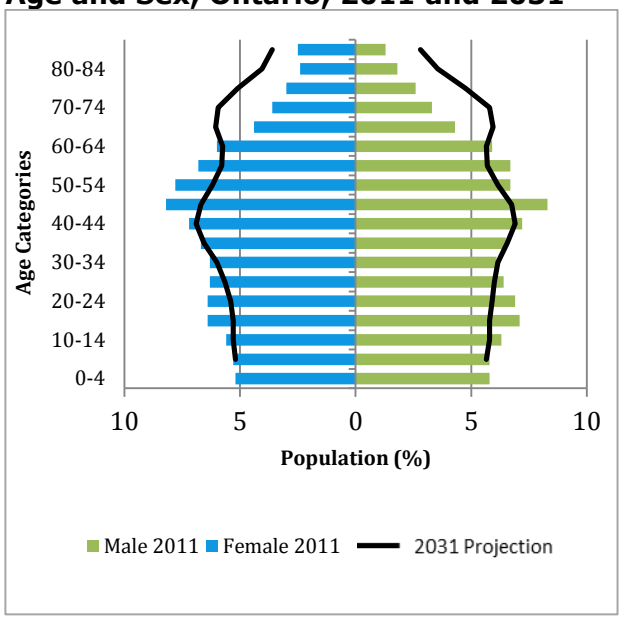
[4] Due to a difference in data sources and methodologies, the future population projections for 2031 for Guelph and Ontario are not comparable.

Figure 3 – Population Distribution by Age and Sex, Guelph, 2011 and 2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 Census, and Hemson Consulting Ltd., Greater Golden Horseshoe Growth Forecasts to 2041, 2013

Figure 4 – Population Distribution by Age and Sex, Ontario, 2011 and 2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 Census, and Ministry of Finance, Ontario Population Projections Update, 2011-2036, Spring 2012

4.1.3 New Immigrants

Recent immigrants (arrived between 2006 and 2011) represented 2% of Guelph's population (2,965 individuals) in 2011, compared to 4% across the province (Statistics Canada, 2011 NHS). Immigration is expected to be an important contributor to population growth in the Greater Golden Horseshoe area, which includes Guelph (Hemson Consulting Ltd., 2013). According to CMHC (2015), immigrant populations are more likely to rent when they first move to Canada.

4.1.4 People Who Moved

Mobility status refers to the movement of Canadian residents. Persons who have not changed residential dwellings are referred to as "non-movers", and persons who have relocated from one residence to another are referred to as "movers". There are different types of movers - people who moved within the same city or town (non-migrants); people who moved to a different city or town (internal migrants); and people who came from another country to live in Canada (external migrants).

Between 2006 and 2011, over 27,000 individuals relocated their household within Guelph. In addition, 20,000 individuals moved to Guelph from other places. The majority of these new residents are intra-provincial migrants (i.e. moved to Guelph from other municipalities in Ontario).

Data Highlights

- Between 2006 and 2011, the majority of residents in Guelph (58%) lived in the same residence as they did five years prior – 5 percentage points below the provincial average of 63%.
- 24% of Guelph's population (20,085) relocated in the past 5 years – 3 percentage points above the provincial average of 21%.
- 14% of Guelph's population (15,715) was intra-provincial migrants – 3 percentage points above the provincial average of 11%.
- 1% of Guelph's population was inter-provincial migrants – on par with the provincial average.
- 2% of Guelph's population was external migrants[5] – 2 percentage points below the provincial average of 4%.

Table 1 – Population Who Moved, Guelph and Ontario, 2006-2011

	Guelph (#)	***Guelph (%)***	***Ontario (%)***
Lived in Same Dwelling (non-movers)	65,755	58%	63%
Moved within municipality (non-migrants)	27,300	24%	21%
Moved from a different municipality in Ontario (intra-provincial migrants)	15,715	14%	11%
Moved from another province (inter-provincial migrants)	1,610	1%	1%
Moved from another country (external migrants)	2,760	2%	4%

Source: Statistics Canada, 2011 NHS

4.2 Labour Force Characteristics

Employment and housing have an interdependent relationship, as most people's income comes from their job. A robust labour market contributes to a high demand for housing, the type of which depends on the level of jobs in a community. An economy with a large proportion of high-income positions, for example, tends to lead to a demand for high-end housing. Low wage or part-time jobs can increase the demand for affordable housing. When affordable housing options are not available locally for the labour force, workers may purchase/rent homes outside the community and commute to where they work. Therefore there is a need to ensure that the local housing supply matches the economic requirements of the local workforce.

4.2.1 Unemployment Rates

Guelph has consistently outperformed the provincial average on a range of labour force indicators (i.e. participation rate, employment rate, etc.) over the past decade. Guelph typically holds one of the lowest unemployment rates in Ontario.

[5] External migration should not be confused with immigration. It also includes Canadian citizens who relocate to/from other countries.

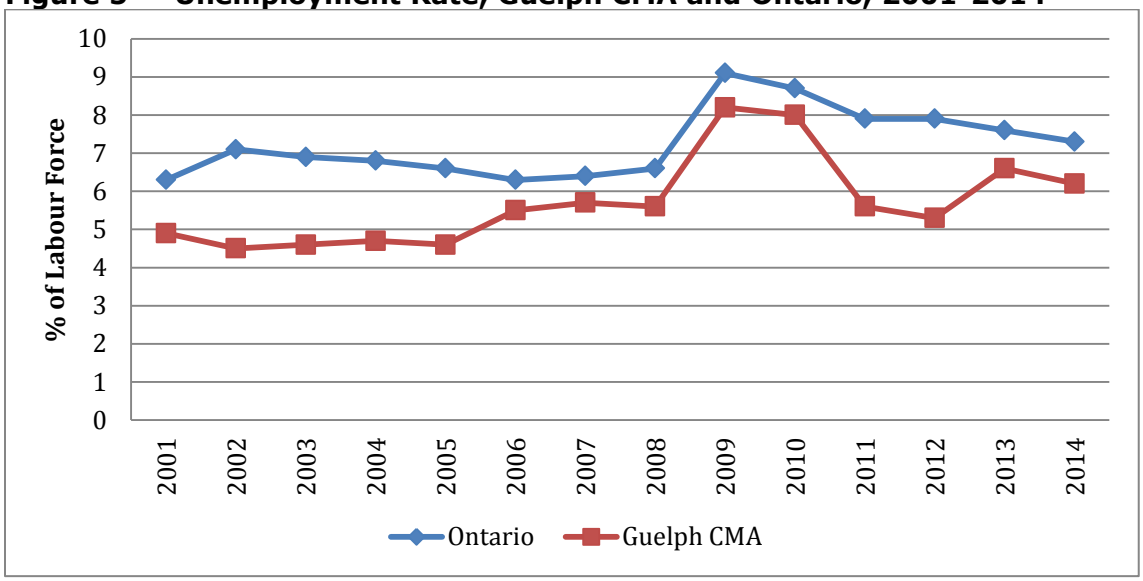
When unemployment rates are low, more people are typically able to afford a house.

However, low unemployment rates may present recruitment challenges for employers, particularly those looking for skilled workers. For employers looking to recruit workers, or invest and expand their businesses in Guelph, it is helpful if there is a range of affordable housing options available locally for the workforce.

Data Highlights

- In 2014, the unemployment rate of the labour force (individuals 15 years and over) in the Guelph CMA was 6% - 1 percentage point lower than the provincial average of 7%.
- Between 2001 and 2014, the unemployment rate for the Guelph CMA has consistently been lower than the provincial average.
- In 2014, the participation rate for the Guelph CMA labour force was 69% - 3 percentage points higher than the provincial average of 66%.
- The employment rate for the Guelph CMA labour force was 64% - 3 percentage points higher than the provincial average of 61%.
- Over the past decade, the participation rate and employment rate has been higher in the Guelph CMA in comparison to the provincial average. However, the gap between the rates for Guelph and Ontario shrunk in 2013-2014.

Figure 5 – Unemployment Rate, Guelph CMA and Ontario, 2001-2014



Source: Statistics Canada, Tables 282-0129 and 282-0123, LFS estimates, annual

4.2.2 Commuting Patterns

The cost of housing is a determining factor in where a worker chooses to live. In 2011, about 25,000 workers commuted to positions located in Guelph, while roughly 15,000 Guelph residents travelled to jobs located outside the City. All told,

Guelph residents held 61% of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County.

Data Highlights

- In 2011, Guelph's labour force consisted of 54,510 individuals.
- Guelph is the place of work for 65,100 individuals. Guelph residents hold 61% of these positions.
- 10,590 more workers travelled to Guelph to work than left Guelph to work elsewhere.
- 14,725 individuals (27% of Guelph's labour force) commuted to jobs located outside of Guelph.
- 10% of Guelph's labour force commuted to jobs in Waterloo Region, followed by the GTA (8%) and Wellington County (5%).
- 46% of external workers came from Waterloo Region, followed by Wellington County (27%) and the GTA (12%).

Table 2 - Commuting Flow To and From Guelph, 2011

Place of Work	***Inbound***	***Outbound***	***Net Gain (Loss)***
Waterloo Region	11,530	5,345	6,185
GTA (Greater Toronto Area)	3,040	4,305	(1,265)
Wellington County	6,905	2,595	4,310
City of Toronto	650	1,270	(620)
Hamilton	1,420	610	810
South-western Ontario	1,245	260	985
Other	525	340	185
Total	**25,315**	**14,725**	**10,590**

Source: Statistics Canada, 2011 NHS

4.2.3 Employment Earnings

According to the North American Industry Classification System (NAICS), there are 20 different job sectors in Canada. In Guelph, the top five industries are Manufacturing; Educational Services; Retail Trade; Health Care and Social Services; and Accommodation and Food Services. Collectively, these sectors represent two-thirds of all jobs in the city.

In 2014, the median hourly earnings among all occupations was $22.99. In other words, half of Guelph's labour force earned less than $23 per hour (which equates to an annualized full-time salary of approximately $43,000 per year).

Accommodation and Food Services and Retail Trade (which collectively represent 16% of Guelph's labour force) are generally low paying sectors. As illustrated in Table 3, individuals holding sales and service positions earn the lowest wages of all occupation types (median of $15.95 per hour). Households whose primary income source is derived from earnings in low paying industries and occupations tend to require affordable housing options.

Data Highlights

- In 2014, the top five industries in Guelph - Manufacturing; Educational Services; Retail Trade; Health Care and Social Services; and Accommodation and Food Services – represented 64% of all jobs.
- The average annual earnings among all industries located in Guelph were $44,366.
- Among the top 10 industries in Guelph, workers on average earn the highest in Construction ($58,577) and the lowest in Accommodation and Food Services ($14,741).
- The median hourly earnings among Guelph's labour force was $22.99, ranging from $38.33 for management positions to $15.95 for sales and service jobs.

Table 3 – Earnings in the Top 10 Industries in Guelph, 2014

Industry	***% Jobs***		***Average Annual Earnings Per Job, 2014***
	2009	***2014***	
1. Manufacturing	26	28	$50,521
2. Educational services	13	12	$48,489
3. Retail trade	10	9	$27,210
4. Health care and social assistance	8	9	$42,678
5. Accommodation and food services	6	7	$14,741
6. Public administration	5	5	$55,725
7. Wholesale trade	5	5	$53,628
8. Professional, scientific and technical services	4	4	$58,033
9. Administrative and support, waste management and remediation services	4	4	$29,441
10. Construction	3	4	$58,557
All Industries			**$44,366**

Source: EMSI – Employees, 2015.1[6]

[6] In order to capture a complete picture of industry employment, EMSI combines employment data from Survey of Employment, Payrolls and Hours (SEPH) with data from the Labour Force Survey (LFS), Census, and Canadian Business Patterns (CBP) to form detailed geographic estimates of employment. Projections are based on the latest available EMSI industry data, 10-year past local trends in each industry and growth rates from national industry projections from the Canadian Occupational Projection System (COPS) produced by Human Resources and Skills Development Canada.

Table 4 - Earnings by Occupation for Guelph Labour Force, 2014

Occupation	***% Labour Force***		***Median Hourly Earnings 2014***	***Average Hourly Earnings 2014***
	2009	***2014***		
Sales and service	21	22	$15.95	$17.37
Business, finance and administrative	17	17	$21.74	$23.07
Processing, manufacturing and utilities	14	15	$20.89	$21.21
Trades, transport and equipment operators	14	14	$22.13	$22.95
Social science, education, government service and religion	12	10	$30.69	$31.82
Natural and applied sciences	6	7	$31.11	$32.59
Management	7	6	$38.33	$40.53
Health	4	5	$29.07	$28.72
Art, culture, recreation and sport	2	2	$20.50	$22.61
All Occupations			**$22.99**	**$24.07**

Source: EMSI – Employees, 2015.1[7]

4.3 Income

4.3.1 Income Distribution

Housing affordability is related to the distribution of income in a community. Table 5 illustrates the distribution of owner, renter and all household income types according to decile groups. To calculate income deciles, households are sorted separately for owner and renter households and then for all households according to their before-tax income and then divided into 10 equal groups, each containing 10% of the household type (owner, renter and all). In other words, there are approximately 4,800 households in each decile group in Guelph – 3,400 owners and 1,400 renters. In Guelph, households in the top decile have household incomes that are 8.5 times higher than households in the lowest income decile.

According to the Provincial Policy Statement, 2014, households are considered to have low and moderate incomes when their total household income falls at or below the 60th income percentile for the regional market area. In 2010, the 60th income percentile was about $44,000 for tenant households, $100,000 for owner households, and $84,000 for all household types in Guelph.

In 2010, the 30th income percentile was $22,146 for tenant households in Guelph. In other words, there are approximately 4,300 renter households in Guelph with

[7] Organizing regional employment information by occupation provides a workforce-oriented view of the regional economy. EMSI's occupation data are based on EMSI's industry data, regional occupation data from the Labour Force Survey (LFS), and regional staffing patterns taken from the Census.

annual household incomes below $23,000. These households have very limited housing options in the private market. They typically seek out government subsidized housing options, shared accomodations, rooming houses, bachelor apartments, or lower cost acessory apartments. When these options are not available, low income households may be at risk of becoming homeless due to inability to pay market rent.

Overall, the incomes of owner households are higher than tenant households. For all decile groups in Guelph, tenant households have income levels below the provincial average. Above the 80th income percentile, owner households in Guelph have lower income levels than the provincial average, implying that there is a smaller share of high-income Canadians living in Guelph than other parts of Ontario.

Data Highlights

- Households in the 90th income decile have incomes 8.5 times higher than households in the 10th income decile – 8.3 for renters and 5.6 for owners.
- The 30th income percentile for all households was $42,648 in Guelph - $22,146 for renter households and $59,414 for owner households.
- The number of households with incomes at or below the 30th income percentile was 14,406 – 4,332 renter households and 10,074 owner households.
- The 60th income percentile for all households was $83,971 in Guelph - $43,685 for renter households and $99,789 for owner households.
- The number of households with incomes between the 30th and 60th income percentiles was 19,208 – 5,776 renter households and 13,432 owner households.
- The median household income of renters was $35,906, below the provincial average of $37,063.
- The median household income of owners in Guelph was $86,371, above the provincial average of $81,791.
- The average household income in Guelph was $83,220, below the provincial average of $86,082. This trend is true for all decile groups.
- For all decile groups, the household incomes of owners were higher than renters in Guelph and Ontario.
- For all decile groups, the household incomes of renters in Guelph were below the provincial average.
- The household incomes of owners in Guelph at the 80th and 90th income decile were below the provincial average.

Table 5 – Income Percentiles of Households in Guelph and Ontario, 2010

	Guelph			*Ontario*		
Type of Household	***All***	***Owner***	***Renter***	***All***	***Owner***	***Renter***
Total Number of Households	48,015	33,575	14,440	4,823,720	3,443,370	1,380,350
Number per Decile	4,802	3,358	1,444	482,372	344,337	138,035
10th Percentile	$18,325	$30,897	$10,918	$18,706	$28,034	$11,614
20th Percentile	$31,143	$46,014	$16,523	$30,586	$42,571	$17,805
30th Percentile	**$42,648**	**$59,414**	**$22,146**	**$41,942**	**$55,332**	**$22,935**
40th Percentile	**$54,840**	**$72,669**	**$29,208**	**$53,612**	**$68,173**	**$29,761**
50th Percentile (Median)	**$68,673**	**$86,371**	**$35,906**	**$66,580**	**$81,791**	**$37,063**
60th Percentile	**$83,971**	**$99,789**	**$43,685**	**$81,448**	**$96,691**	**$45,272**
70th Percentile	$99,924	$114,929	$53,325	$99,183	$114,677	$55,393
80th Percentile	$120,371	$136,913	$68,657	$123,084	$139,056	$70,006
90th Percentile	$156,328	$172,912	$90,532	$163,432	$180,194	$94,498
Average	*$83,220*	*$99,773*	*$44,731*	*$86,082*	*$101,379*	*$47,921*

Source: Statistics Canada, 2011 NHS, Custom Tabulation

4.3.2 Incidence of Low Income

In Guelph, 13% of all children are living in low income households, according to the after-tax Low Income Measure (LIM). This rate is lower than the provincial average of 17%. According to Campaign 2000 (2014), 40% of children living in poverty in Ontario reside in a household where at least one parent is working full-time, year round. Due to low incomes and a shortage of social housing options, these households struggle with housing affordability in the private market.

Data Highlights

- In 2010, 12% of Guelph's population was living in poverty based on the after-tax LIM, compared to 14% in Ontario.
- 13% of children (0-17 years) were living in poverty, compared to 17% in Ontario.
- 7% of seniors (65+ years) were living in poverty, compared to 8% in Ontario.

Table 6 – Individuals Living in Low Income (after-tax LIM), Guelph and Ontario, 2010

		Guelph	*Ontario*
All Persons	Population in private households	120,550	12,600,230
	Population living in low income	14,635	1,745,900
	Prevalence of low income	12%	14%
Children (0-17 years)	Population less than 18 years	26,100	2,674,645
	Children living in low income households	3,465	463,945
	Prevalence of low income among children	13%	17%
Seniors (65+ years)	Population 65+ years	15,105	1,748,195
	Seniors living in low income households	1,125	14,4640
	Prevalence of low income among seniors	7%	8%

Source: Statistics Canada, 2011 NHS

4.4 Summary of Demographic and Economic Data Findings

The following is a summary of the findings from the demographic and economic statistics presented above:

- **High household growth** – The population of Guelph is growing, which will contribute to strong household formation and housing demand. The number of households in Guelph is projected to rise 48% between 2011 and 2031.

- **Aging population** - The population is aging, and there is an increasing desire among seniors to "age in place". The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.

- **Immigration** – Immigration is expected to be a strong contributor of population growth in the Greater Golden Horseshoe area, which includes Guelph. Recent immigrants will increase the demand for rental accommodations.

- **People on the move** - Between 2006 and 2011, over 27,000 individuals changed houses within Guelph. In addition, 20,000 individuals moved to Guelph from other places. The majority of these new residents are intra-provincial migrants (i.e. moved to Guelph from other municipalities in Ontario).

- **Low unemployment –** Guelph has consistently outperformed the provincial average on a range of labour force indicators (i.e. participation rate, employment rate, etc.) over the past decade. Guelph typically holds one of

the lowest unemployment rates in Ontario. When unemployment rates are low, more people are typically able to afford a house.

- **Many commuters -** The cost of housing is a determining factor in where a worker chooses to live. In 2011, about 25,000 workers commuted to positions located in Guelph, while roughly 15,000 Guelph residents travelled to jobs located outside the City. All told, Guelph residents held 61% of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County

- **Earnings** - In 2014, half of Guelph's labour force earns less than $23 per hour, which equates to an annualized full-time salary of approximately $43,000 per year. Households whose primary income source is derived from earnings in low paying industries and occupations tend to require affordable housing options.

- **Household Income** – Average household incomes in Guelph are slightly below the provincial average. In general, tenant households have lower incomes than homeowners.

5. Household Characteristics

This section of the report explores the make up of Guelph's households. The data presented here includes: household size, composition, tenure (rental or ownership), and age of the primary household maintainer. A more in-depth analysis of one person households is also provided due to the growth of this household type across Canada.

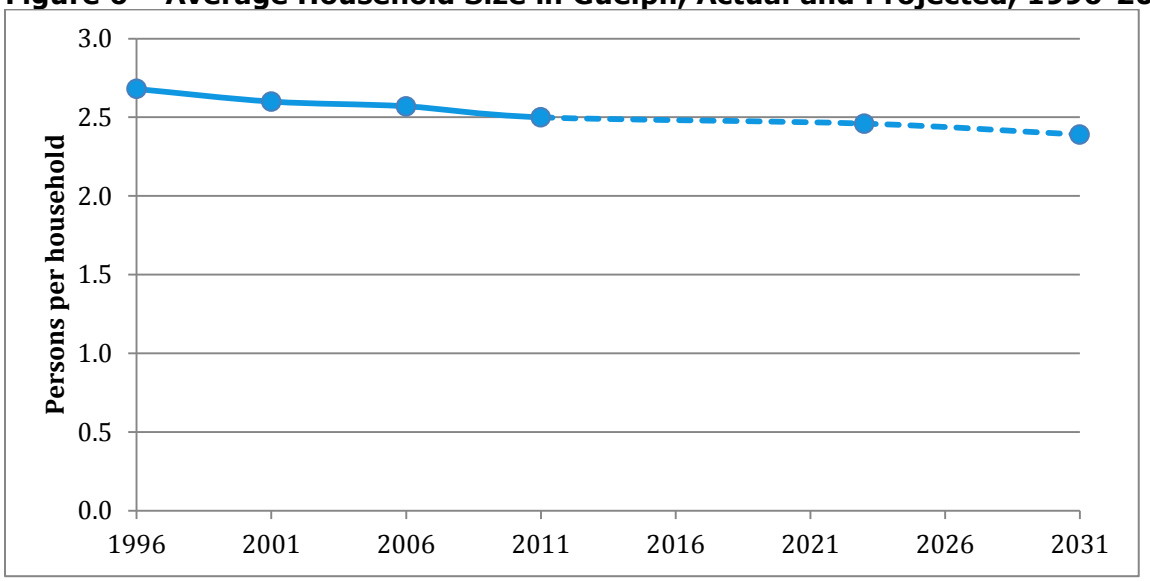
5.1 Household Size

At present, the average household size in Guelph is 2.5 individuals. The average size of households has been declining for over 20 years, and this trend is expected to continue. In Guelph, the share of one person households has increased, while the proportion of three or more person households has declined.

Data Highlights

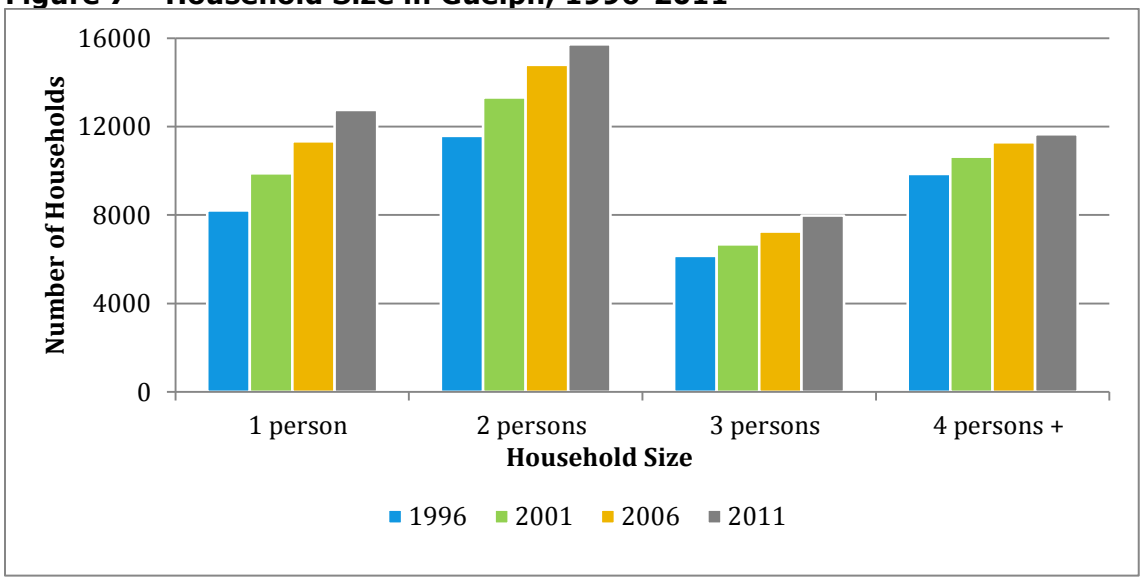
- Individuals living alone represented one-quarter of Guelph's households.
- Between 1996 and 2011, the number of one person households increased 55% (4,450 households).
- Between 1996 and 2011, the number of three or more person households increased 48% (3,615 households).
- The average number of persons per household has fallen from 2.7 in 1996 to 2.5 in 2011, and is expected to further decrease to 2.4 by 2031.

Figure 6 – Average Household Size in Guelph, Actual and Projected, 1996-2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 1996, 2001, 2006 and Census, and Watson & Associates, Development Charge Background Study, 2014

Figure 7 – Household Size in Guelph, 1996-2011



Source: Statistics Canada, 1996, 2001, 2006 and 2011 Census

5.2 Household Types

Statistics Canada categories households into six different types:

a. Couples without children
b. Couples with children
c. Lone parent households

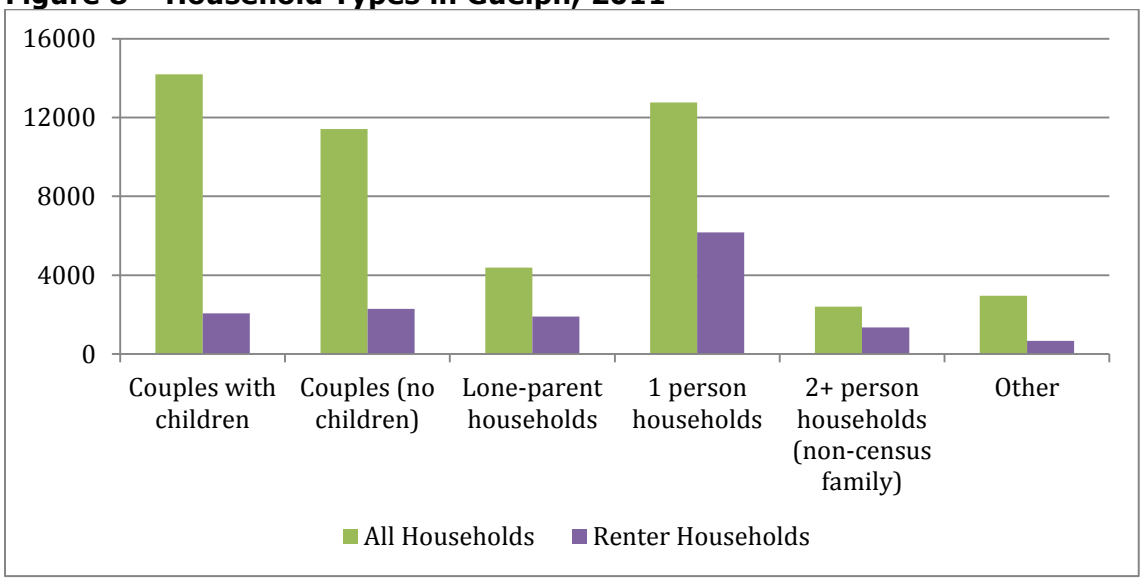
d. One person households (individuals living alone)
e. Two or more person households (non-census family - individuals living alone or with non-relatives, such as university students)
f. Other family household types (multiple families living at the same address, multi-generation households, etc.)

Among all household types, couple families with children are the most dominant form (30%), followed by individuals living alone (26%). Among renter households, the reverse is true. Individuals living alone are the foremost type of renter households (43%), followed by couples without children (16%).

Data Highlights:

- In 2011, couples with children represented 30% (14,200) of all Guelph household types – 14% (2,055) of all renter household types.
- Couples without children represented 24% (11,415) of all households – 16% (2,290) for renters.
- Lone parent households represented 9% (4,390) of all households – 13% (1,900) for renters.
- Individuals living alone represented 26% (12,755) of all households – 43% (6,175) for renters.
- Two or more person households represented 5% (2,405) of all households – 9% (1,355) for renters.
- Other family households represented 6% (2,955) of all households – 5% (655) for renters.

Figure 8 – Household Types in Guelph, 2011



Source: Statistics Canada, 2011 Census

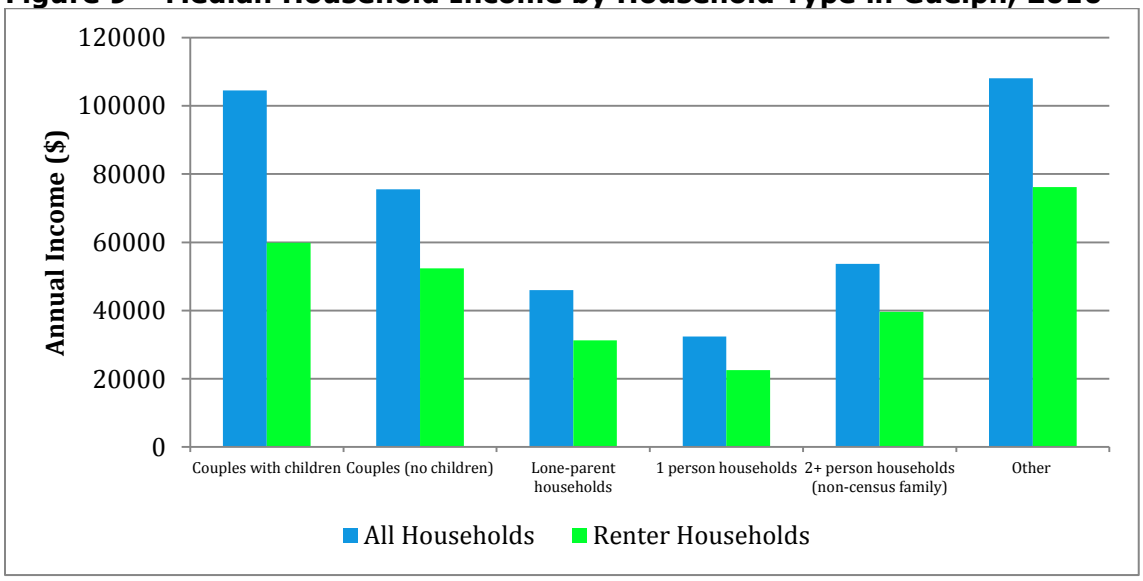
5.2.1 Income by Household Types

Among household types, "other" family types have the highest incomes, however, as illustrated in Figure 8 above, this represents a small proportion (6%) of household types in Guelph. In 2010, couple families with children have the second highest median household incomes at approximately $104,000. One person households have the lowest incomes at about $32,000. As noted above, the incomes of tenant households are lower than owner households.

Data Highlights

- In 2010, Guelph households comprised of couples with children had a median household income of $104,473 - $59,836 for renters.
- Couples without children had a median household income of $75,480 - $52,375 for renters.
- Lone parent households had a median household income of $45,979 - $31,311 for renters.
- Individuals living alone had a median household income of $32,379 - $22,537 for renters.
- Two or more person households had a median household income of $53,666 – $39,630 for renters.
- Other family households had a median household income of $108,068 – $76,158 for renters.

Figure 9 – Median Household Income by Household Type in Guelph, 2010



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.3 One Person Households

According to CMHC (2013), the share of one person households is expected to experience the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s. This increase is driven in large part by an aging population, particularly widowed women living alone, and individuals delaying marriage. Among these households, homeownership rates are rising, with one bedroom condominiums as popular housing options (Marotte, 2014).

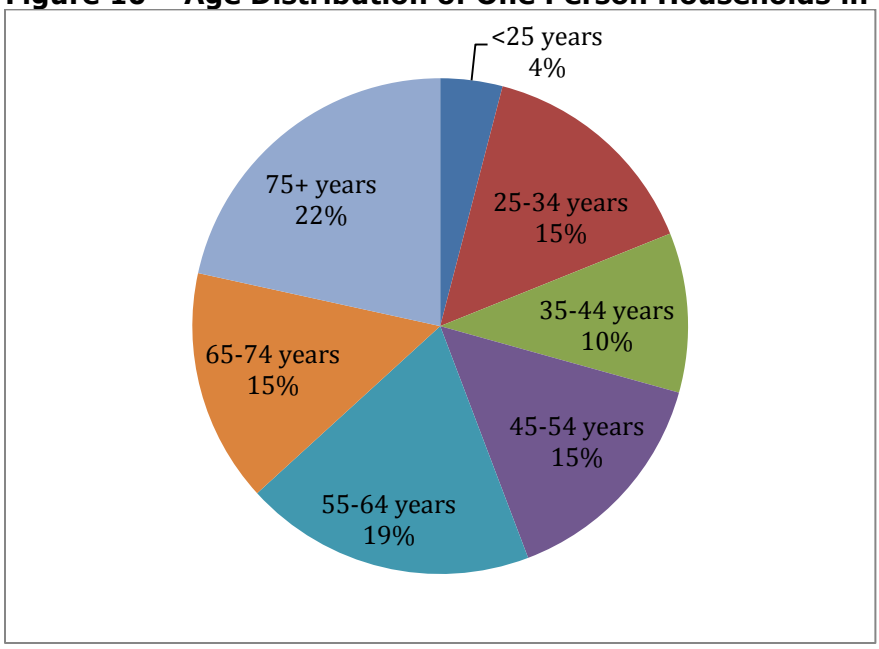
As illustrated in section 5.2 above, individuals living alone have been the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types, and the largest share (43%) of all renter household types. Nevertheless, among one person households in Guelph, the homeownership rate (51%) is slightly above the renter rate.

Figure 10 below shows that individuals of all age groups live alone. In Guelph, seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. The median household income for this group ($32,379) is the lowest of all household types.

Data Highlights

- In 2011, one person households represented 26% (12,775) of all Guelph households (Figure 8).
- Between 1996 and 2011, the number of one person households increased by 55% (4,450 households). This is the highest growth rate among all household types (Figure 7).
- 51% of one person households were homeowners (Figure 12).
- Among all renter household types, one person households comprised the largest share of all household types at 43% (6,175).
- The median household income of one person households was $32,379 - $22,537 for renters. This is the lowest of all household types (Figure 9).
- Seniors (65 years and older) comprised 37% of all one person households (Figure 10).
- Older adults (55-64 years) and young adults (less than 35 years) each made up 19% of one person households respectively.

Figure 10 – Age Distribution of One Person Households in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.4 Tenure

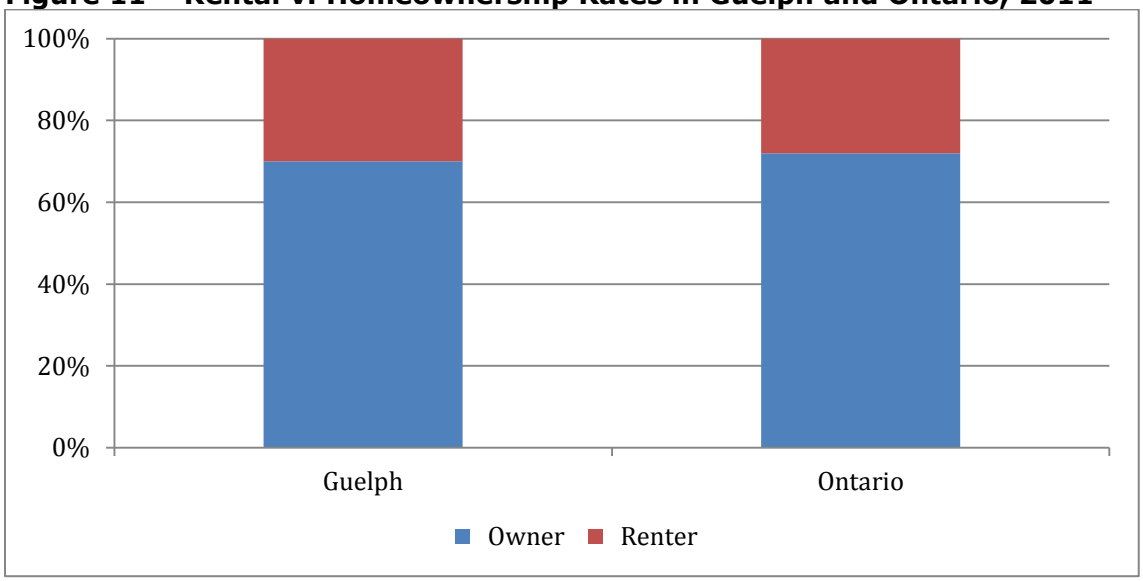
Housing tenure, whether someone rents or owns their dwelling, is an important factor to consider when examining housing affordability. Renting typically amounts to lower shelter costs, and offers more flexibility to move. Homeownership offers an opportunity for individuals to build assets, however, it requires a down payment, and is usually more costly than renting on a monthly basis, once mortgage payments, maintenance expenses, property taxes and utilities are taken into consideration. Homeownership rates have increased in the past decade due to low mortgage rates, lengthy amortization periods[8], strong employment gains, and rising disposable incomes. At present, 70% of occupied dwellings in Guelph are owned.

Data Highlights

- In 2011, 30% of all occupied dwellings were rented in Guelph – 2 percentage points above the provincial average of 28% (NHS).
- In 2006, 31% of all occupied dwellings were rented in Guelph – 2 percentage points below 2001 level of 33% (Statistics Canada 20% sample data).
- In 1991 and 1996, 40% of all occupied dwellings were rented in Guelph (Statistics Canada 20% sample data).

[8] Amortization periods of 30-35 years were permitted up until 2012 in Canada, and have since been reduced to 25 years (CBC News, 2012).

Figure 11 – Rental v. Homeownership Rates in Guelph and Ontario, 2011



Source: Statistics Canada, 2011 NHS

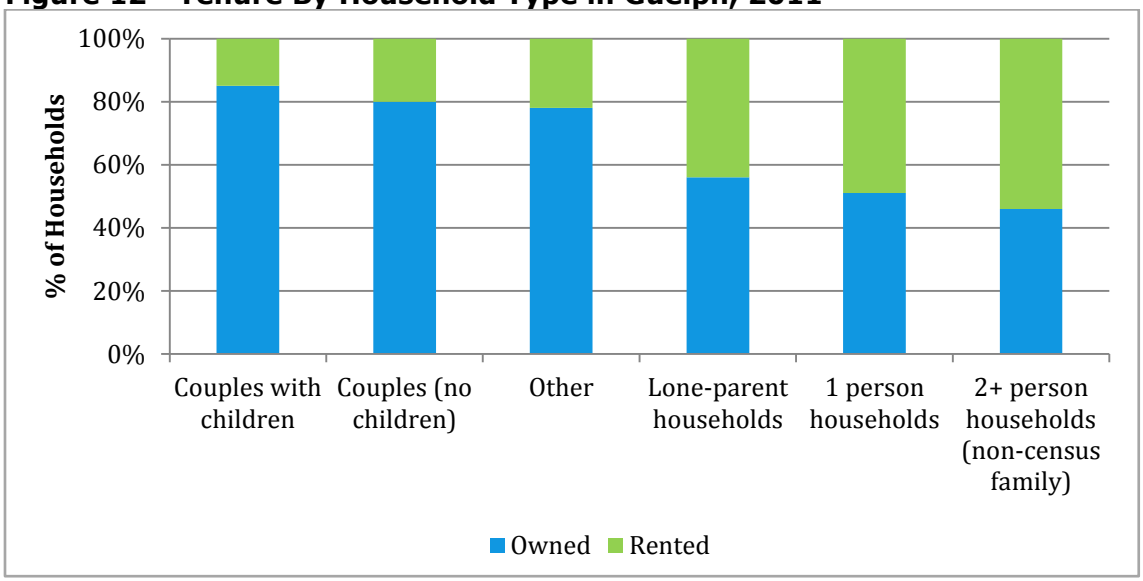
5.4.1 Tenure by Household Types

Homeownership rates vary according to demographic characteristics, such as household make-up. Among the different household types, couple families with children have the highest ownership rates (85%), followed by couple families without children (80%) in Guelph. Households comprised of two or more non-census family members have the highest rental rates (54%), followed by one person households (49%).

Data Highlights

- In 2011, 85% of Guelph households comprised of couple families with children were homeowners, and 15% of these households were renters.
- For couples without children, 80% were homeowners and 20% were renters.
- For "other" family type households, 78% were homeowners and 22% were renters.
- For lone parent households, 56% were homeowners and 44% were renters.
- For one person households, 51% were homeowners and 49% were renters.
- For two or more person, 46% were homeowners and 54% were renters.

Figure 12 - Tenure By Household Type in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.4.2 Tenure by Structure Type

The type of dwelling that a household resides in differs by tenure. Renters tend to live in multi-unit housing, whereas homeowners tend to reside in low or medium density housing. These occupancy patterns are highly dependent on the types of structures available in the housing stock. At present, Guelph's housing stock is predominantly comprised of low density housing (see section 6.1.1).

Data Highlights

- In 2011, 78% of owner households in Guelph lived in single detached and semi-detached structures, compared to 15% of renter households.
- 85% of renter households lived in apartments or townhouses, compared to 22% of owner households.

Figure 13 – Owned Dwellings by Structure Type in Guelph, 2011

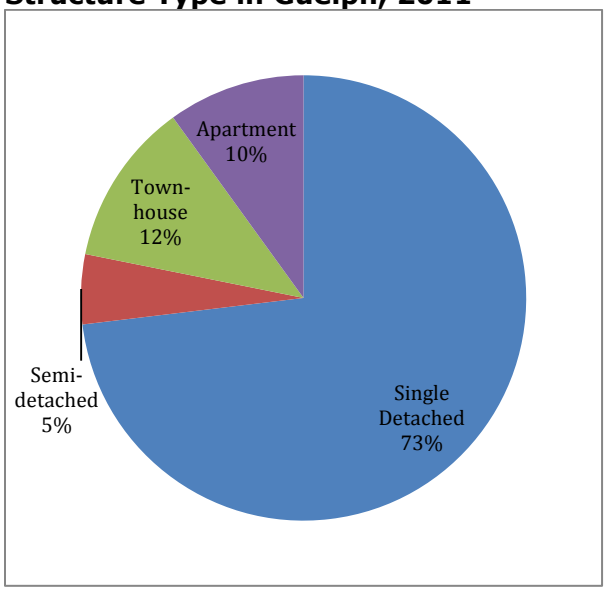
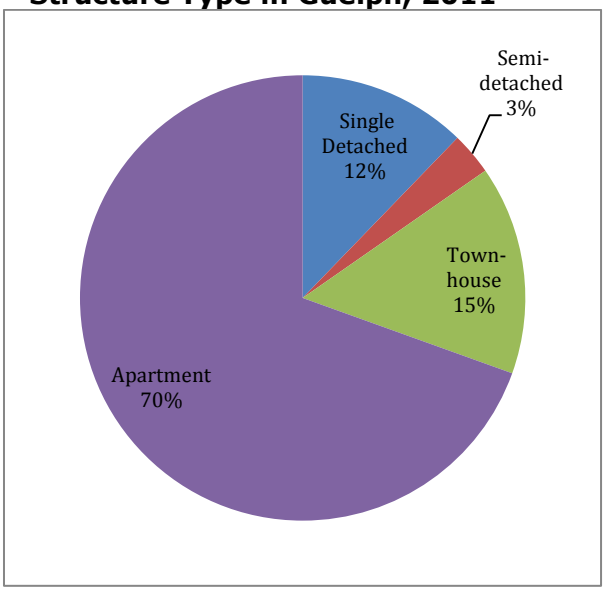


Figure 14 – Rented Dwellings by Structure Type in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.5 Primary Household Maintainer

The household maintainer is the person(s) in the household responsible for major household payments such as the rent or mortgage. In households with more than one maintainer, the primary maintainer is the first person listed.

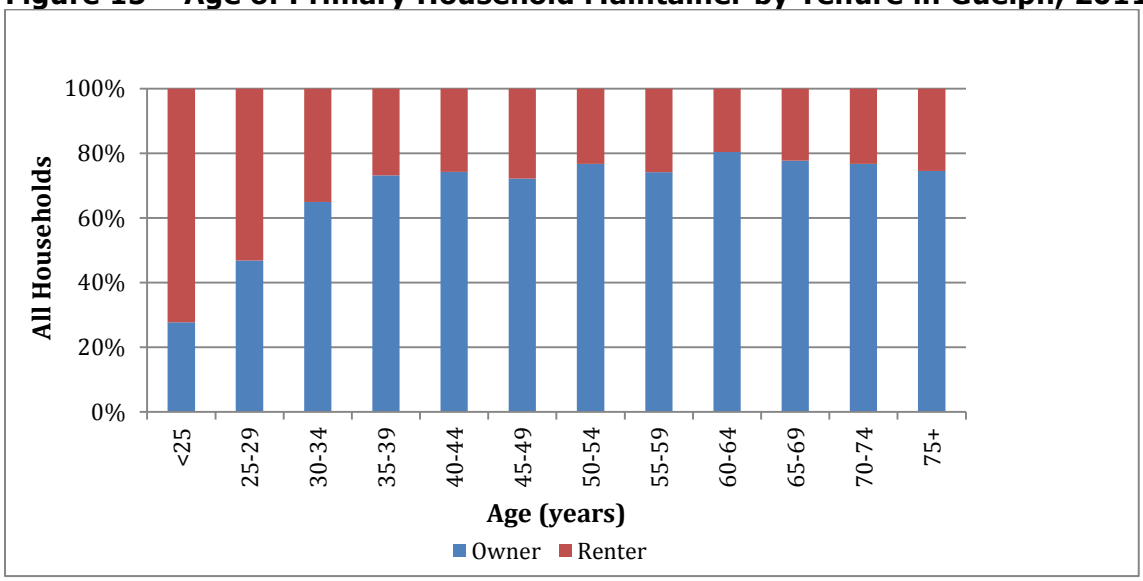
The proportion of homeownership generally increases with the age of the maintainer. In Canada, older adults (aged 55-64) have the highest rates of homeownership (CMHC, 2015). In Guelph, homeownership rates remain high (at or above 75%) for individuals aged 60 years or more.

As previously reported, there is an increasing desire among seniors to "age in place". The increase in the number of seniors remaining in their own homes will increase the demand for adaptable and accessible housing.

Data Highlights

- In 2011, 72% of Guelph households with a primary household maintainer under the age of 25 years rented their homes, followed by 53% of 25-29 year olds.
- Three-quarters of primary household maintainers above the age of 35 years owned their home, and homeownership rates remained high throughout the senior years.
- The highest ownership rate (80%) was among primary household maintainers aged 60-64 years.

Figure 15 – Age of Primary Household Maintainer by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.5.1 Age of Primary Household Maintainer by Structure Type

The type of structure that households occupy varies according to the age of the primary household maintainer. In Guelph, the most common structure type for all households are single detached dwellings, with the exception of household maintainers less than 25 years old. The most common type of housing for young people is apartments. Townhouse and semi-detached structures are occupied by all age groups, but at a small percentage.

For all age groups, most renters occupy apartments, and most owner households occupy single detached dwellings in Guelph. The rental of single detached dwellings was highest for householder maintainers under 25 years old and individuals aged 35-44 years. The ownership of apartments was highest for household maintainers 75 years or more.

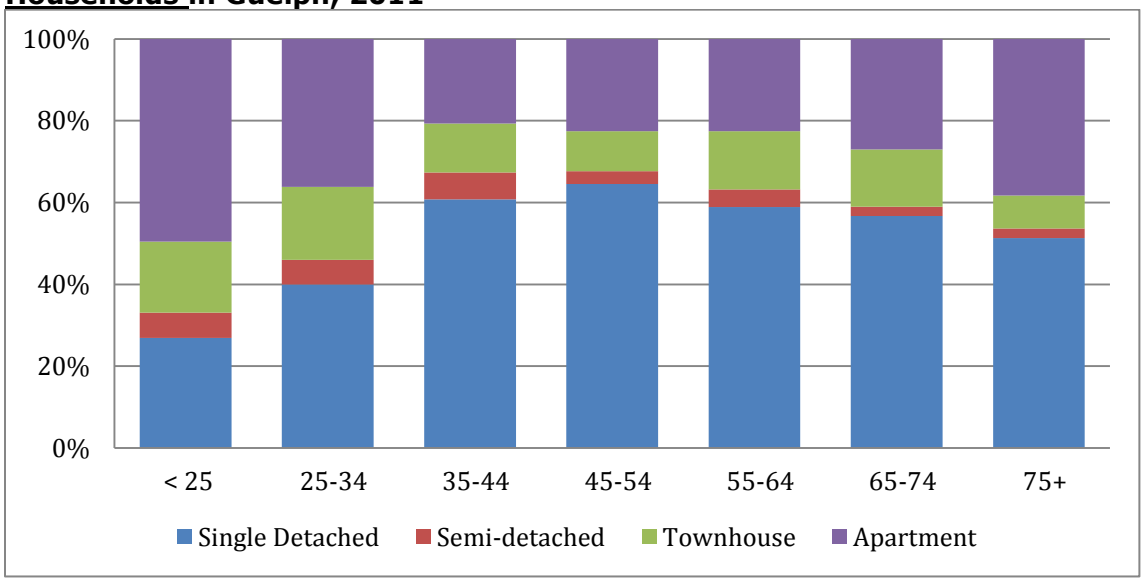
Data Highlights

- All households:
  - Over 50% of household maintainers 35 years and older occupy single detached dwellings, with a peak of 65% for individuals aged 45-54 years.
  - 49% of household maintainers less than 25 years old occupy apartments.
- Renter households:
  - Over 60% of renter households, within all age groups, occupied apartment units.
  - Over 80% of seniors who rent, rented apartment units.
  - 18% of household maintainers under 25 years old rented single detached dwellings.

- 20% of household maintainers aged 55-64 years old rented townhouses.

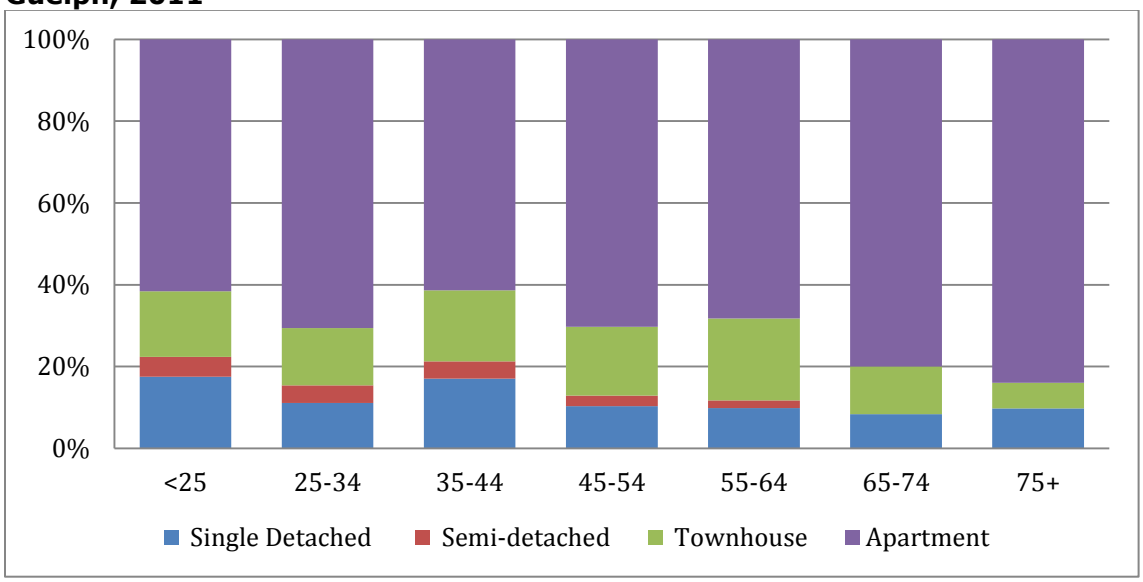
- Owner households:
  - Over 50% of owner households, within each age group, occupied single detached dwellings.
  - Over 20% of household maintainers less than 35 years old owned townhouses.
  - 23% of household maintainers over 75 years old owned apartments.

Figure 16 – Age of Primary Household Maintainer by Structure Type for All Households in Guelph, 2011



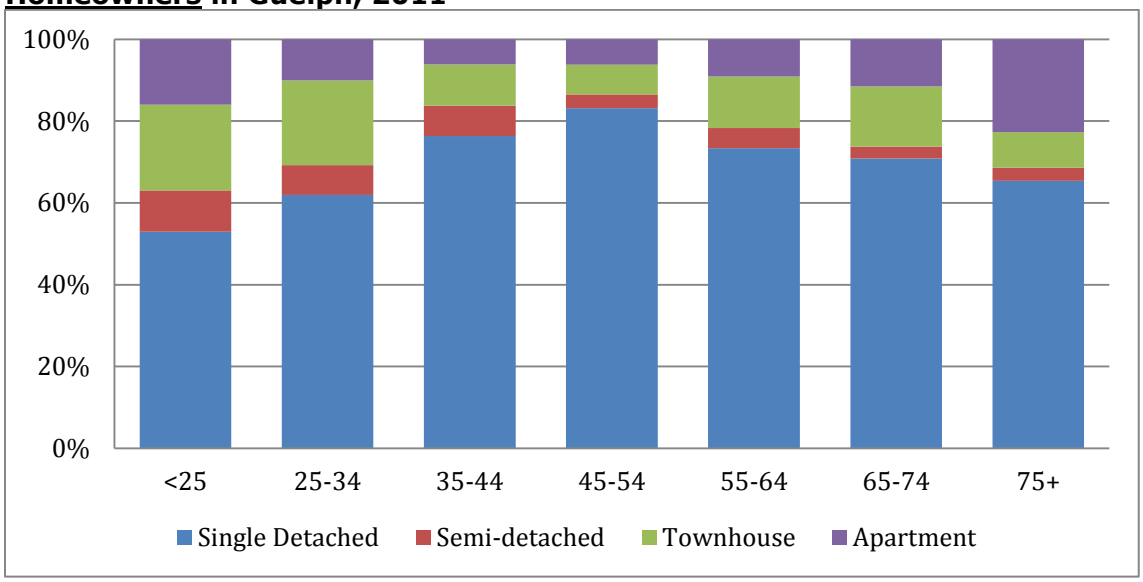
Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 17 – Age of Primary Household Maintainer by Structure Type for Renters in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 18 – Age of Primary Household Maintainer by Structure Type for Homeowners in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.6 Summary of Household Characteristic Findings

The following is a summary of the findings from the analysis of housing characteristic data presented above:

- **Shrinking household size** - At present, the average household size in Guelph is 2.5 individuals. The average size of households has been declining for over 20 years, and this trend is expected to continue. In Guelph, the share of one person households has increased, while the proportion of three or more person households has declined.

- **More one person households** - Individuals living alone have been the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types, and the largest share (43%) of all renter household types.

- **Seniors living alone** – Seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. The median household income for this group ($32,379) is the lowest of all household types.

- **Age of homeowners** - Three-quarters of primary household maintainers above the age of 35 own their home, and homeownership rates remain high throughout the senior years.

- **Predominant structure type** - In general, renter households tend to occupy apartment structures while a majority of ownership households

occupy single detached dwellings. Occupancy levels reflect the nature of the rental and ownership housing stock available.

6. Housing Supply

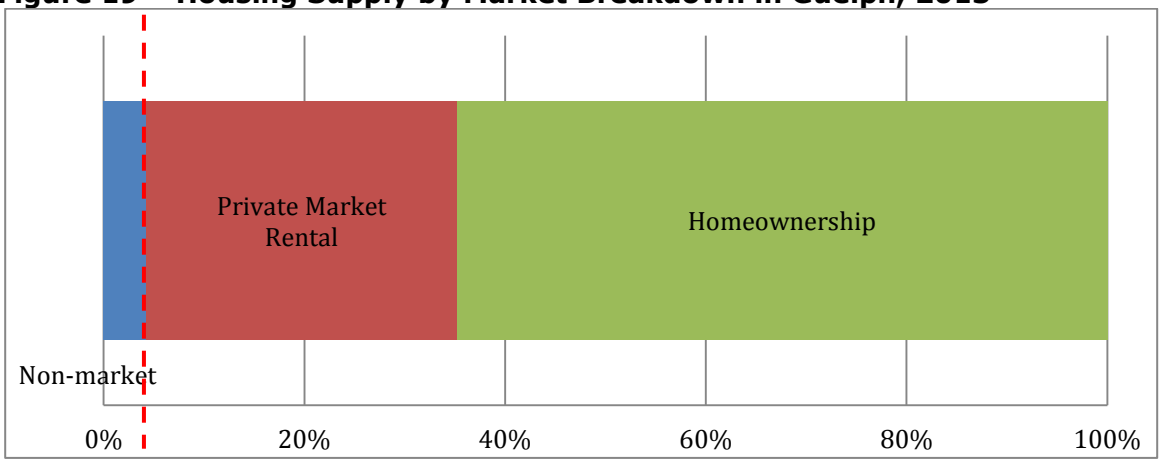
This section examines the existing housing supply in Guelph. The data provides a baseline against which the success of affordable housing strategies and Official Plan policies can be measured.

6.1 Existing Housing Stock

An analysis of MPAC data (December 2013) reveals that there are close to 53,000 housing units in Guelph – approximately 65% of these units are homeownership, 31% are private market rental, and 4% are non-market units.

It is important to note that MPAC figures differ slightly from the Statistics Canada Census and NHS data reported earlier. Statistics Canada data does not separate the primary and secondary rental market. City staff reviewed MPAC data to estimate the number of secondary rental units. The MPAC data was compared with the City's listing of registered accessory apartments and non-market housing stock to ensure that units were not double counted. The MPAC data was also aligned with CMHC's definition of primary rental housing. For additional details, see Appendix B – Housing Continuum Methodology.

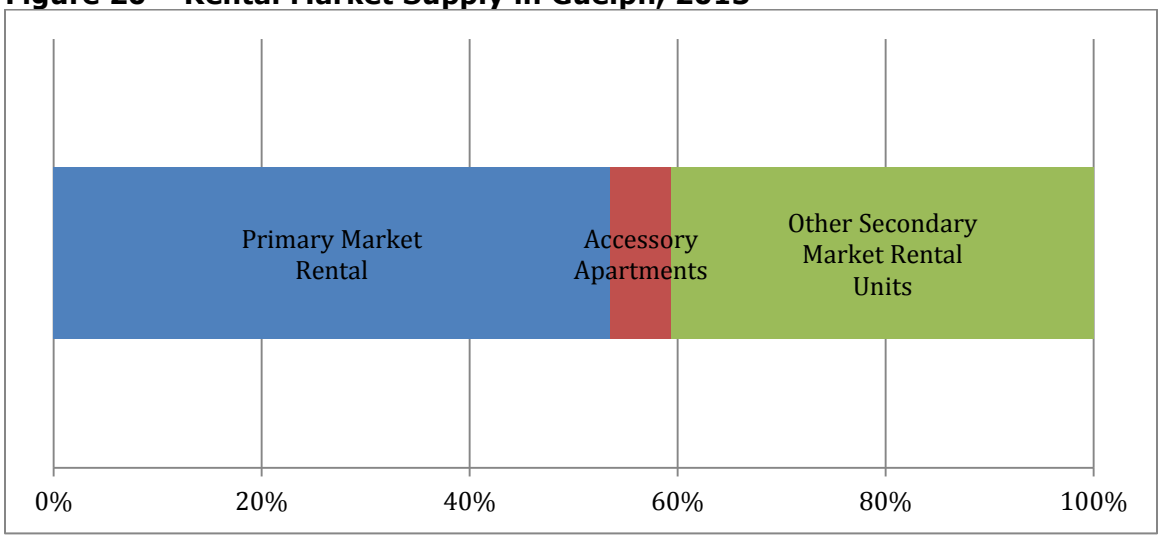
Figure 19 – Housing Supply by Market Breakdown in Guelph, 2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and JPMC Services Inc., Inventory of Government-Assisted Housing Located in Guelph Wellington – A Background Report for the 10-year Housing and Homelessness Plan, 2013

The rental universe is divided into two categories: primary and secondary. CMHC defines the primary rental market as structures that contain at least three rental units, including both townhouse and apartment units that are not held in condominium ownership. The secondary rental market includes all rented units other than those in the primary rental market. It consists of rented units within single detached, semi-detached and townhouse homes, accessory apartments, condominium apartments, and one or two apartments located in a commercial or other type of structure. An analysis of MPAC data reveals that the current private market rental housing supply consists of nearly 16,000 units – approximately 55% of which are within the primary rental market and 45% of which are in the secondary rental market (2013).

Figure 20 – Rental Market Supply in Guelph, 2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from the City's Secondary Rental Market and Accessory Apartment Surveys, 2014 and MPAC, December 2013

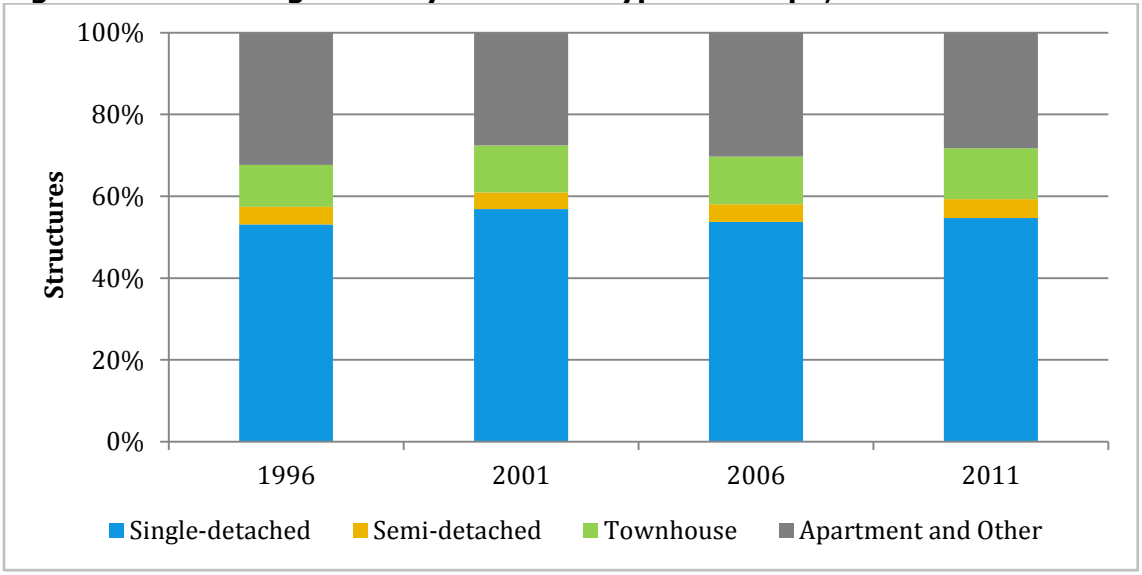
6.1.1 Structure Type

Medium and high density housing options (i.e. apartment and townhouse units) are inherently more affordable as they tend to be smaller in square footage, and require less land and infrastructure than low density housing (i.e. single- and semi-detached dwellings). At present, the current make-up of Guelph's housing stock is predominantly comprised of low density housing.

Data Highlights

- The 2011 Census shows that the majority of Guelph's existing housing stock are single detached dwellings (55%), followed by apartments and other dwelling types (28%), townhouses (12%) and semi-detached dwellings (5%).
- The ratio among dwelling types has remained relatively constant since 1996.

Figure 21 – Housing Stock by Structure Type in Guelph, 1996-2011



Source: Statistics Canada, 2011 Census

6.2 Residential Development

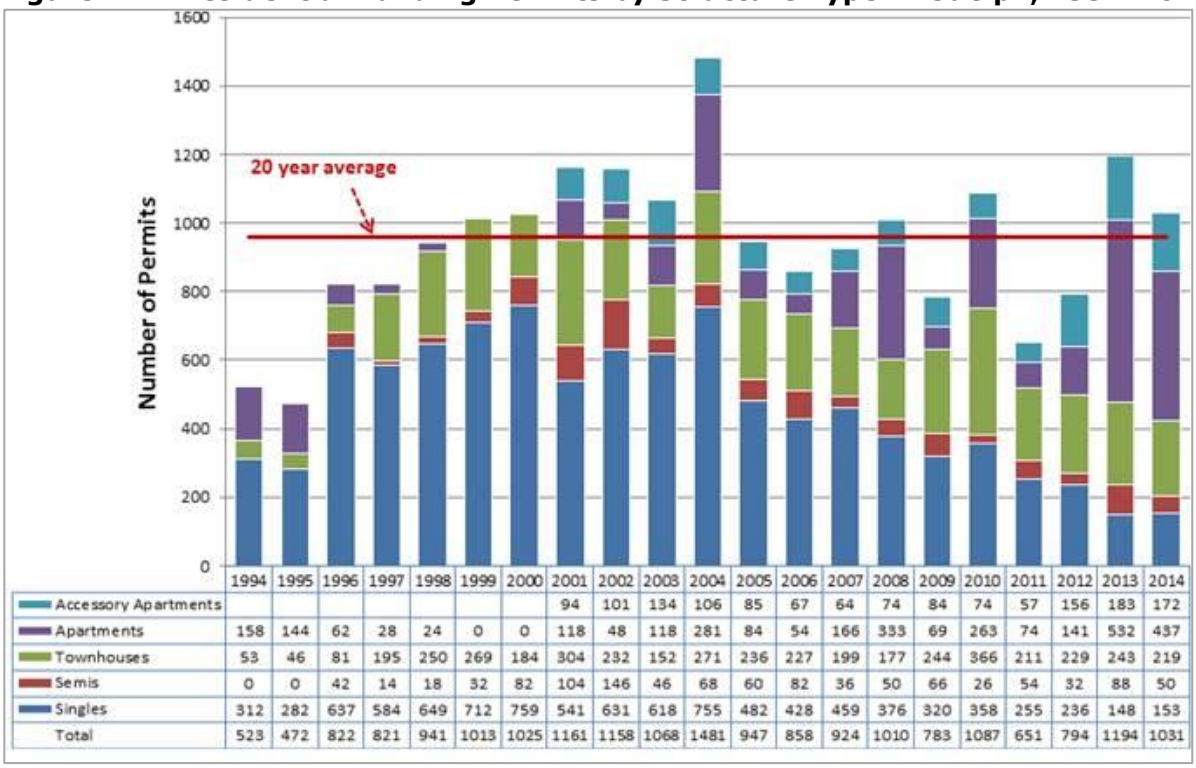
6.2.1 Residential Permits

Residential permit activity indicates that recent housing development is shifting from the construction of single detached dwellings to more apartments and townhouses. In the past two years, there were more permits issued for apartments and for townhouses than for single detached dwellings. Municipal housing forecasts to 2031 indicate that there will be a continued shift in the type of housing constructed. The share of low density housing is expected to decrease, while the share of high density is expected to increase.

Data Highlights

- On average, 953 residential building permits have been issued annually over the last 20 years.
- The number of permits issued for single detached buildings has declined steadily over the past 10 years (755 in 2004 to 153 in 2014).
- For the first time in 2013, there were more permits issued for both apartments (532) and townhouses (243) than for single detached dwellings (148).

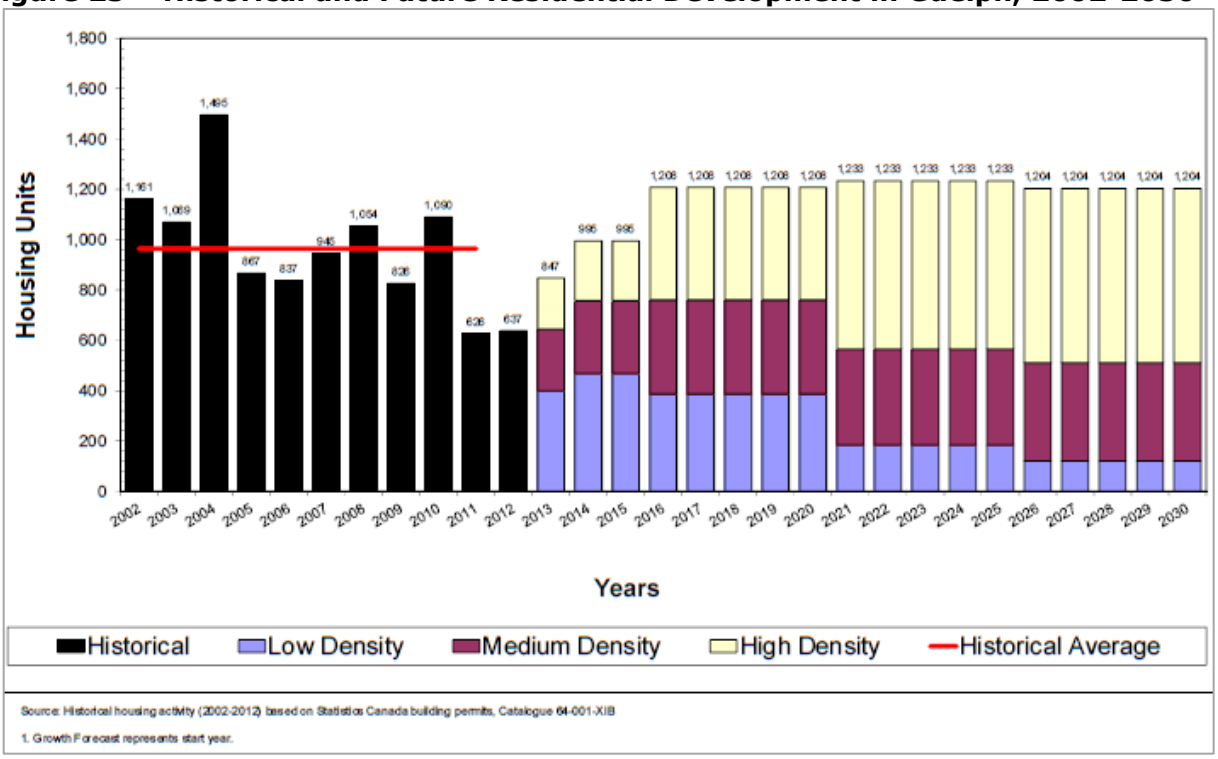
Figure 22 – Residential Building Permits by Structure Type in Guelph, 1994-2014



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Accessory Apartments								94	101	134	106	85	67	64	74	84	74	57	156	183	172
Apartments	158	144	62	28	24	0	0	118	48	118	281	84	54	166	333	69	263	74	141	532	437
Townhouses	53	46	81	195	250	269	184	304	232	152	271	236	227	199	177	244	366	211	229	243	219
Semis	0	0	42	14	18	32	82	104	146	46	68	60	82	36	50	66	26	54	32	88	50
Singles	312	282	637	584	649	712	759	541	631	618	755	482	428	459	376	320	358	255	236	148	153
Total	523	472	822	821	941	1013	1025	1161	1158	1068	1481	947	858	924	1010	783	1087	651	794	1194	1031

Source: City of Guelph Planning, Urban Design and Building Services, Building Permit Summaries, 2015

Figure 23 – Historical and Future Residential Development in Guelph, 2002-2030



Source: Watson & Associates, Development Charge Background Study, 2014

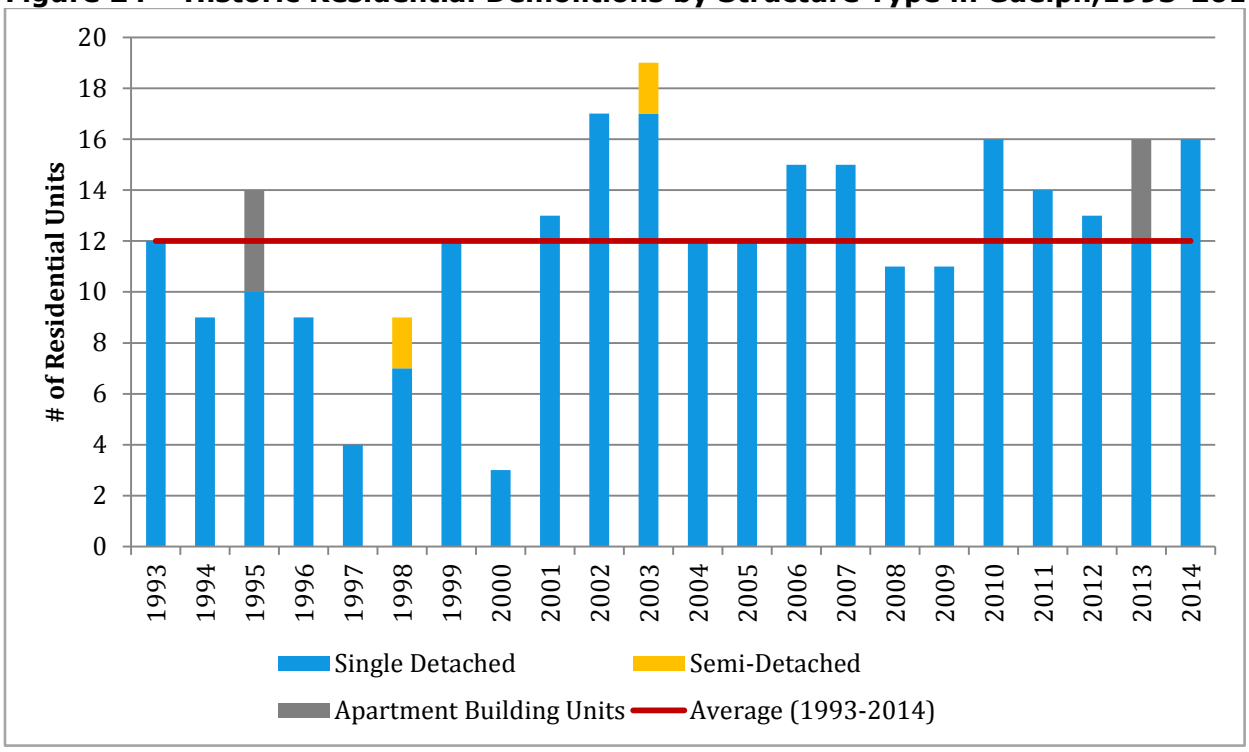
6.2.2 Residential Demolitions

In Guelph, few residential units are demolished each year. Only eight apartment units and four semi-detached dwelling units have been demolished over the last 20 years. Most have been single detached dwellings. However, this has little effect on the total housing stock, as the vast majority of demolitions were replaced with new residential buildings.

Data Highlights

- On average, 12 residential dwelling units are demolished each year.
- Since 1993, 8 apartment units and 4 semi-detached dwellings have been demolished.

Figure 24 – Historic Residential Demolitions by Structure Type in Guelph,1993-2014



Source: City of Guelph Planning, Urban Design and Building Services, Amanda Permit Tracking System, 2015

6.2.3 Condominium Conversions

The conversion of rental units into condominiums results in the loss of primary rental stock. However, it sometimes results in new secondary rental market units, as well as affordable ownership opportunities. The City's Official Plan (policy 7.2.15) restricts the conversion of rental accommodation to condominium when vacancy rates are below 3%, and prohibits such conversions when the vacancy rate is below 1.5%.[9]

[9] The conversion of rental accommodation to condominium or co-ownership housing tenureship will be considered on the merits of each proposal.

Over the past 20 years, a total of 172 rental units have been converted to condominiums – 100 townhouse units in 1998 (700 Paisley Rd.), and 72 apartment units in 2012 (55 Yarmouth St.). As a condition of approval for the Yarmouth St. condominium conversion, the owner was required to create and maintain 18 apartment units in the Gummer Building (1 Douglas St.) as rental for at least 10 years.

6.3 Primary Rental Market

The following information on the primary rental market comes from CMHC's Fall Rental Market Survey. This survey is conducted twice a year, and provides a summary of average market rents and vacancy rates of privately owned structures containing three or more units.

6.3.1 Average Market Rents

Rental rates vary according to unit size. Generally, the more bedrooms there are, the higher the rent. In Guelph, the average rate in the primary market is $973 per month, ranging from $673 for a bachelor apartment to $1,202 for a 3-bedroom unit (October 2014). These rates may or may not include utilities such as heating and electricity. Between 2011 and 2014, the private market rental rates for Guelph increased 8%, above the Consumer Price Index (CPI) rate of inflation for Ontario of 5% during this time period.

Data Highlights

- In October 2014, the average rate for a rental unit in the primary market in Guelph was $973 per month
    - $673 for a bachelor unit;
    - $868 for a 1 bedroom unit;
    - $992 for a 2 bedroom unit; and
    - $1,202 for a 3+ bedroom unit.
- Average rental rates have risen 8% between 2011 and 2014.

Figure 25 - Average Primary Market Rental Price by Unit Size in Guelph, 2011-2014

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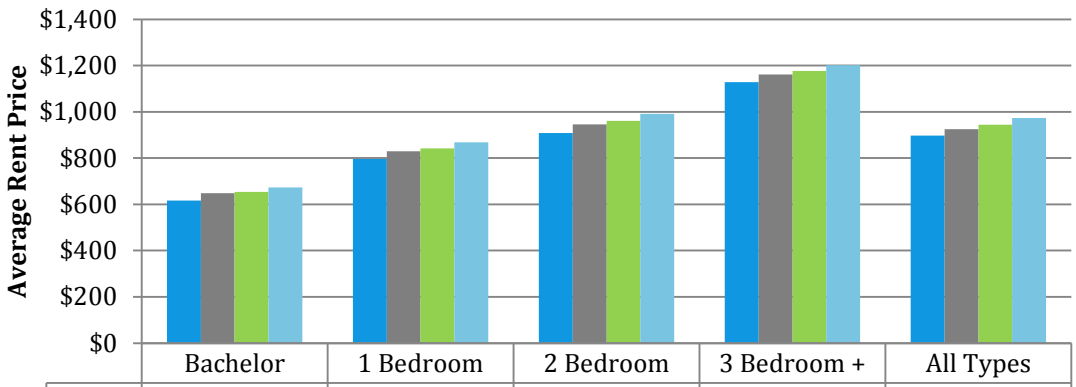
1. The City will discourage the conversion of existing rental units to condominium or co-ownership housing when the vacancy rate for rental accommodation is below 3%, and will prohibit such conversions when the vacancy rate is below 1.5%. The vacancy rate shall be defined as the average vacancy rate of the latest two vacancy surveys conducted in Guelph by the Canada Mortgage and Housing Corporation. The City may conduct supplementary vacancy rate surveys and modify the vacancy rates reported by C.M H.C in accordance with its own findings.
2. The policies of the City's approved "Municipal Housing Statement" will be used to outline the general requirements of the Municipality to permit a condominium or co-ownership housing conversion.
3. The City will utilize agreements setting out the specific conditions and standards for a condominium or co-ownership housing conversion.
4. When considering applications for condominium or co-ownership housing conversion, Council will have regard for:
    a) The number of units included in the conversion application;
    b) The number of rental units under construction at the time of application for conversion;
    c) The impact of the conversion on the rental housing market (i.e. anticipated change in vacancy rates).



	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	All Types
2011	$617	$797	$908	$1,129	$897
2012	$648	$829	$946	$1,161	$925
2013	$654	$842	$961	$1,177	$944
2014	$673	$868	$992	$1,202	$973

Source: CMHC, Fall Rental Market Survey, 2011-2014

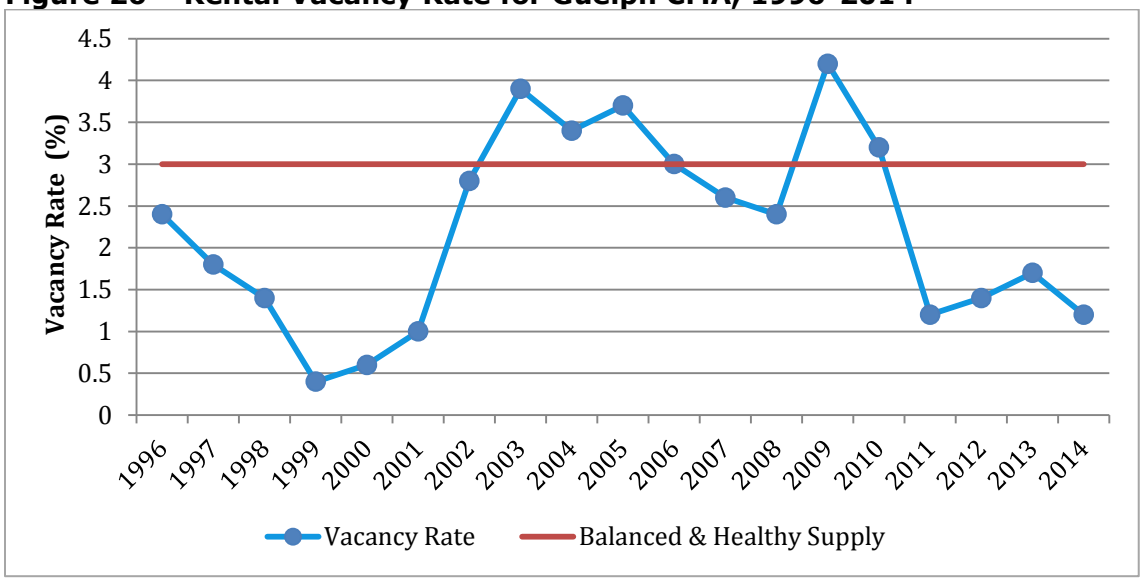
6.3.2 Vacancy Rates

The benchmark for a balanced and healthy rental market is a vacancy rate of 3%. The vacancy rate for Guelph is currently 0.6% (April 2015), well below that figure. Among other municipalities, the vacancy rate for the Guelph CMA is the lowest in Ontario and the third lowest in Canada (2014). This means that even if a household has sufficient income to pay market rents, they may not be able to find an available unit to lease, particularly households seeking small unit sizes.

Data Highlights

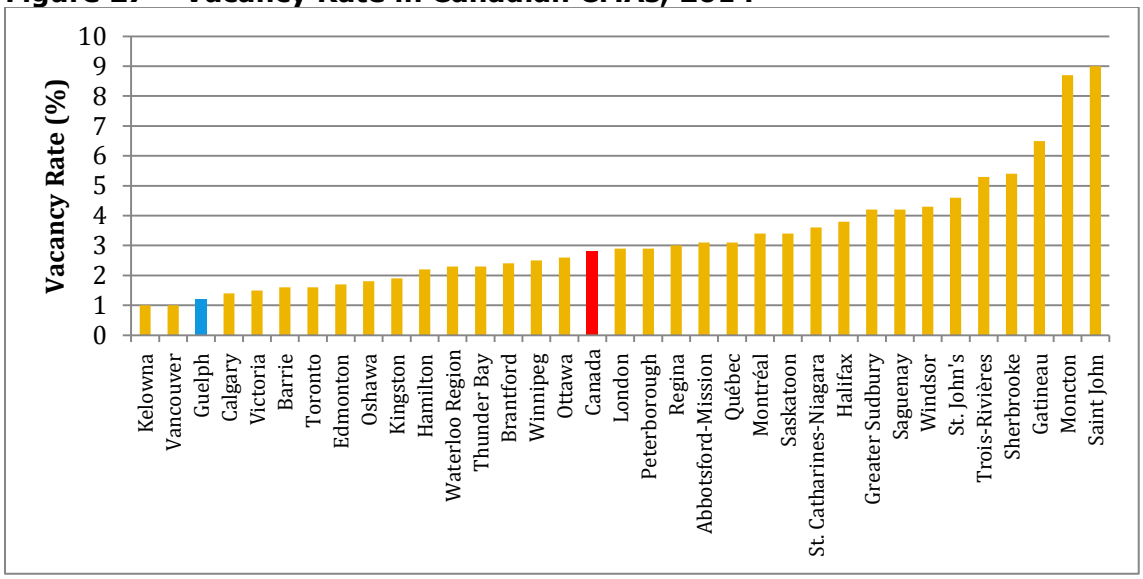
- Since 2011, the overall vacancy rate has been far below the benchmark of 3%.
- The current vacancy rate for the City of Guelph is 0.6% (April 2015)
    - 0.5% for bachelor apartments;
    - 0.3% for 1-bedroom apartments;
    - 0.7% for 2-bedroom apartments; and
    - 0.8% for 3+-bedroom apartments.

Figure 26 – Rental Vacancy Rate for Guelph CMA, 1996-2014



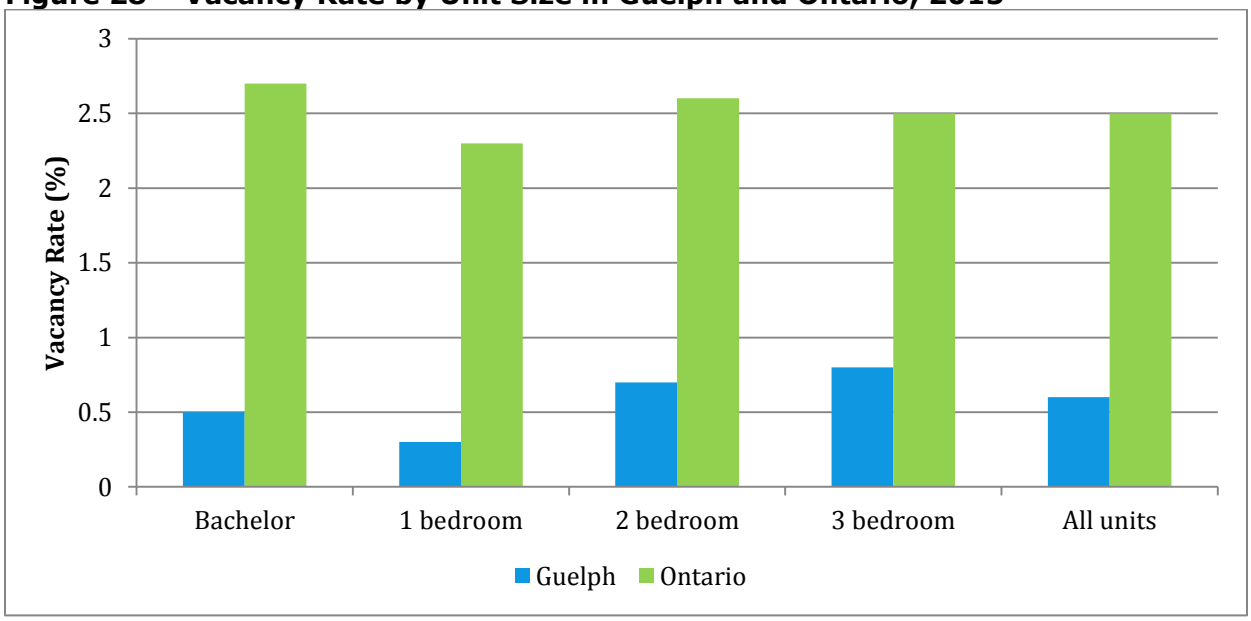
Source: CMHC, Fall Rental Market Survey, 1996-2014

Figure 27 – Vacancy Rate in Canadian CMAs, 2014



Source: CMHC, Fall Rental Market Survey, 2014

Figure 28 – Vacancy Rate by Unit Size in Guelph and Ontario, 2015



Source: CMHC, Spring Rental Market Survey, 2015

6.4 Secondary Rental Market

The secondary rental market includes all rented units other than those in the primary rental market. It consists of rented single detached, semi-detached and townhouse homes, accessory apartments, condominium apartments, and one or two apartments located in a commercial or other type of structure. Unlike the primary rental market, which consists of purpose-built rental apartments, the secondary rental market stock is considered to be temporary.

There is a lack of information available on the secondary rental market, as CMHC does not conduct research on these types of units for the Guelph area. Consequently, two local studies - a Registered Accessory Apartment Survey and a Secondary Rental Market Study - were undertaken as part of this Affordable Housing Strategy research in order to better understand the breadth and make-up of the secondary supply, including rental rates. Details on the methodology for these studies are included in Appendix C.

6.4.1 Accessory Apartments

An accessory apartment is defined as a separate dwelling unit that is located within the structure of a principal dwelling, and which is secondary to the principal dwelling unit. It includes a separate living area, kitchen, bedroom and bathroom. Examples include basement apartments or in-law suites. Not only can homeowners benefit from the income generated from having an accessory apartment, but they also provide affordable housing options within Guelph.

The City has a one time registration process for accessory apartments (units are not required to be unregistered). As of December 31, 2013, a total of 2,123 accessory apartments were registered with the City. Of these units, 78% were rented according to the City's survey results.

Survey Highlights

- Reason for creating the unit:
  - 54% of respondents initially created their accessory apartment to assist in mortgage payments on the principle residence.
  - 24% of respondents created the accessory apartment as an investment property (with both the main dwelling and the accessory apartment rented).
  - 22% of respondents created the accessory apartment for use by a family member(s).
- Tenant characteristics:
  - 70% of properties are owner occupied; 67% live in the main unit and 3% live in the accessory apartment.
  - 47% of occupants are aged 19-25.
  - 30% of occupants are aged 26-35.
  - 6% of units are occupied by families with children aged 0-18 years.
- Vacancy:
  - Almost one-quarter of accessory units were vacant at the time of the survey.
- Permanency:
  - 9% of respondents plan to remove the unit from their dwelling unit in the future, most likely in the medium to long-term (6 years or more).

6.4.2 Secondary Market Rental Rates

Accessory apartments are typically less expensive than units in the primary rental market. Other types of secondary rental units (e.g. townhouse and condominium apartments), with the exception of bachelor units, tend to be more expensive.

Data Highlights

- The average rental rate for a bachelor apartment in Guelph is about $650 a month, regardless of whether that unit is in the primary or secondary market.
- On average, accessory apartments offer the cheapest rents in Guelph:
  - $750 for a 1 bedroom unit;
  - $911 for a 2 bedroom unit; and
  - $1,027 for a 3+ bedroom unit.
- On average, other types of secondary units (e.g. townhouse and condominium apartments) have the highest rents in Guelph:
  - $875 for a 1 bedroom unit;
  - $1,151 for a 2 bedroom unit; and
  - $1,431 for a 3+ bedroom unit.

Figure 29 – Average Primary v. Secondary Rental Market Rents by Unit Size in Guelph, 2014

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Primary	$654	$842	$961	$1,177
Other Secondary	$659	$875	$1,151	$1,431
Registered Acc Apt	$646	$750	$911	$1,027

Source: City of Guelph Planning, Urban Design and Building Services. Data from Secondary Rental Market and Accessory Apartment Surveys, 2014 and CMHC, Fall Rental Market Survey, 2014 (see Appendix C)

6.5 Resale Housing Market

6.5.1 Average Resale Prices

Like rent, the average price of a home varies according to unit size and dwelling type. Location, amenities, age of dwelling, and finishes are also important factors. In general, single detached homes tend to be more expensive than semi-detached dwellings, which in turn are more expensive than townhomes and apartments. In Guelph, the average resale price of a home was $327,062 in 2013 – up 25% since 2009. This increase far exceeded the CPI for Ontario of 8% during this time period.

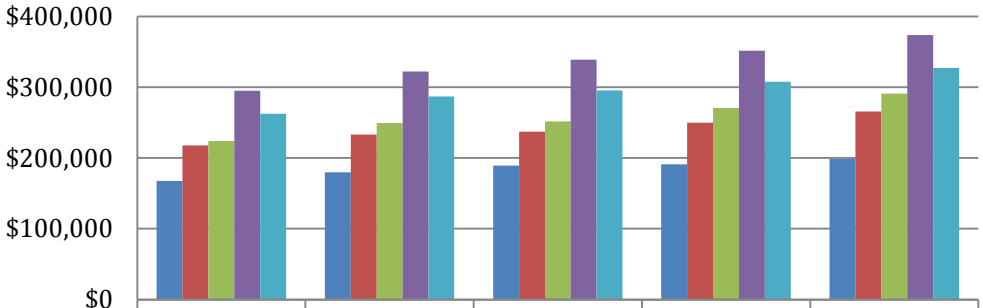
The range of prices for resale units is broader than the range for new homes. New townhouses and apartments are slightly less expensive than resale units. This could be related to the fact that new sales can be dominated by one or two development projects, where there is little variability in the type and cost of units available.

Data Highlights

- In 2013, the average resale price of a home in Guelph was $327,062:
  - $198,555 for an apartment;
  - $265,563 for a townhouse;
  - $290,720 for a semi-detached dwelling; and
  - $373,713 for a single detached dwelling.
- Between 2009 and 2013, the average prices of resale dwellings rose 25%:
  - 19% for an apartment;
  - 22% for a townhouse;

- 30% for a semi-detached dwelling; and
- 27% for a single detached dwelling.

Figure 30 - Average Resale Price of Dwellings Sold in Guelph, 2009-2013



	2009	2010	2011	2012	2013
Apartment	$167,525	$179,555	$189,015	$190,969	$198,555
Townhouse	$217,669	$233,111	$237,335	$249,964	$265,563
Semi Detached	$224,213	$249,386	$251,733	$270,653	$290,720
Single Detached	$294,822	$322,152	$338,921	$351,490	$373,713
All Types	$262,212	$286,984	$295,283	$307,558	$327,062

Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013

6.6 Non-Market Housing

The non-market components of the housing continuum include the following five components:

a. **Emergency Shelters** – Shelters provide short-term lodging for individuals and families in need of emergency accommodation. Services may also include meals, access to showers and laundry, as well as assistance with linking to health and social services, as required.

   In Guelph, there are currently three community providers, offering up to 75 beds, plus overflow accommodation in motels as needed. In 2014, the average number of shelter occupants per night was 129 people.

   In recent years, there has been a shift away from the traditional emergency shelter system to a "Housing First" approach. For more details, refer to the County of Wellington's Homelessness Strategy: A 5-Year Plan to Reduce Homelessness in Guelph Wellington (2014).

b. **Transitional Housing** – Transitional units are targeted to individuals in need of structure, support and/or skill building, in order to move from homelessness to housing stability and ultimately prevent a return to homelessness. They provide support services such as counselling, job training and placement, community activities, and help with life skills.

Accommodation is temporary (time limited); residents can typically stay up to a maximum of three years.

There are currently six transitional housing providers, providing up to 46 units in Guelph. These programs are administered by the Waterloo Wellington Local Health Integration Network (LHIN) through supportive service providers.

c. **Social Housing** – Social housing refers to permanent, independent-living housing financed at least partly through government funding and mortgage guarantees. It includes: public housing, municipal and private non-profit rentals, and co-operatives where residents contribute to the management of the property to increase the sense of community and reduce operating costs.

   In Guelph, there are 2,238 social housing units – 259 are classified as senior units (age 55+) and 1,979 are non-senior units including 253 non-senior co-operative units. A major portion of these units is rent-geared-to income (RGI), and the remainder may be rented at average social market rents. Tenants in RGI units pay no more than 30% of their household income in rent or rent is based on social assistance rent scales, and the remainder is subsidized through government contributions. Currently there are 52 designated supportive housing units and these tenants receive services from supportive service providers.

   Social housing is accessed through the Centralized Waiting List administered by the Service Manager for specific social housing providers. As of December 31, 2014, there were 881 Guelph households on the Service Manager's RGI waiting list. The 52 designated supportive housing units are accessed through the supportive service providers. The social market rent units are accessed through the individual housing providers.

d. **Supportive Housing** – Supportive housing is geared for individuals with special needs, including long-term mental health problems, physical disabilities, developmental delays and the frail elderly. It consists of three elements: (1) physical facility (e.g. apartment, group home, retirement home), (2) rent subsidies (e.g. rent supplement or RGI), and (3) supportive services (in a range of intensities) that help residents maintain independence. Unlike transitional housing, there is no length of stay duration.

   Research conducted by TaylorNewberry (2014) identified about 380 permanent supportive housing units located in Guelph, however, some of these units may be double counted in the social housing and subsidized rental numbers listed here. Some of these units are shared accommodations (e.g. group homes), while others are independent apartments located in scattered sites within the private market housing stock.

The system of supportive housing is administratively complex. It is accessed through specific support service providers, Here247[10], community agencies and social and affordable housing providers, and is funded and administered primarily by several provincial ministries, the WWLHIN, the supportive service provider and the Service Manager.

e. **Subsidized Rental** – Rent subsidies are provided to offset rents in private market rental units for low income households. These subsidies are administered by the Service Manager or directly provided by a community agency for qualifying households in three ways:
   - **Rent Supplement** – The calculation for rent supplements takes into consideration average market rent less RGI. These subsidies involve an agreement with a landlord for a particular unit(s) to be allocated to a household(s) on the Centralized Waiting List. As of June 2015, the Service Manager is administering 219 rent supplements in Guelph. Of these, there are nine designated supportive housing units.
   - **Housing Allowance** - Housing Allowances are fixed subsidies involving separate agreements with the landlord and the existing or new tenant household. As of June 2015, the Service Manager is administering 89 housing allowances in Guelph.
   - **Community Agency Delivery (CAD)** - The Community Agency Delivery (CAD) units are housing allowances that are delivered through a partnership with select community agencies. As of June 2015, the Service Manager is administering 12 fixed subsidies through the CAD programme.

The Service Manager also administers affordable rental housing projects through agreements with non-profit or private owners and has a homeownership programme which provides down-payment loans, with forgiveness after 20 years, for moderate income households. Funding for the affordable rental housing projects is provided through grants and loans by federal, provincial and municipal levels. Homeownership programme funding uses federal and provincial funding.

Accessible housing options are geared for persons with physical disabilities with access to the rental units through waiting lists by the Service Manager, housing providers and student cooperative.

As noted above, the non-market housing system is administratively complex. The County of Wellington in its role as the local Service Manager administers much of the non-market housing in Guelph. However, a number of non-market housing units are funded and administered by upper levels of government, such as the Ministries of Community and Social Services and Health and Long-Term Care. Furthermore, the federal investment for social housing will be ending by 2033, which will impact 2,238 permanent units and the 119 rent supplement units locally. The provincial funding for other rent supplement and housing allowances will end between 2023 and 2024.

[10] An anytime call service to access addictions, mental health and crisis services.

The City currently supports non-market housing by providing funding support to the Service Manager, as well as through its historic use of the Affordable Housing Reserve to incent the development of affordable housing units.

6.7 Summary of Housing Supply Findings

The following is a summary of the housing supply data presented above:

- **Composition of housing stock** - While there has been an increase in the number of new apartments and townhouse units being constructed in recent years, Guelph's housing stock is predominantly comprised of low density housing.

- **Condominion conversions** - Demolitions and rental conversions are not resulting in a significant loss of total rental housing stock.

- **Low vacancy rate** - The vacancy rate for Guelph's primary rental market is currently 0.6% (April 2015), well below the balanced and healthy benchmark of 3%.

- **Increasing rental rates** – Between 2011 and 2014, the private market rental rates for Guelph increased 8%, above the CPI rate of inflation for Ontario of 5% during this time period.

- **Secondary rental market** – 45% of Guelph's rental units are in the secondary market, and are considered to be temporary. Almost one-quarter of all accessory apartments are not rented.

- **Rising house prices** – The average resale price of a home was $327,062 in 2013 – up 25% since 2009, well above the CPI for Ontario of 8% during this time period.

- **Non-market housing** – Non-market housing represents 5% of the total housing stock in Guelph. The City currently supports non-market housing by providing funding support to the Service Manager, as well as through its historic use of Affordable Housing Reserve funds to incent the development of affordable housing units.

7. Housing Affordability, Suitability, and Adequacy

Core housing need is a vital indicator of community wellbeing that takes into account the following three factors:

a. **Affordability** – Does the household spend 30% or more of their before-tax income on accommodation?

b. **Suitability** – Are there enough bedrooms for the size and make-up of the household?

c. **Adequacy** - Is the dwelling in need of major repair?

This section of the report explores available data about these three elements separately and then as a combined indicator of core housing need.

7.1 Affordability

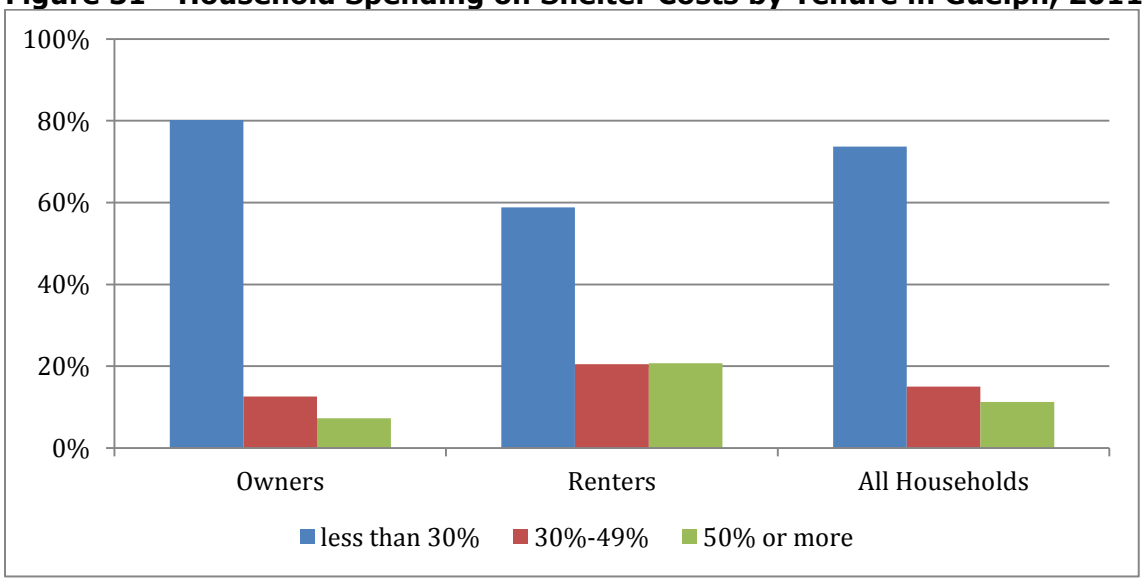
As mentioned above, housing is considered to be affordable for a given household if it costs less than 30% of gross (before-tax) household income. Households who pay above this threshold are considered to be "at risk of homelessness". In 2011, one-quarter of Guelph's households spent above the affordability threshold. Renters are more likely than homeowners to be at risk of homelessness.

One-tenth of Guelph's households are spending more than 50% of their income on housing. These households are considered to be at great risk of homelessness.

Data Highlights

- In 2011, 26% of all Guelph households (12,620) spent above the affordability threshold of 30%:
  - 41% (5,950) of renters, and
  - 20% (6,665) of owners.
- 11% of all Guelph households (5,425) spend more than 50% of their income on housing costs:
  - 21% (2,995) of renters, and
  - 7% (2,430) of owners.

Figure 31 - Household Spending on Shelter Costs by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.2 Suitability

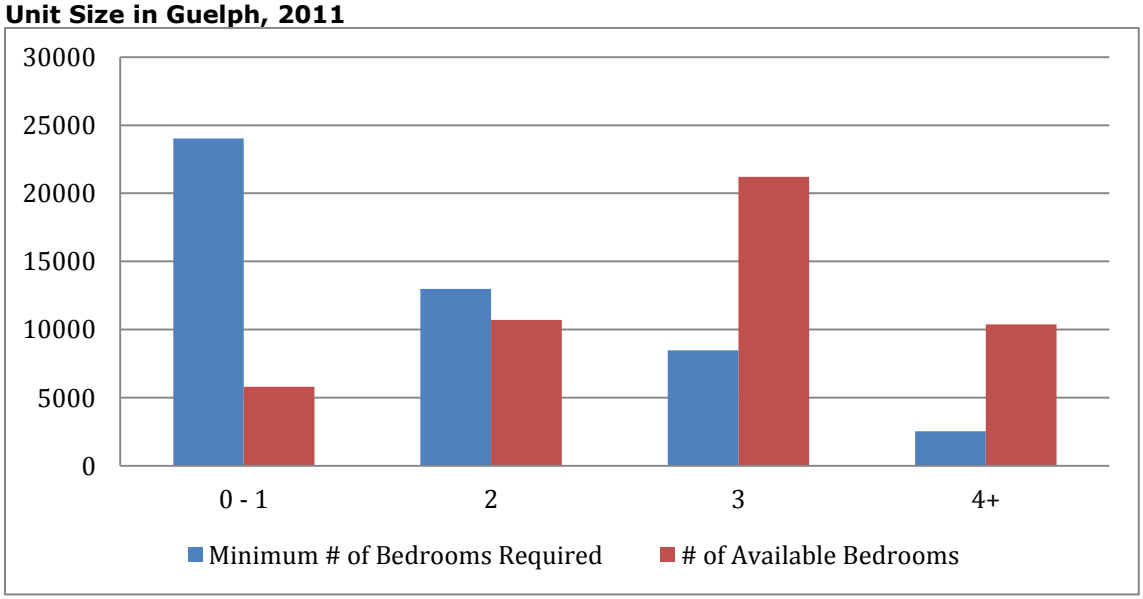
The National Occupancy Standard (NOS) outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires as a minimum a one bedroom unit, a couple or lone parent with one child requires as a minimum a two bedroom unit etc. Many households prefer to rent/own a unit with more bedrooms than the NOS. However, low and moderate income households do not typically have the financial means to choose a unit with more bedrooms than the minimum required. Therefore, it is important that there is sufficient supply of smaller sized units available in the community.

An analysis of existing housing stock in comparison to household sizes indicates that there is a shortfall of approximately 18,000 bachelor and one bedroom units, and an oversupply of about 13,000 dwelling types consisting of three or more bedrooms than households who require this size of unit. The projected rise in the number of one person households will further increase the demand for small units.

Data Highlights

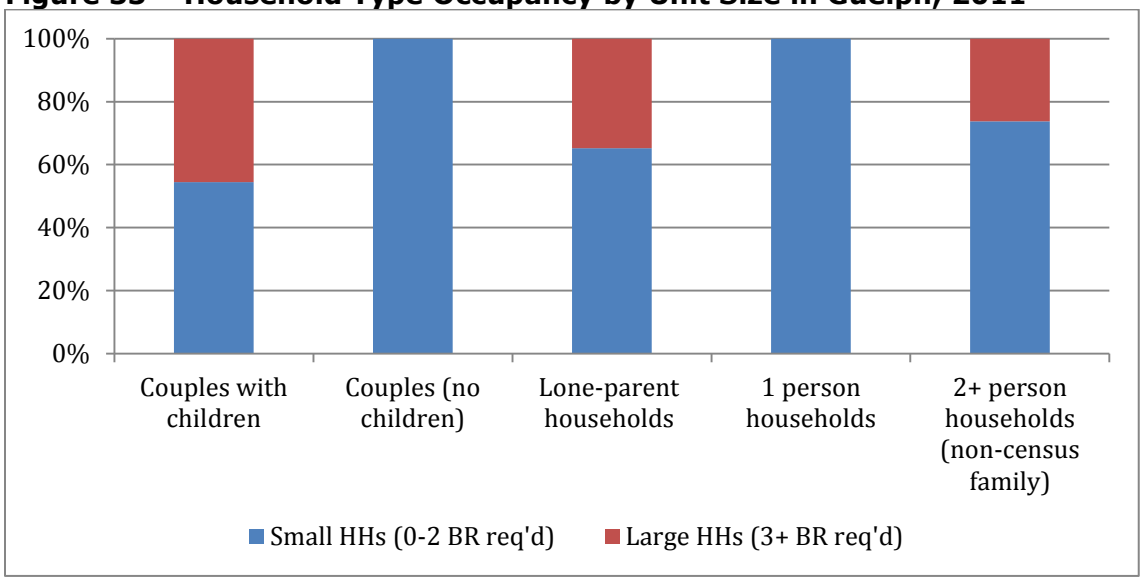
- In 2011, 12% of the housing stock was comprised of bachelor and one bedroom units (5,805 units).
- Based on the NOS, there is a need for 24,025 bachelor or one bedroom units.
- 44% of the housing stock was comprised of three bedroom units (21,220 units).
- Based on the NOS, there is a need for 8,470 three bedroom units.
- Among household types, 100% of one person households and couples without children occupy small unit sizes (bachelor, 1 or 2 bedroom units) (Figure 33).
- Over 80% of primary household maintainers under age 35 and over age 55 occupy small unit sizes (Figure 34).

Figure 32 – Minimum Number of Bedrooms Required in Comparison to Housing Stock by Unit Size in Guelph, 2011



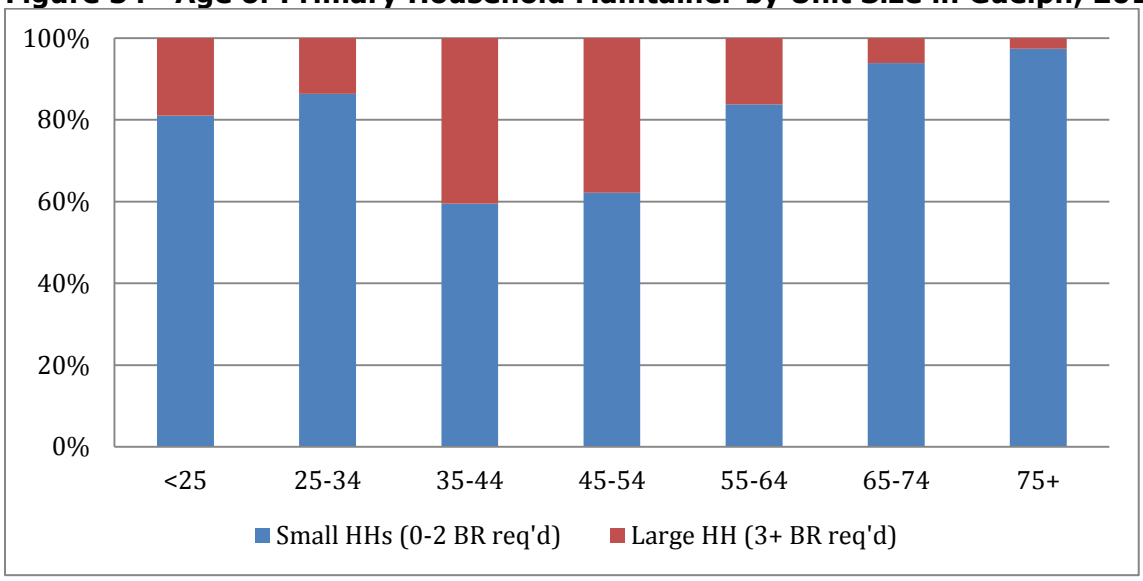
Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation

Figure 33 – Household Type Occupancy by Unit Size in Guelph, 2011



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation

Figure 34 –Age of Primary Household Maintainer by Unit Size in Guelph, 2011



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation

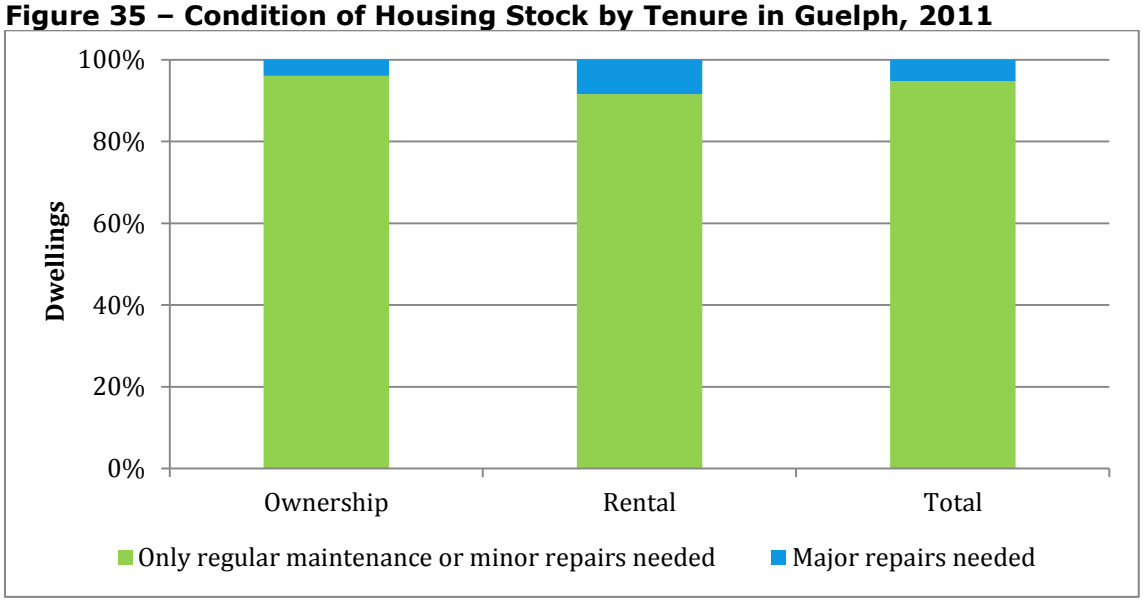
7.3 Adequacy

Most of the housing stock in Guelph is less than 35 years old. Over 90% of the overall housing stock is in good condition, requiring only regular maintenance and minor repairs. This implies that there will be little need for new residential construction to replace existing units.

Data Highlights

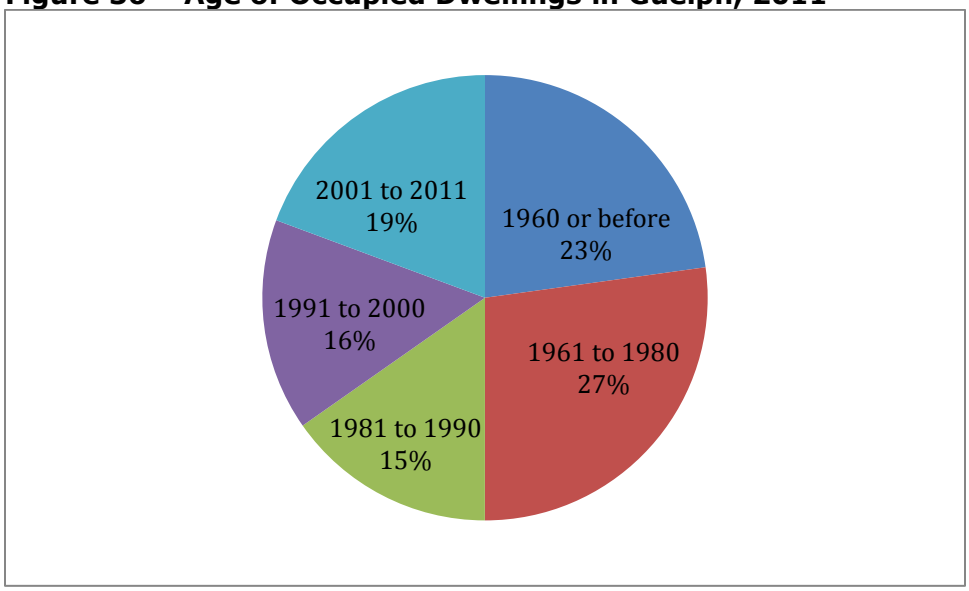
- In 2011, 5% of owner households and 8% of tenant households reported that the condition of their house required major repairs.
- 50% of Guelph's housing stock has been built since 1981.

Figure 35 – Condition of Housing Stock by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS

Figure 36 – Age of Occupied Dwellings in Guelph, 2011



Source: Statistics Canada, 2011 NHS

7.4 Core Housing Need

A household is said to be in Core Housing Need (CHN) if its housing falls below at least one of the adequacy, affordability or suitability standards, and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable. Regardless of their circumstances, non-family households led by maintainers aged 15 to 29 years attending school full-time are considered to be in a transitional stage of life, and therefore not in core housing need.

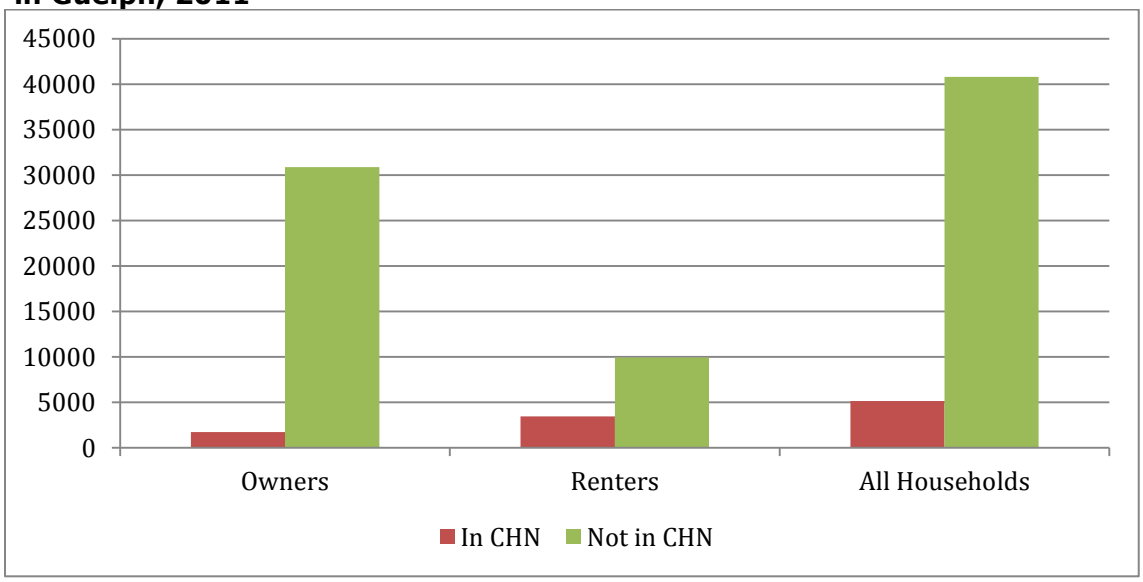
In Guelph, 11% (5,150) of all households were living in core housing need in 2011. The rates are higher for renters (26%) than for homeowners (5%).[11]

The main reason for households being in core housing need is due to affordability. The average total income of a household living in core housing need is about $23,000, in comparison to $95,000 for a household not in core housing need.

Data Highlights

- In 2011, 11% of all Guelph households (5,150) were in core housing need:
  - 5% (3,445) of owners; and
  - 26% (1,710) of renters.
- The average total income of households in core housing need is $23,029:
  - $25,232 for owners; and
  - $21,937 for renters.

Figure 37 – Number of Households in Core Housing Need by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

[11] The Core Housing Need data includes only households with shelter-cost-to-income ratios (STIRs) less than 100%, consistent with CMHC's approach.

Table 7 – Average Total Income of Households in Core Housing Need and Tenure in Guelph, 2011

	Not In CHN	***In CHN***
All Households	$94,626	$23,029
Owner Households	$106,757	$25,232
Renter Households	$56,805	$21,937

Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.4.1 Core Housing Need by Household Type

The following charts illustrate core housing need by household type. Table 8 shows core housing need by household type and tenure in comparison to total households in Guelph. Figure 38 shows the prevalence amongst like household types. The analysis reveals that the prevalence of core housing need is highest for one person households and lone parent households, particularly among renters.

Data Highlights

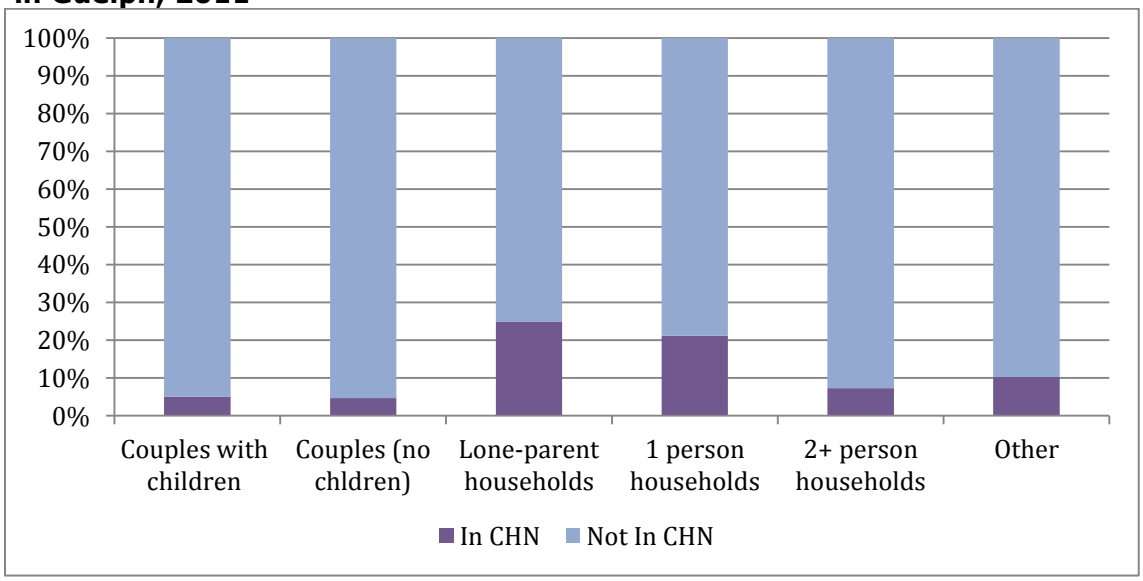
- In 2011, there were 2,430 one person households living in core housing need in Guelph, representing 5% of total households.
- There were 1,705 one person renter households living in core housing need, representing 13% of all renters.
- Amongst all one person households, 21% were living in core housing need.
- There were 1,010 lone parent households living in core housing need, representing 2% of total households.
- There were 750 lone parent renter households living in core housing need, representing 6% of all renters.
- Amongst all lone parent households, 25% were living in core housing need.

Table 8 – Number of Households in Core Housing Need by Household Type and Tenure in Guelph, 2011

	All Households		***Owners***		***Renters***	
Couples with children	705	2%	305	1%	400	3%
Couples (no children)	525	1%	240	1%	285	2%
Lone parent households	1010	2%	260	1%	750	6%
1 person households	2430	5%	725	2%	1705	13%
2+ person households	170	0%	30	0%	140	1%
Other	310	1%	145	0%	165	1%
Total in Core Housing Need	**5150**	**11%**	**1710**	**5%**	**3445**	**26%**

Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 38 – Percentage of All Households in Core Housing Need by Household Type in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.4.2 Core Housing Need by Age

The following charts illustrate core housing need by age of the primary household maintainer. Table 9 shows the core housing need by age and tenure in comparison to total households in Guelph. Figure 39 shows the prevalence amongst each age group. The analysis shows that the prevalence of core housing need for all households is highest for primary household maintainers aged 35-44 years, and lowest for individuals under 25 years, particularly amongst renters. Amongst each age group, however, the prevalence is highest amongst individuals 25 years and under and individuals over 75 years.

Data Highlights

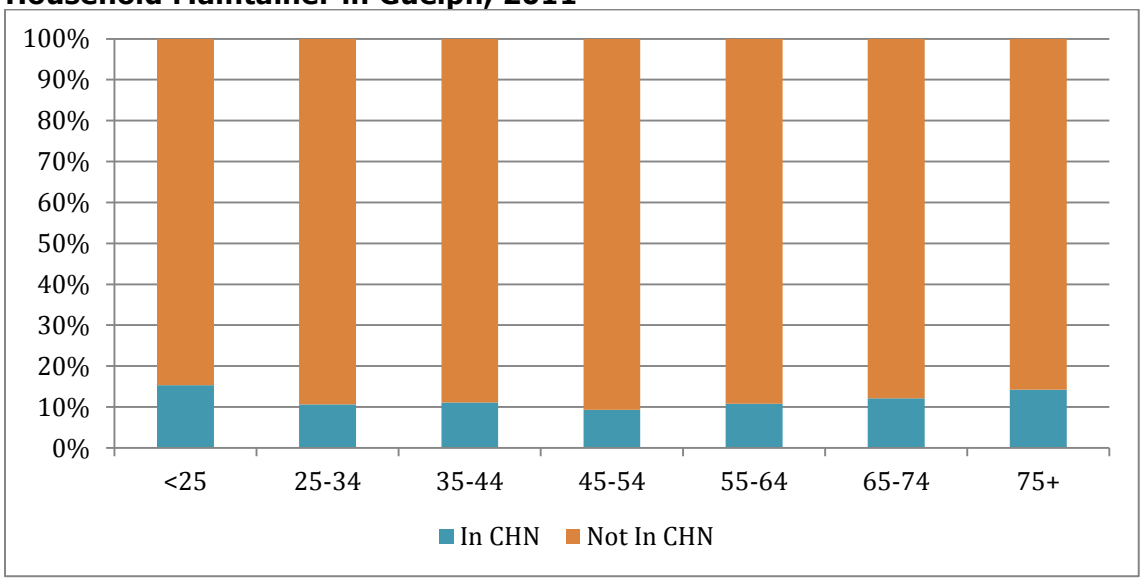
- In 2011, the age group of primary household maintainers with the highest number of individuals living in core housing need in Guelph was 35-44 year olds (975).
- The age group with the lowest number of individuals living in core housing need was individuals less than 25 years old (290).
- Amongst each age group:
    - Core housing need was highest for primary household maintainers under age 25 years (15%), followed by seniors 75+ years (14%).
    - Core housing need was lowest for 45-55 year olds (9%).

Table 9 – Number of Households in Core Housing Need by Age of Primary Household Maintainer and Tenure in Guelph, 2011

Age (years)	*All Households*		*Owners*		*Renters*	
<25	290	1%	30	0%	260	2%
25-34	815	2%	150	0%	660	5%
35-44	975	2%	275	1%	700	5%
45-54	940	2%	320	1%	625	5%
55-64	855	2%	390	1%	465	3%
65-74	570	1%	215	1%	360	3%
75+	700	2%	335	1%	375	3%
Total in Core Housing Need	**5150**	**11%**	**1710**	**5%**	**3445**	**26%**

Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 39 – Percentage of All Households in Core Housing Need by Age of Primary Household Maintainer in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.4.3 Core Housing Need by Household Type and Age

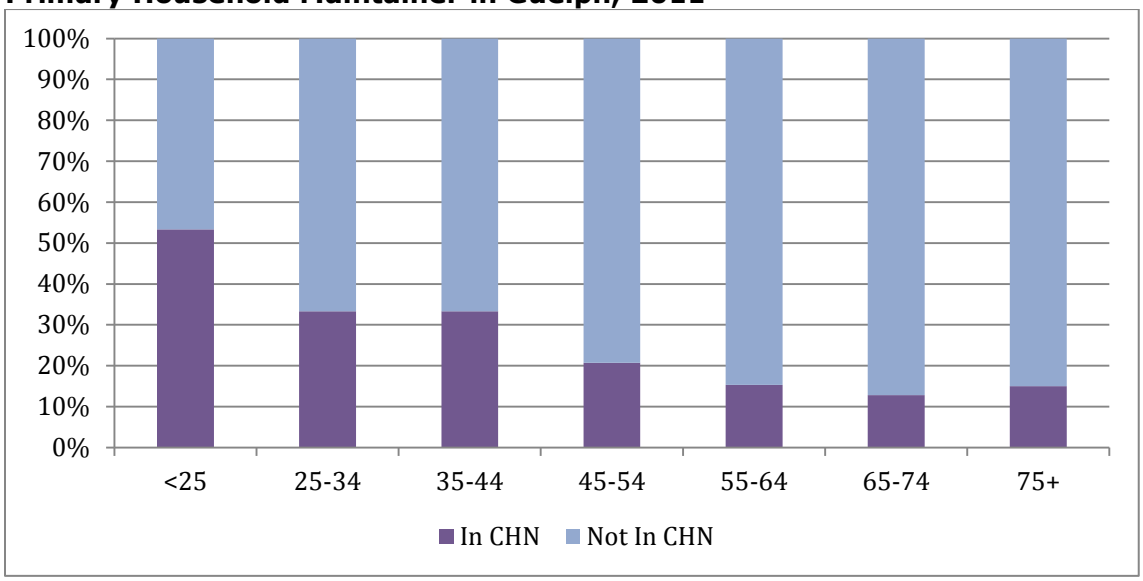
As illustrated above, the rates of core housing need are greatest for lone parent and one person households. The incidence varies by age. Amongst all lone parent households, the incidence of core housing need decreases with age. Amongst all one person households, the incidence of core housing need increases with age.

Data Highlights

- Amongst lone parent households, core housing need is highest for primary household maintainers under age 25 (53%), and lowest for seniors aged 65-74 years (13%).

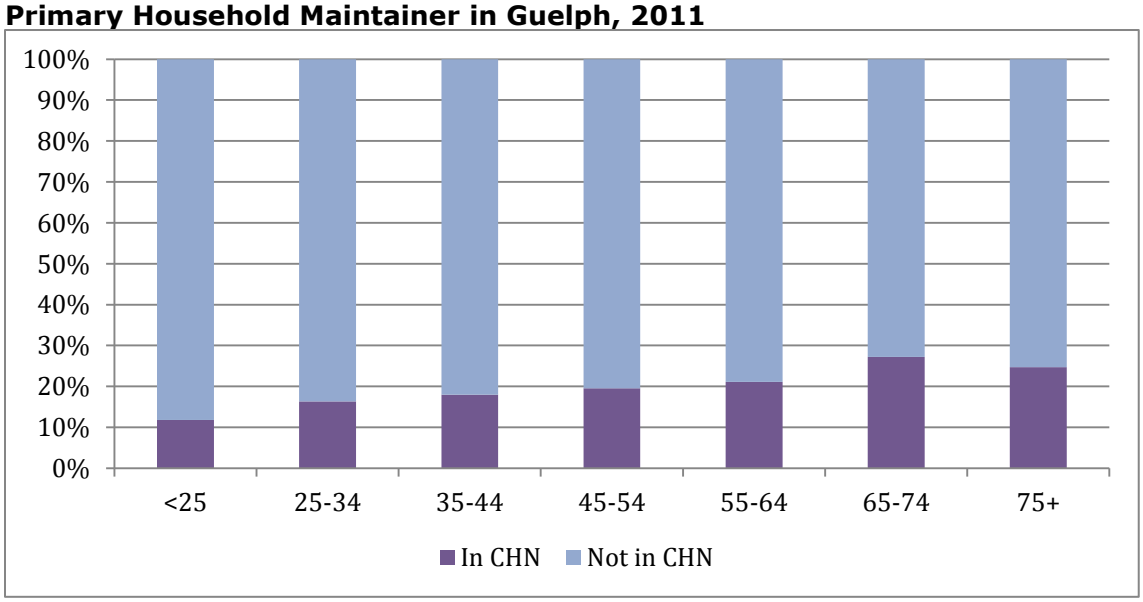
- Amongst one person households, core housing need is highest for primary household maintainers who are seniors aged 65-74 years old (27%), and lowest for individuals under 25 years (12%).

Figure 40 – Percentage of Lone Parent Households in Core Housing Need by Age of Primary Household Maintainer in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 41 – Percentage of One Person Households in Core Housing Need by Age of Primary Household Maintainer in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.5 Summary of Housing Affordability, Suitability, and Adequacy Findings

The following is a summary of the housing affordability, adequacy and suitability data presented above:

- **Affordability challenges** – One-quarter of Guelph's households spent above the affordability threshold for housing in 2011. Renters are more likely than homeowners to have affordability challenges.

- **Lack of small housing units** - There is a shortfall of bachelor and one bedroom units, and an abundant supply of dwelling types consisting of three or more bedrooms. The projected rise in the number of one person households will further increase the demand for small units.

- **In good condition** - Over 90% of the overall housing stock is in good condition, requiring only regular maintenance and minor repairs.

- **Households in core housing need** - 11% of all Guelph households were living in core housing need in 2011. The incidence is highest among renters, lone parent households, and one person households.

8. Updating the Affordable Housing Benchmarks

A previous Affordable Housing Discussion Paper (2009) for Guelph calculated four benchmark prices:

1. **Income Based Rental Benchmark** – rent that does not exceed 30% of the gross annual income for low and moderate income tenant households (i.e. at or below the 60th percentile of the income distribution for renter households).

2. **Market Based Rental Benchmark** – average market rent.

3. **Income Based Ownership Benchmark** – purchase price that results in accommodation costs that do not exceed 30% of gross annual income for all low and moderate income households (i.e. at or below the 60th percentile of the income distribution for all households).

4. **Market Based Ownership Benchmark** – purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

In 2008, the benchmark prices were set at the following market based levels: $237,000 for ownership, and $833 per month for rental. The updated affordability targets for 2013 are:

- **Ownership - $294,000 per dwelling**
- **Rental - $944 per month**

This section of the report describes how the housing affordability benchmarks were set, how these benchmarks have changed over time, and how the benchmarks compare to market prices and local household incomes. For additional details, please refer to Appendices D to F.

8.1 Rental Benchmark

For the affordable rental benchmark calculations, the 2010 income percentile figures have been adjusted for inflation for 2013, based on the CPI for Ontario (all items). The 2013 rental rates are for the Guelph CMA, as reported by CMHC. Consistent with CMHC's approach, no attempt has been made to adjust these figures for utility costs.

Table 10 – Maximum Rental Affordability by Income Percentile for Guelph, 2013

Percentile	*10th*	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
Income of Renter Households ($)	11,527	17,445	**23,381**	**30,838**	**37,910**	**46,122**	56,300	72,487	95,583
Max. Affordable Rent ($)	288	436	**585**	**771**	**948**	**1,153**	1,408	1,812	2,390

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

The 2013 rental affordability benchmarks are as follows:

- **Income based** – The gross annual income for tenant households in the 60th income percentile is $46,122. Therefore, the income based affordable rental benchmark is $1,153 per month (or $13,837 per year).

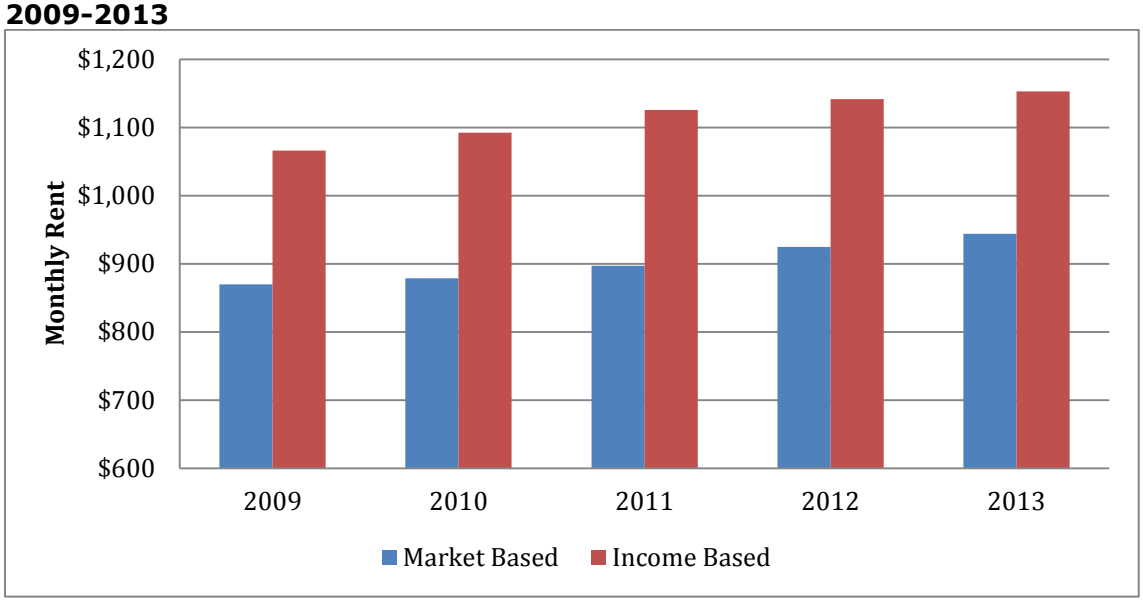
- **Market based** – The average market rental benchmark is $944 per month.

Since the market based benchmark is lower than the income based one, the rental benchmark for 2013 is set at the market based benchmark of $944 per month.

8.1.1 How the Rental Benchmarks have Changed Over Time

Figure 42 illustrates how the income and market based benchmarks have changed between 2009 and 2013. The income based benchmark increased 8% (from $1,066 to $1,153) between 2009 and 2013, while the market based benchmark increased 17% (from $810 to $944). This means that rental prices have increased at a faster pace than low and moderate tenant household incomes.

Figure 42 – Market v. Income Based Affordable Rental Benchmarks in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Rental Market Survey, 2009-2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

8.1.2 Who Can Afford to Rent What

Figure 43 illustrates the different unit sizes that renter households can afford, by comparing renter household income percentile (adjusted for inflation) and average private market rental rates in 2013. The data shows that half of all renter households can afford the benchmark rental rate of $944 per month.

In general, low income tenant households, with annual incomes at or below the 30th income percentile have very limited housing options in the private market. In Guelph, there are over 4,300 renter households with incomes below $23,000 (some of whom would be residing in social housing). These households are unable to afford a bachelor unit, with an average market rental rate of $654 per month. Affordable options for these households would include: government subsidized housing options, shared accommodations, rooming houses, or lower cost accessory apartments. When these options are not available, these low income households may be at risk of becoming homeless due to an inability to pay market rent.

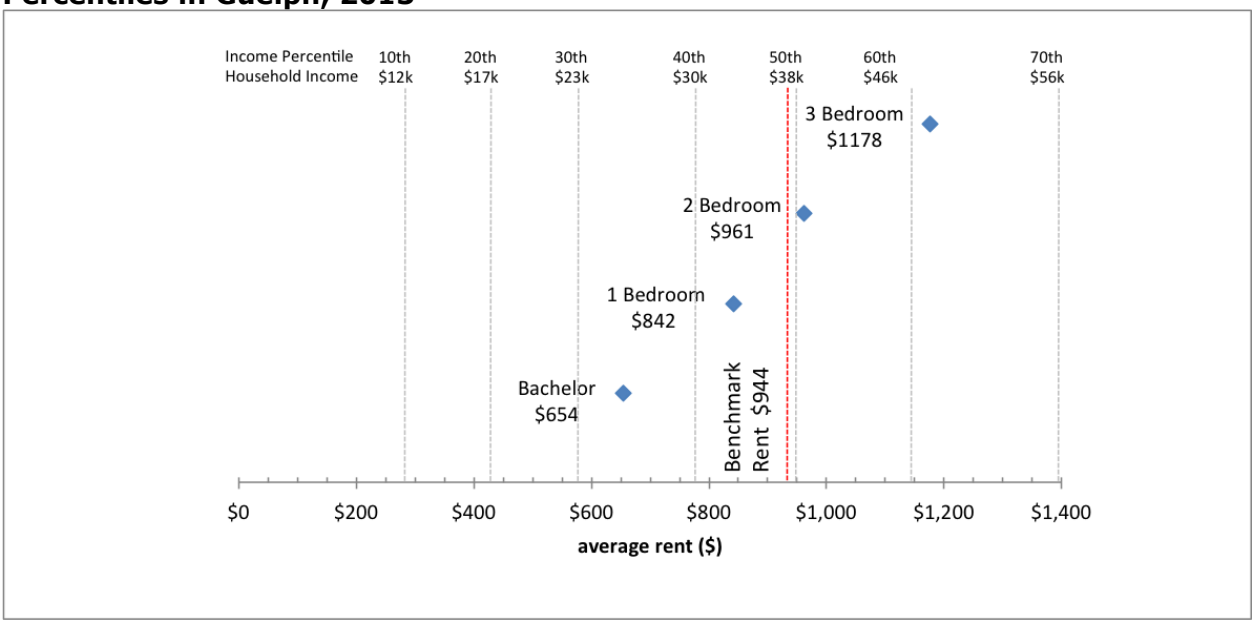
Households with incomes between the 30th and 60th income percentiles may be able to afford to rent units in the private market. However, they most likely do not have the financial means to rent a "suitable" unit (i.e. a unit that has enough bedrooms for the size and make-up of the household). In Guelph, there are approximately 5,700 renter households with incomes between $23,000 and $46,000. These households are able to afford a bachelor unit, and some one and two bedroom units in the private market.

Table 11 illustrates the difference between affordable rent and average market rent when NOS are taken into consideration (also see Appendix F). As described above, NOS outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires as a minimum a one bedroom unit, a couple or lone parent household with one child requires as a minimum a two bedroom unit etc. The data shows that a single person with a household income at the 50th percentile cannot afford to rent a bachelor apartment. The situation is likely exacerbated by the fact that there is a low supply of bachelor apartments in the private market place (see section 7.2 above).

Data Highlights

- In Guelph, rental rates for bachelor and 1 bedroom units are below the benchmark rent of $944 per month (2013).
- Renter households in the 30th income percentile ($23,381) can afford to spend a maximum of $585 on shelter. These households cannot afford to rent an average priced unit in the private market, regardless of unit size.
- Renter households in the 40th income percentile ($30,838) can afford to spend a maximum of $771 on shelter. These households can afford to rent a bachelor unit.
- Renter households in the 50th income percentile ($37,910) can afford to spend a maximum of $948 on shelter. These households can afford to rent a 1 bedroom unit.
- Renter households in the 60th income percentile ($46,112) can afford to spend a maximum $1,153. These households can afford to rent a 2 bedroom unit.
- According to NOS:
    - A one person renter household in the 50th percentile income cannot afford to rent a bachelor unit. This household would need an extra $26 per month to afford the average bachelor apartment.
    - A couple with no children renter household in the 20th income percentile can afford to rent a 1 bedroom unit.

Figure 43 – Average Primary Market Rents in Comparison to Renter Income Percentiles in Guelph, 2013[12]



Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Market Rental Survey, 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Table 11 - Difference between Affordable Rent and Average Market Rent by Renter Household Income Percentile and Minimum Number of Bedrooms Required in Guelph, 2013

Min. Bed-rooms Req'd	*# of renter house-holds*	*Avg. Market Rent*	*Difference between Affordable Rent and Average Market Rent by Renter Household Income Percentile*								
			10th	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
Zero	6,175	$654	-$480	-$333	-$235	-$137	-$26	$101	$283	$510	$887
One	2,290	$842	-$116	$142	$286	$468	$623	$854	$1,120	$1,460	$1,877
Two	3,655	$961	-$557	-$425	-$188	$14	$204	$417	$708	$1,153	$1,732
Three+	2,315	$1,177	-$678	-$402	-$205	-$8	$261	$591	$921	$1,334	$2,029

Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Market Rental Survey, 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation (see Appendix F)

Cannot afford 'suitable' rental housing at average market rent

[12] The blue diamond represents the average market rent. The top horizontal axis shows income deciles for renter households. The bottom horizontal axis shows the average rent each decile can afford.

8.2 Ownership Benchmark

For the affordable ownership benchmark calculations, the 2010 income percentile figures have been adjusted for inflation for 2013. The 2013 housing prices are from MPAC. The ownership calculation assumes today's prevailing mortgage terms, a 5% down payment, average utility payments and property tax rates.

Table 12 - Affordable Homeownership Prices according to Income Distribution in Guelph, 2013

Percentile	*10th*	*20th*	***30th***	***40th***	***50th***	***60th***	*70th*	*80th*	*90th*
Income of All Households ($)	19,347	32,881	**45,028**	**57,900**	**72,505**	**88,656**	105,499	127,087	165,050
Affordable House Price ($)	35,753	90,434	**139,515**	**191,524**	**250,535**	**315,794**	383,846	471,072	624,464

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

The 2013 ownership affordability benchmarks are as follows:

- **Income based** – The gross annual income for all households in the 60th income percentile is $88,656. Therefore, the income based affordable benchmark is a house price of $315,794.

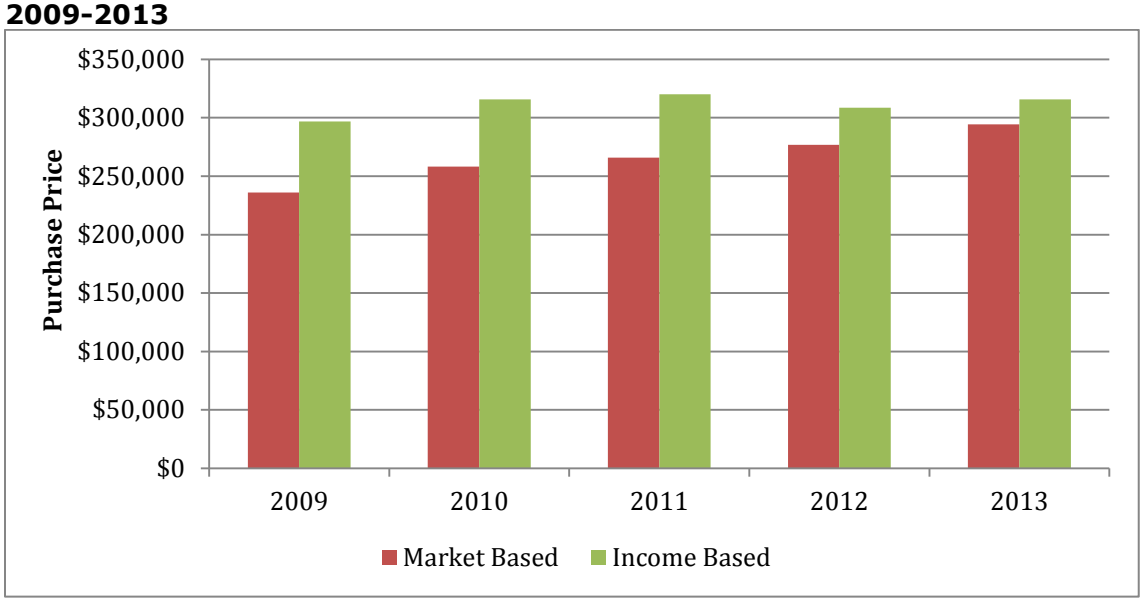
- **Market based** – The average resale price of a house is $327,062. The market based benchmark is 10% below this, at $294,356.

Like the rental benchmark, the market based one is lower than the income based. Therefore, the ownership benchmark for 2013 is set at the market based benchmark, and has been rounded to $294,000.

8.2.1 How the Ownership Benchmarks have Changed Over Time

Figure 44 illustrates that the gap between the income and market based benchmarks is closing. The income based benchmark increased 7% (from $296,378 to $315,794) between 2009 and 2013, while the market based benchmark increased 25% (from $235,991 to $294,356). This means that ownership prices have increased at a substantially faster pace than incomes for low and moderate income households.

Figure 44 – Market v. Income Based Affordable Ownership Benchmarks in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

8.2.2 Who Can Afford to Purchase What

Figure 45 illustrates the different dwelling types that households can afford to purchase, by comparing all household income percentile (adjusted for inflation) and average private market rental rates in 2013. The data shows that over half of all households in Guelph can afford the benchmark ownership price of $294,000.

In general, low income households, with annual incomes at or below the 30th income percentile cannot afford to purchase any units in the private market. In Guelph, there are over 14,000 households with total incomes below $45,000. These households require rental housing.

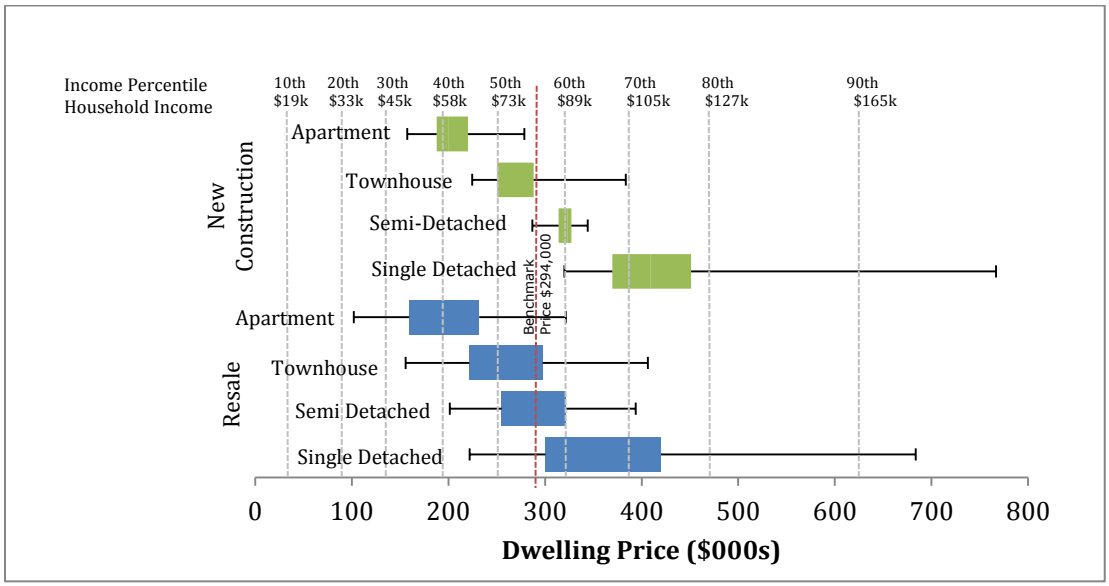
Households with incomes between the 30th and 60th income percentiles may be able to afford to enter the ownership market. In Guelph, there are approximately 19,000 households with incomes between $45,000 and $89,000. These households can afford to purchase apartments and some townhouse, semi-detached and single detached units.

Table 13 illustrates the difference between affordable ownership and average dwelling prices when NOS are taken into consideration (also see Appendix F). The data shows that a single person with a household income at the 70th percentile cannot afford to purchase a bachelor condominium unit.

Data Highlights

- In Guelph, households between the 50th and 60th income percentile can afford the benchmark price of $294,000 (2013).
- Households in the 30th income percentile ($45,028) can afford a maximum purchase price of $139,515. These households can afford to purchase:
    - 25% of the apartment units in the resale market; and
    - No units in the new construction market.
- Households in the 60th income percentile ($88,656) can afford a maximum purchase price of $315,794.
    - In the resale market, these households can afford to purchase:
        - More than 25% of single detached units,
        - 75% of semi-detached units,
        - More than 75% of townhouse units, and
        - 98% of apartment units.
    - In the new construction market, they can afford to purchase:
        - Approximately 2% of single detached units,
        - 50% of semi-detached units
        - More than 75% of townhouse units, and
        - Over 98% of apartment units.
- According to NOS:
    - A one person household in the 70th percentile income cannot afford to purchase a bachelor unit. This household would need an extra $11,313 per year to afford the average bachelor unit.
    - A couple with no children household in the 30th income percentile can afford to purchase a 1 bedroom unit.

Figure 45 – New and Resale House Prices in Comparison to All Household Income Percentiles for Guelph, 2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation. The **blue box** represents the median house price range in the resale market, and the **green box** represents the median house price in the new construction market. The top horizontal axis shows income deciles for households. The bottom horizontal axis shows the house price each decile can afford.

Table 13 - Difference between Affordable Ownership and Average Resale Price by Household Income Percentile and Minimum Number of Bedrooms Required in Guelph, 2013

Min. Bed-rooms Req'd	*# of House-holds*	*10% Below Avg. Resale House Price*	*Difference between Affordable Price and Average Resale Price by All Household Income Percentile*								
			10th	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
Zero	12,690	$173,196	-$83,811	-$148,703	-$127,422	-$106,520	-$77,257	-$44,586	-$11,313	$37,027	$124,417
One	11,335	$173,196	-$65,900	-$23,213	$18,814	$64,115	$106,688	$163,584	$220,646	$290,474	$424,877
Two	12,980	$237,633	-$178,111	-$109,211	-$54,458	$1,658	$56,524	$110,932	$173,963	$253,261	$400,507
Three	8,470	$289,983	-$183,980	-$98,223	-$19,416	$42,783	$87,588	$147,063	$227,453	$322,804	$478,602
Four	2,010	$382,396	-$252,884	-$149,877	-$76,339	-$29,377	$44,417	$115,769	$191,796	$259,370	$382,878
Five	455	$395,343	-$170,981	-$23,287	$23,342	$86,936	$101,238	$246,198	$408,930	$466,621	$669,032

Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation (see Appendix F)

Cannot afford 'suitable' ownership housing at size based on benchmark price

9. Achieving the Official Plan Amendment 48 Affordable Housing Targets

The City's Official Plan Update (OPA 48), 2012 sets a city-wide target requiring that "30% of new residential development constitute affordable housing." This target is broken down into an annual target of 27% ownership housing and 3% rental housing. While not part of the annual affordable housing target, the creation of 90 accessory apartments per year is also encouraged. This section outlines how the target was established, and how the City has performed against these targets since 2009.

9.1 Establishing the Target

In 2009, the affordable ownership target was established based on the percentage of affordable ownership housing stock in the City (i.e. properties valued at or below the $205,500 benchmark price based on the value of dwelling data from the 2006 Census). The affordable rental target was established based on the percentage of the City's affordable primary rental stock that rented at or below the $844 benchmark rent in 2008.

The target was reviewed as part of the background work for the Affordable Housing Strategy. It was determined that the 2009 method measured what was available within the existing housing stock at a value less than the established benchmark price and did not address the need for affordable housing. The need for affordable housing is more appropriately assessed using household income and the ability of households to afford the ownership benchmark price and benchmark rent.

The revised method considers the entire housing stock and projects how many new affordable units would be required annually to meet the need for affordable housing to 2031. It does so by applying the number of households that need affordable housing to the number of forecasted households to determine an appropriate target.

The revised method (based on household need) compared to the previous method (based on housing valuation) resulted in a similar target, which validates the appropriateness of the 30% target however, further review is required to determine the appropriate split of ownership vs. rental and to provide directions for implementation.

9.2 Ownership Outcomes

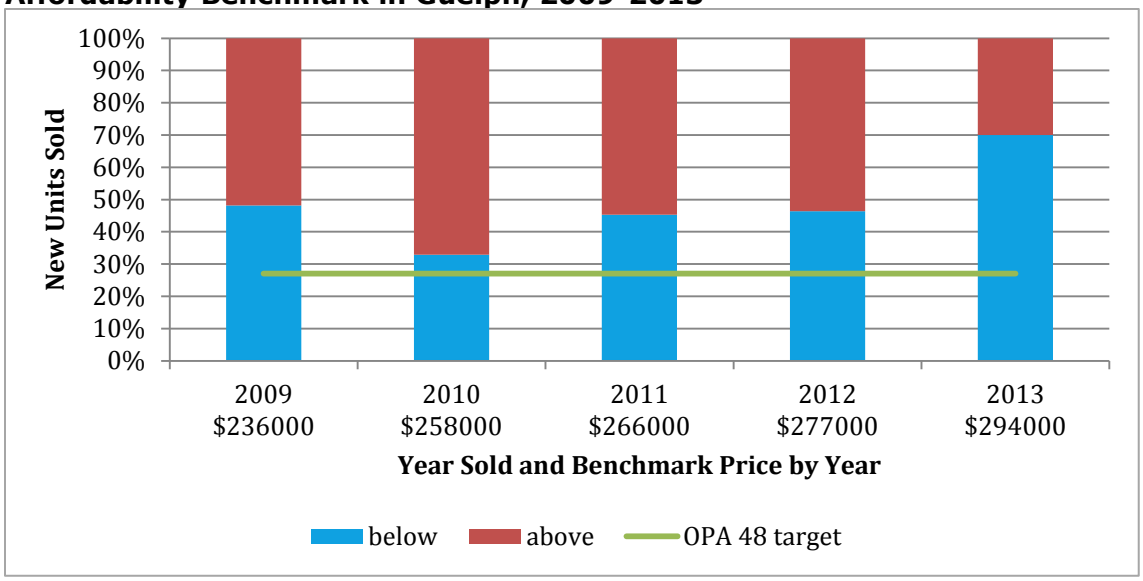
9.2.1 New Residential Development

Since 2009, the affordable housing ownership target for new development (27%) has consistently been exceeded. The vast majority (94%) of new units sold below the benchmark price (BMP) have been high or medium density units (e.g. apartments and townhouses).

Data Highlights

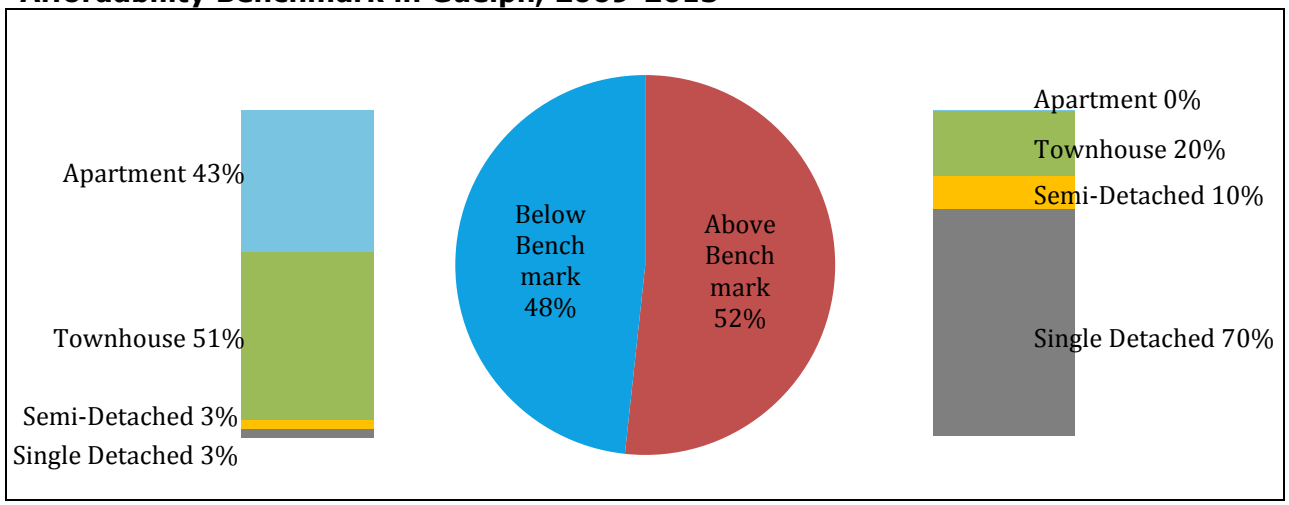
- Between 2009 and 2013, a total of 3,305 new units were sold; 48% of these units (1,593) were priced below the BMP.
- The ownership affordable target for new development was met every year between 2009 and 2013.
- In 2013, the target was exceeded by 43 percentage points.
- 94% of units sold below the benchmark price were apartment or townhouse units.
- 80% of units sold above the benchmark price were single or semi-detached dwellings.

Figure 46 - Percentage of New Units Sold Above and Below the Ownership Affordability Benchmark in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from Official Plan Update (OPA 48), 2012 and MPAC, December 2013

Figure 47 – Type of New Structures Sold Above and Below the Ownership Affordability Benchmark in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from OPA 48 and MPAC, December 2013

9.3 Rental Outcomes

9.3.1 Primary Rental Market

A total of 217 purpose-built rental units were constructed between 2009 and 2013, one-third of which are affordable (80 units). All of these affordable rental units are for seniors.

The overall target of 3% new construction to be affordable rental was not met, except in 2012.

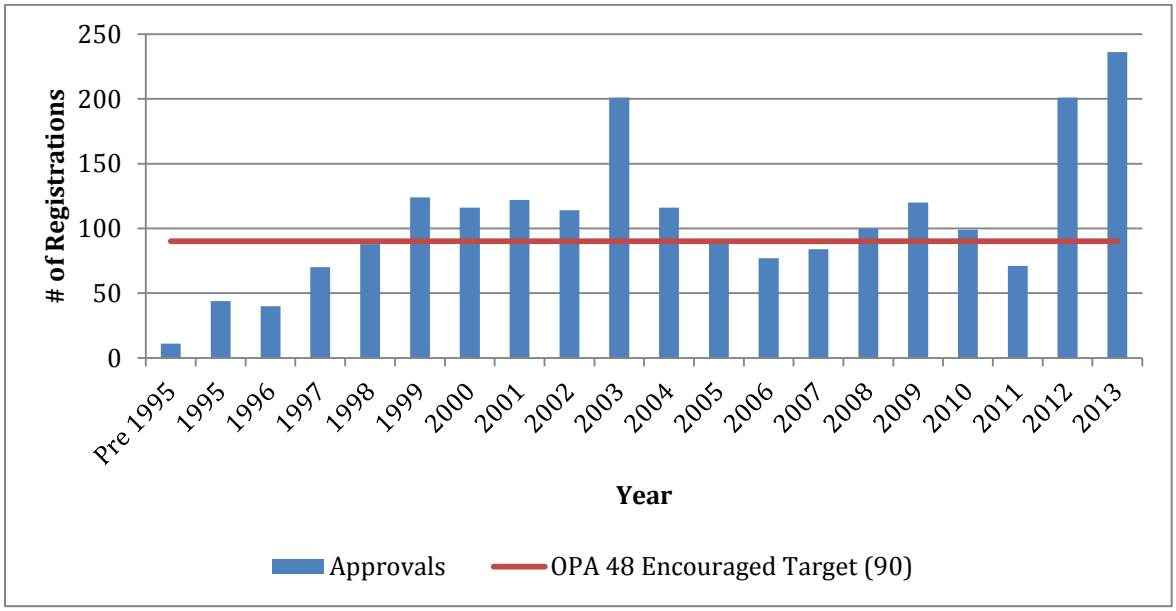
9.3.2 Secondary Rental Market

The City has approved an average of 117 new accessory apartments each year since 1995, exceeding the OPA 48 target of 90 units per year. A temporary reduction in the number of accessory apartments registered was experienced between 2010 and 2012, when an interim control by-law was in effect restricting the creation of new accessory apartments in the south end of the City while zoning regulations were under review.

Data Highlights

- On average, 145 accessory apartments have been approved every year between 2009 and 2013.
- The highest number was 236 in 2013.
- The lowest number was 91 in 2011, when an interim control by-law was in effect.

Figure 48 - Accessory Apartment Registrations in Guelph, Pre 1995-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from Amanda Permit Tracking System (RX Permits and TU Registrations), Pre 1995-2013

10. Findings and Conclusion

10.1 Problem Statement and Key Issues

Problem Statement: **The range of housing options available in Guelph is not fully meeting the affordability needs of low and moderate income households.**

Housing affordability affects many households in Guelph. In 2011, 20% of owners and 41% of renters spent more than 30% of their income on housing. Between 2009 and 2013, rental rates and housing prices increased at a faster pace than low and moderate household incomes.

Tenant households, with annual incomes at or below the 30th income percentile ($23,000) have very limited housing options in the private market. They typically seek out government subsidized housing options, shared accomodations, rooming houses, or lower cost accessory apartments. When these options are not available, low income households may be at risk of becoming homeless due to inability to pay market rent. Renter households with incomes between the 30th and 60th income percentiles ($23,000 and $46,000) may be able to afford to rent units in the private market. However, they may not have the financial means to rent a "suitable" unit (i.e. a unit that has enough bedrooms for the size and make-up of the household).

With respect to ownership, low income households, with annual incomes at or below the 30th income percentile ($45,000) cannot afford to purchase any units in the private market. These households typically seek units in the rental market. Households with incomes between the 40th and 60th income percentiles ($45,000 to $89,000) can afford to purchase apartments and some townhouse, semi-detached and single detached units.

The City is currently exceeding its affordable homeownership target to provide 27% of new units below the benchmark price, but is not meeting the 3% affordable rental target. However, over half of households in Guelph cannot afford housing at the affordable benchmark amounts.

Issue 1: There are not enough small units to rent or buy to meet the affordability needs of all smaller households.

National Occupancy Standards (NOS) outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires as a minimum a one bedroom unit, a couple or lone parent household with one child requires as a minimum a two bedroom unit etc. Many households prefer to rent/own a unit with more bedrooms than the NOS. However, low and moderate income households do not typically have the financial means to choose a unit with more bedrooms than the minimum required. Therefore, it is important that there is a sufficient supply of smaller sized units available in the community.

According to CMHC (2013), the share of one person households is expected to experience the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s. This increase is driven in large part by an aging population, particularly widowed women living alone, and individuals delaying marriage. This trend is evident in Guelph, where individuals living alone have been the fastest growing household type over the past 15 years. They currently comprise over one-quarter of all household types, have the lowest household incomes of all housing types, and comprise the largest share (43%) of all renter household types. Seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. This will contribute to the demand for small units.

An analysis of existing housing stock in comparison to household sizes indicates that there is a shortfall of 18,000 bachelor and one bedroom units, and an overabundant supply of dwelling types consisting of three or more bedrooms.

Residential permit activity indicates that recent housing development is shifting from the construction of single detached dwellings to more apartments and townhouses. In the past two years, there were more permits issued for apartments and for townhouses than for single detached dwellings. Municipal housing forecasts to 2031 indicate that there will be a continued shift in the type of housing constructed. The share of low density housing is expected to decrease, while the share of high density is expected to increase.

Issue 2: A lack of available primary rental supply makes it difficult for people to find affordable rental housing.

The vacancy rate in the private rental market in Guelph is extremely low. It is currently 0.6%, which is well below the benchmark for a balanced and healthy rental market of 3%. This means that even if a household has sufficient income to pay market rent, they may not be able to find an available unit.

The condominium conversion controls in the Official Plan have proven successful in retaining primary rental stock. However, the City is currently not meeting its affordable rental target of 3% of new construction. Between 2009 and 2013, only 217 purpose-built rental units were constructed, one-third of which are affordable.

Issue 3: The secondary rental market provides choice of affordable dwelling types but the supply is not as secure as the primary rental market.

An analysis of MPAC data reveals that the current private market rental housing supply consists of approximately 16,000 units – 55% of which are within the primary rental market and 45% of which are in the secondary rental market (2013). The lack of primary rental market construction, coupled with a very low vacancy rate, places increasing importance on the secondary rental market in meeting the community's needs for rental accommodation.

The City has a one-time registration process for accessory apartments (units are not required to be unregistered). Since 1995, the City has approved an average of 117 new accessory apartments each year since 1995, exceeding the OPA 48 target of 90 units per year. As of December 31, 2013, a total of 2,123 accessory apartments were registered with the City.

However, the secondary rental market does not have the same levels of security and permanency as the primary rental market. A unit in the secondary rental market could be rented one month and owner occupied the next. For instance, almost one-quarter of registered accessory apartments were not rented at the time of the Accessory Apartment Survey conducted for this strategy.

10.2 Conclusion

This State of Housing report presents the results of Phase 2 of the Affordable Housing Strategy. It presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies three key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the Official Plan Update (OPA 48), 2012.

The next phase of the project will build on the data and preliminary housing issues presented in this report. Staff will begin by identifying available tools and formulating directions. Examples of tools include regulatory responses (Zoning Amendment), policies and procedures (e.g. development approvals process),

financial (e.g. Affordable Housing Reserve) and other (partnerships, communications, advocacy). Community stakeholders will be consulted about the tools generated by staff and how could they best be used to address the affordability issues.

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Appendix A – Glossary

Accessory Apartment	A dwelling unit located within and subordinate to an existing single detached dwelling, semi-detached dwelling or a link dwelling (e.g. basement apartment).
Adequate Housing	Housing that is not in need of major repairs.
Affordable Housing	Dwellings costs that do not exceed 30% of total before-tax household income.
Affordable Ownership Housing	Housing with a purchase price that is "affordable" (i.e. does not exceed 30% of gross annual household income) to households of low and moderate income (i.e. households within the lowest 60th percentile of the income distribution for the regional market area); or housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.
Affordable Rental Housing	Rental housing where the total monthly shelter cost (i.e. gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges) is "affordable" to renter households of low and moderate income; or a unit for which the rent is at or below the average market rent of a unit in the regional market area.
Apartment	A building that contains three or more dwelling units, where access to each unit is obtained through a common entrance or entrances from the street level and subsequently through a common hall or halls. Apartments can be purpose built rental or condominium ownership.
Benchmark Price (BMP)	**Income based BMP** - The price that is affordable to the 60th income percentile for all households. **Market based BMP** - 10% below the average resale price of housing in the regional market area.
Benchmark Rent	**Income based benchmark rent** – Rental rate that is affordable to low and moderate income households, defined as the 60th income percentile for renter households. **Market based benchmark rent** - The average primary market rent as reported by CMHC.
Census Metropolitan Area (CMA)	Area consisting of one or more neighbouring municipalities situated around a core. The Guelph CMA includes the City of Guelph, Puslinch Township and Guelph-Eramosa Township.

Condominium A form of legal ownership in which the units of property (e.g. apartments) are owned by individuals and the common parts of the property (e.g. grounds and building structure) are owned jointly by the unit owners.

Core Housing Need A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

- Adequate housing are reported by their residents as not requiring any major repairs.
- Affordable dwellings costs less than 30% of total before-tax household income.
- Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.

A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards
OR,
If its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that is acceptable (meets all three standards).
NOTE: Regardless of their circumstances, non-family households led by maintainers 15 to 29 years of age attending school full-time are considered to be in a transitional stage of life and therefore not in core housing need.

Decile Each of ten equal groups into which a population can be divided according to the distribution of values of a particular variable (e.g. household income).

Density (Low, Medium and High) The number of people inhabiting a given urbanized area. Single detached dwellings are considered low density housing, townhouses are medium density, and apartments are high density.

Emergency Shelter Short-term temporary housing.

Freehold A form of legal ownership in which the property is "free from hold" of any entity besides the owner.

Homelessness An individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. Homelessness is the result of systemic or societal barriers, a lack of affordable and appropriate housing, the individual/household's financial, mental, cognitive, behavioural or physical challenges, and/or racism and discrimination.

Homeownership The legal right of owning property.

Household — One or more people who occupy a housing unit as their usual place of residence.

Household Type — The basic division of private households into the following family and non-family households. According to Statistics Canada:

- Family household refers to a household that contains at least one census family, that is, a married couple with or without children, or a couple living common-law with or without children, or a lone parent living with one or more children (lone parent household). One-family household refers to a single census family (with or without other persons) that occupies a private dwelling. Multiple-family household refers to a household in which two or more census families (with or without additional persons) occupy the same private dwelling. Family households may also be divided based on the presence of persons not in a census family.
- Non-family household refers to either one person living alone in a private dwelling or to a group of two or more people who share a private dwelling, but who do not constitute a census family.
- Other family household refers to one-census family households with additional persons and multiple-census-family households with or without additional persons.

Low and Moderate Income Households — Households with gross annual incomes in the lowest 60th income percentile of households in a regional market area.

Market housing — Housing produced by the private sector that is rented or sold directly by landlords/owners or indirectly through property managers/brokers. Tenure may be rental or ownership.

Market Rent — The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, and amenities.

National Occupancy Standard (NOS)

The number of bedrooms a household requires to be suitable (not overcrowded), as follows:

- A maximum of two persons per bedroom.
- Household members, of any age, living as part of a married or common-law couple share a bedroom with their spouse or common-law partner.
- Lone-parents, of any age, have a separate bedroom.
- Household members aged 18 or over have a separate bedroom – except those living as part of a married or common-law couple.
- Household members under 18 years old of the same sex share a bedroom – except lone-parents and those living as part of a married or common-law couple.
- Household members under 5 years old of the opposite sex share a bedroom if doing so would reduce the number of required bedrooms. This situation would arise only in households with an odd number of males under 18, an odd number of females under 18, and at least one female and one male under the age of 5.

An exception to the above is a household consisting of one individual living alone. Such a household would not need a bedroom (i.e., the individual may live in a studio apartment and be considered to be living in suitable accommodations)

Non-Market Housing

Housing that is financed in part by the government. Includes Shelters, Transitional Housing, Supportive Housing, Social Housing and Subsidized Rental Housing.

Percentile

A measure used in statistics indicating the value below which a given percentage of observations in a group of observations fall.

Primary Household Maintainer

The person who is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer.

Primary Rental Market

Units in structures with three or more units, composed of self-contained units where the primary purpose of the structure is to house rental tenants.

Prime Household Formation

When a person who lives with someone else (e.g. parents, roommates, etc.) moves into another housing unit on his or her own, creating a new household.

Secondary Rental Market

Self-contained units not included in the primary rental market. It can include rented condominium apartments, accessory apartments, rented single detached dwellings, and one or two apartments located in a commercial or other type of structure.

Shelter Costs	Amount paid by a household for their dwelling, such as: • For renters - rent and any payments for electricity, fuel, water and other municipal services • For owners - mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services
Social Housing	Permanent rental housing financed at least partly through government funding and mortgage guarantees. A portion of units is rent-geared-to income (RGI), and the remainder may be rented at market rents. For these RGI units tenants pay no more than 30% of their household income in rent and the remainder is subsidized through government contributions. Social housing includes: public housing (which is 100% RGI), municipal and private non-profit rentals, and and cooperative housing.
Subsidized Rental	Financial subsidies provided to offset rental rates in market rental units for low income households (i.e. rent supplements).
Suitable Housing	Housing that has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.
Supportive Housing	Permanent rental accommodation that offers an alternative to institutional care. Supportive housing involves the provision of three elements: a physical facility (e.g. apartment or group home), a rent supplement, and (3) supports for daily living to help people live independently, in a range of intensities. Supportive housing providers manage the property, often in partnership with private landlords in a head lease arrangement, and are responsible for ensuring quality standards, upkeep and maintenance.
Transitional Housing	Short term housing that is targeted to those in need of structure, support and/or skill building, in order to move from homelessness to housing stability and ultimately prevent a return to homelessness.
Vacancy Rate	The average number of primary market rental units in a regional market area that are unoccupied divided by the total number of rental units in the same market area.

Appendix B – Housing Continuum Methodology

Non-market Housing
The number and type of non-market housing units is based on data reported in the County of Wellington's Inventory of Inventory Government-Assisted Housing Located in Guelph Wellington - A Background Report for the 10-year Housing and Homelessness Plan (2013). It was important to determine the actual addresses and number of non-market housing units to ensure that the units were not double counted in the private market rental counts. Individual housing providers were contacted to find out property addresses and to confirm the number of units they manage/own. In a number of cases a single property included supportive housing units, social housing units and market units. Supportive housing refers to units owned by a supportive housing agency as well as subsidized rental units leased by a community agency (support provider) from a private sector landlord.

Market Housing
The number and type of private market housing units is based on a cross tabulation of data within the MPAC database as of December 31, 2013. The MPAC data was compared with the City's listing of registered accessory apartments and non-market housing stock to ensure that units were not double counted. The MPAC data was also aligned with CMHC's definition of primary rental housing.

Units were deemed to be a rental unit when: the legal owner was listed as a corporation; the owner resided in a different residence; or the owner lived in another apartment on the property. A unit shown to contain an occupant with a tenant status was also deemed as being a rental unit.

The number of units within each rental property is based on an inventory of the number of known units within purpose-built rental dwellings and secondary rental market units that contain an accessory apartment. The number of accessory apartment units is based on the City's list of registered accessory apartments as of December 31, 2013.

Individual addresses for subsidized private market rental properties (supportive and non-supportive) were not available, so there is the potential that some of these units may be double counted in both the non-market and market housing unit totals. The number of subsidized units within the private market varies overtime and at last count was approximately 215 units.

Secondary Rental Housing
The number of accessory apartment units is based on the City's list of registered accessory apartments as of December 31, 2013. Accessory apartments were only counted as rented if the main unit met the definition for a rental unit as per the conditions stated under the second paragraph under the Market Housing heading.

Other Secondary Rental Units include rental units that are not accessory apartment units.

Ownership Housing

Ownership housing counts were determined by taking the total household count from MPAC as of December 31, 2013, and subtracting the market rental count from MPAC discussed above.

Appendix C – Secondary Rental Market Research Methodology

Accessory Apartment Survey
The Accessory Apartment Survey was conducted from November 24 to December 15, 2014. Notices were sent to all registered accessory apartment owners (1987) representing 2,123 registered units in the City since some owners have more than one unit. The purpose of the survey was to gather further information about the existing accessory apartment stock within Guelph. The survey collected 362 responses, for a response rate of 18%.

The survey asked owners 39 questions about their property regarding occupancy, challenges of creating an accessory apartment, parking, rent price, etc. A full report of the accessory apartment survey results is available under a separate cover.

Secondary Rental Market Study
The Secondary Rental Market Study gathered rental postings from popular rental websites (kijiji and Craigslist) for one month, from October 15 to November 15, 2014. Vacant rental unit advertisements were reviewed and recorded based on the number of bedrooms (bachelor, 1 bedroom, 2 bedroom and 3 bedroom) to align with CMHC's primary rental market statistics. A total of 237 advertisements were recorded: 17 Bachelor, 86 one bedroom, 67 two bedroom and 64 three bedroom apartments were included.

Sources of Error and Limitations
A number of listed advertisements were missing portions of the rental information being collected. One follow up email was sent to the contact to gain clarification. Approximately one-quarter of the landlords/owners did not respond to emails.

When the address was not available, the description and photographs were assessed to ensure that the property was not part of the primary rental market. If the price of rent was not included in the ad and the landlord/property owner did not respond to the email, the ad was deleted from the data.

Addresses and street names were collected when possible to verify that ads were a part of the secondary market. When possible the MPAC structure type was recorded to prevent any properties in the primary rental market from being included in the data. All properties that are considered by CMHC as the primary rental market were deleted from the data.

The reliability of sources used was limited as advertisements were often posted more than once. Advertisements were scanned for duplication; all advertisements were only counted once in the data.

Calculating Average Rental Price for the Secondary Rental Market
The rent for the secondary rental market has been divided into registered accessory apartments and other secondary rental.

Average rents for Registered Accessory Apartments were determined by averaging the results of the Accessory Apartment Survey based on the size of the unit. The 2014 average rent prices were reduced to represent 2013 rents. This was calculated based on the difference between 2013 and 2014 primary market rents by number of bedrooms.

Average rents for Other Secondary Rental units were calculated based on the size of the unit by:

- Removing any registered accessory apartments from the data collected;
- Reducing the average rental price by size of unit by 5.59%, to make the rate comparable with CMHC's primary rental market rate for "occupied units" (5.59% represents the difference between CMHC's primary rental market data of vacant and occupied units, 2013); and
- Reducing the 2014 average rent prices to represent 2013 rents, based on the difference between 2013 and 2014 primary market rents by number of bedrooms.

Appendix D – Ownership Benchmark Price Methodology

House price and benchmarking information is based on an analysis of the MPAC database of sales as of December 31, 2013. The database representing structures was joined with the one representing sales.

The data was cleaned by only retaining the following records from the database:

- According to structure code not a single detached (301,304,351) semi detached (302,305,351) condo-apartment (352,353), or townhouse (303,354,355)
- Sold for more than $50,000
- Retained the Following Sales suffixes (Other, Residential Condominium, Sale to person who's principal occupation is other than farming, semi-detached, Single Family detached)
- Retained the following prefixes (Open market sale, Builder Sale, Sale Amount not reflective of registered date
- Nulls were deleted found in any of these categories

The data was then viewed for outliers and anomalies:

- Calculate price/assessed value
- Calculate price/floor area

Thirteen records were removed based on a review of the property via aerial photography and local knowledge such as development parcel, missing data, rental apartment building, etc.

A new field was created in the database called "market".

Where prefix is builder sale, sale amount not equal registered date, or open market sale with sale year is <= built year – 1), then the property is categorized as "new construction," otherwise is was categorized as Resale.

The 10% below the average resale price was calculated by sale year across all structure types (the benchmark price). The sale amount for the record was then compared against that value and categorized as sold as "above" or "below" the benchmark price for that year.

Table D1 - Income based Affordable Ownership Benchmark Price (BMP) Calculation in Guelph, 2013

	Income Percentile of All Households								
	10th	***20th***	***30th***	***40th***	***50th***	***60th***	***70th***	***80th***	***90th***
Gross annual household income (2010)[1]	$18,325	$31,143	$42,648	$54,840	$68,673	$83,971	$99,924	$120,371	$156,328
Consumer price index rate of increase	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%
Gross annual household income (2013 adjusted)	**$19,347**	**$32,881**	**$45,028**	**$57,900**	**$72,505**	**$88,656**	**$105,499**	**$127,087**	**$165,050**
Percent of income spent on housing	30%	30%	30%	30%	30%	30%	30%	30%	30%
Annual income spent on housing	$5,804	$9,864	$13,508	$17,370	$21,751	$26,597	$31,650	$38,126	$49,515
Monthly income spent on housing	$221.22	$559.55	$863.23	$1,185.03	$1,550.15	$1,953.94	$2,375.00	$2,914.70	$3,863.79
Hydro[2]	$122	$122	$122	$122	$122	$122	$122	$122	$122
Heat[3]	$75	$75	$75	$75	$75	$75	$75	$75	$75
Water and Wastewater[4]	$65	$65	$65	$65	$65	$65	$65	$65	$65
Condo Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual property tax rate[5]	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%
Monthly property tax rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Mortgage insurance standard premium rate	2.75%[6]	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Monthly premium rate (over 25 years)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Down payment (percentage of total price)	5%	5%	5%	5%	5%	5%	5%	5%	5%
Monthly mortgage factor	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534
Affordable house price	**$35,753**	**$90,434**	**$139,515**	**$191,524**	**$250,535**	**$315,794**	**$383,846**	**$471,072**	**$624,464**

Source: City of Guelph Planning, Urban Design and Building Services.

[1] Statistics Canada, 2011 NHS, Custom Tabulation

[2] Guelph Hydro Inc., Sustainability Report, 2013

[3] Union Gas, Ed Stuart Personal Communication, 2014

[4] City of Guelph, Water and Wastewater Rates, 2013

[5] City of Guelph Finance Department, 2014

[6] CMHC, 2014

There are several key limitations of this approach:

- Water, Hydro and Heat Rates are based on the Guelph average, and are uniform across all calculations. It is likely reasonable these costs would vary by unit type and age of dwelling.
- No condominium fees were included in this calculation. However, the exclusion of condominium fees combined with the average utility rate being applied to all properties may counterbalance each other as condominium forms are assumed to be more likely to have lower than average utility costs

The key variables in calculating the income based ownership benchmark over time are shown below. The key factor increasing the BMP is the increase in the 60th percentile income, as per the CPI at the rate of inflation. The key factor reducing the BMP is the change in maximum amortization from 35 years in 2009 to 25 years in 2013.

Variables not listed were treated as constant throughout the years. These are shown in the tables D1, D3 and D4.

Table D2 - Variables Used in Calculating the Income based Ownership Benchmark Price in Guelph, 2009-2013

Year	*Property Tax Rate*	*Monthly Mortgage Factor*	*Income Adj.*	*60the Percentile Income*	*Monthly Mortgage and Tax*	*Mortgage Rate*	*Amortization (years)[1]*	*Income Based Benchmark*
2009	1.34%	0.0050954	-2.40%	$81,953	$1,786	5.13%	35	$296,738
2010	1.31%	0.0049025	0.00%	$83,971	$1,837	4.82%	35	$315,714
2011	1.28%	0.0050537	3.09%	$86,566	$1,902	4.52%	30	$320,130
2012	1.26%	0.0053856	4.55%	$87,791	$1,932	4.23%	25	$308,642
2013	1.23%	0.0053363	5.58%	$88,656	$1,954	4.14%	25	$315,794

Table D3 - Mortgage Factor Assumptions, 2013

		Notes:
Sales price	$105,263	The sales price of the housing unit. ($105,263 was chosen as an example.)
Mortgage loan-to-value ratio	95%	The proportion of the amount borrowed to the value of the sales price. (A 5% down payment yields a 95% loan-to-value ratio.)
Present value of loan	$100,000	The present value of the loan, when it is borrowed.
Nominal annual interest rate	4.14%	The interest rate on the loan, as advertised by the bank. (Source: Bank of Canada 5 year conventional mortgage interest rate, August 2013)
Compounding periods per year	2	Mortgage interest is compounded semi-annually in Canada.
Effective annual interest rate	4.18%	The interest rate on the loan, after the effect of semi-annual compounding.
Payments per year	12	The number of mortgage payments made per year.
Equivalent nominal rate compounded monthly	4.10%	The equivalent interest rate charged monthly that includes the effect of semi-annual compounding.
Amortization period	25	

Table D4a - Mortgage Amortization

Payment number	n
Principal (opening balance)	p (open)
Monthly loan payment	pmt
Interest portion of monthly loan payment	pmt (i)
Principal portion of monthly loan payment	pmt (p)
Principal (closing balance)	p (close)
Mortgage factor	0.005336
Total value of monthly loan payments	$165,354
Total interest portion	$60,091
Total principal portion	$100,000
Down payment	$5,263

Table D4b - Mortgage Amortization

n	p (open)	pmt	pmt (i)	pmt (p)	p (close)
1	$100,000	$534	$342	$192	$99,808
2	$99,808	$534	$341	$192	$99,616
3	$99,616	$534	$341	$193	$99,423
….					
300	$532	$534	$2	$532	$0

Appendix E – Number and Type of Units Sold in Relation to BMP

Table E1 - Number and Type of Units Sold in Relation to BMP in Guelph, 2009-2013

Structure Type/ # of bedrooms	***New***		***Resale***	
	Below BMP	***Total***	***Below BMP***	***Total***
Apt	**687**	**689**	**844**	**905**
1	214	214	256	257
2	392	394	471	521
3	81	81	112	122
Semi	**42**	**216**	**542**	**830**
1			2	5
2		3	40	57
3	40	208	433	648
4	2	5	57	98
5			9	19
6			1	3
Single	**48**	**1237**	**1510**	**6696**
1		2	23	37
2	1	53	345	675
3	40	703	983	4431
4	6	449	140	1320
5	1	19	18	179
6		8		42
Town	**819**	**1163**	**1798**	**2497**
1	42	43	10	18
2	121	178	257	362
3	643	925	1421	1986
4	11	15	101	118
5			5	5
6			2	2
Total	**1596**	**3305**	**4694**	**10928**

Source: MPAC, December 2013

Appendix F – Supplementary Household Income Percentile Tables

Table F1 - Household Income by Income Percentile and National Occupancy Standards in Guelph, 2013

Min. # of Bedrooms Req'd	*# of Households*	*Income Percentile of All Households*								
		10th	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
All households	48,015	$19,347	$32,881	$45,028	$57,900	$72,505	$88,656	$105,499	$127,087	$165,050
Zero	12,690	$10,857	$16,561	$21,828	$27,001	$34,243	$42,329	$50,564	$62,528	$84,157
One	11,335	$37,054	$47,619	$58,020	$69,232	$79,769	$93,850	$107,973	$125,255	$158,519
Two	12,980	$25,230	$42,282	$55,834	$69,722	$83,301	$96,767	$112,367	$131,992	$168,435
Three	8,470	$36,734	$57,958	$77,463	$92,857	$103,946	$118,665	$138,561	$162,160	$200,720
Four	2,010	$42,552	$68,046	$86,246	$97,869	$116,133	$133,792	$152,608	$169,333	$199,900
Five	455	$66,027	$102,581	$114,121	$129,860	$133,400	$169,277	$209,552	$223,830	$273,926
Six	80	$83,681	$118,953	$119,368	$124,678	$143,813	$154,552	$155,629	$203,078	$209,553

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Table F2 - Affordable Homeownership Price by Income Percentile and National Occupancy Standards in Guelph, 2013

Min. # of Bedrooms Req'd	*# of Households*	*Affordable Homeownership Price by Income Percentile*								
		10th	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
All households	48,015	$35,753	$90,434	$139,515	$191,524	$250,535	$315,794	$383,846	$471,072	$624,464
Zero	12,690	$1,448	$24,494	$45,774	$66,676	$95,939	$128,610	$161,883	$210,224	$297,613
One	11,335	$107,296	$149,983	$192,010	$237,311	$279,884	$336,781	$393,842	$463,671	$598,073
Two	12,980	$59,522	$128,421	$183,175	$239,291	$294,156	$348,565	$411,596	$490,894	$638,140
Three	8,470	$106,003	$191,759	$270,567	$332,766	$377,571	$437,045	$517,435	$612,787	$768,585
Four	2,010	$129,511	$232,519	$306,057	$353,019	$426,813	$498,165	$574,192	$641,766	$765,274
Five	455	$224,362	$372,056	$418,685	$482,279	$496,581	$641,541	$804,273	$861,964	$1,064,375

Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation.

Table F3 - Renter Household Income by Income Percentile and National Occupancy Standards in Guelph, 2013

Min. # of Bedrooms Req'd	*# of Households*	*Income Percentile of Renter Households*								
		10th	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
All households	14440	$11,527	$17,445	$23,381	$30,838	$37,910	$46,122	$56,300	$72,487	$95,583
Zero	6175	$6,585	$12,153	$15,882	$19,589	$23,794	$28,605	$35,512	$44,114	$58,388
One	2290	$27,522	$37,298	$42,747	$49,634	$55,520	$64,258	$74,328	$87,217	$103,025
Two	3655	$15,313	$20,314	$29,282	$36,955	$44,138	$52,212	$63,213	$80,086	$102,018
Three	1835	$18,900	$29,345	$36,818	$44,288	$54,490	$66,990	$79,478	$95,134	$121,476
Four	440	$37,315	$39,136	$43,661	$60,547	$69,968	$77,966	$90,580	$108,963	$155,416
Five	40	$40,572	$40,708	$41,664	$41,840	$65,973	$66,156	$113,022	$113,415	$242,431

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Table F4 - Affordable Rent by Income Percentile and National Occupancy Standards for Rental Households (2013)

Min. # of Bedrooms Req'd	*# of Households*	*Affordable Rent for Rental Households by Income Percentile*								
		10th	*20th*	*30th*	*40th*	*50th*	*60th*	*70th*	*80th*	*90th*
All households	14440	$304	$460	$617	$814	$1,001	$1,217	$1,486	$1,913	$2,523
Zero	6175	$174	$321	$419	$517	$628	$755	$937	$1,164	$1,541
One	2290	$726	$984	$1,128	$1,310	$1,465	$1,696	$1,962	$2,302	$2,719
Two	3655	$404	$536	$773	$975	$1,165	$1,378	$1,669	$2,114	$2,693
Three	1835	$499	$775	$972	$1,169	$1,438	$1,768	$2,098	$2,511	$3,206
Four	440	$985	$1,033	$1,152	$1,598	$1,847	$2,058	$2,391	$2,876	$4,102
Five	40	$1,071	$1,074	$1,100	$1,104	$1,741	$1,746	$2,983	$2,994	$6,399

Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Market Rental Survey, 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Attachment 3

Registered Accessory Apartment Survey Results

March 2015

1. Purpose

The Registered Accessory Apartment Survey was conducted to better understand the characteristics of this form of rental housing as part of the City's Affordable Housing Strategy. This survey was a follow up to an accessory apartment survey that took place in 2004.

The survey obtained updated information on the 2,123 registered accessory apartments within the City that were registered as of December 31, 2013.

2. Method

In November 2014, a notice was mailed out to all registered accessory apartment owners within the City requesting their participation in an online survey taking place from November 24th to December 15th, 2014. There are 2,123 registered accessory apartments within the City; however some individuals own multiple properties with registered accessory apartments. In total 1,987 notices were mailed out and 362 responses were collected, a response rate of 18%.

The survey asked owners 39 questions about their property regarding occupancy, challenges of creating an accessory apartment, parking, rent price, etc.

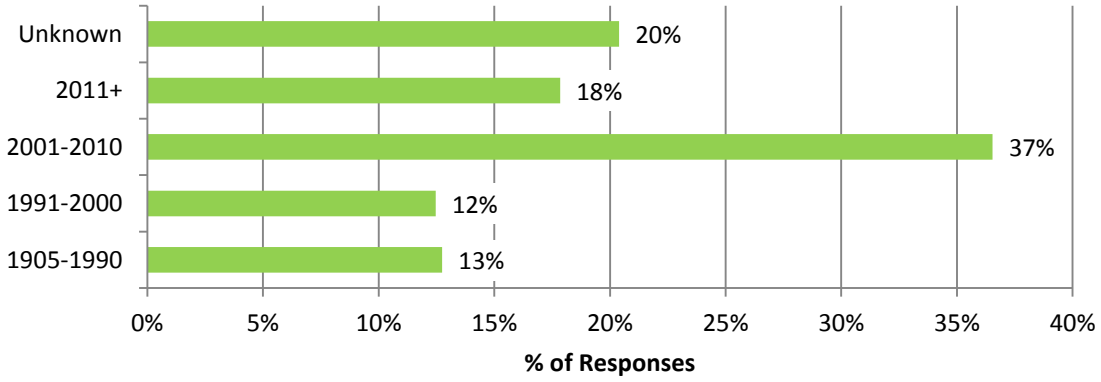
Not all respondents replied to all questions. Some questions were not applicable to all respondents based on current accessory apartment use. To reflect the different response rates, each chart is followed by the response rate of the related survey question.

3. Summary of Key Findings

- 75% of registered accessory apartments were rented at the time of the survey.
- 9% of respondents have plans to remove the accessory apartment in the future. The majority expect to remove the unit in the medium (6-10 years) to long term (11 year or more).
- 54% of respondents said the apartment was initially created to assist in mortgage payments on the principal residence.
- 24% of respondents created the accessory apartment as an investment property (with both units rented).
- 22% of respondents created the accessory apartment for use by family member(s).
- 70% of properties with a registered accessory apartment are owner occupied. 67% live in the main unit and 3% live in the accessory apartment.
- 47% of people living in the accessory apartment are aged 19-25 and 30% are aged 26-35. Approximately 6% are occupied by families with children aged 0-18 years.

- 95% of registered accessory apartments are located in single-detached dwellings.
- 84% of registered accessory apartments are located in the basement.
- 52% of registered accessory apartments have 1 bedroom and 41% have 2 bedrooms.
- Average rent for a registered accessory apartment is $859.
- An average of 3.5 parking spaces are provided on properties with registered accessory apartments.
- 77% of residents of registered accessory apartments have a total of 1 vehicle.

1. What year was the accessory apartment constructed?



* Total number of responses = 353

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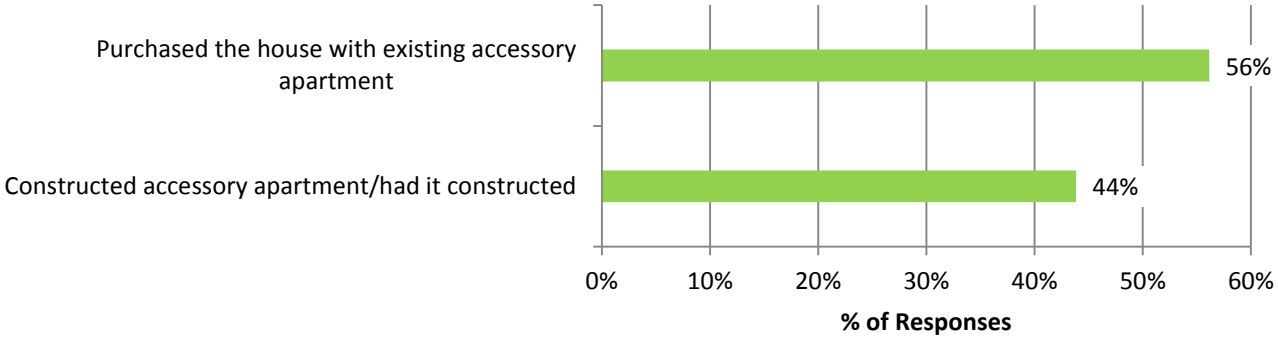
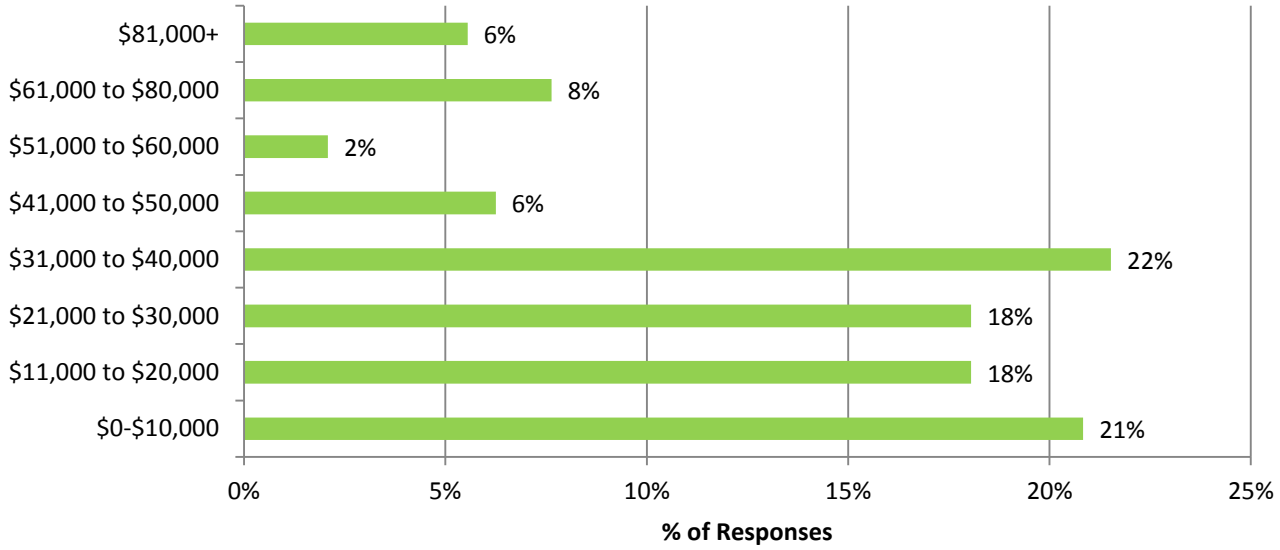
2. Did you purchase your home with the accessory apartment already constructed or did you construct the unit/have it constructed?



* Total number of responses = 374

Only those that responded that they Constructed accessory apartment/had it constructed in question 2, were prompted to answer question 3 & 4.

3. What is the estimated total cost of construction for the accessory apartment?



Average cost of construction= $35,263

*Total number of responses = 144

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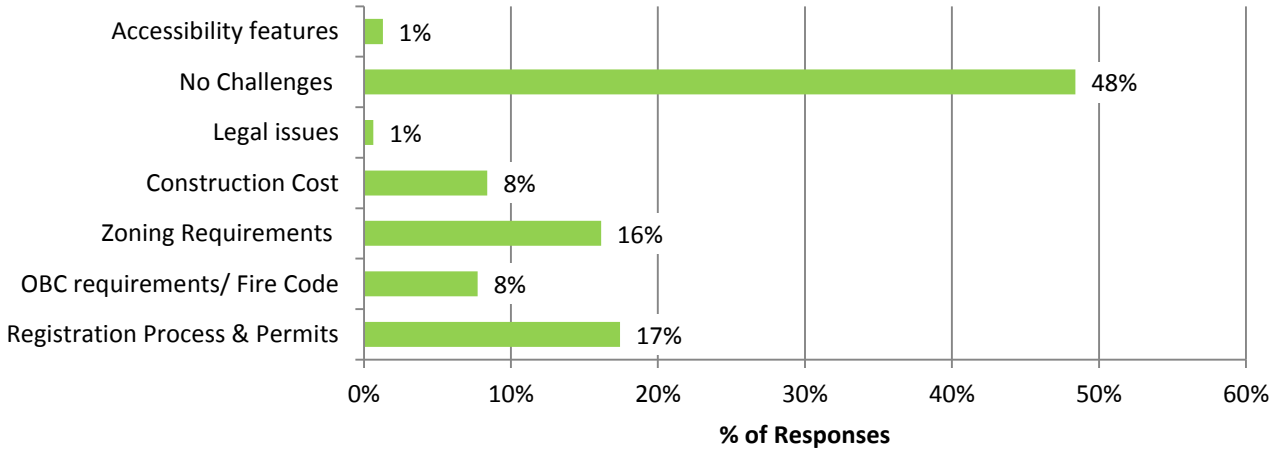
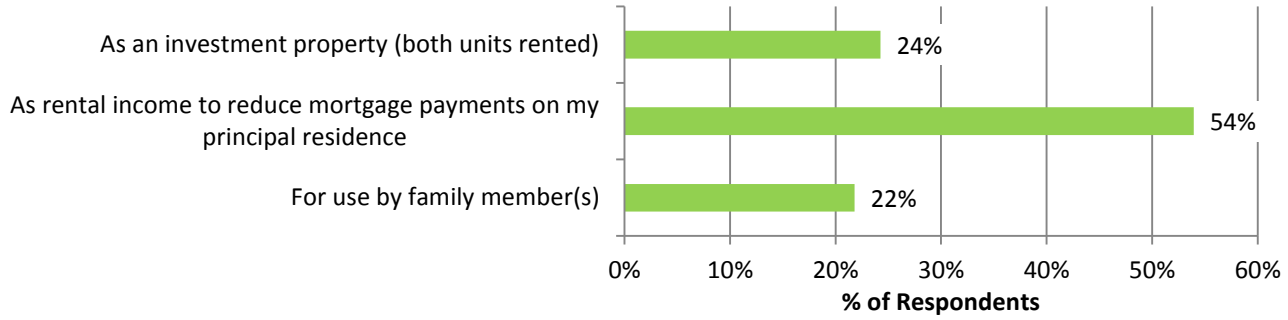
4. Did you have any major challenges in trying to create the accessory apartment? What were they?



*Total number of responses = 144

5. For what purpose did you create the accessory apartment or purchase a home with an accessory apartment?



*Total number of responses = 368

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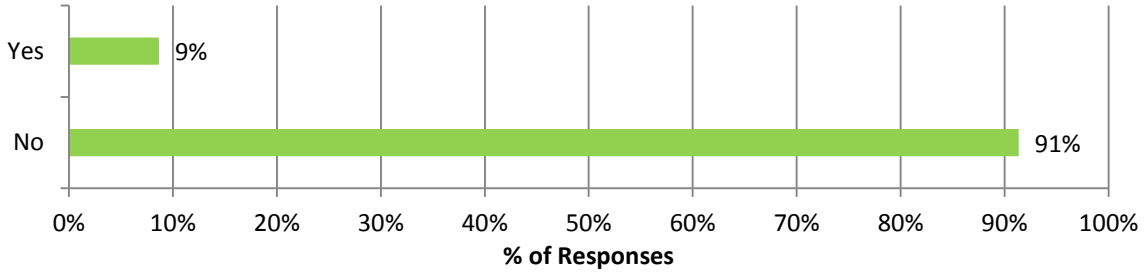
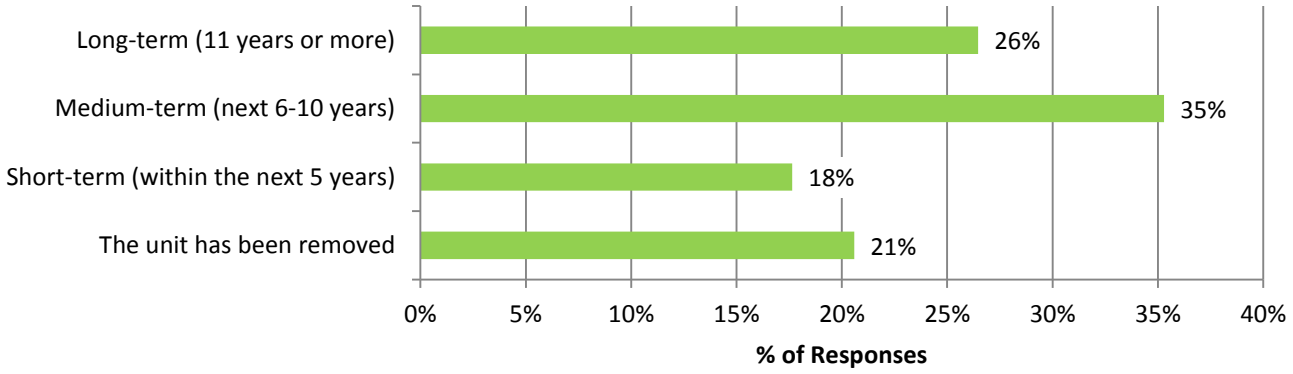
6. Do you have any future plans to remove the accessory apartment and convert the house back to a single dwelling unit?



*Total number of responses = 371

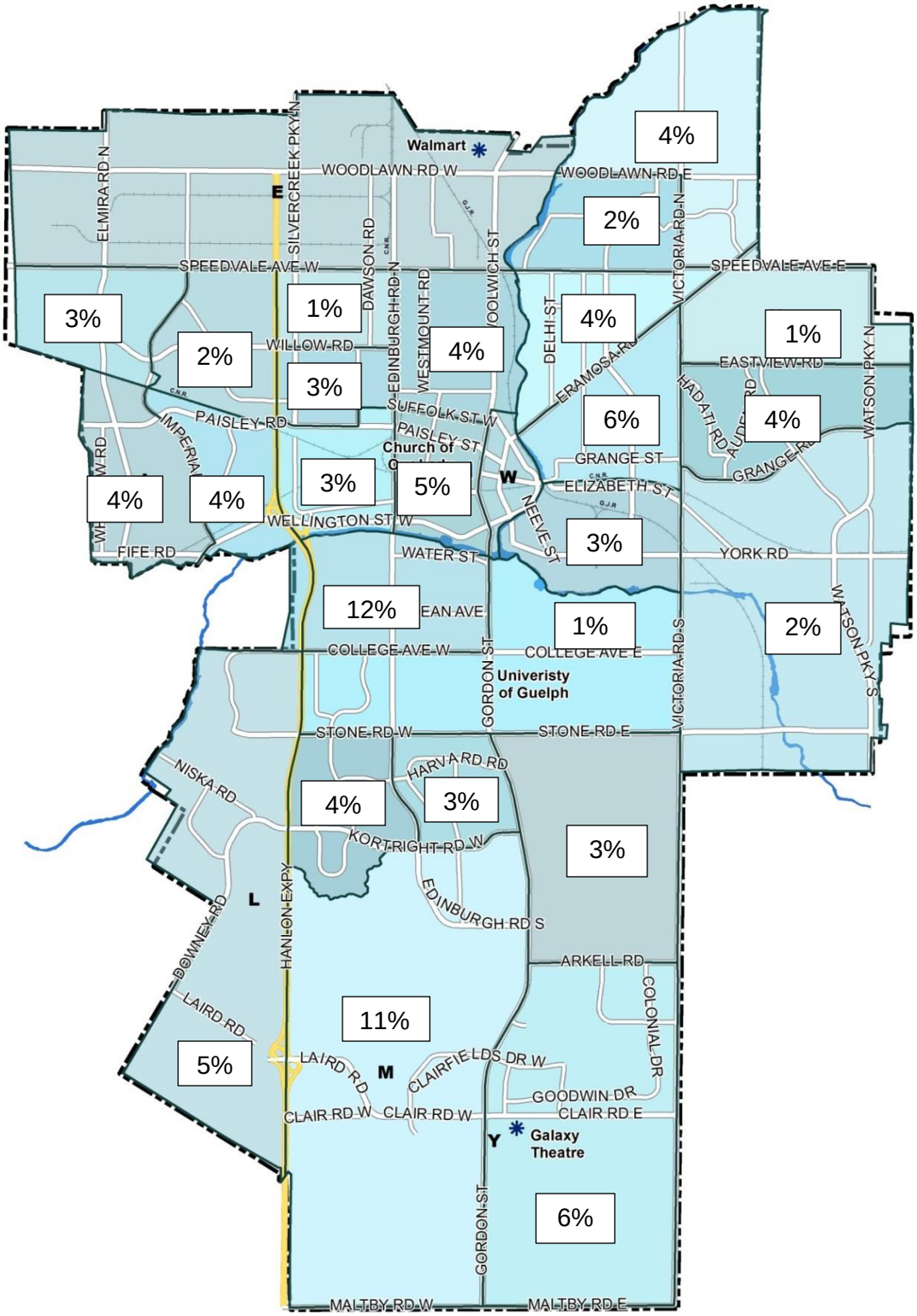
Only those that responded yes to question 6, were prompted to answer question 7.

7. What is the expected timeframe for removal of the accessory apartment?



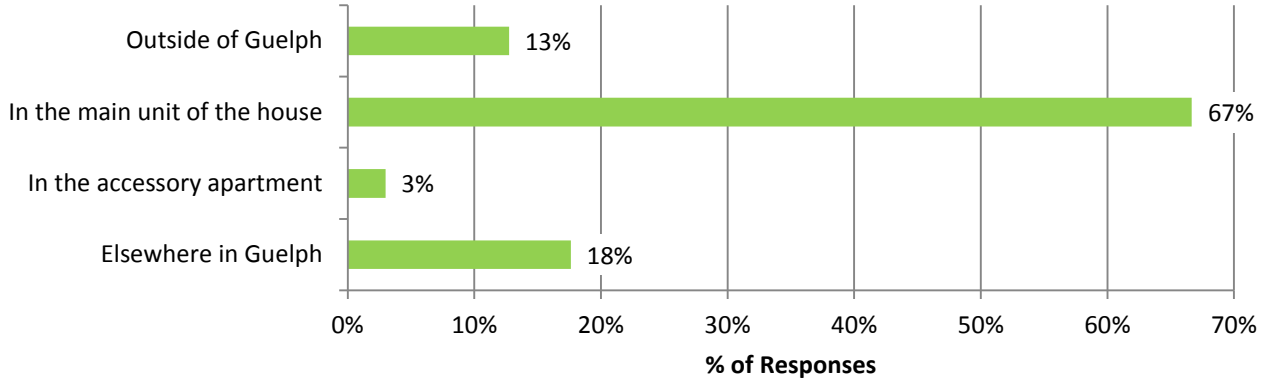
*Total number of responses = 34

8. Where in Guelph is your accessory apartment located?



*Total number of responses = 359

9. As the owner of the property, you live:



*Total number of responses = 370

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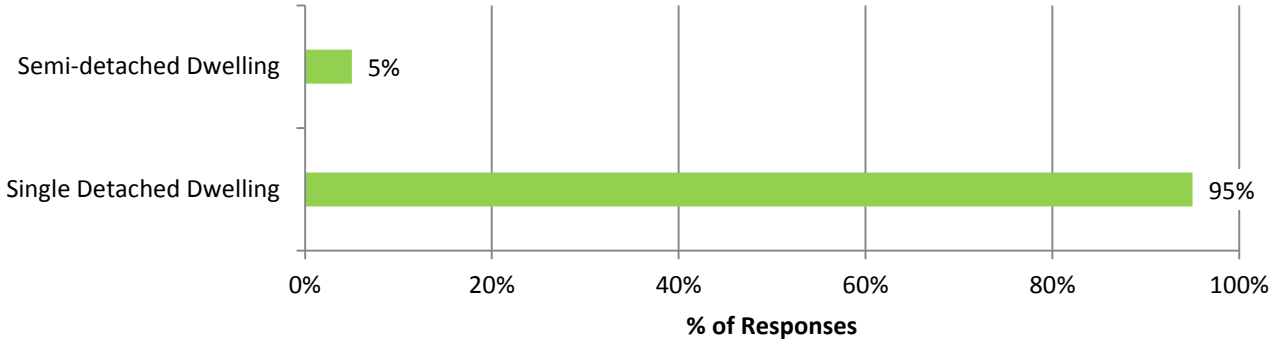
10. The accessory apartment is located within a...



*Total number of responses = 363

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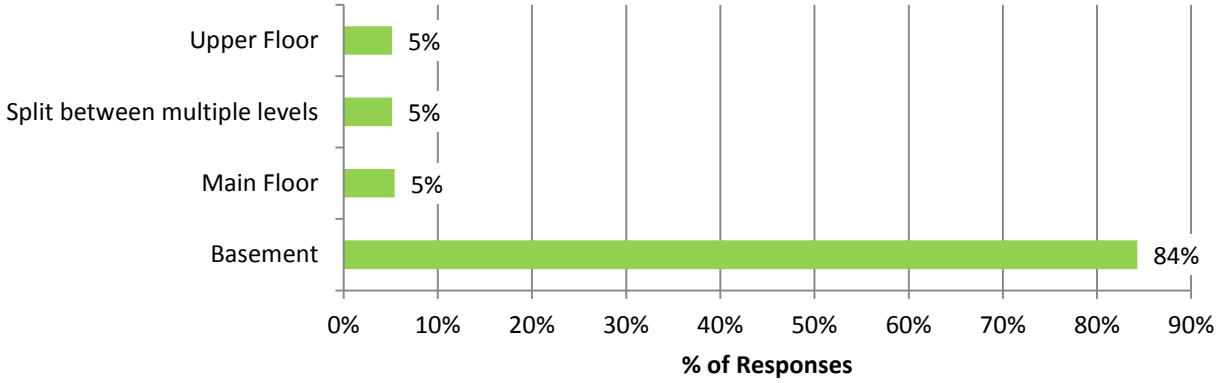
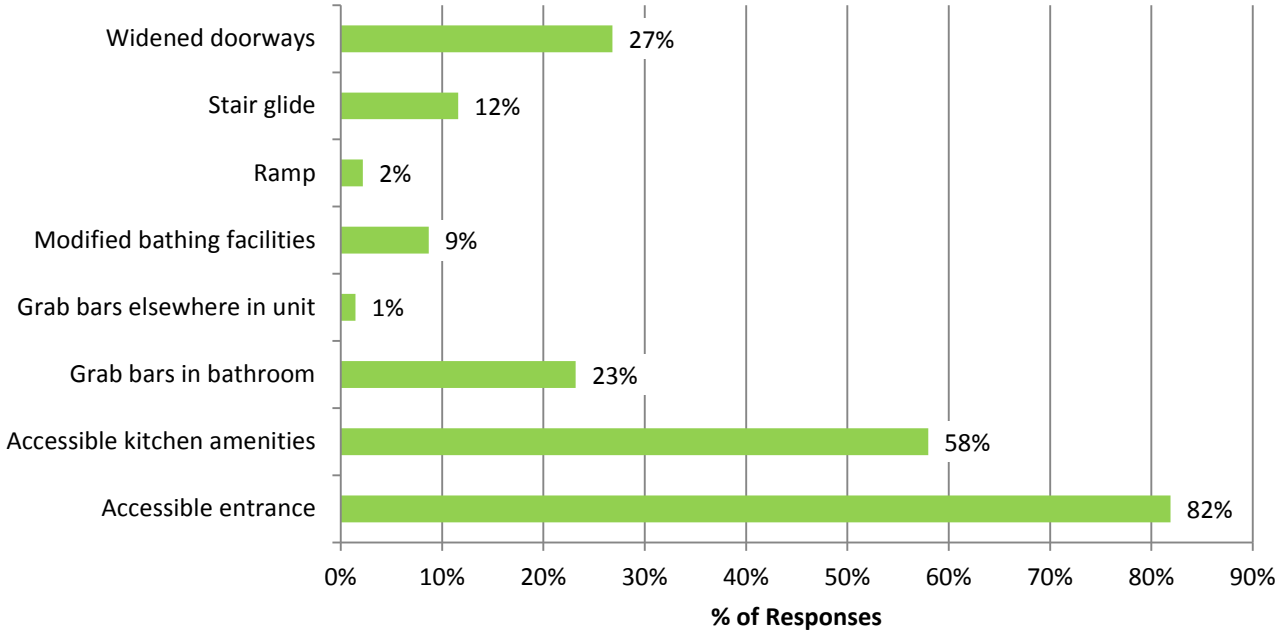
11. On what level of the home is the accessory apartment located?



*Total number of responses = 369

12. Does the accessory apartment have any of the following accessibility features?



*Total number of responses = 138

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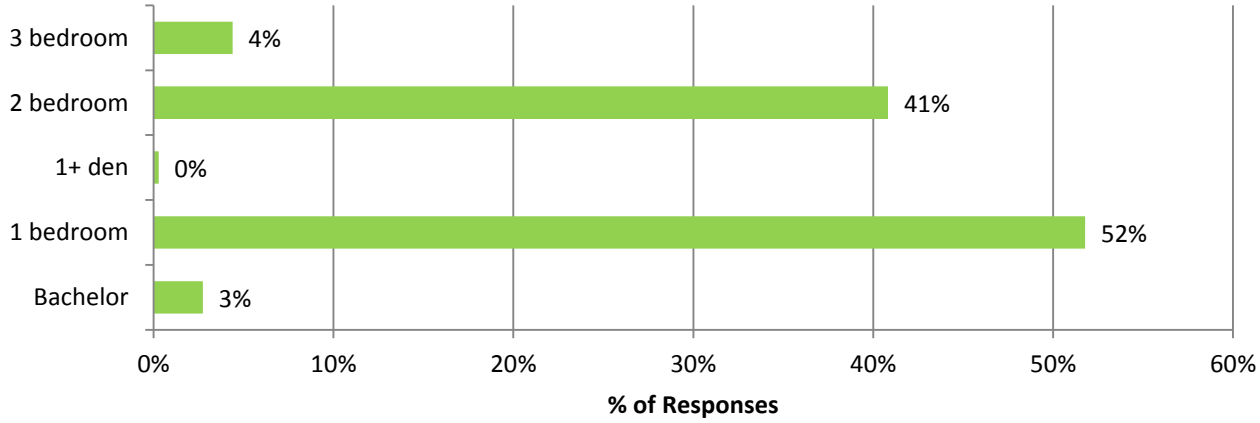
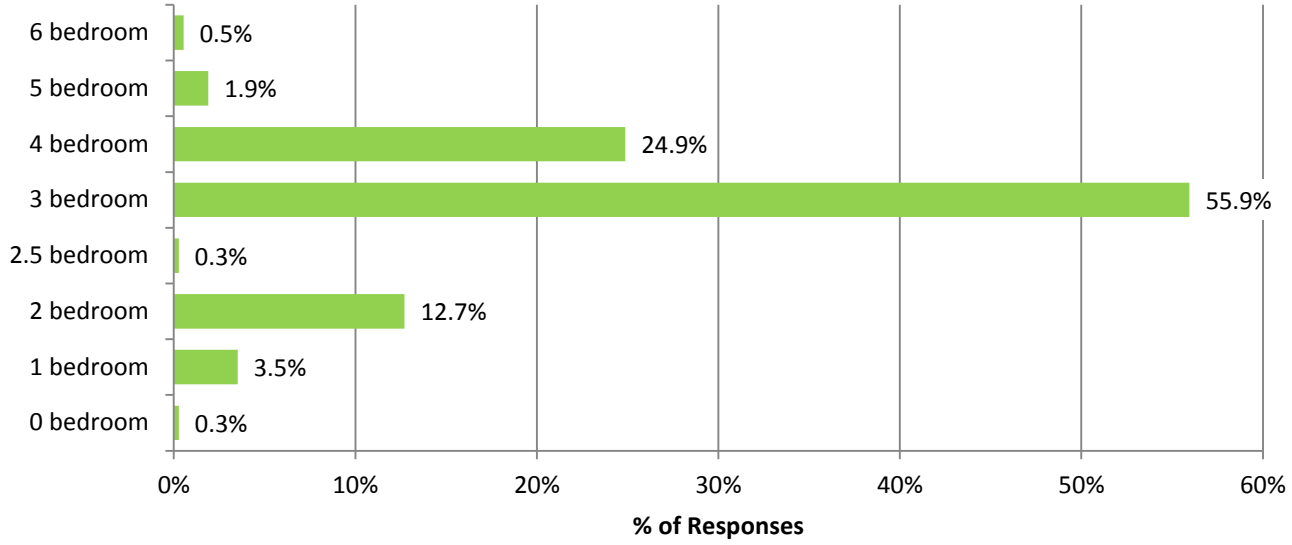
13. How many bedrooms are in the accessory apartment?



Average number of bedrooms in the accessory apartment= 1.5
*Total number of responses = 365

14. How many bedrooms are in the main unit of the house?



Average number of bedrooms in the main unit= 3
*Total number of responses = 370

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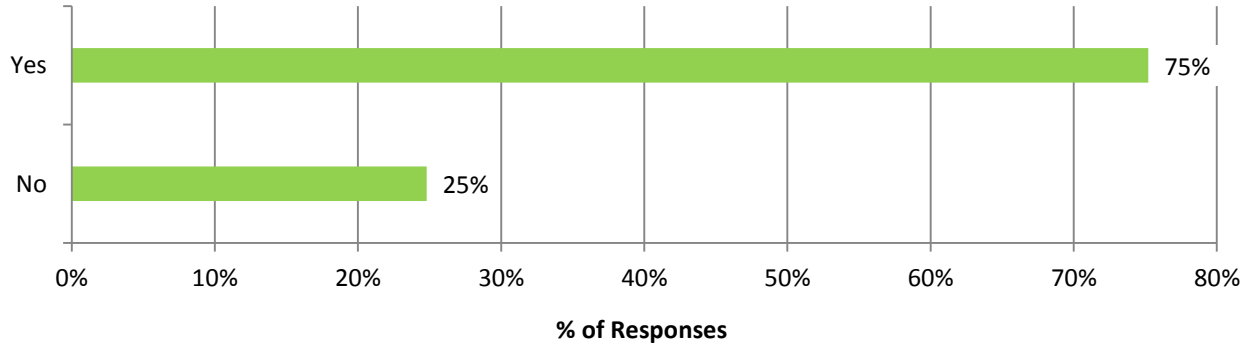
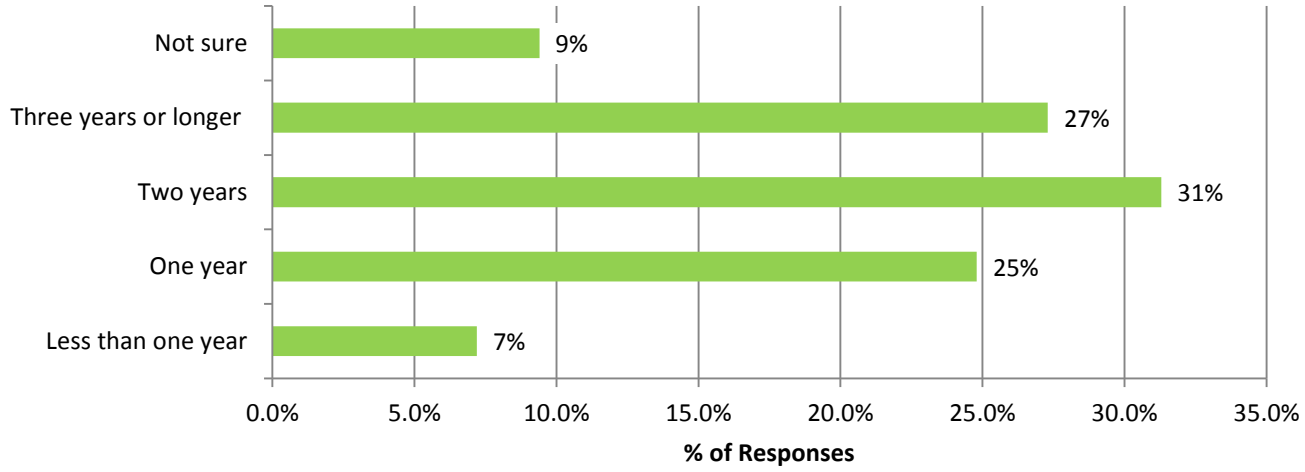
15. Is the accessory apartment currently rented?



*Total number of responses = 372

Only those that responded yes to question 15, were prompted to answer questions 16-23.

16. What is the average length of stay for occupants of the accessory apartment?



*Total number of responses =279

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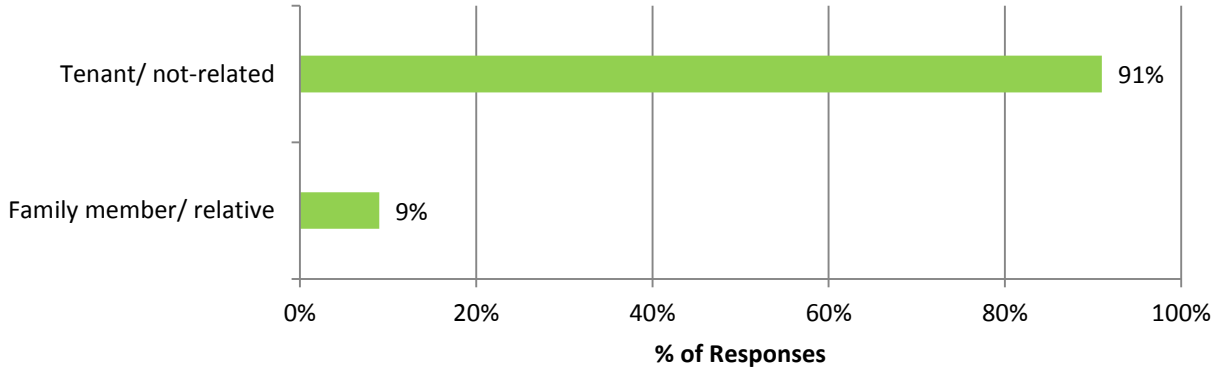
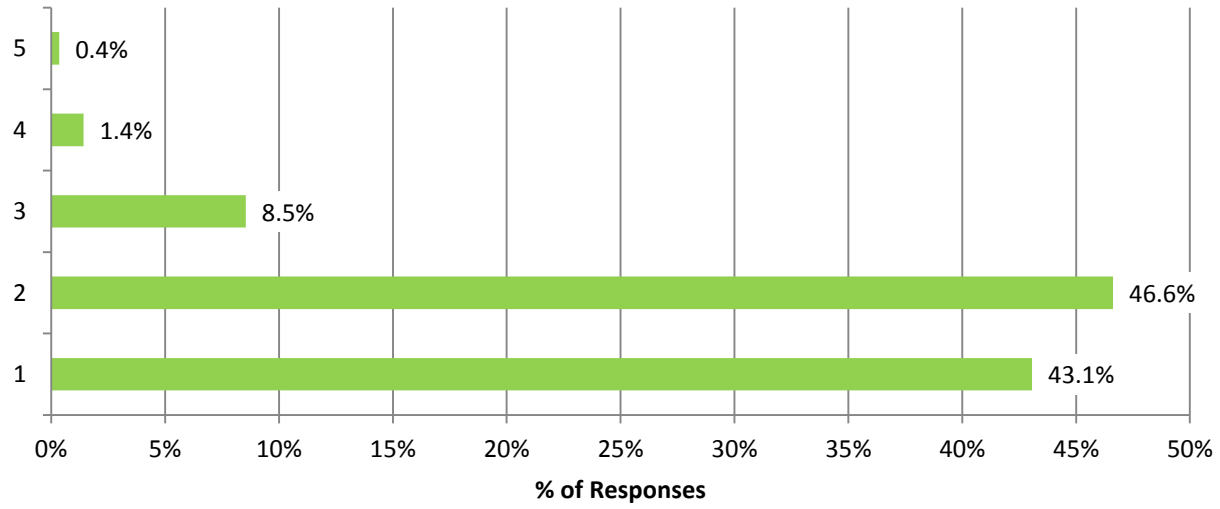
17. What is your relationship with the occupants of the accessory apartment?



*Total number of responses = 281

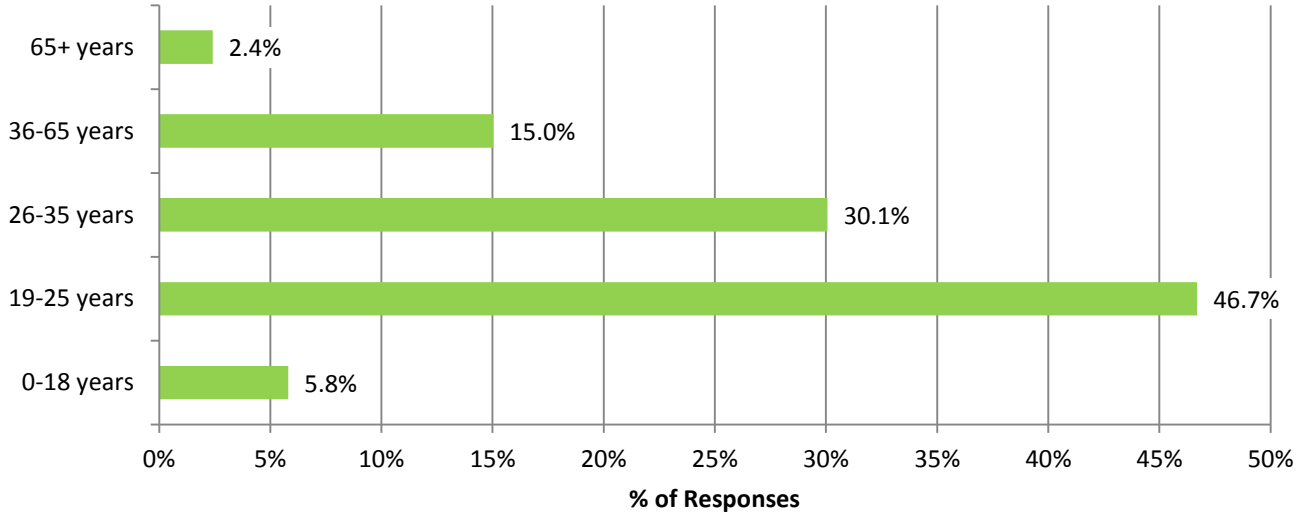
18. What is the total number of people (including children) that reside in the accessory apartment?



Average number of people that reside in accessory apartment= 1.7
*Total number of responses = 281

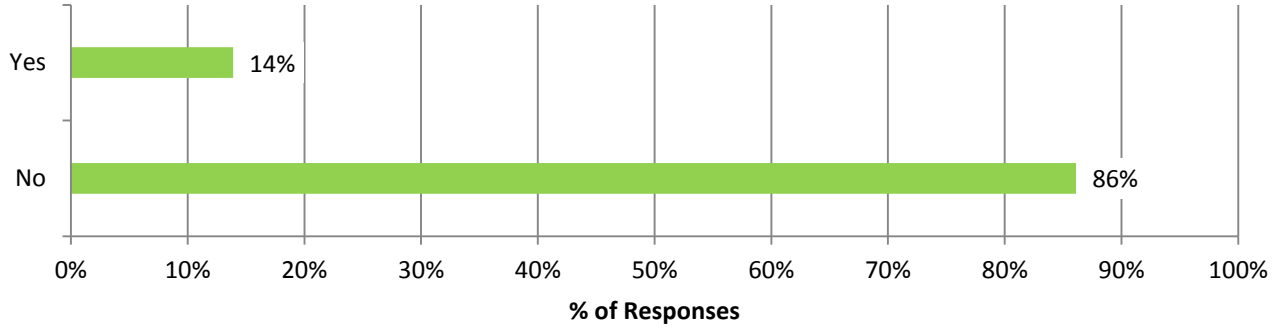
---

19. What are the approximate ages of the residents of the accessory apartment?



*Total number of responses = 282

20. Does the tenant of the accessory apartment assist the occupant of the main unit with any activities of daily living (e.g. personal care, cooking, etc.) and/or home maintenance responsibilities (e.g. cleaning, yard work, etc.)?



Common forms of assistance included:

- take out garbage
- snow shovelling
- yard maintenance
- child care
- home maintenance
- watches house when owners are away

*Total number of responses = 263

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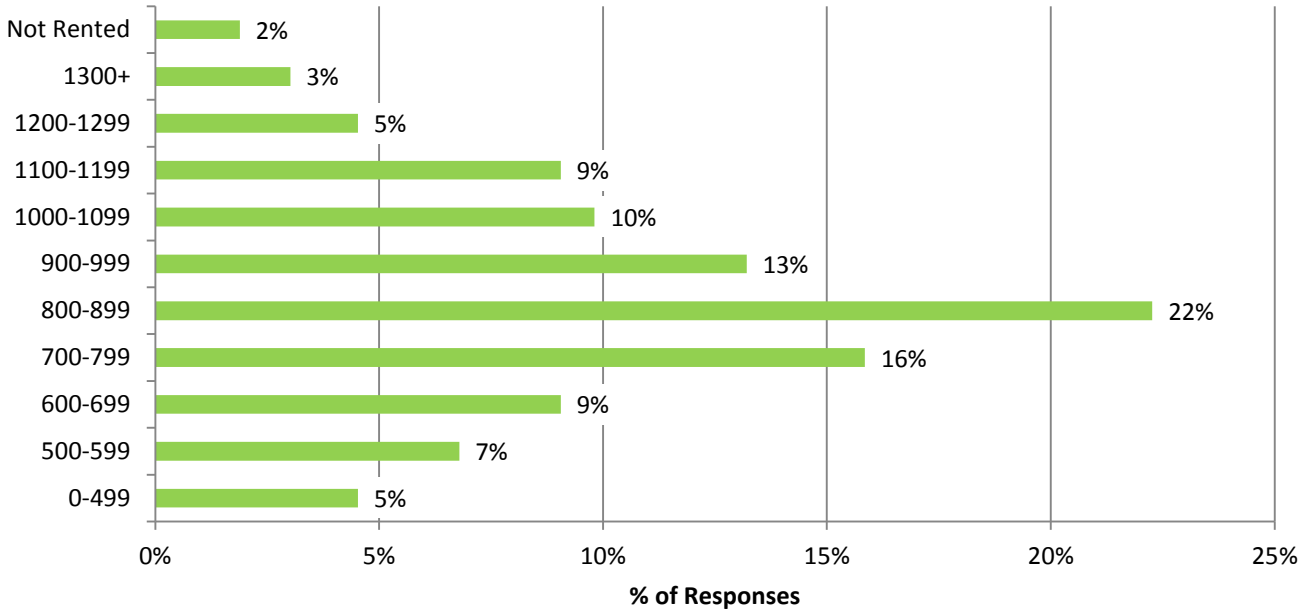
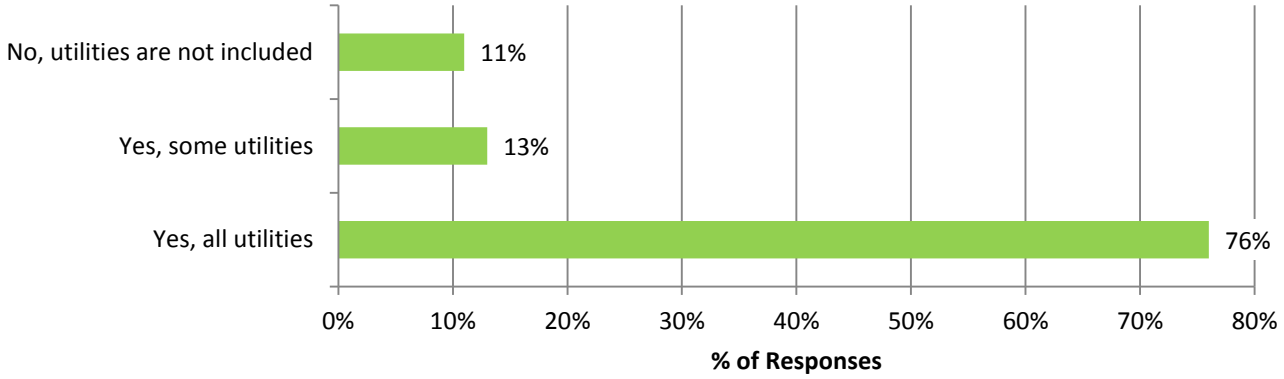
21. What is the amount of rent charged per month for the Accessory Apartment?



Average rent of an Accessory Apartment = $859
*Total number of responses = 265

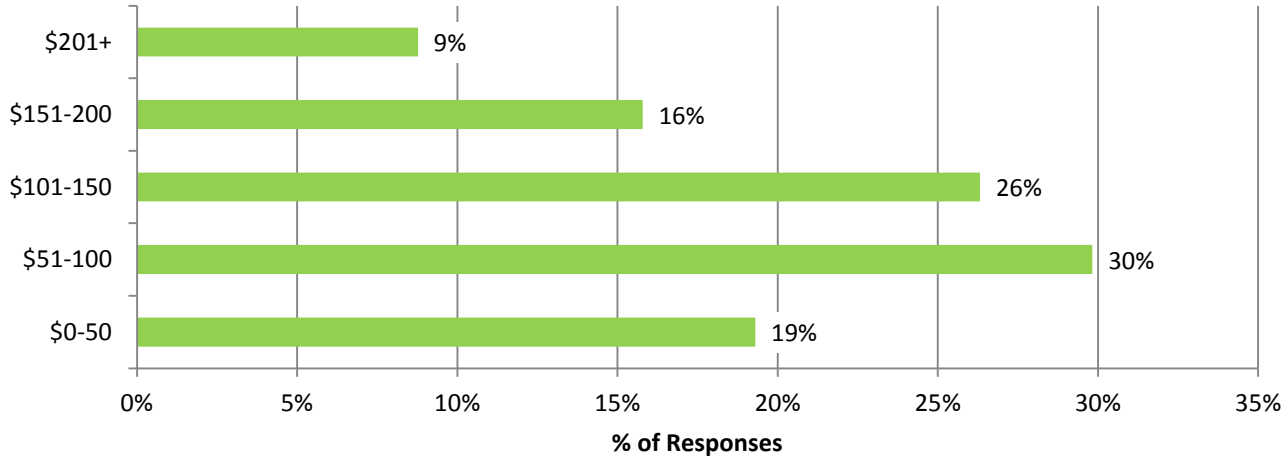
22. Are utilities included in rent?



*Total number of responses = 281

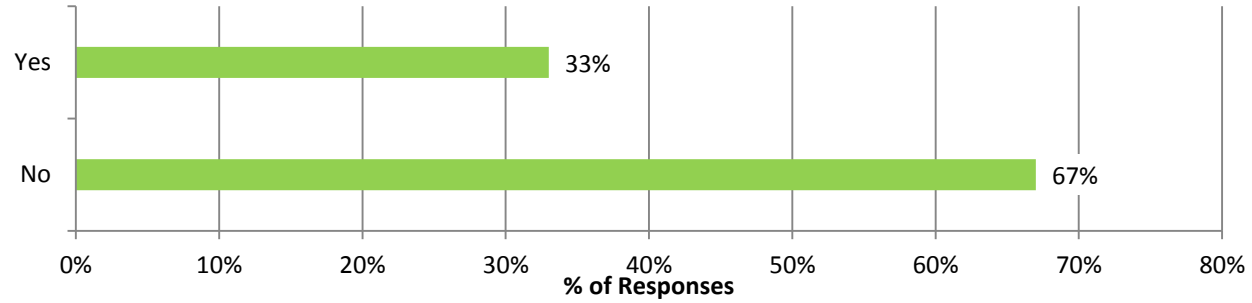
Only those that responded no and yes, some utilities in question 22, were prompted to answer question 23.

23. How much do you estimate utilities cost per month in addition to rent?



*Total number of responses = 57

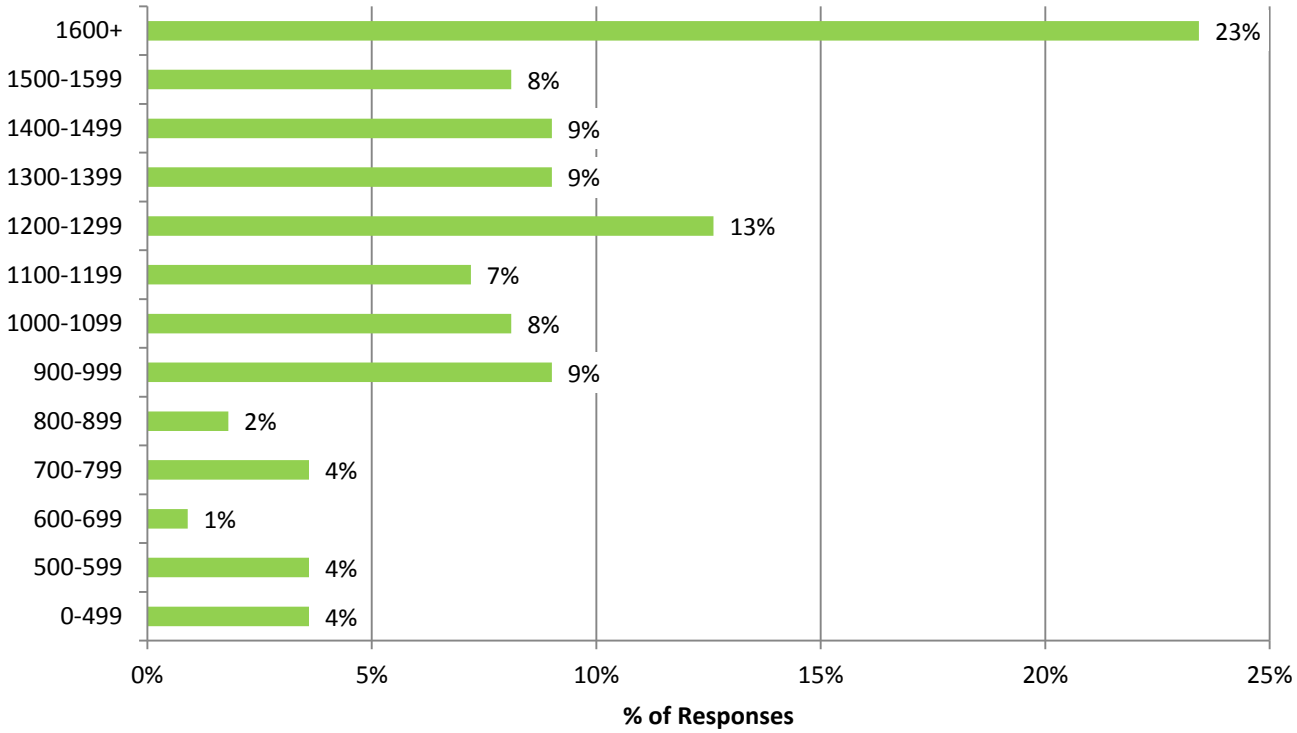
24. Is the main unit currently rented?



*Total number of responses = 371

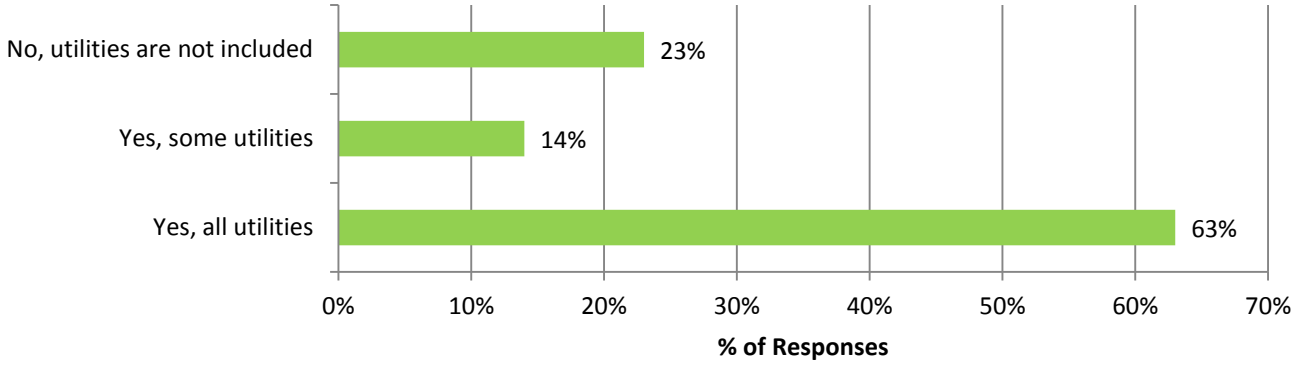
Only those that responded yes to question 24, responded to questions 25-31.

25. What is the amount of rent charged per month for the main unit?



Average rent for the main unit= $1300
*Total number of responses = 111

26. Are utilities included in rent? (Main Unit)



*Total number of responses = 124

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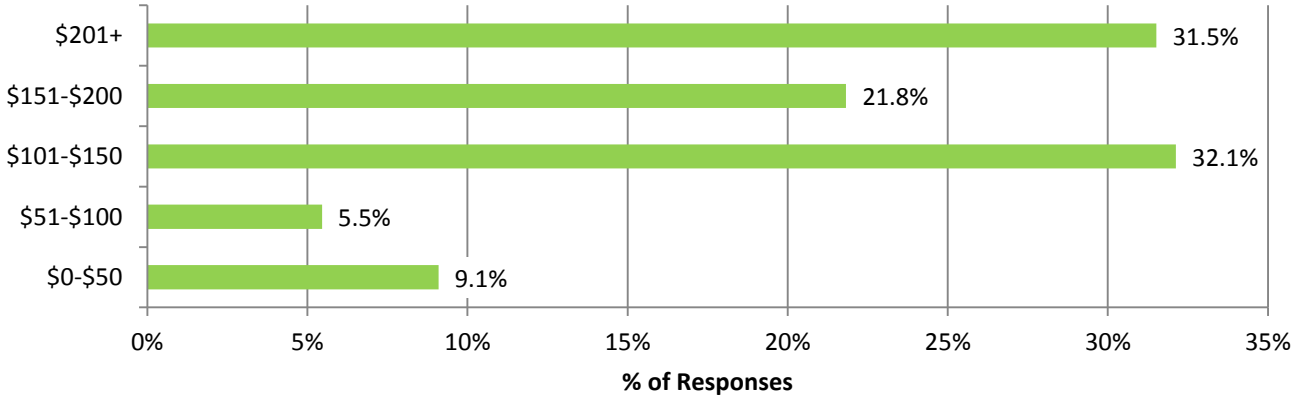
27. If utilities are not included in the rent price, on average how much do you estimate utilities cost per month for the main unit?



*Total number of responses = 165

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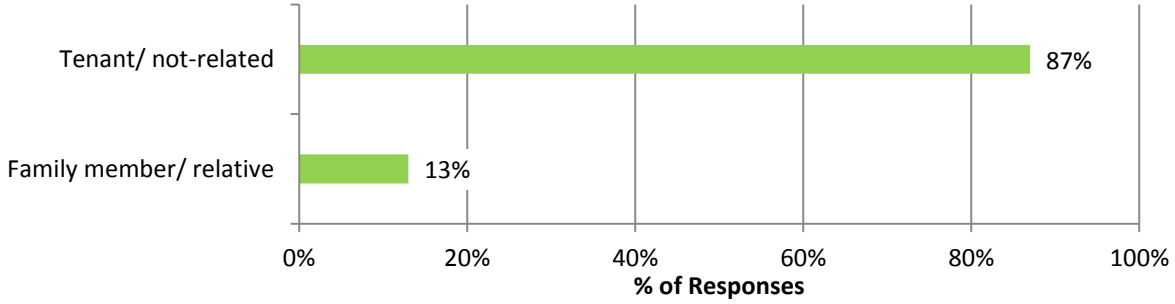
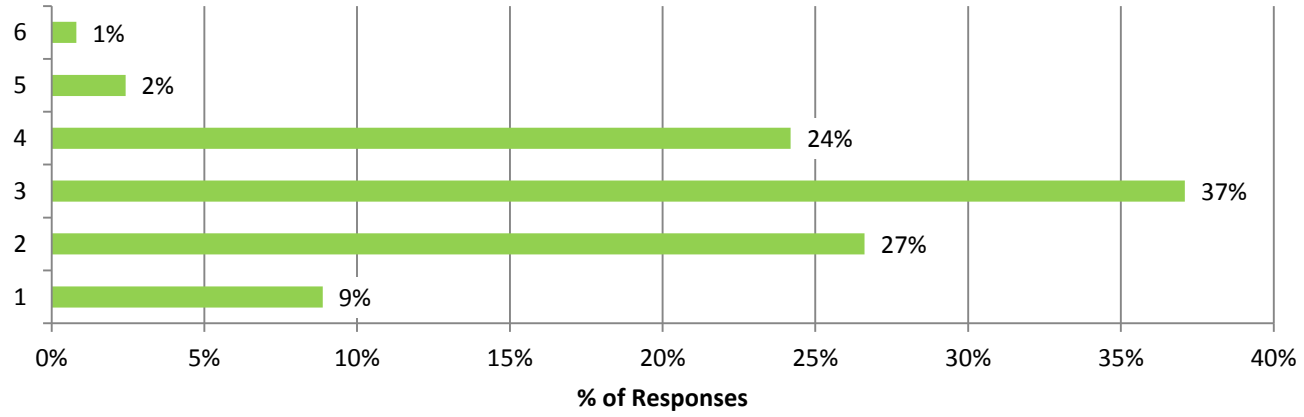
28. What is your relationship with the occupants of the main unit?



*Total number of responses = 124

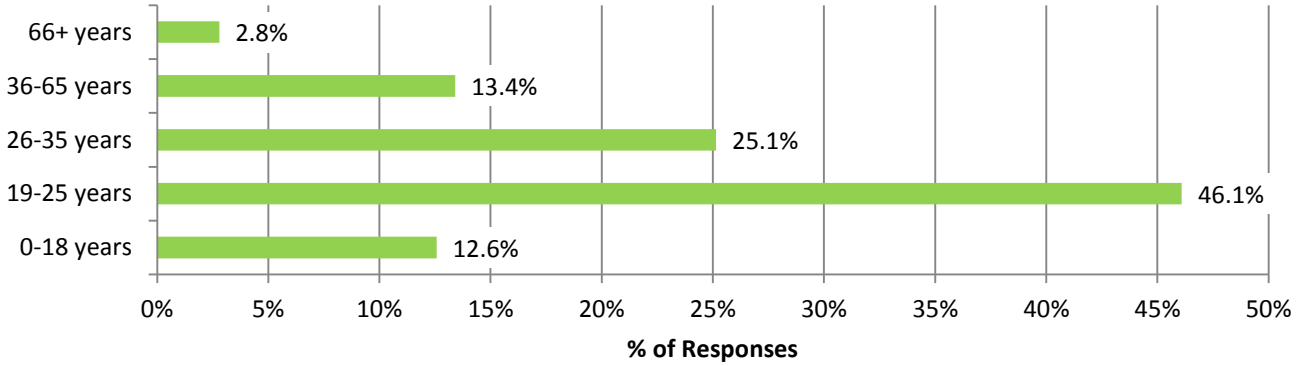
29. What is the total number of people (including children) that reside in the main unit of the house?



Average number of people that reside in the main unit of the house= 2.9
*Total number of responses = 124

---

30. What are the approximate ages of the residents of the main unit?



*Total number of responses =128

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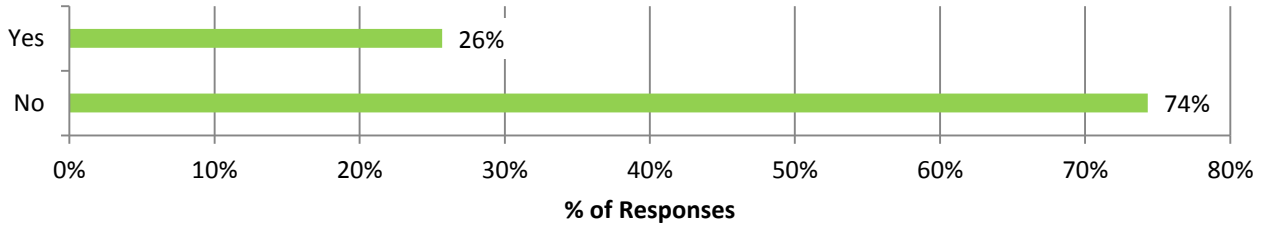
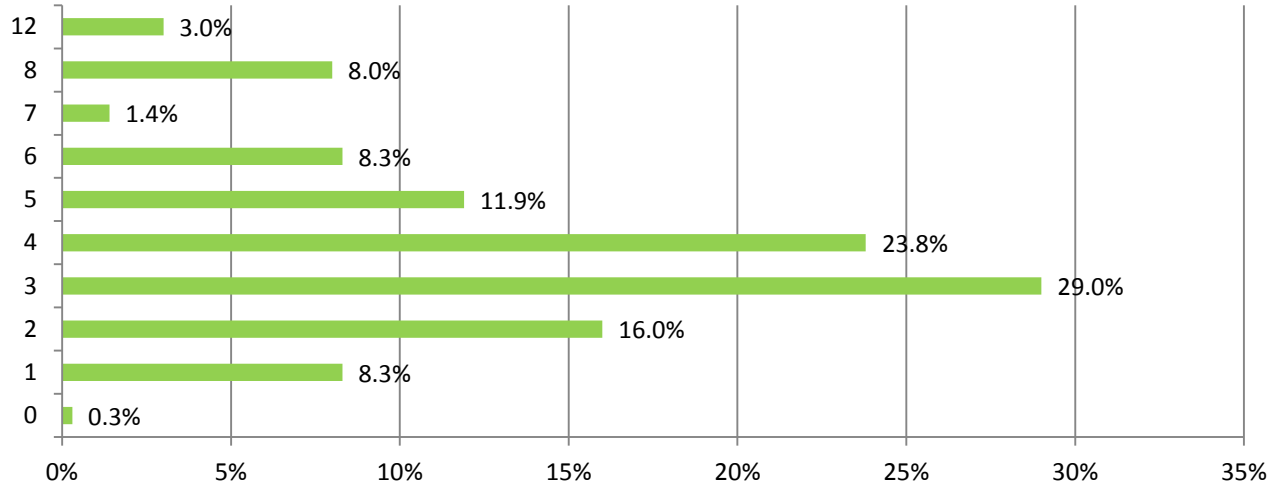
31. Does the tenant of the main unit assist the occupant of the accessory apartment with any activities of daily living (e.g. personal care, cooking, etc.) and/or home maintenance responsibilities (e.g. cleaning, yard work, etc.)?



*Total number of responses = 109

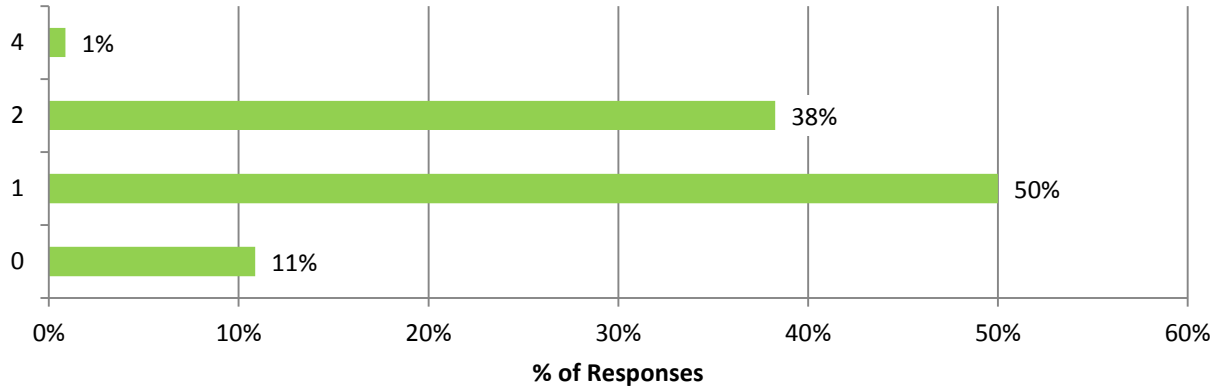
32. How many parking spaces are provided on your property?



Average number of parking spaces provided= 3.5
*Total number of responses = 362

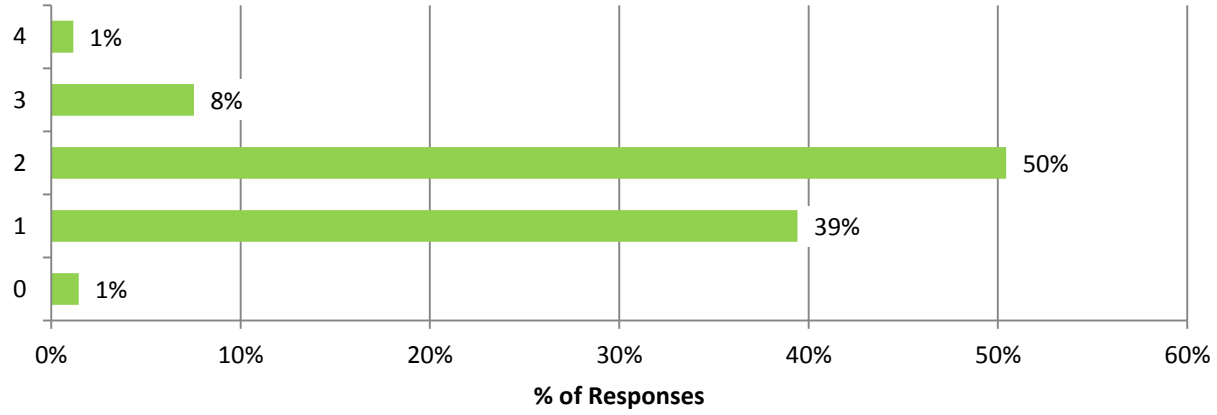
---

33. How many of these parking spaces are located in the garage or carport?



*Total number of responses = 230

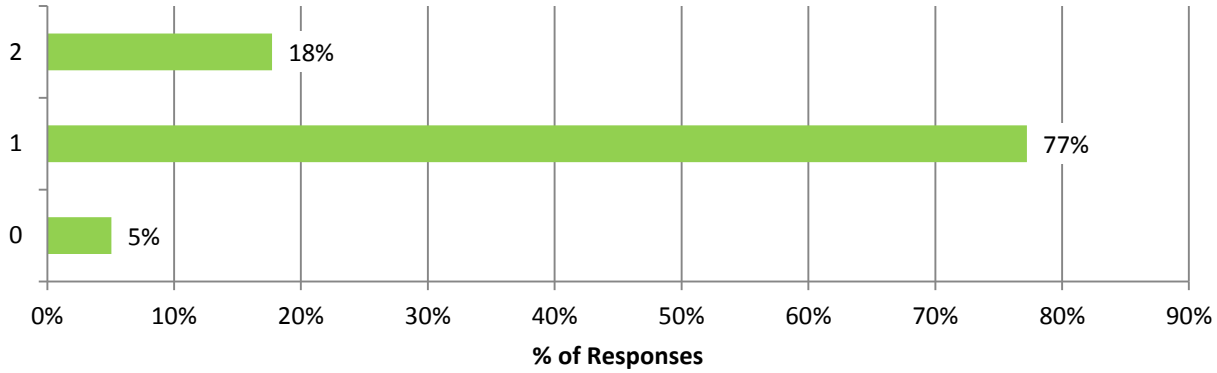
34. How many vehicles do residents of the *main unit* of the house have?



Average number of vehicles (main unit)= 1.7
*Total number of responses = 345

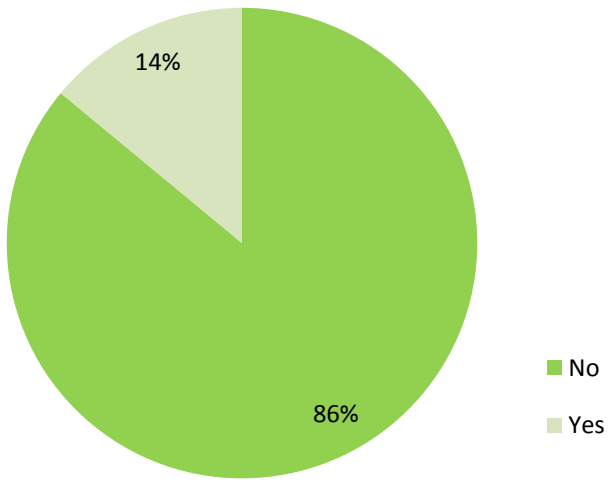
---

35. How many vehicles do the residents of the *accessory apartment* have?



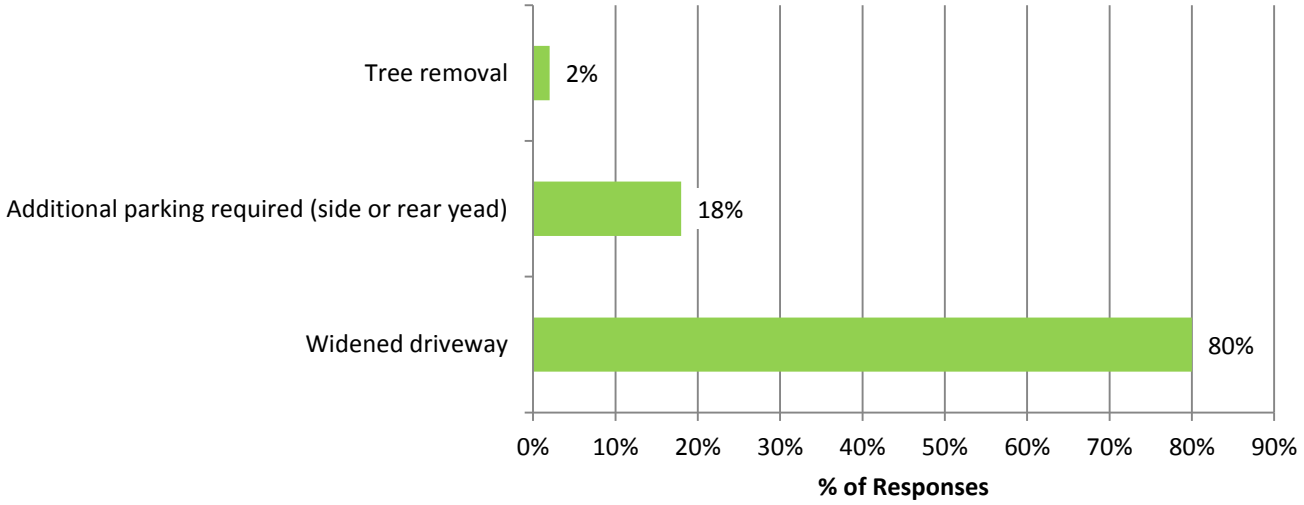
Average number of vehicles (accessory apartment)= 1.1
*Total number of responses = 254

36. Were changes to the driveway/parking area required to accommodate a parking space for the accessory apartment?

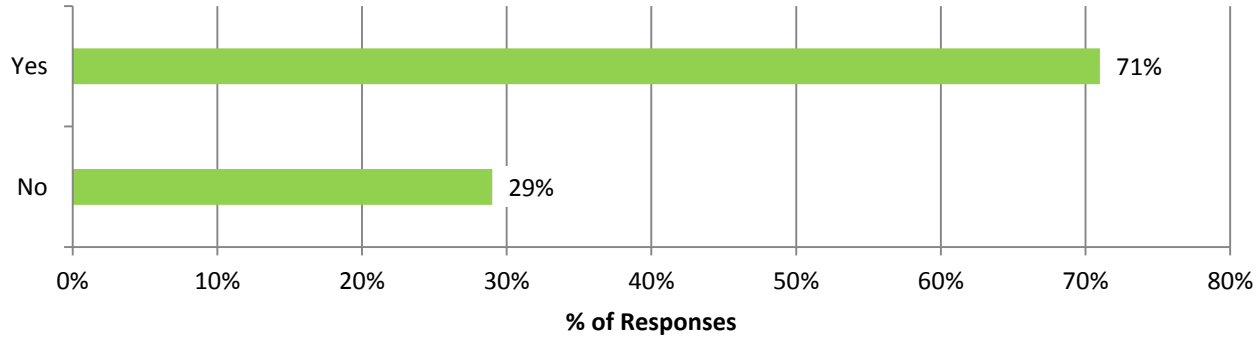


*Total number of responses = 360

Comments:

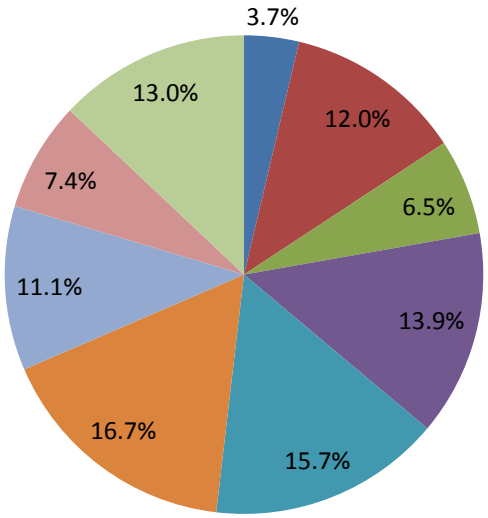


37. Do you think the current parking regulation of three parking spaces is an appropriate standard?



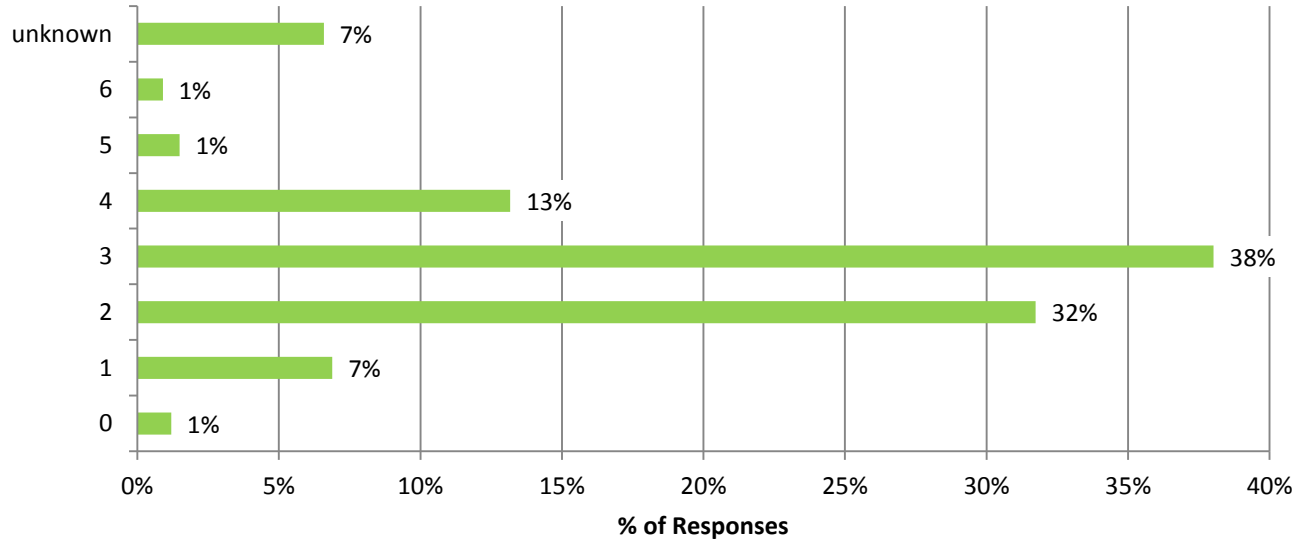
*Total number of responses = 349

Comments:



- Reduced requirement for downtown/ 3 is not always possible in downtown
- 2 parking spaces are adequate/ 1 per unit
- 3 parking spaces is adequate
- 4 parking spaces is ideal
- Depends on individual property/ # of tenants/ needs of family/ some flexibility
- Requirement is too high
- Requirement not high enough
- City need to allow more parking spaces/ Zoning/ City should have less control over parking
- I don't know/ misunderstood the question/ no opinion

38. How many parking spaces are required to meet the needs of the occupants of both units?



*Total number of responses = 334

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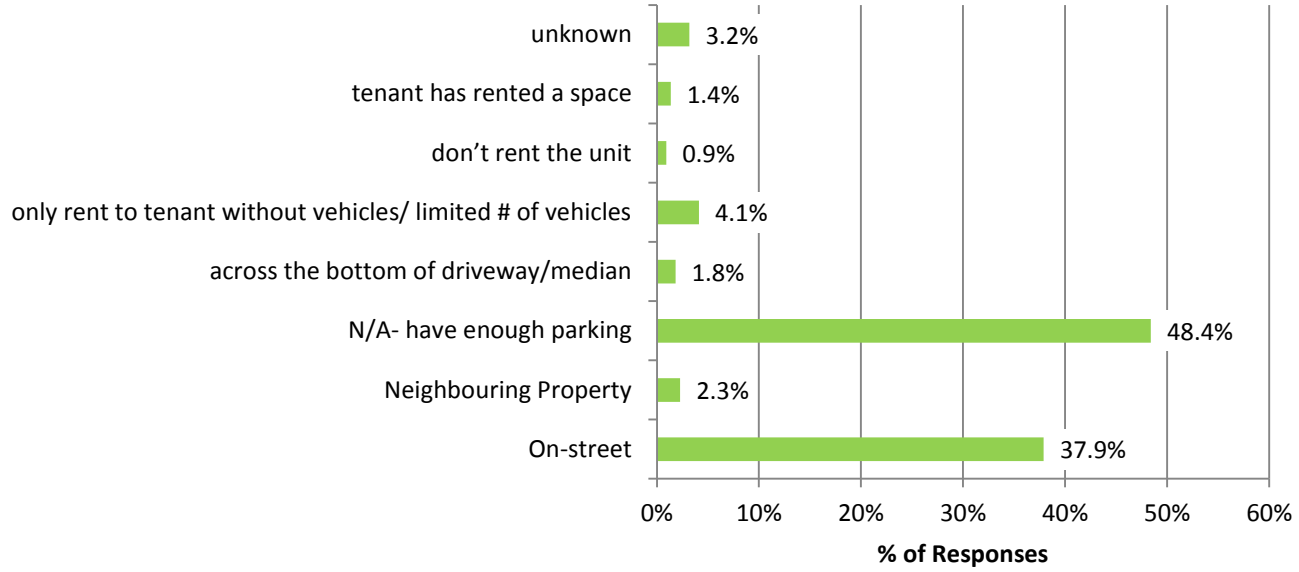
39. If there are not enough parking spaces on the property, where do the extra vehicles park?



*Total number of responses = 219

Attachment 4

Affordable Housing Strategy: Focus Group Feedback on Issues February 12, 2015

Participants

Canada Mortgage and Housing Corporation:	Erica McLerie
County of Wellington:	Heather Burke, Housing Director Ryan Pettipiere, Special Services Manager - Ontario Works Eden Grodzinski, Consultant on 10-Year HHP for County
Guelph and District Association of Realtors:	David Halls
Habitat for Humanity:	Steve Howard, Executive Director
Local Builder/Developer:	Al Allendorf, Joylife Property Management LP Alfred Artinger, Reid's Heritage Homes Pam Kraft, Fusion Tom Lammer
Older Adult Representative:	Laura Greenway-Balnar, Older Adult Strategy – COALT Janet Fowler, Older Adult Strategy – COALT
Poverty Task Force:	Randalin Ellery
Student Representative and University of Guelph:	Kathryn Hofer, Student Life Brittany Skelton, Central Students Association, Jane Londerville, Dept. of Marketing & Consumer Studies
Wellington Guelph Housing Committee:	Gary Roche

Regrets

Landlord/Property Manager:	Balner Management Ltd. Sifton Properties Limited
The Guelph Chamber of Commerce:	Kithio Mwanzia

Purpose
The focus group session was held to engage key stakeholder groups in the State of Housing Report (Phase II of the Affordable Housing Strategy). The session presented data trends and analysis and identified preliminary issues. Participants were asked to review the data and preliminary issues to confirm that the data was correct, clear and supported the issues and that the issues accurately reflected the Guelph context. Participants were also asked whether there were any additional issues that should be considered and whether any additional supporting data was needed.

Preliminary Issues

Issue 1: Market housing does not meet the affordability needs of all households in Guelph.

Issue 2: The supply of affordable ownership and rental housing is not sufficient to meet the needs of smaller households.

Issue 3: Low vacancy rates coupled with limited growth in the supply of primary rental units makes it difficult for people to secure rental housing.

Issue 4: The secondary rental market provides choice of dwelling types but the supply changes year over year.

Issue 1: Market housing does not meet the affordability needs of all households in Guelph.

Questions

1. Does the data support this issue?
2. Is the data clear and complete?
3. Does this issue reflect your experience? How?
4. Does this statement capture the issue?

Participant Comments

- Data is great but needs simplification, provide examples and stories to reflect real people.
- Include individual perspectives: students, first time home buyers and those living in poverty.
- Need to explain "market"- suggestion to use "private rental and ownership" term to align with the continuum.
- Market housing alone cannot meet the needs of all households in Guelph.
- Interest rate impacts affordability.
- Data shows that targets are being exceeded, can't meet everything.
- Market demand does not support smaller units.
- Need to know more about the 1,300 households who are waiting for social housing. Where are they living? Is it suitable to meet their needs?

Issue 2: The supply of affordable ownership and rental housing is not sufficient to meet the needs of smaller households.

Questions

1. Does the data support this issue?
2. Is the data clear and complete?
3. Does this issue reflect your experience? How?
4. Does this statement capture the issue?

Participant Comments

- Need to review need by age of household maintainer to identify if and how this issue is influenced by age.
- Change "smaller" to "1-2 person households".
- Assumes people want just what they need. Is this realistic? A market for larger homes exists.
- Define smaller households.
- Should focus on single renters since this is where the problem is.
- There is community resistance to high density units.

Issue 3: Low vacancy rates coupled with limited growth in the supply of primary rental units makes it difficult for people to secure rental housing.

Questions

1. Does the data support this issue?
2. Is the data clear and complete?
3. Does this issue reflect your experience? How?
4. Does this statement capture the issue?

Participant Comments

- Need to provide more information about student housing.
- Explain why November was chosen to study the secondary rental market.
- Suggestion to engage with people who are having challenges. i.e. seniors, youth, people living in low income, etc.
- CMHC doesn't say that 3% is a healthy vacancy rate across the board. This can vary in different locations.
- Opposition to "renters," especially for new builds (i.e. purpose built rentals).
- Purpose built student housing will not be flexible as demand changes.
- Explore link between low unemployment rates and low vacancy rates.
- Not economical to build purpose built rental.
- Issue is compounded as landlords can continue to charge higher rents (supply and demand economics) and be more selective with tenants (background and credit checks), can prevent movement along the housing continuum.

Issue 4: The secondary rental market provides choice of dwelling types but the supply changes year over year.

Questions

1. Does the data support this issue?
2. Is the data clear and complete?
3. Does this issue reflect your experience? How?
4. Does this statement capture the issue?

Participant Comments

- Data doesn't show changes year over year.
- Should the secondary rental market be factored in if it is so "volatile"?
- Change the issue to state "supply is not secure" instead of "supply changes year over year".
- Need to know more about the secondary rental market, need to see trends over time.
- Statement that 25% of accessory apartments are not being rented may not be accurate.
- Are there issues of equity and/or discrimination faced by those accessing the secondary rental market?
- Should look at secondary market data for comparator municipalities.

Any Other Issues?
Within Scope
• Affects Guelph
• Affordable housing connection
• Market housing connection

Any Other Issues?

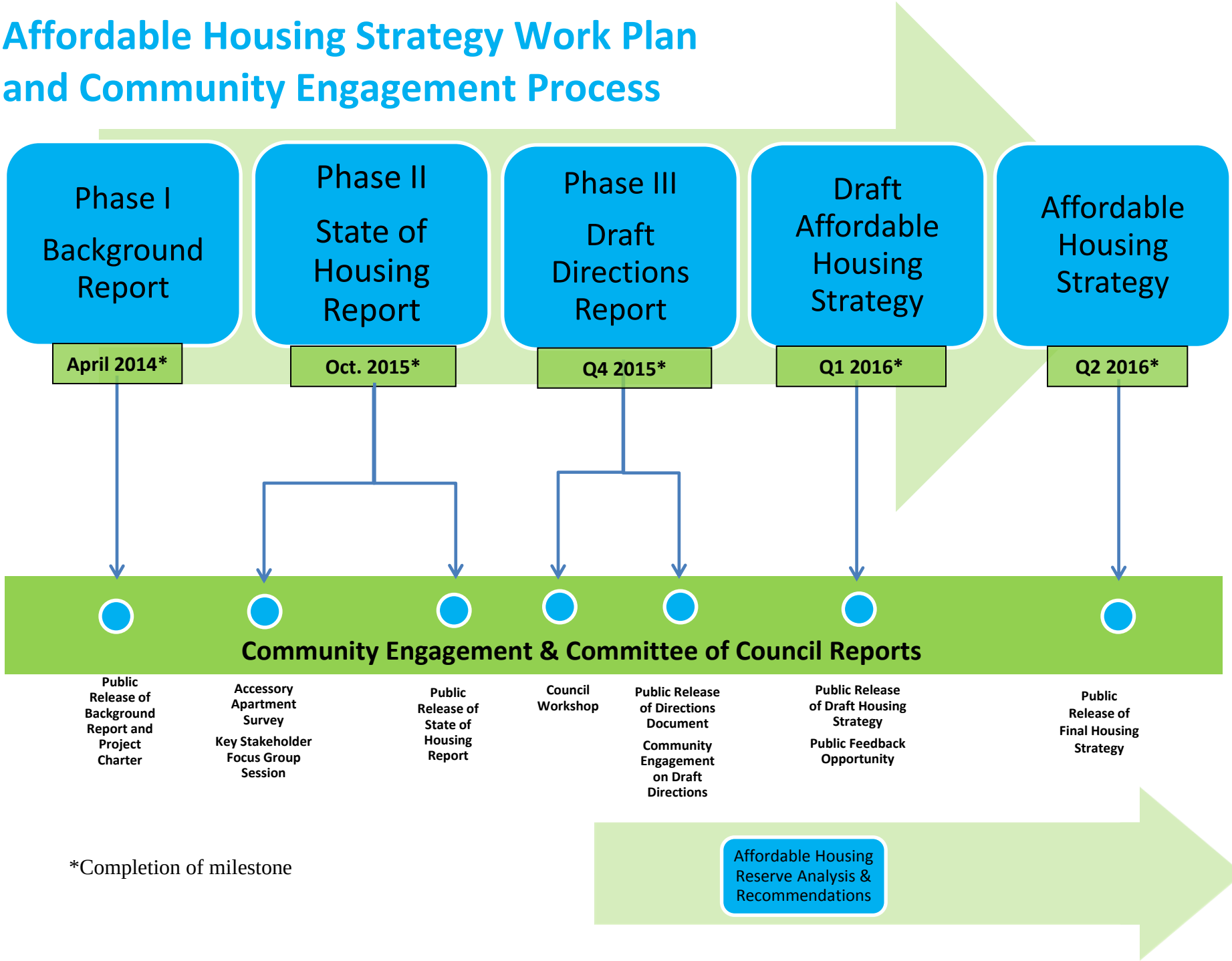
Questions

1. Is there data to support this new issue?
2. Does this issue reflect your experience? How?
3. Does the statement capture an important housing issue in Guelph?

Participant Comments

- Concern that the focus is solely on market housing. Strategy should address how you will work with the County to ensure social housing is maintained and how new affordable rental housing (affordable to the lowest income groups) will be developed within the City.

Affordable Housing Strategy Work Plan and Community Engagement Process



*Completion of milestone

Attachment 5

Stormwater Funding Study

Infrastructure, Development and Enterprise (IDE) Committee

October 6 2015

Engineering and Capital Infrastructure Services

Don Kudo, Manager, Infrastructure Services/Deputy City Engineer

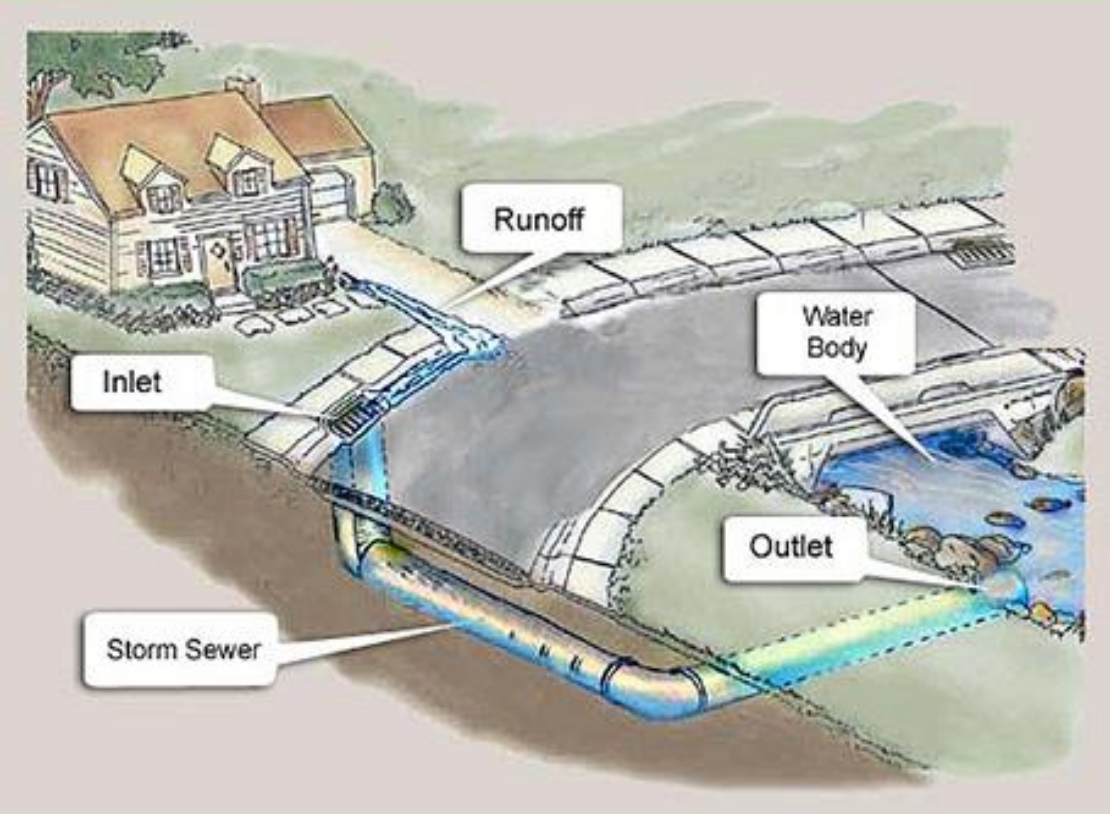
Arun Hindupur, Infrastructure Planning Engineer

Outline

- Stormwater in Guelph
- Historical Funding/Current Needs
- Funding Feasibility Study

Stormwater and the Urban Drainage System

- Rain, snowmelt or runoff water from overwatering that enters the stormwater system.
- Stormwater that does not soak into the ground or evaporate into the air becomes surface runoff, which either flows into surface waterways or is channelled into storm sewers.



Typical Causes of Stormwater Issues

- Urbanization
- Aging infrastructure
- Changing design standards
- Inadequate planning or maintenance
- Poor design, construction, or inspection
- Climate change

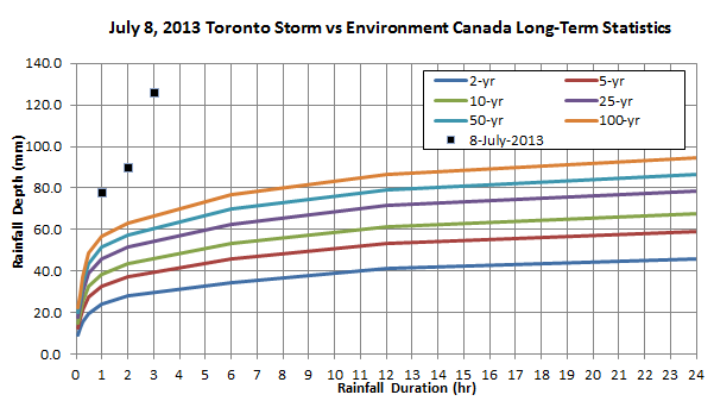
Extreme Weather: The New Normal?

- Flood insurance claims in Canada have been increasing steadily
  - In 2005, total insurable claims were $1, 200,000,000 (Insurance Bureau of Canada)
  - In 2009, that number climbed to $1,600,000,000
- 2013 Southern Alberta flooding
  - As of November. 2013, total insured property damage claims were $1,700,000,000
  - Total flood insurance payout expected to reach $2,400,000,000

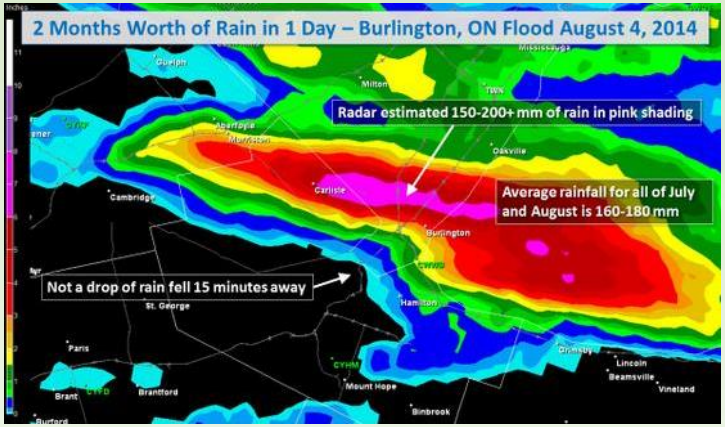
5

Recent Storm Events in Ontario

- Toronto, July 8, 2013
  - Rainfall exceeded 100 year storm and surpassed Hurricane Hazel
  - $600,000,000 in insurance payouts



- Burlington, August 4, 2014
  - Equivalent of 2 months of rainfall over a 3-hour period
  - 2,000 homes flooded, 85% of which had no prior history of flooding



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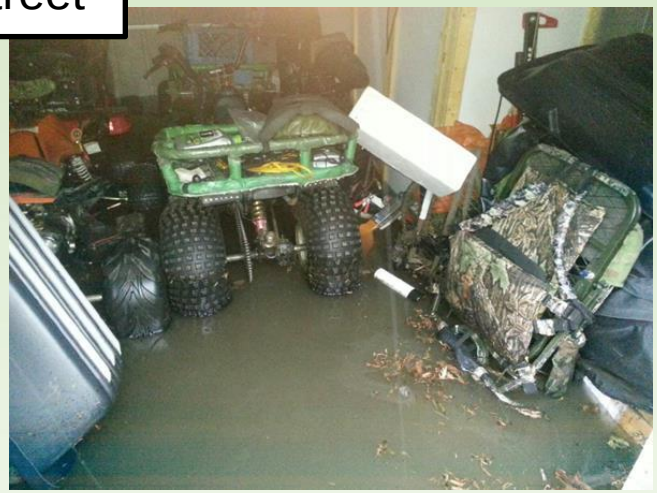
Flooding in Guelph - August 2014

Bristol Street

Metcalfe Street



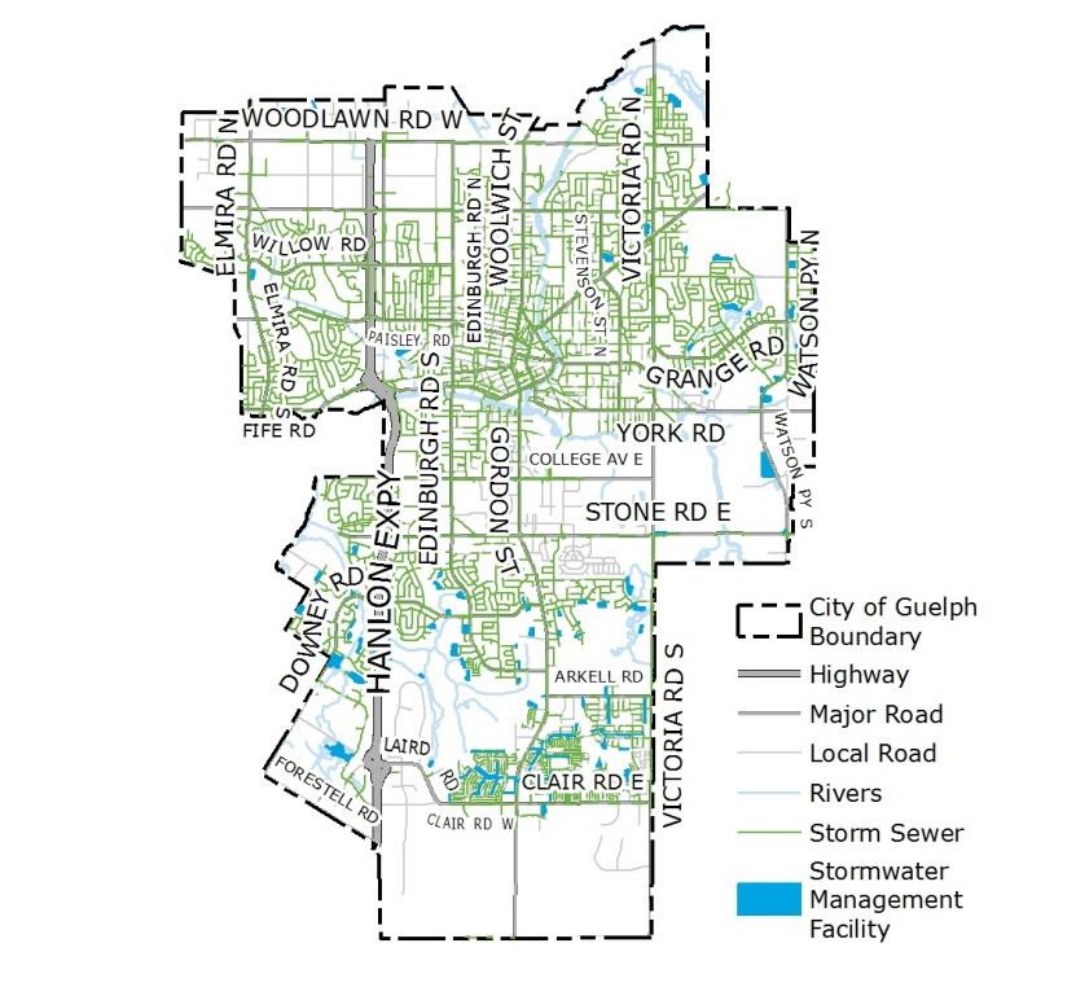
Flooding in Guelph - July 2015

Waterloo Ave

8

Guelph's Stormwater System (Infrastructure)

- 477 km storm sewers (pipes)
- 11,900 catchbasins
- 120 stormwater management facilities
- 143 oil grit separators

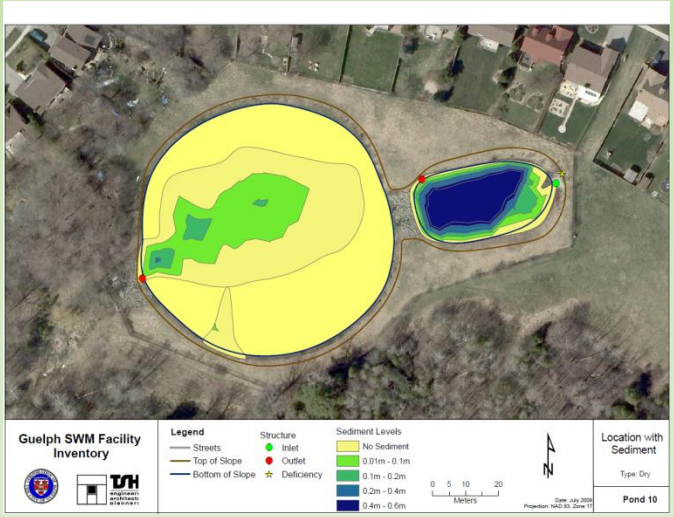


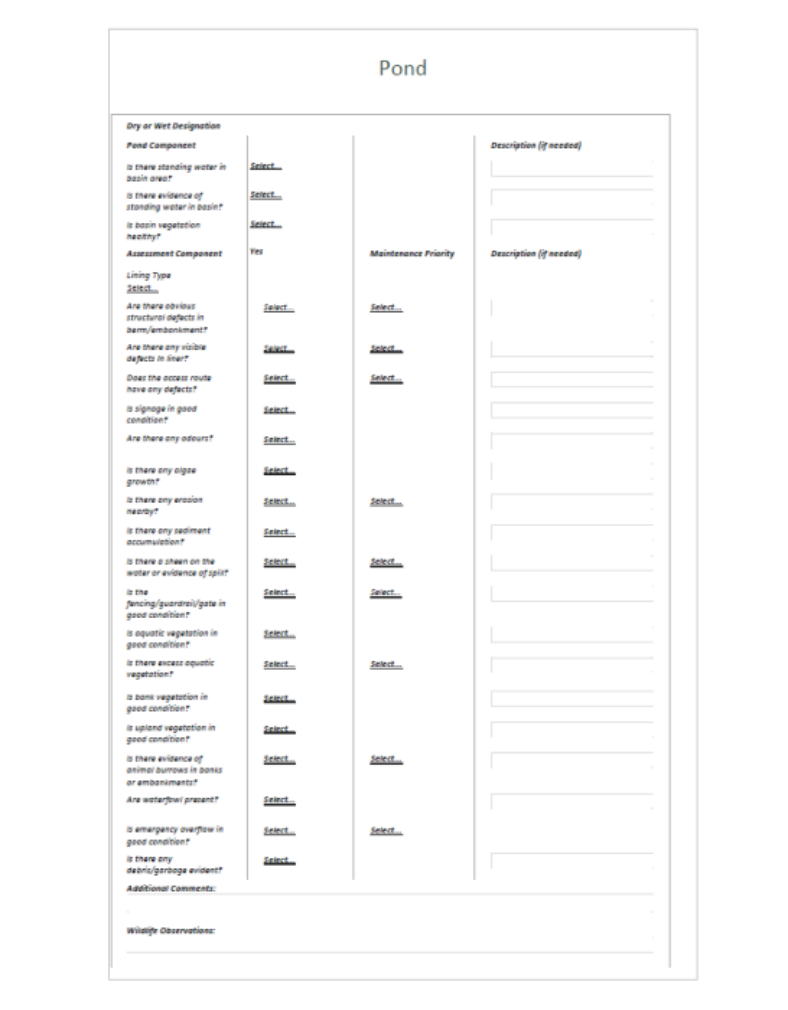
Capital Projects

Operations and Maintenance

Repair

Facility Inspection, Inventory & Maintenance Planning





Pond

Dry or Wet Designation			
Pond Component			**Description (if needed)**
Is there standing water in basin area?	Select...		
Is there evidence of standing water in basin?	Select...		
Is basin vegetation healthy?	Select...		
Assessment Component	**Yes**	**Maintenance Priority**	**Description (if needed)**
Lining Type Select...			
Are there obvious structural defects in berm/embankment?	Select...	Select...	
Are there any visible defects in liner?	Select...	Select...	
Does the access route have any defects?	Select...	Select...	
Is signage in good condition?	Select...		
Are there any odours?	Select...		
Is there any algae growth?	Select...		
Is there any erosion nearby?	Select...	Select...	
Is there any sediment accumulation?	Select...		
Is there a sheen on the water or evidence of spill?	Select...	Select...	
Is the fencing/guardrail/gate in good condition?	Select...	Select...	
Is aquatic vegetation in good condition?	Select...		
Is there excess aquatic vegetation?	Select...	Select...	
Is bank vegetation in good condition?	Select...		
Is upland vegetation in good condition?	Select...		
Is there evidence of animal burrows in banks or embankments?	Select...	Select...	
Are waterfowl present?	Select...		
Is emergency overflow in good condition?	Select...	Select...	
Is there any debris/garbage evident?	Select...		
Additional Comments:			
Wildlife Observations:			

Regulatory Monitoring

Legal Responsibilities

- Legal obligation through legislation and Common Law (federal and provincial)
- Regulations include – Ontario Water Resources Act, Environmental Protection Act, Municipal Act, Planning Act, Building Code Act, Conservation Authority Act.
- Municipalities may be liable for flooding damage that results from negligent operational decisions.

How did we get here?

Asset Group	2006-2010 Average	2011 Grade	2012 Grade	Comments	6 Year Trend
Water System	D (66%)	B (81%)	A (90%)	The Water System 2012 budget is 90% of the Average Annual Cost. This is an improvement from the 2011 budget levels, and a significant improvement from the 2006-2010 average.	↑
Wastewater System	D (63%)	C (71%)	C (79%)	The Wastewater System 2012 budget is approximately 79% of the Average Annual Cost. This is insufficient to maintain the system in perpetuity; however it is an improvement from previous years.	↑
Storm System	F (32%)	F (36%)	F (41%)	The Storm System 2012 budget is significantly inadequate to sustainably maintain the system. It meets neither the Average Annual Cost, nor the needs for the current decade.	→
Transportation System	D (60%)	D (62%)	F (57%)	The Transportation System 2012 budget is approximately 57% of the projected requirement. This is insufficient to maintain the system in perpetuity and a decrease from the historical budget levels.	↓
Overall Score	D (61%)	D (68%)	C (72%)	The 2012 budget for the asset groups considered account for approximately 72% of their total projected requirements. This is insufficient to fully maintain the system in perpetuity; however is an improvement from the historical budget levels.	↑

Table ES1: Preliminary Cost Estimates for Recommended Drainage System Upgrades To a 5-Year Capacity for City Areas and City-Wide

City Area	Number of Sewers Upgraded or Added	Length of Sewer Upgraded or Added (m)	Estimated Cost (Sewers Only)	Estimated Cost (SWM Facilities)	Estimated Cost (Downspout Disconnection)	Estimated Total Cost
1	188	10,659	$11,380,000	$1,096,000	$116,000	[illegible]
2	154	9,236	$11,020,000	$516,000	$17[illegible]	[illegible]
3	215	14,205	$16,084,000	NA	[illegible]	[illegible]
4	86	5,275	$5,891,000	NA	[illegible]	[illegible]
5	194	12,083	$10,584,000	$997,000	[illegible]	[illegible]
ENTIRE CITY	**837**	**51,458**	**$54,959,000**	**$2,609,000**	[illegible]	[illegible]

Table ES2: Preliminary Stormwater Quality Retrofit C[illegible]

Priority #	Retrofit Site Number	Drainage Area (ha)	Retrofit Type	Approximate Impervious Coverage (%)	Perma[illegible] Po[illegible] Volu[illegible] (m[illegible]	[illegible]	[illegible]	[illegible]
1	2	180.23	Storm Sewer Outlet Retrofit	30	12,5[illegible]	[illegible]	[illegible]	[illegible]
2	6	77.15	Existing Dry Pond Retrofit	65	13,73[illegible]	[illegible]	[illegible]	[illegible]
3	12	221.54	Storm Sewer Outlet Retrofit	40	7,600	[illegible]	[illegible]	[illegible]
4	1	30.74	Storm Sewer Outlet Retrofit	30	951	[illegible]	[illegible]	[illegible]
5	5	27.87	Existing Dry Pond Retrofit	40	2,504	2[illegible]	[illegible]	[illegible]
6	3	17.64	Storm Sewer Outlet Retrofit	40	796	613	[illegible]	[illegible]
7	8	14.8	Existing Dry Pond Retrofit	40	1,988	673	14.8	$300,000
8	7	29.26	Existing Dry Pond Retrofit	40	1,391	2,065	12.37	$280,000
9	4	14.5	Storm Sewer Outlet Retrofit	40	984	573	8.74	$570,000
10	9	7.56	Existing Dry Pond Retrofit	40	344	281	7.01	$170,000
11	13	3.27	New Oil Grit Separator	95	N/A	N/A	3.27	$75,000
12	18	2.4	New Oil Grit Separator	40	N/A	N/A	2.4	$50,000
13	19	2.4	New Oil Grit Separator	30	N/A	N/A	2.4	$50,000
14	11	2.16	New Oil Grit Separator	65	N/A	N/A	2.16	$40,000
15	10	3.45	Existing Dry Pond Retrofit	40	72	55	1.37	$140,000
16	14	20.12	Grading and Outlet Reconfiguration	40	NA	NA	NA	NA
17	15	6.66	Grading and Outlet Reconfiguration	40	NA	NA	NA	NA
18	16	23.06	Grading and Outlet Reconfiguration	40	NA	NA	NA	NA
19	17	5.66	Grading and Outlet Reconfiguration	40	NA	NA	NA	NA
	TOTALS	**690.47**					**412.59**	**$5,115,000**

1. Costs have been included in the stormwater quantity management facility costing

Over $62M in improvements

Guelph Sustainable Infrastructure Report (AECOM, 2012)

City of Guelph Stormwater Management Master Plan (AMEC, 2012)

Annual Implications

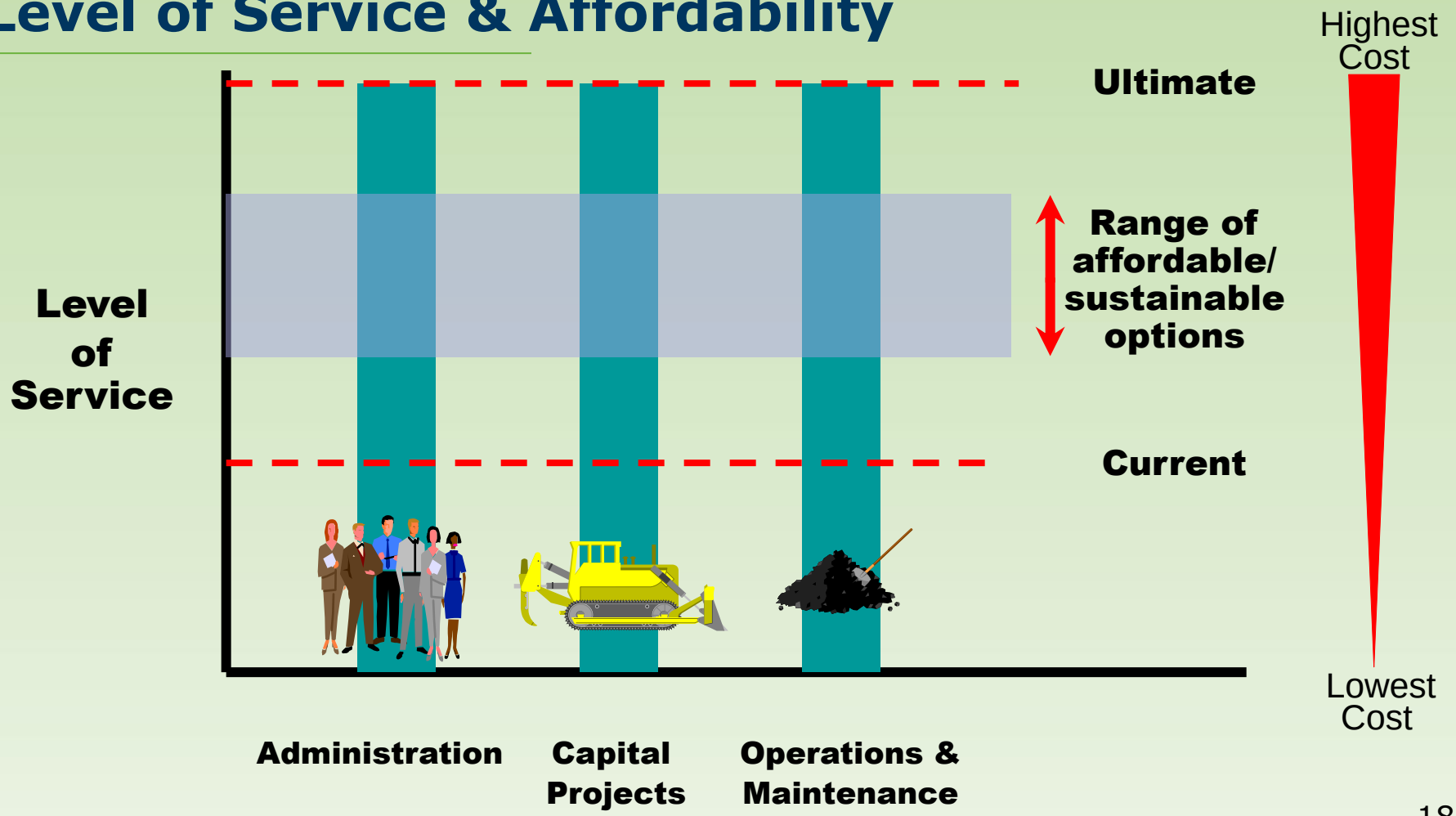
City of Guelph	Annual Expenditure	
Stormwater Management Program	Current	Required
Capital Improvements	$1,547,000	$2,544,000
Operations and Maintenance	$749,000	$1,160,000
Sustainable Asset Renewal	$0	$2,737,000
TOTAL	**$2,296,000**	**$6,441,000**

$4.1M funding gap

Stormwater Funding Study: Purpose and Objective

To determine a sustainable funding mechanism for the City that supports existing and future stormwater management and drainage needs for the long term security and protection of the City's water resources.

Level of Service & Affordability



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Options being considered to address the gap

1. **Tax based funding (current funding mechanism)**

2. **User-fee based funding**
   - A) Variable fee (impervious area)
   - B) Flat fee (property count or gross area)
   - C) Hybrid fee (impervious area for residential properties and flat fee for non-residential properties)

Tax Based Funding Option

Pros:

- Already accepted as the primary existing source of revenue for municipalities
- Can be used to fund all stormwater management program activities
- The billing system is already established
- Applicable throughout municipality

Cons:

- Property taxes are based on a property's assessed value, not runoff contribution, so the fairness and equity of this revenue source is low
- Not a dedicated* or stable funding source
- No incentive to adopt source controls to reduce runoff
- Tax-exempt properties don't contribute to stormwater program

**Note: A dedicated tax levy for specific stormwater services could be adopted*

User Fee Based Funding Option

Pros:

- Dedicated and stable funding source for all stormwater activities (i.e., sustainable)
- Fair and equitable fee based on runoff contribution (assessed to all private and publicly-owned properties in the same manner)
- With a credit program, provides an incentive for property owners to reduce stormwater runoff and pollutant discharge
- Mechanism to ensure privately owned stormwater facilities are maintained
- Influence development trends that are inline with stormwater management goals & objectives

Cons:

- Additional implementation costs (rate study, database management, billing and customer service*)
- May be perceived as a “new tax”

Canadian cities with Stormwater user fees

ONTARIO
- London 1996
- Aurora 1998
- St. Thomas 2000
- Kitchener 2011
- Waterloo 2011
- Richmond Hill 2013
- Mississauga 2015

SASKATCHEWAN
- Regina
- Saskatoon

ALBERTA
- Calgary
- Edmonton
- St. Albert
- Strathcona County

NOVA SCOTIA
- Halifax

BRITISH COLUMBIA
- Pitt Meadows
- Richmond
- West Vancouver
- Surrey
- White Rock
- Langley

Communications and community consultation to date

- Project webpage on guelph.ca
- Notice of Study Commencement, published in:
    - City News section of the Guelph Tribune
    - Guelph Mercury
- Stakeholder invitation letters (distributed by email)
- Three media releases
- Social media messages on Twitter and Facebook
- Three online surveys
- Media coverage in the Guelph Mercury
- Distribution of study material at Waterworks Open House
- Three stakeholder advisory group meetings (Two to date)
- Two public open houses (One to date)

Next Steps…

- Stakeholder Advisory Group meeting – Q4 2015
- Public open house – Q4 2015
- Report with recommendations to committee/council – Q1 2016
- Implementation phase to align with 2017 budget

STAFF REPORT

TO	Infrastructure, Development and Enterprise Committee
SERVICE AREA	Infrastructure, Development and Enterprise
DATE	October 6, 2015
SUBJECT	**Water Services Operational Plan Endorsement and 2015 Annual & Summary Report Update**
REPORT NUMBER	

EXECUTIVE SUMMARY

PURPOSE OF REPORT

As required under the *Safe Drinking Water Act, 2002*, to obtain Council's endorsement of the Water Services' Operational Plan (OP). The OP is a document that provides an understanding of the drinking water systems, the responsibilities of both the Owner and the Operating Authority of the systems, and a commitment to the provision of safe drinking water. The OP was first endorsed by Council in 2009 and requires re-endorsement within one year of appointment of each new term of Council.

Also presented in this report is Water Services' 2015 Annual & Summary Water Services Report Update (for the period of January 1 to June 30, 2015). This 2015 Annual and Summary Water Services report update (the Report) is a compilation of information that demonstrates to the water system Owner (City Council and senior management) and all stakeholders the ongoing delivery of an adequate and safe supply of drinking water to customers located within the City of Guelph Drinking Water System (Guelph DWS) and the Gazer Mooney Subdivision Distribution System (Gazer Mooney SDS, located in the Township of Guelph/Eramosa). Through the Report, system owners, senior leaders, and customers are informed of the performance of the Water Services Department for the period January 1 to June 30, 2015.

KEY FINDINGS

In 2015, Water Services maintained a high level of regulatory compliance and fulfilled its mandate to deliver both an adequate and safe supply of drinking water to its customers in the City of Guelph and Guelph/Eramosa Township. Both the Guelph DWS and Gazer Mooney SDS received compliance scores of 100% in the 2014-2015 MOECC Annual Inspection Report.

FINANCIAL IMPLICATIONS

All financial implications related to the Report are accounted for in the approved 2015 Water Services Non-Tax Operating and Capital Budgets.

STAFF REPORT

ACTION REQUIRED
That Guelph City Council endorse Water Services' Operational Plan and receive the findings of the Water Services' 2015 Annual & Summary Water Services Report Update.

RECOMMENDATION

1. That Guelph City Council endorse the Water Services' Operational Plan.
2. That Guelph City Council receive the 2015 Annual and Summary Water Services Report Update (compliance) for the period of January 1 to June 30, 2015.

BACKGROUND

In response to Justice O'Connor's recommendations made in the ***Report of the Walkerton Inquiry*** in 2002, the Ontario's Municipal Drinking Water Licensing Program (MDWLP) was established under the *Safe Drinking Water Act, 2002*. The MDWLP requires municipal drinking water system owners to obtain a licence to operate their drinking water systems as well as to incorporate the concept of quality management into their operations.

As one aspect of the MDWLP, Ontario's Drinking Water Quality Management Standard was released in 2006 and specified minimum requirements for Operating Authorities' (e.g. Guelph Water Services) quality management systems (QMS). The QMS is documented in Water Services' Operational Plan (OP).

Guelph Water Services' OP was first endorsed by Guelph City Council in 2009 and requires re-endorsement within one year of appointment of each new term of Council.

Specific to this report, details on Owner (Council & CAO) responsibilities with respect to the provision of safe drinking water were provided in a special Council Orientation Session that took place in May 2015.

As required by provincial legislation, and in conformance with Water Services' ***Quality Management System 12-01 Reporting to Owner*** policy, Water Services is presenting information to support the Owner's compliance with section 19 of the ***Safe Drinking Water Act, 2002: Standard of care, municipal drinking water system***. The "Owner" is defined as City Council, the CAO, and the Deputy CAO – Infrastructure, Development and Enterprise. Under the standard of care, the Owner is required to endorse annual water system reports prepared by the system operator (Guelph Water Services).

REPORT

Water Services is seeking Owner (Council & CAO) endorsement of its OP available on the City's website at: http://guelph.ca/living/environment/water/drinking-water/ under the "Operational Plan for Guelph's Drinking Water System" link.

The OP is a document that provides an understanding of the drinking water systems, the responsibilities of both the Owner and the Operating Authority of the Systems, and a commitment to the provision of safe drinking water.

The Operational Plan enables the City of Guelph to continue to plan, implement, check, and continually improve the systems, thereby ensuring ongoing confidence and security in the drinking water systems.

Water Services is requesting that the Owners also review the attached ***Summary Water Services Report – Report Card.*** The full report is available on the City's website at: http://guelph.ca/living/environment/water/drinking-water/water-testing/ under the "Annual & Summary Water Services Report Update – 2015" link. **Significant highlights of the Report** are as follows:

- Water Services had no health-related exceedances of provincial water quality parameters;
- Water Services took reasonable precaution and effort to comply with all provincial regulations;
- Water Services (as the Operating Authority) maintained the requirements for Accreditation, as required under the provincial Municipal Drinking Water Licensing Program, with no significant issues;
- All regulatory microbiological and chemical quality samples were taken by certified operators;
- All tests were performed by accredited, licensed laboratories on water samples collected throughout the drinking water system;
- The system provided approximately 8.6 million cubic meters of treated water (8.6 billion litres) from January 1 to June 30, 2015;
- Implementation of SDWA s.19 "Standard of Care" - On December 31, 2012, Standard of Care provisions under Section 19 of the Safe Drinking Water Act (SDWA), 2002, came into force. City staff, the Mayor and Council received refresher training on this subject in May 2015;
- Water Services experienced two events that were considered "adverse water quality incidents" as defined by the Safe Drinking Water Act; all events were resolved to the satisfaction of the Ministry of the Environment (see Table 1 in the Annual and Summary Report);
- There were no incidents of non-compliance (described in Section A of the Annual and Summary Report) associated with the Guelph Drinking Water System and Gazer Mooney SDS in 2015;
- Both the Guelph DWS and Gazer Mooney SDS received compliance scores of 100% in the 2014-2015 MOECC Annual Inspection Report.

Operational Challenges
Further to our accomplishments, Water Services continues to manage a number of non-routine system and operational issues through the reporting period.

This section describes some Operational Challenges experienced by Water Services from Jan. 1 to Jun. 30, 2015.

- Water Supply Issues:
  - Changes to well water quality and pending regulatory requirements to provide additional disinfection treatment.
  - Carter Wells' latest Permit to Take Water requirement to perform testing to determine impacts on Torrance Creek.

- Distribution System Issues:
  - Failure of linear infrastructure at the Dodds Valve chamber
  - Customer Frozen Services Response
  - Complying with Locates Program delivery deadlines

A detailed update on these operational challenges will be provided in the New Year, through the completed Annual & Summary Report for 2015.

CORPORATE STRATEGIC PLAN

1.2 Develop collaborative work teams and apply whole systems thinking to deliver creative solutions;
1.3 Build robust systems, structures and frameworks aligned to strategy;
2.3 Ensure accountability, transparency and engagement.

FINANCIAL IMPLICATIONS

All financial implications related to the Report are accounted for in the approved 2015 Water Services Non-Tax Operating and Capital Budgets.

DEPARTMENTAL CONSULTATION

Feedback from Water Services staff (e.g. management, supervisory, compliance, conformance, technical, and operations) was requested on the contents of this report. Comments and feedback submitted have been incorporated into this report.

COMMUNICATIONS

Water Services will continue to make regular reports to Council (i.e. the drinking water system Owners) on the continuing suitability, adequacy and effectiveness of Water Services' quality management system to ensure the ongoing delivery of an adequate and safe supply of drinking water. Copies of both the Report and Report Card are available on the City's website at the links provided in "Attachments".

ATTACHMENTS

Attachment 1	Annual & Summary Water Services Report – Report Card
Attachment 2	The full report available on the City's website at: http://guelph.ca/living/environment/water/drinking-water/water-testing/ under the "Annual & Summary Water Services Report Update – 2015" link.
Attachment 3	Water Services' Operational Plan available on the City's website at: http://guelph.ca/living/environment/water/drinking-water/ under the "Operational Plan for Guelph's Drinking Water System" link.

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CITY OF Guelph

Making a Difference

Water Services Annual & Summary Report Card

As per the Accessibility for Ontarians with Disabilities Act (AODA), this document is available in an alternate format by e-mailing waterservices@guelph.ca or by calling 519-837-5627.

INTRODUCTION

The purpose of this report card is to provide a high-level summary of the 2015 Annual & Summary Report Update to several stakeholders. The full version of this report can be accessed online at www.guelph.ca/water.

Any inquiries can be made by e-mailing waterservices@guelph.ca or by calling 519-837-5627.

This report card includes information from both the **Guelph Drinking Water System** and the **Gazer Mooney Subdivision Distribution System** for the period of Jan.1 to Jun. 30, 2015 (unless otherwise noted). This report provides information related to responsibilities, scope and accomplishments of the Water Services division. This report also illustrates performance through dashboard and scorecard reporting on key performance indicators.

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GOVERNANCE STRUCTURE

The governance structure at the City of Guelph has the departments reporting through standing committees to City Council.

The Water Services Department of the Infrastructure, Development and Enterprise Service Area reports through the Infrastructure, Development and Enterprise (IDE) Committee to City Council.

Owner (City Council, CAO and Dep. CAO-IDE) oversight of Water Services' major policy areas and programs include:

- Financial Plans
- Budgets – Resources and Staffing
- Infrastructure Master Planning
- Major Programs
- Emergency Response
- Customer Service

Safe Drinking Water is a shared responsibility between

- **The Province**:
  - the Ministry of the ENVIRONMENT & CLIMATE CHANGE and
  - the Ministry of HEALTH AND LONG-TERM CARE
- **Public Health**:
  - Wellington-Dufferin-Guelph Public Health (WDGPH)
- **The Municipality's Drinking Water System Owner**:
  - City of Guelph Council and CAO (Guelph Drinking Water System)
  - Township of Guelph / Eramosa (Gazer Mooney Sub. Dist. Syst.)
- **The Operating Authority**:
  - Guelph Water Services (Accredited Operating Authority)

OUR DIVISION

Water Services is comprised of four functional areas. Divisional goals & objectives are described below:

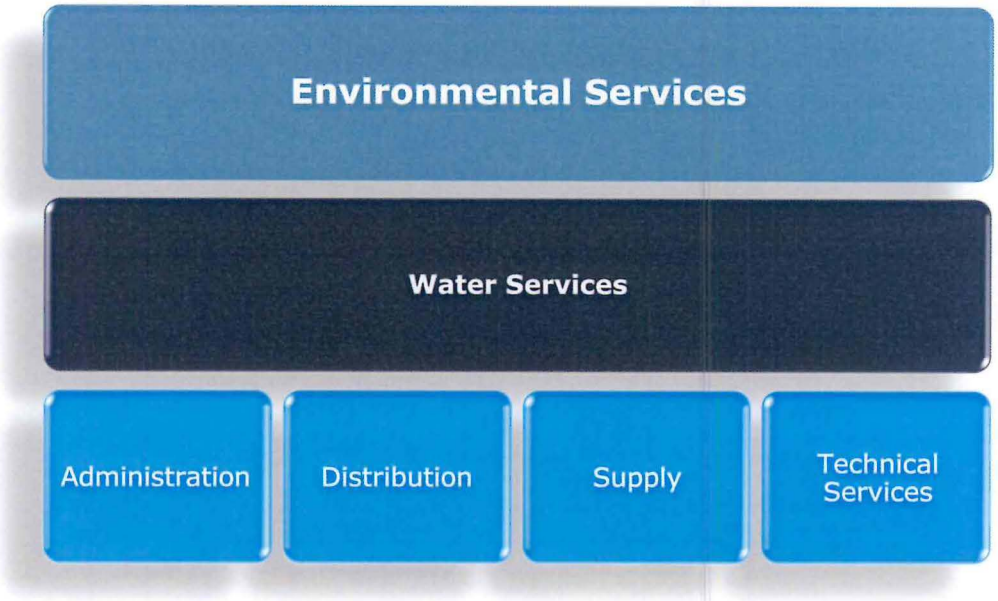
Management of Water Supply includes:

- Water quality monitoring
- Redundant equipment for critical processes
- Provincially certified operators
- Additional treatment where necessary
- Supply facilities monitored continuously and checked daily
- Treatment systems facilities fully automated and redundant
- Protection from power failures through uninterruptable power supplies and electrical generators
- SCADA system provides for system security and alarms to on-call operator for after-hours issues

Distribution goals are:

- Effective design and build
  - Max. daily use for residential & ICI customers
  - Fire fighting demand
  - Operational redundancy
- Effective operation
  - Pressure management
  - Chlorine residual
  - Flushing and cleaning
- Effective maintenance
  - Timely response to breakdowns
  - Preventive to ensure infrastructure longevity and reliability of service
- Mitigation of distribution system failures
  - Automated monitoring and alarming
  - Competent and trained operators
  - Standard operating procedures
  - After-hours on-call and response program
  - Water Services Emergency Response Plan

Water Services' Organizational Structure



OUR ROLE

This section illustrates the scope of responsibility and activities conducted by Water Services.

1. Source Water Protection

- Grand River Source Protection Plan
- Guelph Source Water Protection Program
- Arkell Springs Forest Stewardship Project (45,725 trees planted since 2007)
- Water Conservation & Efficiency Strategy Programs
  - Residential Rebate Programs
  - Blue Built Home
  - ICI Capacity Buyback
  - Water Wagon and tap water promotion
  - Rainwater Harvesting
  - "H20 GO Festival"
- Outside Water Use By-law
- Leak Detection Program identified 1,024 m^3/day in loss reduction

3. Secure Distribution

- 6.38 kms aqueduct;
- ~ 50 million litres water storage capacity:
  - 5 storage reservoirs (~ 48 million litres);
  - 3 water towers (~ 11.2 million litres);
- 542 kms watermain;
- 4,062 watermain valves;
- 2,698 fire hydrants;
- 41,653 water services and water meters;
- 2,707 ICI and multi-residential buildings and structures with:
  - 6,184 backflow prevention devices
  - 1,901 premise isolations.

2. Effective Treatment

- Class IV Water Distribution & Supply Subsystem
  - 31 facilities for water: sources, supply, treatment, storage or transfer
  - 21 operational groundwater wells and a shallow groundwater collector system
  - 10 sites use chlorination for primary disinfection
  - 3 sites use UV + chlorination for multi-barrier primary disinfection
  - 8.6 billion litres treated (Jan. 1-Jun. 30)
  - 47.7 million litres (avg. daily demand)
  - Automation & redundancies built-in

4. Effective Monitoring & Reporting

- Continuous monitoring
- all regulatory microbiological and chemical quality samples were taken by certified operators and tests performed by accredited, licensed laboratories, as required by Safe Drinking Water Act

5. Effective Management

- Municipal Drinking Water Licence,
- Drinking Water Works Permit,
- Permits to Take Water,
- Financial & Infrastructure Plans,
- DWQMS Accreditation,
- Risk & Emergency Management,
- 34 Certified Operators & 24/7 coverage,
- Quarterly reports to Management to ensure Operators' ongoing certification,
- NSF Certification of parts & chemicals,
- Continual Improvement.

Map of Guelph's Drinking Water System

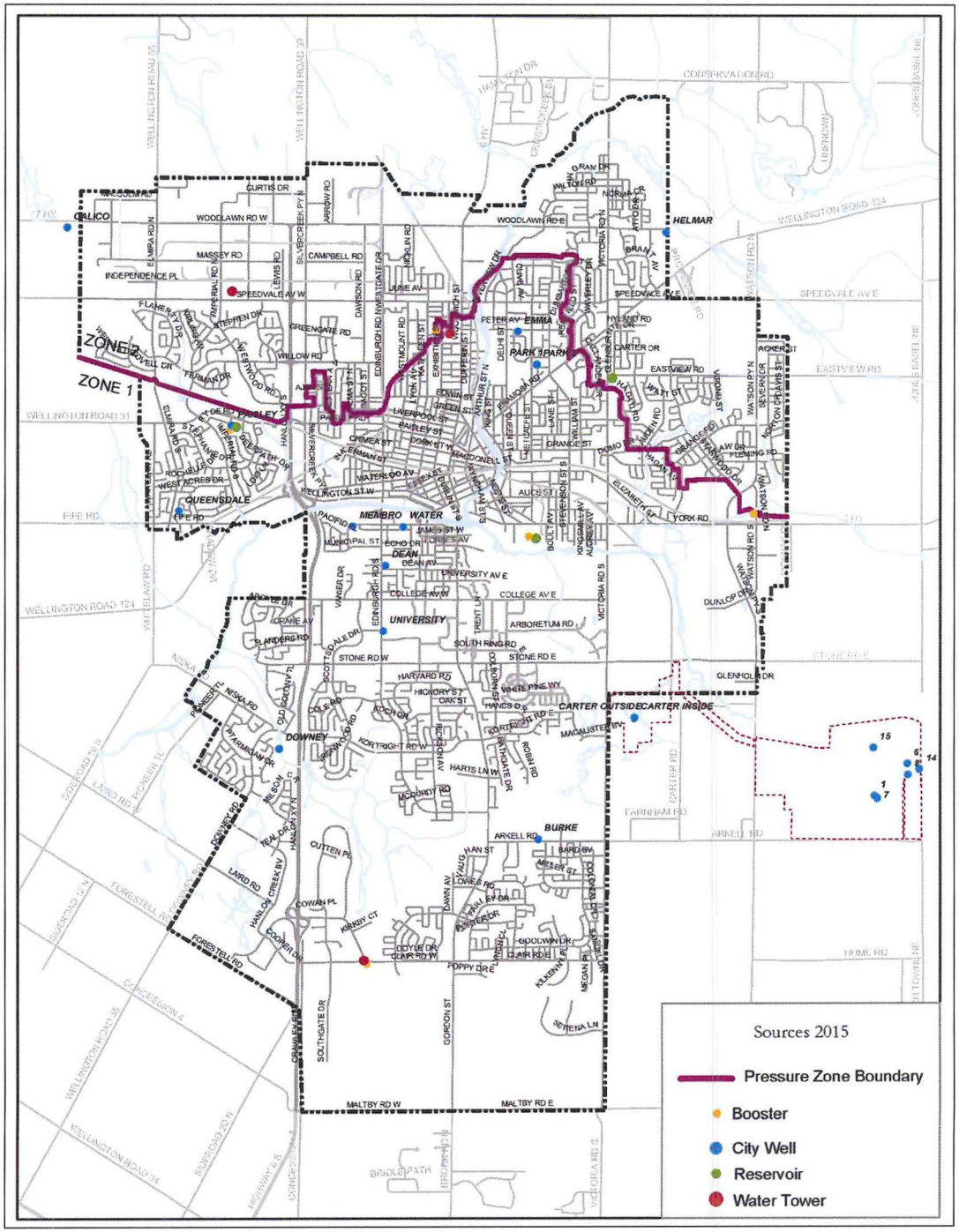
The map included on this page depicts the two pressure zones that exist in Guelph's Drinking Water System, along with the location of booster stations, wells, reservoirs and water towers.

There are two main water sources for Guelph's drinking water system:

- True groundwater, requiring chlorination and
- GUDI-WEF (groundwater under the direct influence of surface water with effective in-situ filtration) requiring chlorination + UV

Owners and Operating Authorities are responsible for ensuring their drinking water systems:

- Provide water that meets all drinking water quality standards.
- Operate in accordance with the Safe Drinking Water Act and its regulations.
- Are kept in a fit state of repair.
- Are appropriately staffed and supervised by qualified persons.
- Comply with all sampling, testing and monitoring requirements.
- Meet all notification and reporting requirements.



PERFORMANCE SCORECARDS

The performance scorecards for Water Services consist of both KPIs and Statistics. Both types of measurements are needed to effectively manage the division. Additional information is included in the full version of this update report that can be accessed online at www.guelph.ca/water. Performance summaries are provided in the following categories:

a) Incidents of Regulatory Non-Compliance
b) Incidents of Adverse Drinking-Water Tests
c) Deviations from Critical Control Point (CCP) Limits and Response Actions
d) The Efficacy of the Risk Assessment Process
e) Internal and Third-Party Audit Results
f) Results of Emergency Response Testing
g) Operational Performance and Statistics
h) Raw and Treated Water Quality – Guelph Drinking Water System
i) Treated Water Quality – Gazer Mooney Subdivision Distribution System
j) Status of Ongoing and Emerging Water Quality/Supply Initiatives
k) Expected Future Changes That Could Affect the DWS or the QMS
l) Consumer Feedback
m) The Resources Needed to Maintain the QMS
n) The Results of Infrastructure Review
o) Operational Plan Currency, Content and Updates
p) Staff Suggestions

DEFINITIONS

Key Performance Indicator (KPI): *A measurement of the degree or status of progress towards goals and objectives. It is a measurement that you can impact.*

Statistic: *A measurement that provides information on trends or events. You often have minimal impact on statistics, such as number of customer calls or quantity of visits. Statistics inform activity that can impact the key performance indicators.*

Status:

The results are positive and within target, no action is necessary.

The results are in range of the target, but not yet achieving target, some mitigating action may be necessary.

The results are outside the target range and corrective actions/initiatives are required to correct performance.

A) INCIDENTS OF REGULATORY NON-COMPLIANCE

There were no incidents of non-compliance associated with the Guelph Drinking Water System in 2015 (Jan. 01 to Jun. 30).

Both the Guelph DWS and Gazer Mooney SDS received compliance scores of 100% in the 2014-2015 MOECC Annual Inspection Report.

B) INCIDENTS OF ADVERSE DRINKING WATER TESTS

"Adverse Water Quality Incidents" (AWQI) refers to any unusual test result from treated water that does not meet a provincial water quality standard, or situation where disinfection of the water may be compromised. An AWQI indicates that on at least one occasion, a water quality standard was not met. From Jan. 1 – Jun. 30, 2015, there were two adverse water quality incidents (AWQIs) in the Guelph Drinking Water System (DWS) and no AWQIs in the Gazer Mooney Subdivision Distribution System (GMSDS). A summary is included below.

#	Date	Guelph DWS AWQI #	Location	Description	Corrective Action	Resample Results Good	Deviation from Critical Control Point
1	Apr. 10	123135	Paisley Inlet Sample Tap (D218)	Lead (Pb) result of 12.4 ppb at the Paisley Inlet Sample Tap (D218)	Wellington-Dufferin-Guelph Public Health (WDGPH), MOECC, and Spills Action Centre (SAC) were notified. Re-samples showed non-detect results for Lead (Pb) at D218 plus upstream and downstream locations (D0248 and S045 respectively). Sampling at D218 continues quarterly until 2 consecutive samples have results below the ½ Mac (5 ppb).	Yes	No
2	Apr. 21	123338	College Ave. Sample Station (D0249)	Secondary Disinfection Free Chlorine Residual <0.05 mg/L	Wellington-Dufferin-Guelph Public Health (WDGPH), MOECC, and Spills Action Centre (SAC) notified. Flushed the local Distribution System; raised the secondary disinfection residual at 2 local treatment facilities; performed free residual and bacti sampling over a period of 4 days – all results were good. No further action required.	Yes	Yes

C) DEVIATIONS FROM CRITICAL CONTROL POINT (CCP) LIMITS AND RESPONSE ACTIONS

This section describes any deviation from essential steps or points in the drinking water system at which control can be applied to prevent or eliminate a drinking water hazard or to reduce it to an acceptable level. These essential steps or points are known as critical control points (CCPs). CCPs are used to identify control measures to address hazards and hazardous events. CCPs are in part stipulated by regulation and in part derived through risk assessment of the Drinking Water System. Deviations from the CCPs are reported to both the Owners and Top Management, and are summarized in the tables included in Section B) Incidents of Adverse Drinking Water Tests. **There was one confirmed deviation from CCP Limits in 2015 from January to June, reported as AWQI #123338** (see Section B above).

Water Services' Critical Control Points include:

- primary disinfection,
- secondary disinfection, and
- backflow prevention.

D) THE EFFICACY OF THE RISK ASSESSMENT PROCESS

The annual risk assessment review described in "QMS 07 Risk Assessment" was conducted by members of Water Services' Continuous Improvement Team on Jan. 20, 2015, subsequently approved at a Management Review Meeting on Jan. 27, 2015 and presented in the "Executive Summary of Risk Assessment Outcomes" table:

Process	Hazardous Event	RISK RATING[1]	City Physical Control Measures[2]	City Operational Control Measures	External Control Measures (if applicable)
Water Supply	Source Degradation & Contamination: non-City Sources	Moderate	Not Within City Control		Ontario Environmental Protection Act, Clean Water Act, Source Protection Plans
	Source Degradation & Contamination: City Sources	Moderate			Ontario Environmental Protection Act, Clean Water Act, Source Protection Plans
	Source Water Infrastructure Failures	Low			-

[1] Risk Ratings are based on the risk calculation (likelihood rating x consequence rating), as included in the "QMS 08 Risk Assessment Outcome" document: "Low" risk: 1 to 5; "Moderate" risk: 6 to 11; "High" risk: 12 or higher

[2] Cells with GREEN highlights indicate that Water Services has determined there are sufficient control measures to adequately control the risks. Items highlighted in YELLOW and RED indicate risk areas that are not sufficiently addressed through existing control measures, and require additional work. + - Improvement being made

Process	Hazardous Event	RISK RATING[1]	City Physical Control Measures[2]	City Operational Control Measures	External Control Measures (if applicable)
	Water Supply / Demand (current supply meeting current / future demand)	Low			-
Treatment (Chlorination at all sites + UV disinfection where applicable)	Inadequate Chemical Supply	Low			Chemicals' NSF Certification
	Treatment Infrastructure Failure	Low			-
	Reservoir / Contact Chamber Failure	Low			-
	PLC Failure	Low			-
Storage	Insufficient Secondary Disinfection	Low	+	+	-
	Storage Infrastructure Failure	Moderate	+	+	-
Distribution	Distribution Infrastructure Failure	Moderate	+		-
	Cross-connection or backflow	Moderate	+	+	-
	Deterioration of Secondary Disinfection	Moderate	+	+	-
	Infrastructure Damage from Construction	High		+	Ontario One Call (ON1Call)
Security	Unauthorized Entry	Low			-
Monitoring & Reporting	Failure of Monitoring Equipment	Low			-
	Failure of Communications Equipment	Low	+		-
Power	Power Failure	Low			Mutual Aid Agreements
	MCC Failure	Low			

E) INTERNAL AND THIRD-PARTY AUDIT RESULTS

Internal auditing and third-party auditing is performed to fulfill the mandatory requirements of the Drinking Water Quality Management Standard (DWQMS). The internal audit is completed using trained internal staff. The purpose of audits is to evaluate the level of conformance of Water Services to the DWQMS. Audits identify both conformance and non-conformance with the DWQMS as well as opportunities for improvement.

The 2015 internal process audits were completed on Jan. 14-16, 2015. Internal audit findings are related to improved document and records control, training, preventive maintenance, and emergency preparedness. The next internal audit is scheduled to take place in December 2015.

Third-party external on-site audits were completed on Jun. 9 to Jun. 11, 2015. There was one nonconformity identified during this audit related to document and records control (QMS 05). Noted opportunities for improvement by the auditor were related to improving the following processes: QMS awareness (QMS 04); internal audits (QMS 19) and tracking improvement items (QMS 21). These opportunities for improvement will be followed-up on by the auditor at the next on-site audit in Jun. 8-10, 2016.

F) RESULTS OF EMERGENCY RESPONSE TESTING

Emergency response testing is regularly completed as a component covered by the Water Services' Quality Management System (QMS) to ensure that Water Services maintains a reasonable readiness to deal with emergencies. The ability to deal with emergencies is critical in demonstrating that Water Services has taken a diligent approach to operating the Guelph Drinking Water System. Feedback from this testing and from actual events is gathered during debriefing sessions and improvement items are incorporated into the Water Services Emergency Plan and /or daily operations.

During the winter of 2015, Guelph experienced 376 frozen services (with more than 275 temporary lines installed); the greatest number in one season since 1993. Typically, there have been an average of six frozen service lines per winter season. For each frozen service event, immediate actions were taken by staff to prevent any further complications.

Water Services staff continue to work on closing corrective actions initiated from debriefing sessions related to Winter 2014-2015's frozen services events.

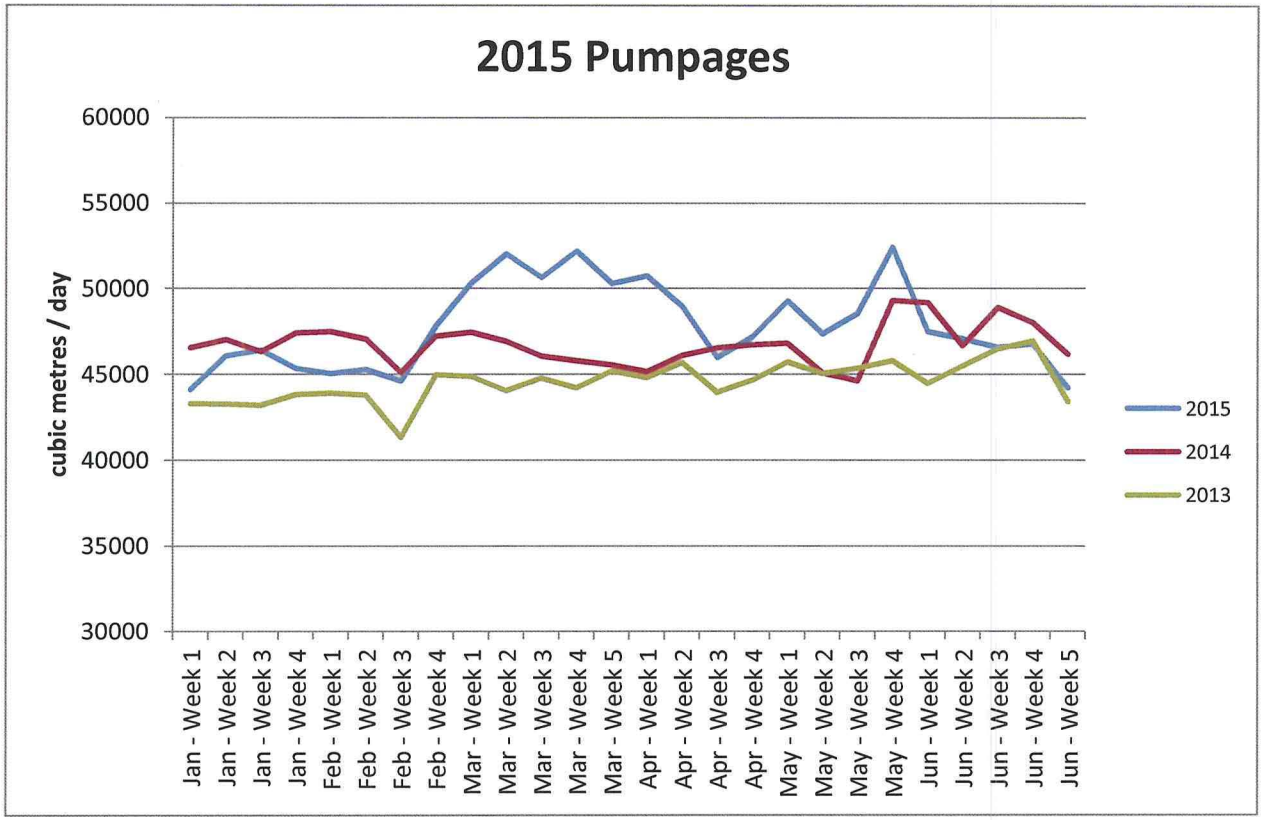
ERT Scope	2013	2014	2015
Contamination: Microbial / Chemical		Feb. 11, 2014	
Water Shortage / Water Filling Station			Feb-Apr, 2015
Failure of Power / Control Systems / Communications / Equipment	Apr. 12/Dec. 22 (Power); Aug. 2 (SCADA)		
Damage to Main Supply / Vandalism / Terrorism			
Severe Weather	Apr. 12 and Dec. 22	Feb-Mar, 2014	Feb-Apr, 2015
Medical Emergency			
City of Guelph Corporate-Level Test by the EOCG	Jun. 21, 2013	Jul-Aug, 2014	

G) OPERATIONAL PERFORMANCE AND STATISTICS

This section describes the various pieces of information that are used to gauge the performance of the Drinking Water System, including reasoning for changes or observations. The following information is related to pumpages:

Summaries of total water pumped, instantaneous flows and capacity (flows and volumes compared to rated capacities) by the City of Guelph from Jan. 01 to Jun. 30 can be found in the full version of the report available at www.guelph.ca/water.

Water Services processed 8,632,386 cubic metres (8.6 billion litres) of water to the distribution system in 2015 (Jan. 01 to Jun. 30). This represents 2.2 per cent more water being supplied to the distribution system in 2015 as compared to the same time period in 2014 and 6.8 per cent more water than in 2013. The average daily water demand was 47,693 cubic metres (47.7 million litres). The maximum day production of water in 2015 was 58,128 cubic metres (58.1 million litres) and occurred on Mar. 12, 2015. The minimum day production of water in the same time period was 34,844 cubic metres (34.8 million litres) and occurred on Jan. 01, 2015.



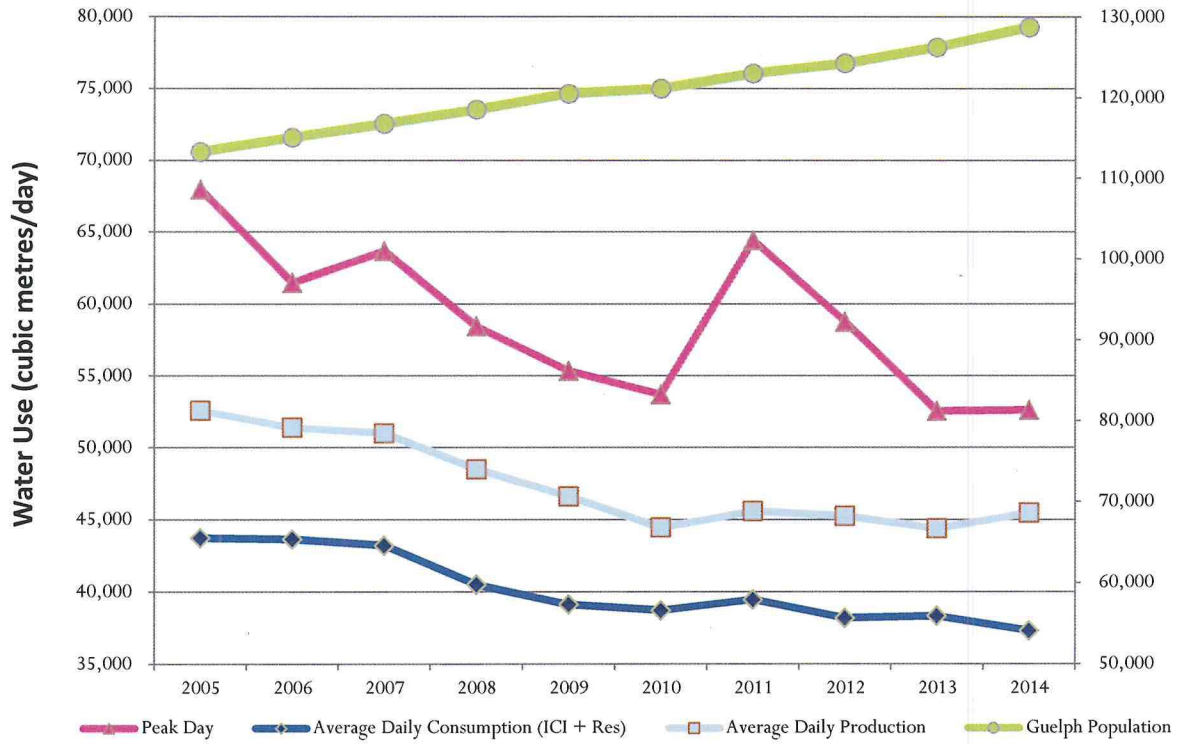
Water Production vs. Water Consumption vs. Population

The table below depicts the annual maximum pumpages (peak water days), average daily water production, and average daily water consumption rates in cubic metres per day (m^3/day) as compared against Guelph's population.

Water Conservation & Efficiency Program goals include:

- Reduce water use by **8.7 MLD by 2019**
- **Affordability**: most cost effective source of new water capacity and limit capital and O&M costs
- **Source Sustainability:** sustainability of water supplies, limit impacts of growth and expand life of public supply infrastructure assets
- **Source Optimization:** reduce operational and environmental impacts of peak season demands
- **Compliance:** maintain compliance requirements for PTTWs and Water Opportunities Act.
- **Community Awareness:** foster community awareness regarding water use and stewardship.
- **Emergency Preparedness:** short-term management of water demand and public engagement in emergency scenarios
- **Future Readiness:** best position for City for climate change resiliency

Water Production vs. Water Consumption vs. Population



Notes:
2014 Water Consumption values presented above represent annual year to to date averages for the period of Jan. 1 to Nov. 30, 2014. 2014 population projection Watson & Associates + annual interpolation (AECOM September 6, 2013)

Collector Flows

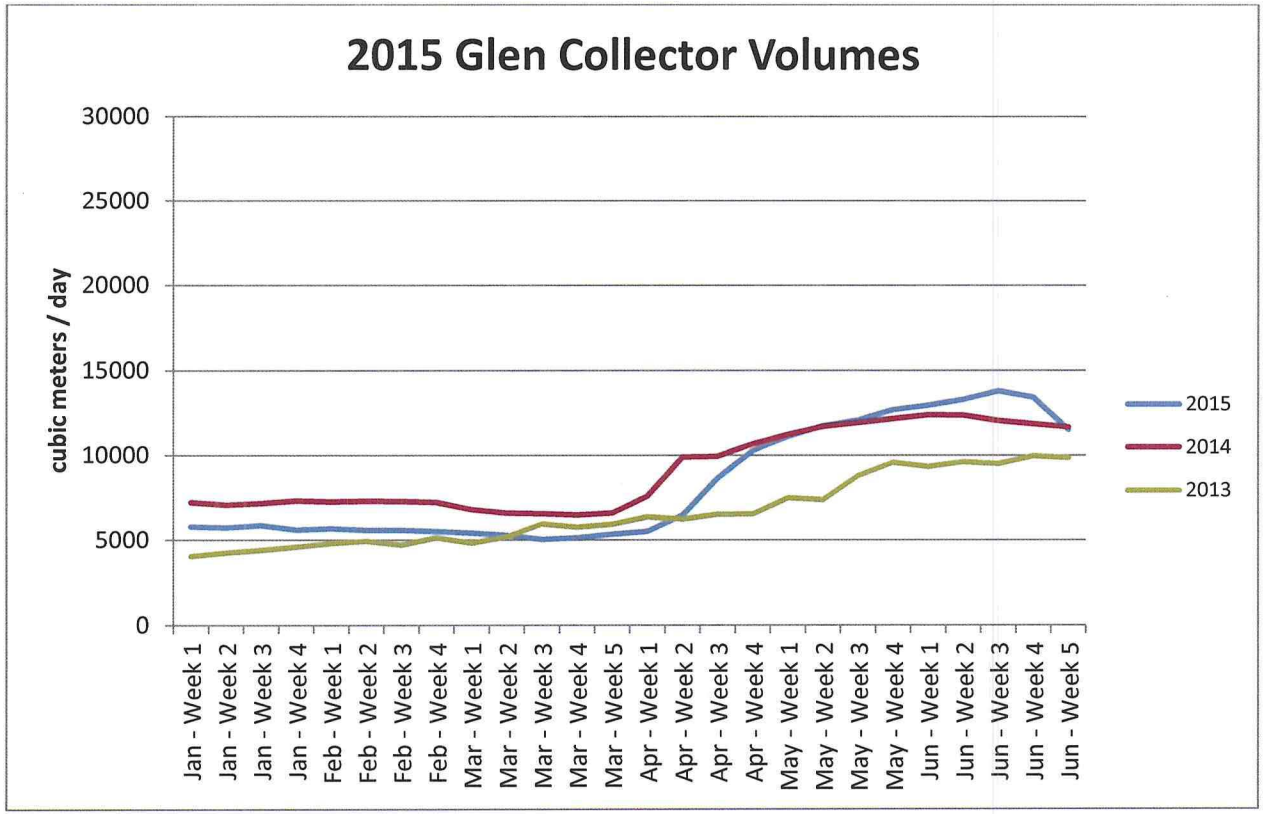
The Arkell Spring Grounds Collectors ("Collectors"), one of Guelph's many water sources, consist of a gravity-fed under-drain system that collects shallow overburden groundwater. This system has been in use since the early 1900s and can represent as much as 40 per cent of the total city-wide daily water production. When the output of this source is reduced, Water Services is required to make up the difference from other water supplies.

The following "Glen Collector Volumes" graph depicts the Glen Collector flow rate in cubic metres per day (m^3/day) that is averaged each week.

Throughout the year, the production from this water supply varies from an approximate low of 4,000 cubic metres (4 million litres) up to an approximate high of 20,000 cubic metres (20 million litres) per day.

The Collectors can also be used as a measurable index of the state of the environment (i.e. very dry to very wet) as they respond to rainfall and other environmental conditions.

The volume of water that the Collectors produce is one of the benchmarks used in the decision-making process to determine the appropriate level of outside water use for the City.



The Collectors have produced 1,482,409 cubic metres (1.5 billion litres) of water in 2015 (Jan. 01 to Jun. 30). This represents 8.6 per cent less water as compared to the same time period in 2014 and 26.9 per cent more water than in 2013.

Major Water Supply Maintenance (Jan. 1 to Jun. 30):

SUPPLY MAJOR MAINTENANCE ACTIVITY	Well Site(s)
Diesel Generator Rentals	Burkes, Arkell #14
Diesel Generator Service	F.M. Woods
Diesel Generator Service and Load Test	All Sites
Fence Repair	F.M. Woods
HVAC Preventive Maintenance (annual)	F.M. Woods
Instrumentation Calibration and Verifications	Various sites
Pump & Motor Rebuild	Robertson (pump #1)
Pump Motor (75HP) – Purchase of spare	Various sites
Reliability-Centered Maintenance Program (RCMP, ongoing)	All sites
Reservoir Cleaning	Queensdale
Shower and Eyewash Station Installations	Various sites
Snow Removal (seasonal)	Various sites
UV Maintenance	F.M. Woods, Emma and Water Street Wells
Well Pump Replacement	University
Well Rehabilitation	Carter, Downey, Queensdale

Summary of 2015 Form 1's and Form 2's (Jan. 1 to Jun. 30):

Date	Form # - Description of Authorized and/or Minor Modifications
January	Form 1 – Extension of a 300 mm diameter watermain on Paisley Road from Elmira Road to 100 m past the City
January	Form 1 – New watermain: 300 m of 200 mm and 285 m of 150 mm for new subdivision at 11 Starwood Drive.
February	Form 1 – New Pressure Zone 3 watermain and appurtanances on Hawkins Drive (Poppy Drive to Clair Road East), and Clair Road East (Hawkins Drive to 230 m East of Dallan Drive).
March	Form 2 – The addition of a 10" HDPE raw water bypass of the Carter Aqueduct complete with a combination valve at its high elevation point and three drain valves.
March	Form 2 – The addition of a 6" Static Injection Mixer at Emma to allow for thorough mixing of the sodium hypochlorite with the UV disinfected water. The removal of a redundant 12"butterfly isolation valve was required to accommodate the mixer.
April	Form 1 – Replacement of existing 200 mm watermain on Elizabeth Street between Victoria Road and Industrial Avenue.
May	Form 1 – New watermain connected to existing 150 mm watermain on Kirvan Court and 300 mm watermain on MacAlister Boulevard.
June	Form 2 – Addition of a 24" butterfly valve on the 24" concrete watermain at Dodds and Bell Avenue. This allows for the ability of improved main isolation.

Distribution System Maintenance (Jan. 1 to Jun. 30):

DISTRIBUTION JOB TYPE	2015
Acoustic Leak – Dry	0
Blow Off Install	2
Dig to find leak	1
Hi/Low Jumper Install	0
Hydrant Install (WW)	0
Hydrant Remove	0
Hydrant Repair	2
Hydrant Repair Hit	0
Hydrant Replace (WW)	0
Hydrant Replace Hit	0
Main Break	57
Other (e.g. exploratory excavations, miscellaneous repairs, etc.)	2
Re-route Watermain	0
Sample Station Install	0
Sample Station Replace	0
Service Cut Off	0
Service Lowered	0
Service New Install	0
Service Repair	49
Service Replace Lead	1
Service Replace Non-Lead	9
Valve Install (WW)	0
Valve Remove	0
Valve Repair	1
Valve Replace (WW)	9
Meters New	174
Meters Exchanged	294
Hydrants new/replaced by Eng.	24
Total City Hydrants	2,698
Leak Detection (km of metallic watermains)	287
Valves new/replaced by Eng.	28
Total City Main Valves	4,062
Watermains new/replaced by Eng. (km)	3.25
Total Watermains Excluding Aqueduct (km)	542.1
Watermains Cleaned (km)	195.3
Watermains Re-lined (m)	0

H) RAW AND TREATED WATER QUALITY

Under the Safe Drinking Water Act (SDWA), municipalities are required to monitor both the raw and treated quality of the source water supplied. This monitoring is performed for both regulatory compliance and due diligence. Any results outside criteria in the table below are reported under section B) Adverse Water Quality Incidents.

Operational and Microbiological Sampling						
Parameter	**Location**	**# Analyses**	**Criteria**	**# Outside Criteria***	**Results Range**	**Regulatory Reference**
Free Chlorine Residual	Guelph Zone One	181	0.05-4.0 mg/L	0	0.51-1.10 mg/L	O. Reg. 170/03 Schedule 7-2
Free Chlorine Residual	Guelph Zone Two	181	0.05-4.0 mg/L	0	0.54-0.98 mg/L	O. Reg. 170/03 Schedule 7-2
Raw – E. coli	Raw sources, no disinfection	488	n/a	n/a	0 cfu/100 mL	O. Reg. 170/03 Schedule 10-4
Raw – Total Coliform	Raw sources, no disinfection	488	n/a	n/a	0-3 cfu/100 mL	O. Reg. 170/03 Schedule 10-4
Raw – HPC	Raw sources, no disinfection	0	n/a	n/a	n/a	O. Reg. 170/03 Schedule 10-4
Raw – Background	Raw sources, no disinfection	488	n/a	n/a	0-26 cfu/100 mL	O. Reg. 170/03 Schedule 10-4
Raw River – E. coli	Raw sources, no disinfection	11	n/a	n/a	2 – OG cfu/100 mL	O. Reg. 170/03 Schedule 10-4
Raw River – Total Coliform	Raw sources, no disinfection	11	n/a	n/a	46 – OG cfu/100 mL	O. Reg. 170/03 Schedule 10-4
Raw River– Background	Raw sources, no disinfection	11	n/a	n/a	92 – OG cfu/100 mL	O. Reg. 170/03 Schedule 10-4
POE – E. coli	Disinfected ("treated") water at point of entry (POE)	316	0	0	0 cfu/100 mL	O. Reg. 170/03 Schedule 10-3
POE – Total Coliform	Disinfected ("treated") water at point of entry (POE)	316	0	0	0 cfu/100 mL	O. Reg. 170/03 Schedule 10-3
POE – HPC	Disinfected ("treated") water at point of entry (POE)	316	n/a	n/a	0-1 cfu/mL	O. Reg. 170/03 Schedule 10-3
POE – Background	Disinfected ("treated") water at point of entry (POE)	316	n/a	n/a	0-1 cfu/100 mL	O. Reg. 170/03 Schedule 10-3
POE – Free Chlorine Residual	Disinfected ("treated") water at point of entry (POE)	281	0.05-4.0 mg/L	0	0.60-1.27 mg/L	O. Reg. 170/03 Schedule 6-3
Dist. – E. coli	Disinfected ("treated") water in Distribution System	826	0	0	0 cfu/100 mL	O. Reg. 170/03 Schedule 10-2
Dist.– Total Coliform	Disinfected ("treated") water in Distribution System	826	0	0	0 cfu/100 mL	O. Reg. 170/03 Schedule 10-2
Dist.– HPC	Disinfected ("treated") water in Distribution System	406	n/a	n/a	0-97 cfu/mL	O. Reg. 170/03 Schedule 10-2
Dist.– Background	Disinfected ("treated") water in Distribution System	826	n/a	n/a	0 – 5 cfu/100 mL	O. Reg. 170/03 Schedule 10-2
Dist.– Free Chlorine Residual	Disinfected ("treated") water in Distribution System	1,188	0.05-4.0 mg/L	0	0.25–1.19 mg/L	O. Reg. 170/03 Schedule 6-3
Raw Source Turbidity	Raw sources, no disinfection	485	n/a	n/a	0.05-0.40 ntu	O. Reg. 170/03 Schedule 7-3
POE – Free Chlorine Residual	Over 20 monitoring devices – continuous monitoring	1:5mins	0.05 mg/L	0	n/a	O. Reg. 170/03 Schedule 6-5
UV Dose F.M. Woods	Over 1 monitoring device – continuous monitoring	1:5mins	24 mJ/cm^2	0	n/a	MOECC UV Treatment Criteria
UV Dose Urban Wells	Over 20 monitoring devices – continuous monitoring	1:5mins	40 mJ/cm2	0	n/a	MOECC UV Treatment Criteria

The table below includes relevant information about chemical, organic and inorganic sampling results due to their presence or significance within the Guelph Drinking Water System. Only parameters with Ontario Drinking Water Quality Standards (ODWQS) Maximum Allowable Concentration (MAC) limits and above minimum detection limits (MDL) are included. There was no instance of an adverse result in 2015 (Jan. 1 – Jun. 30). The full version of the Annual & Summary Report provides results for all chemical sampling. Any results outside criteria in the table below are reported under section B) Adverse Water Quality Incidents.

Chemical Sampling (all data reported in mg/L)									
Parameter	# Samples	Sampling Frequency	Criteria MAC	Criteria ½ MAC	# Outside Criteria	Results Range		Average	Regulatory Reference
						Min	Max		
Trihalomethanes – Distribution System Samples	4	1:3 months	0.100[A]	n/a	0	0.0242	0.0483	0.0361	O. Reg. 170/03 Schedule 13-6
Nitrate + Nitrite (as nitrogen)	31	1:3 months	10	5	0	< 0.10	5.17	1.27	O. Reg. 170/03 Schedule 13-7
Nitrate + Nitrite (as nitrogen) – Woods' Raw Sources (Operational Sampling)	21	1:3 months	n/a	n/a	n/a	0.28	6.22	1.79	O. Reg. 170/03 Schedule 13-7
Nitrate + Nitrite (as nitrogen) – University Raw Source (Operational Sampling)	1	1:3 months	n/a	n/a	n/a	0.35	0.35	0.35	O. Reg. 170/03 Schedule 13-7
Nitrate + Nitrite (as nitrogen) – Paisley Raw (Operational Sampling)	2	1:3 months	n/a	n/a	n/a	1.79	1.83	1.81	O. Reg. 170/03 Schedule 13-7
Tetrachloroethylene (perchloroethylene)	78	1:3 months	0.03	0.015	0	< 0.0001	< 0.0001	n/a	O. Reg. 170/03 Schedule 24
Trichloroethylene	78	1:3 months	0.005	0.0025	0	< 0.0001	0.00219	0.00080	O. Reg. 170/03 Schedule 24
Trihalomethanes[B]	81	1:3 months	0.100[A]	n/a	0	< 0.0002	0.0483	0.01509	O. Reg. 170/03 Schedule 24
Antimony	1	1:36 months	0.014	0.007	0	< 0.0005	< 0.0005	n/a	O. Reg. 170/03 Schedule 23
Arsenic	1	1:36 months	0.025	0.0125	0	< 0.001	< 0.001	n/a	O. Reg. 170/03 Schedule 23
Barium	1	1:36 months	1.0	0.5	0	0.046	0.046	0.046	O. Reg. 170/03 Schedule 23
Boron	1	1:36 months	5.0	2.5	0	0.021	0.021	0.021	O. Reg. 170/03 Schedule 23
Cadmium	1	1:36 months	0.005	0.0025	0	0.00011	0.00011	0.00011	O. Reg. 170/03 Schedule 23
Chromium	1	1:36 months	0.05	0.025	0	< 0.005	< 0.005	n/a	O. Reg. 170/03 Schedule 23
Mercury	1	1:36 months	0.001	0.0005	0	< 0.0001	< 0.0001	n/a	O. Reg. 170/03 Schedule 23
Selenium	1	1:36 months	0.01	0.005	0	< 0.002	< 0.002	n/a	O. Reg. 170/03 Schedule 23
Uranium	1	1:36 months	0.02	0.01	0	0.00068	0.00068	0.00068	O. Reg. 170/03 Schedule 23
Sodium	27	1:12 months[C]	20 & 200[D]	n/a	27	21	150	58.037	O. Reg. 170/03 Schedule 13-8
Fluoride	20	1:60 months	1.5 & 2.4[E]	n/a	0	0.13	0.77	0.292	O. Reg. 170/03 Schedule 13-9

A – This standard is expressed as a running annual average
B – This subset of trihalomethane samples represents sampling from treated sources and does not refer to the previous distribution system sampling
C – Sodium is sampled on a more frequent basis due to the fact that for every treated source except F.M. Woods (currently), sodium levels are above the lower reportable limit of 20 mg/L

D – The aesthetic objective for sodium in drinking water is 200 mg/L. The local Medical Officer of Health should be notified when the sodium concentration exceeds 20 mg/L so that this information may be communicated to local physicians for their use with patients on sodium restricted diets.
E – Where supplies contain naturally occurring fluoride at levels higher than 1.5 mg/L but less than 2.4 mg/L the Ministry of Health and Long Term Care recommends an approach through local boards of health to raise public and professional awareness to control excessive exposure to fluoride from other sources.

I) TREATED WATER QUALITY – GAZER MOONEY SUBDIVISION DISTRIBUTION SYSTEM

Related to Section H) Raw and Treated Water Quality, this section describes the Regulatory water quality monitoring that has been collected in the Gazer Mooney Subdivision Distribution System in 2014 (Jan. 01 to Dec. 31, 2014). Any results outside criteria in the table below are reported under section B) Adverse Water Quality Incidents.

Operational and Microbiological Sampling						
Parameter	Location	# Analyses	Criteria	# Outside Criteria*	Results Range	Regulatory Reference
Free Chlorine Residual	Gazer Mooney	181	0.05-4.0 mg/L	0	0.61-1.16 mg/L	O. Reg. 170/03 Schedule 7-2
Dist. – E. coli	Disinfected ("treated") water in Distribution System	26	0	0	n/a	O. Reg. 170/03 Schedule 10-2
Dist.– Total Coliform	Disinfected ("treated") water in Distribution System	26	0	0	n/a	O. Reg. 170/03 Schedule 10-2
Dist.– HPC	Disinfected ("treated") water in Distribution System	26	n/a	n/a	0-22 cfu/mL	O. Reg. 170/03 Schedule 10-2
Dist.– Background	Disinfected ("treated") water in Distribution System	26	n/a	n/a	n/a	O. Reg. 170/03 Schedule 10-2
Dist.– Free Chlorine Residual	Disinfected ("treated") water in Distribution System	181	0.05-4.0 mg/L	0	0.61-1.16 mg/L	O. Reg. 170/03 Schedule 10-2

Chemical Sampling (all data reported in mg/L)									
Parameter	# Samples	Sampling Frequency	Criteria MAC	Criteria ½ MAC	# Outside Criteria*	Results Range		Average	Regulatory Reference
						Min	Max		
Trihalomethanes	2	1:3 months	0.100[A]	n/a	0	0.0174	0.0175	0.0175	O. Reg. 170/03 Schedule 13-6
Sodium	1	1:12 months	20 & 200[B]	n/a	1	22	22	22	O. Reg. 170/03 Schedule 13-8

A – This standard is expressed as a running annual average
B – The aesthetic objective for sodium in drinking water is 200 mg/L. The local Medical Officer of Health should be notified when the sodium concentration exceeds 20 mg/L so that this information may be communicated to local physicians for their use with patients on sodium restricted diets.

J) STATUS OF ONGOING AND EMERGING WATER QUALITY / SUPPLY INITIATIVES

Water Conservation and Efficiency

Water Services continues to promote the ongoing sustainability of local finite water resources through active Water Conservation and Efficiency programming. The following is a summary of aspects implemented between Jan. 1 to Jun. 30:

- Initiated the update to the Water Conservation and Efficiency Strategy (WCES) in April.
- Celebrated Canada Water Week with the third annual H2O GO Festival that included over 1,000 participants of all ages.

- In collaboration with community partners, organized H2Awesome for 800 students from Guelph elementary schools.
- Initiated a Level 1 Yellow water restriction under its Outdoor Water Use Program on June 1st.
- Initiated a detailed design for phase 2 of the Guelph Transit Rainwater Harvesting System in April.
- Launched the annual Leak Detection Program in April including sounding and correlation of all metallic watermains.
- Initiated work to develop a residential customer mobile app to motivate local residents to conserve water.
- Initiated the annual Healthy Landscapes Home Visit Program in May.
- Hosted an annual Water Services Open House in May that showcases Water Services' programs and resources.
- Conducted 31 interactive school presentations related to Grade 2 & Grade 8 in-class water conservation programming.
- Conducted guided educational tours of Water Services' facility to 408 local grades 7, 8 and high school students.
- Continued to support as a partner, sponsor and contributor to the Waterloo Wellington Children's Groundwater Festival.
- Optimizing existing conservation programs (e.g. Residential Rebate Programs, Blue Built Home, ICI Capacity Buyback)

Source Water Protection Plan

- The Lake Erie Source Protection Committee (LESPC) submitted the Proposed Grand River Source Protection Plan to the Ministry of the Environment and Climate Change (MOECC) for review and approval. The LESPC anticipates that the Grand River Source Protection Plan will be approved by the Minister by the end of 2015 with an effective date in Q1 2016.
- Currently, City staff are working on: the development of education and outreach materials for stakeholders, development of guidelines for the preparation of risk management plans, and working with internal City of Guelph departments to ensure conformance with the proposed policies in the Source Protection Plan. The City is also assessing the data management and information needs that will be required to administer the program once the Source Protection Plan is approved. For more information visit: guelph.ca/sourcewater

Arkell Springs Forest Stewardship Project

- The Arkell Spring Grounds cover an area of 804 acres. The area is comprised of old and new forested areas, which makes it necessary for monitoring, maintenance and new planting plans. The objective of the Arkell Springs Forest Stewardship Project is to manage past plantings and prevent losses while monitoring general forest health. Delicate forest stands require continued maintenance and observation to ensure the prevention of any unnecessary and undesired losses.
- Since 2007, the Community Environmental Leadership Program (CELP, on a volunteer basis) has planted 17,500 trees on 18 acres, and Bartram Woodlands (on-site contractor) has planted 22,175 trees on another 16 acres. In addition, funding was secured through the Ontario Ministry of Natural Resources' 50 Million Tree Program—part of the United Nations Billion Tree Campaign. The Ontario portion of the fund is committed to planting 50 million trees by 2025. This funding allowed the City to plant 6,050 seedlings in fields adjacent to Watson Road.

Lead Reduction Plan

- In January 2014, based on the success of the MOECC-approved Lead Reduction Plan (LRP), the City formally requested an amendment to its Municipal Drinking Water Licence to remove the references to the regulatory requirements and reporting associated with the City's lead program.
- Regulatory relief from Schedule 15.1 (in its entirety) in exchange for the continued operational programs outlined in the LRP, was granted in Schedule D of the City's Municipal Drinking Water Licence issue number 6.
- 20 Lead Verification samples were collected where none were above 5 µg/L indicating presence of a lead service line.
- 4 Lead Service Lines were replaced; for a total of 186 privately-owned lead service lines replaced since 2010.

Additional information about all programs under the Lead Reduction Plan can be accessed in the full version of this report at www.guelph.ca/water.

K) EXPECTED FUTURE CHANGES THAT COULD AFFECT THE DWS OR THE QMS

Operational Testing Plan and Adaptive Management Plan (OTP / AMP) – The purpose of the OTP / AMP is to carry-out a detailed assessment of both the Arkell area aquifer and pumping conditions related to the aquifer to determine a sustainable capacity with respect to environmental considerations in the area. Monitoring and data collection / assessment is ongoing, and further extensive monitoring is being performed at Arkell Well #15 to confirm its source water characteristic classification as groundwater.

GUDI (Groundwater Under the Direct Influence of surface water) Terms of Reference are under review and may result in classification changes to source waters at various wells. These changes would drive the need for upgraded disinfection treatment for these sources. The GUDI Terms of Reference are expected in 2016.

Arkell Well #15 has been reassessed as a possible GUDI WEF Source (Groundwater Under the Direct Influence of Surface Water with Effective In Situ Filtration). A DWWP (Drinking Water Works Permit) Amendment Application has been submitted to the MOECC with supporting documentation that demonstrates the appropriateness of the requested re-classification and the ability of the existing treatment system at F.M. Woods to treat this source.

Carter Monitoring Program – The Permit to Take Water for Carter Well requires that the Carter Wells be operated at increased levels in conjunction with monitoring in the Torrance Creek Subwatershed. The purpose of the monitoring is to attempt to quantify impacts within this subwatershed.

Operator Certification Compliance Management – the Water Certification Specialist reports to Management on a quarterly basis (and to the Owner bi-annually through this report) regarding the status of Operators' Certifications. Verifications of

qualification are completed 6-months prior to certificate expiries to ensure lead time for Operators' continued certifications.

Water Supply Master Plan – Council unanimously voted to approve an update to the City's 2007 Water Supply Master Plan on July 28th, 2014. This update forecasts and makes plans for water use and access to a safe and sustainable water supply for our growing community—residential, industrial and commercial—over the next 25 years.

Conservation and demand management remain the key options for meeting our current and future water supply needs, with new groundwater supplies from existing, offline wells, test wells and new wells inside the city limits also helping to meet future needs. Other recommendations and options include improvements to the water planning and approval process, a by-law to restrict new private groundwater supply wells within the City limits, and a possible far future treatment plant for a surface water supply from Guelph Lake.

For more information, please visit guelph.ca/water and follow the Water Supply Master Plan link.

Ontario's Watermain Disinfection Procedure

Municipal operating authorities are required to use AWWA Standard C651 (Disinfecting Water Mains) for addition, replacement or repair of pipes forming the distribution system, as per condition 2.3.2 of Drinking Water Works Permits. Ontario's Watermain Disinfection Procedure outlines minimum requirements for compliance, and operating authorities will be able to use their discretion to adopt more stringent standard operating procedures. Requirements for disinfection will also apply to temporary watermains, as well as service pipes of 100 mm diameter or greater. Water Services anticipates implementation of procedure by end of 2015.

Upcoming policy changes under Source Water Protection – The Ministry of the Environment has released Source Protection Standard Operating Policies for Source Protection Prescribed Instruments relating to the installation, operation, and maintenance of municipal sewer infrastructure in the vicinity of municipal water supply wells. Staff are currently working with the Ministry to better define these requirements and the impacts they may have on current City capital replacement and operating programs. Staff will update Council on these requirements and impacts once they are confirmed.

Gazer Mooney Municipal Drinking Water Licence Renewal – The application deadline for licence renewal for the Gazer Mooney Subdivision Distribution System is Aug. 2, 2015. Water Services submitted to the Township of Guelph / Eramosa an updated Operational Plan and Raw Water Assessment early July.

Expiring Permits to Take Water (PTTWs) – Three PTTWs were renewed in 2015 (Jan. 1 to Jun. 30):

1. Arkell Well No. 1 PTTW (exp. 2015-05-31)

2. Burke Well PTTW (exp. 2015-05-31)
3. Carter Wells PTTW (exp. 2015-05-31)

Six PTTWs are scheduled for review and/or renewal in 2016:

1. Arkell Infiltration Gallery PTTW (exp. 2016-10-31)
2. Carter Wells PTTW (exp. 2016-05-31)
3. Emma Well and Park Wells 1 & 2 PTTW (exp. 2016-10-31)
4. Helmar Well PTTW (exp. 2016-05-31)
5. Paisley Well PTTW (exp. 2016-10-31)
6. Water St. Wellfield (Water, Dean, University, Membro) PTTW (exp. 2016 -10-31)

Legal and Other Requirements Update – various updates related to Water Services' legal and other requirements are noted in the full report. Only items that directly affect Guelph Water Services are further discussed above in this section.

Changes Affecting the Quality Management System (QMS)

QMS 03 – Water Services conducted an orientation session for Council in May to satisfy the Safe Drinking Water Act requirements related to Statutory Standard of Care.

QMS 05 – Water Services' compliance with the City's Records Retention By-law (No. (2014)-19770 passed on June 23, 2014). Under the Records Retention By-law, Water Services continues to implement standards to consistently manage the way in which electronic and hard copy files are stored.

The nonconformity identified in this past external audit related to QMS 05 Documents & Records Control has resulted in an improved QMS 05 procedure.

A corporate initiative for using Microsoft SharePoint may be implemented in the Fall. Updates on this initiative will be provided in the next report.

QMS 07/08 – Update to the Risk Assessment is scheduled for mid-November. The following hazardous events will be added: frozen services impacting water quantity and cross-connection of Guelph and Gasport Aquifers impacting source water quality.

QMS 09 – Organizational update – The job title for Supervisor of Water Supply Operations & Maintenance has been replaced with two job titles: Supervisor of Water Supply Maintenance and Supervisor of Water Supply Operations. The following new positions also exist: General Manager of Environmental Services, Meter Installer, Lead Hand – Locates, and Locates Technician.

QMS 18 – A Frozen Water Services Policy will be presented to Council this fall that takes into account all noted opportunities for improvement from experiences of the past two winters' frozen services events.

QMS 21 – Working on improved tracking and progress reporting on noted opportunities for improvement from various sources (e.g. emergency debriefs, internal audits, external audits, meetings, etc.).

L) CONSUMER FEEDBACK

The table below represents all customer calls received during office hours and after hours in 2015 (Jan. 1 – Jun. 30):

Type	# Calls [3]
Billing	4
Discoloured Water	15
Distribution	13
Frozen	723
Hydrant Investigation	16
Hydrant Out-of-Service	3
Hydro	1
Lead	9
Leak	23
Locate Requests	4,842[4]
Meter	22
Other (including Extend Log)	72
Pressure	34
Private Issue	9
Service Box Repairs	168
Temporary Line Install	1
Trench Investigation	6

[3] This column generally represents the number of calls received, not necessarily the number of individual issues.
[4] This represents the number of locate requests.

Type	# Calls [3]
Valve	10
Watermain	76
Watermain Break Investigation	21
Water Quality / Appearance	16
Well Interference Complaints	0

M) RESOURCES NEEDED TO MAINTAIN THE QMS

Water Services currently has one full-time Quality Assurance Coordinator, who is also the Quality Management System Representative, and access to four Water Services Technicians, the Compliance Coordinator, and a Customer Service Clerk for reporting and documentation requirements of the QMS.

Challenges continue to drive the need for additional resources (such as lead, frozen services, Ontario 1Call, metering, etc.).

N) THE RESULTS OF INFRASTRUCTURE REVIEW

At annual specifications review meetings, Guelph's Engineering and Water Services staff update Water Services' infrastructure specifications.

During the annual budget preparation process, Engineering and Water Services review infrastructure conditions, inventory age, CAPS (capital asset prioritisation system), criticality, etc. From this evaluation, Engineering and Water Services finalize the list of priority projects that also considers the priorities of wastewater and road reconstruction projects so that these projects can share the costs of excavation and rehabilitation. New linear infrastructure reviews are primarily driven by Engineering Services.

Annual summaries of road reconstruction, sewer and watermain projects are identified on an infrastructure map that is released early spring each year.

Backflow Prevention Program

Preservation of drinking water quality within Guelph's infrastructure is supported by the City of Guelph's *Backflow Prevention Regulations* ("By-law", Number (2008) – 18660). As per the By-law, "Backflow" means the flowing back of or reversal of the normal direction of flow of water. The By-law requires that no connections are made to the City's water supply without the installation of a backflow prevention device to isolate premises, sources, and zones to prevent cross-connections in every building or structure where a City water supply or other potable water supply exists. Related to backflow prevention devices, the By-law requires owners to:

- ensure a qualified person conducts annual testing of backflow prevention devices,
- submit test reports within 14 days of the test being conducted for each backflow prevention device,
- survey and resurvey with respect to buildings' or structures' cross-connections (1:5 years)

2015 Backflow Report - Number of Letters Sent out for Annual Testing and Re-survey

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
Annual Testing - 1st Letter	134	172	149	195	288	161							1099
Annual Testing - 2nd Letter	66	86	92	77	92	162							575
Annual Testing - 3rd Letter	12	14	24	23	19	29							121
Re-survey & Testing (combined) - 1st Letter	23	34	26	36	34	4							157
Re-survey & Testing (combined) - 2nd Letter	5	18	25	21	36	28							133
Re-survey & Testing (combined) - 3rd Letter	0	0	3	3	0	5							11
Water Service Disconnected	0	0	0	0	0	0							0
Number of new devices installed						67							67

O) OPERATIONAL PLAN CURRENCY, CONTENT AND UPDATES

See section "k) Expected Future Changes That Could Affect the DWS or the QMS" for Operational Plan updates.

P) STAFF SUGGESTIONS

Staff suggestions are discussed during staff and operational meetings and taken into account during annual budget processes. Various improvement items that were implemented by staff and communicated across Water Services are tracked and reported in the full version of the Annual & Summary Report.

WATER SERVICES' KEY CHALLENGES

1. Financial sustainability and affordability.
2. Water demand reduction, optimization and development of local groundwater supplies to support provincially mandated growth.
3. Source protection to ensure quality and quantity sustainability of existing supplies.
4. Infrastructure sustainability and asset management.
5. Maintaining and growing an effective work force.
6. Existing system optimization, including:
    - Adding redundancy to distribution system
    - Adding treatment for Iron & Manganese removal
    - Potential to add treatment for VOC removal
    - Optimization of chlorination to improve water taste
7. Ensuring a lead free water system.
8. Maintaining and improving customer service.
9. Reduction of non-revenue water through leak reduction and accurate metering.

For the Glossary of terms, acronyms and initialisms used throughout this report, please refer to the full version of the report that is available on the City's website at: http://guelph.ca/living/environment/water/drinking-water/water-testing/ under the "Annual & Summary Water Services Report Update – 2015" link.