

**Minutes of Guelph City Council  
Held in the Council Chambers, Guelph City Hall on  
May 8, 2017 at 6:30 p.m.**

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**Attendance**

Council: Mayor Guthrie  
Councillor P. Allt  
Councillor B. Bell  
Councillor C. Billings  
Councillor C. Downer  
Councillor D. Gibson

Councillor M. MacKinnon  
Councillor M. Salisbury  
Councillor A. Van Hellemond  
Councillor K. Wettstein

Absent: Councillor J. Gordon  
Councillor J. Hofland  
Councillor L. Piper

Staff: Mr. S. Stewart, Deputy CAO, Infrastructure, Development and Enterprise Services  
Mr. T. Salter, General Manager, Planning, Urban Design and Building Services  
Ms. M. Aldunate, Manager, Policy Planning & Urban Design  
Mr. D. de Groot, Senior Urban Designer  
Mr. T. Donegani, Policy Planner  
Ms. T. Agnello, Deputy Clerk  
Ms. D. Tremblay, Council Committee Coordinator

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**Open Meeting (6:30 p.m.)**

Mayor Guthrie called the meeting to order.

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

There were no disclosures.

**Presentations:**

The Mayor presented medals to the Guelph Buns Master Special Olympics Floor Hockey Team Silver medalists at the Special Olympic World Winter Games 2017, in Graz, Austria: Team Members: Ryan Blinn (absent), Doug Dunk, Adam Guthrie (absent), Daniel Ironmonger, Dan Jamieson, Mark Jamieson, Andrew McTaggart, Paul McTaggart, Stephen Slezsak, Ben Tinholt, Jeff Tromp, Patric Seeds, Majes Walker and David Winter (absent); Coaches Ron Cambridge (absent), Mark Cullen, Doug Pflug, Paul Turner, Shawn Turner.

**Council Consent Agenda**

**CON-2017.17      Update to Municipal Register of Cultural Heritage  
Properties: Staff Initiated Heritage Review Applications to  
Remove Properties or Correct Records**

1. Moved by Councillor Allt  
Seconded by Councillor MacKinnon

1. That staff be directed to remove the following 23 properties from the Municipal Register of Cultural Heritage Properties:

33 Arkell Road  
340 Clair Road East  
132 Clair Road West  
14 Clearview Street  
148 Crawley Road  
110 Dufferin Street  
233 Forestell Road  
202 Glasgow Street North  
1640 Gordon Street  
1647 Gordon Street  
1756 Gordon Street  
270 Grange Road  
117 Liverpool Street  
13 Marcon Street  
206-210 Neeve Street  
111 Norwich Street East  
463 Speedvale Avenue West  
268 Victoria Road North  
63-67 Woolwich Street  
229 Woolwich Street  
504 Woolwich Street  
160-164 Wyndham Street North  
148 York Road; and

2. That staff be directed to make corrections as specified in Report IDE-17-21 to the following 6 properties listed on the Municipal Register of Cultural Heritage Properties:

91 Arthur St N	(Correct address: 38 Queen Street)
998 Edinburgh Rd S	(Correct address: 37 Geddes Court)
90 Fountain St E	(Correct address: 91 Farquhar St)
2093 Gordon St	(Barn incorrectly included in record for 1912 Gordon St in heritage register)
527 Stone Rd E	(Correct address: 728 Victoria Road South)
1023 Victoria Rd S	(Correct address: 1035 Victoria Rd S, Unit 151)

**Voting In Favour:** Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, MacKinnon, Salisbury, Van Hellemond, Wettstein (10)

**Voting Against:** (0)

CARRIED

**CON-2017.18      Contract Award for Metcalfe Street Reconstruction – Phase 1**

2.      Moved by Councillor Gibson  
          Seconded by Councillor Salisbury
  
3.      That Council approve a budget increase of \$800,000 for capital account PN0042 Metcalfe Street Reconstruction Phase 1 – Speedvale to Terry.
  
4.      That the additional budget be funded via budget reallocations from the following capital accounts; \$162,000 from PN0126 Road Restoration and Resurfacing Program, \$228,000 from – SC0013 Ward One - Sewer Replacement, \$110,000 from SW0071 Storm Sewer Replacement CIP AND \$299,000 from WD0015 Ward One – Watermain Replacement.
  
5.      That the tender from Goetz Construction Limited be accepted and that the Mayor and Clerk be authorized to sign the Agreement for Contract 2-1711 for the Metcalfe Street Reconstruction Phase 1 – Speedvale to Terry project for a total tendered price of \$3,999,624.70 (excluding HST) and contingency allowance of \$320,147 with actual payment to be made in accordance with the terms of the Contract.

**Voting In Favour:** Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, MacKinnon, Salisbury, Van Hellemond, Wettstein (10)

**Voting Against:** (0)

CARRIED

**Items for Discussion**

**CON-2017.20      Preliminary Design Directions Built Form Standards for Mid-rise Buildings and Townhouses**

David de Groot, Senior Urban Designer made a presentation which outlined the preliminary design directions built form standards for mid-rise buildings and townhouses including objectives, project timelines, study area, city-wide design principles and key design issues.

Ms. Laura Murr expressed concerns that the Niska Road/Hanlon Creek Conservation area has been included in the preliminary design directions mapping of midrise building and stated that Heritage Guelph has recommended to Council that the area be designated a cultural heritage landscape. Ms. Murr requested that reference to the Kortright Waterfowl Park lands be removed.

3. Moved by Councillor MacKinnon  
Seconded by Councillor Van Hellemond

That Council receive and support the Preliminary Design Directions: Built Form Standards for Mid-rise Buildings and Townhouses as a basis to develop draft Built Form Standards for Mid-rise Buildings and Townhouses.

**Voting In Favour:** Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, MacKinnon, Salisbury, Van Hellemond, Wettstein (10)

**Voting Against:** (0)

CARRIED

### **CON-2017.19      Affordable Housing Strategy: Review of the Affordable Housing Target and Secondary Market**

Melissa Aldunate, Manger, Policy Planning and Urban Design, made a presentation outlining the affordable housing targets contained in the Affordable Housing Strategy including details on the affordable ownership and rental targets.

4. Moved by Councillor Downer  
Seconded by Councillor MacKinnon

That Council approve the revised affordable housing target, as outlined in Report 17-49 dated May 8, 2017, and direct that the Affordable Housing Strategy, as approved by Council on October 11, 2016, be modified to reflect this revised target in accordance with Attachment 3 to Report 17-29 attached as Schedule 1 hereto.

#### **Amendment**

5. Moved by Councillor Billings  
Seconded by Councillor Gibson

That attachment 3 be changed to the affordable housing target set at 30%; 25% affordable ownership and 5% affordable rental and revise attachment 3 accordingly.

**Voting in Favour:** Mayor Guthrie, Councillors Billings, Gibson, Van Hellemond (4)

**Voting Against:** Councillor Allt, Bell, Downer, MacKinnon, Salisbury and Wettstein (6)

Defeated

#### **Main Motion**

6. Moved by Councillor Downer  
Seconded by Councillor MacKinnon

That Council approve the revised affordable housing target, as outlined in Report 17-49 dated May 8, 2017, and direct that the Affordable Housing Strategy, as

approved by Council on October 11, 2016, be modified to reflect this revised target in accordance with Attachment 3 to Report 17-29 attached as Schedule 1 hereto.

**Voting In Favour:** Councillors Allt, Bell, Downer, MacKinnon, Salisbury, Van Hellemond, Wettstein (7)

**Voting Against:** Mayor Guthrie, Councillors Billings and Gibson (3)

CARRIED

### **By-laws**

7. Moved by Councillor Allt  
Seconded by Councillor Salisbury

“That By-law Numbers (2017)-20169 is hereby passed.”

**Voting In Favour:** Mayor Guthrie, Councillors, Allt, Bell, Billings, Downer, Gibson, Hofland, MacKinnon, Salisbury, Van Hellemond, Wettstein (10)

**Voting Against:** (0)

CARRIED

### **Adjournment (7:57 p.m.)**

8. Moved by Councillor Bell  
Seconded by Councillor Salisbury

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on May 23, 2017.

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Mayor Guthrie

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Tina Agnello – Deputy Clerk

### Attachment 3 – Affordable Housing Strategy Report Revisions

The revised affordable housing targets require updates to the Affordable Housing Strategy approved in part by Council on October 11, 2016. This attachment provides amendments to the text of the Strategy to implement the recommendations of this report. Each amendment is identified in an **item number in bold**. *The location of the amended text within the Strategy, including page and section numbers, is included in italics.* Finally, the amended paragraphs are excerpted with edits in blue. Deletions to the text are shown as ~~strikeouts~~ and insertions shown as underlines.

#### Item 1

*Section 1 is amended by editing the third paragraph on pg 1 as follows:*

The Affordable Housing Strategy addresses 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 and mix of housing types and densities, through appropriate land use designations and supporting policies. Further clarity is provided 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 affordable housing target of 27.25% affordable ownership housing and 3% rental housing, 1% affordable primary rental and 4% affordable secondary rental.

#### Item 2

*Section 2.2 is amended by editing the last paragraph beginning on page 3 as follows:*

##### Recommended Strategic Actions Report

The Recommended Strategic Actions report was presented to Council in July 2016 for receipt and Council endorsed its use for continued community engagement in the preparation of the final Affordable Housing Strategy. The Recommended Strategic Actions report presented recommendations for a final strategy to:

- support achievement of the city-wide 30% affordable housing target (~~27% ownership and 3% rental~~);
- monitor achievement of the target; and
- address affordable housing issues on the market end of the housing continuum.

#### Item 3

*Section 2.6 is amended by editing the last paragraph on page 6 as follows:*

The City supports a full range of housing types through its Official Plan policies and Zoning By-law. The City's Official Plan Update (OPA 48), 2012 is the main policy document for the City that guides the type, form and location of growth in the City. The policies support a range and mix of housing types and densities throughout the City through land use designations and intensification policies. Through its growth management work the City ensures that sufficient lands are available to meet projected population and household needs and that growth plan targets for built-up and greenfield areas are monitored and met. Affordable housing targets for both ownership and rental housing have been incorporated within the Official Plan and measured in the State of Housing report. ~~Appendix 2 provides an excerpt of the housing policies contained in the City's Official Plan, including OPA 48.~~

**Item 4**

*Section 2.6 is further amended by editing the fourth paragraph on page 7 as follows:*

The City has been viewed as a best practice for its accessory apartment regulations. ~~Over the last 10 years (2007-2016) which have created, on average, 122-120 registered~~ accessory apartments ~~have been registered~~ each year ~~since 1995~~. As of December 31, ~~2015-2016~~ there were in excess of ~~2,300~~ 2,500 registered accessory apartments within the City. These units provide both affordable home ownership and secondary rental options. The accessory apartments tend to have lower rental rates than other types of rental units and tend to service smaller household sizes given the current two bedroom size limit. However, based on a survey of registered accessory apartments conducted during November-December 2014, 22% of accessory apartments were not being rented at the time.

**Item 5**

*Section 4 on page 11 is amended by deleting the section in its entirety and replacing it as follows:*

~~As required by Provincial policy, the City's Official Plan Update (OPA 48), 2012 includes policy that establishes a target for the creation of affordable housing. The policy establishes an annual target of 30% of all new housing to be affordable to low and moderate income households. The target is further divided into a 27% ownership target and a 3% primary rental target.~~

~~The City projects a population of approximately 169,000 people (excluding the Census undercount) by the year 2031. This equates to an increase of 22,500 dwelling units between 2011 and 2031, representing an annual increase of 1,125 dwelling units. Applying the affordable housing target of 30% equates to 338 dwelling units being affordable annually (304 ownership and 34 rental units).~~

~~The income based and market based prices for both ownership and rental housing have been quantified in accordance with the PPS definition and~~

measured whether or not the City's new housing stock met the targets over the period from 2009 to 2015. The affordable ownership target of 27% was exceeded each year. Between 2009 and 2015 we have data for a total of 3,982 new units that were sold with 46% of them priced below the affordable house price. The majority of units below the affordable benchmark price (95%) were apartment or townhouse units.

In comparison, the affordable rental target of 3% was only met in 2012 with the development of 80 senior residential units at The Residences of St. Joseph's. Incidentally the seniors units were provided with financial assistance which allowed them to be geared to low to moderate income households. Between 2009 and 2015, a total of 328 purpose built (primary) rental units were constructed with only the 80 senior residential apartment units meeting the affordable rental benchmark price, representing 1.2% of new housing units developed over the five year period.

Provincial legislation requires the City to set a target for housing that is affordable for low and moderate income households. The Province defines affordable housing and prescribes how affordable housing is measured but does not prescribe a target or method to determine the target. The goal of the Affordable Housing Strategy is to ensure that affordable housing is included in the range and mix of housing provided for all households across the City. Progress towards this goal will be measured by a number of key indicators including the vacancy rate, core housing need and how new residential construction is performing against the affordable housing target.

The Affordable Housing Strategy sets an annual city-wide 30% target with a target breakdown of 25% affordable ownership units, 1% affordable primary rental units, and 4% affordable secondary rental market units (See Appendix 3). The separate annual target for accessory apartments is no longer required since the accessory apartments are now included within the affordable rental target.

The City projects a population of approximately 169,000 people (excluding the Census undercount) by the year 2031. Projected household growth in Guelph between 2013 and 2031 equates to an average of 1,170 new units per year based on Watson & Associates Development Charge Background Study, 2014. Applying the affordable housing target of 30% equates to 352 dwelling units being affordable annually (293 ownership and 59 rental, of which 12 are to be primary rental units).

The income based and market based prices for both ownership and rental housing have been quantified in accordance with the PPS definition and measured whether or not the City's new housing stock met the targets over the period from 2009 to 2015.



[The affordable ownership target of 25% was exceeded each year. Between 2009 and 2015 we have data for a total of 3,982 new units that were sold with 46% of them priced below the affordable benchmark price. The majority of units below the affordable benchmark price \(95%\) were apartment or townhouse units.](#)

[The 5% affordable rental target, which includes a 1% affordable primary rental target, measured as a five year average with 2009 as the base year, was met between 2009 and 2013 due to the 80 affordable apartment units for seniors created in 2012. In addition, the new affordable accessory apartment units created between 2009 and 2016 were between 3.6% and 10.3% of new housing units per year. No affordable purpose built secondary rental was constructed during this time. Accordingly, the 4% secondary rental target was met in each year except for 2010, when 3.6% of units built were affordable accessory apartments.](#)

[Additional details on the method for determining the target are included as Appendix 3.](#)

#### **Item 6**

*Section 5 is amended by editing the first paragraph beginning on page 11 as follows:*

The economics of residential development in the private market suggests the need for financial incentives to encourage development to be offered at more affordable prices. Specifically the City has been able to meet its affordable homeownership target [every year since 2009. The secondary rental target was met every year since 2009, except for 2010. The primary rental target, measured as a five year average, was met in the 2009-2013 period through the development of 80 affordable apartment units for seniors at The Residences of St. Joseph's with government subsidies in 2012.](#) In addition there is high need for smaller units (bachelor and one bedroom) for smaller households who experience the highest level of core housing need and represent a growing portion of the City's population. From a financial perspective smaller residential units (bachelor and one bedrooms) tend to be more expensive to construct than larger units with more bedrooms and common amenity areas on a price per square footage basis. The simple fact is that every dwelling unit requires a kitchen and bathroom, which are expensive parts of a house, given servicing and construction costs (e.g. plumbing and electrical infrastructure). Meanwhile the addition of extra bedrooms or common amenity areas represents relatively inexpensive square footage additions that have high perceived value added in the market place. The absence of financial incentives will likely mean that dwelling units will become less affordable.

#### **Item 7**

*Section 6.2 is amended by editing the second paragraph on page 14 as follows:*

The strategy includes and confirms the following three policy positions that provide the implementation framework for meeting the City's affordable housing needs:

1. That the affordable housing target ~~is be maintained at 30% of all new residential development; 27.25% affordable ownership and 3% rental, 1% affordable primary rental, and 4% affordable secondary rental.~~

**Item 8**

*Section 6.3.1 is amended by editing the second paragraph on page 15 as follows:*

6.3.1 Targets

Action

1. That the City review the affordable ~~rental~~-housing target during the next Official Plan review based on factors such as vacancy rate, success of the actions recommended in this Strategy and performance of the market sector in delivering affordable housing.

The 30% target was developed as part of the background work to the City's 2012 Official Plan Update and has been validated through the affordable housing strategy work. ~~The 3% affordable rental target was also produced as part of the background work to the City's Official Plan Update.~~ The Affordable Housing Strategy work has demonstrated that meeting the affordable primary rental target is a ~~significant~~ challenge. Focusing actions on the affordable rental market combined with enhanced monitoring will provide a better base to review the ~~3%~~ target in the future. ~~Retaining the 3% target at this time is appropriate since it still recognizes the need to strive for affordable rental units.~~ In addition other data and actions emerging from the affordable housing strategy work support overcoming affordable primary rental market housing challenges. Reviewing the ~~3%~~-affordable ~~rental~~ housing target ~~regularly is best done~~ as part of the City's Official Plan review ~~process will keep the target current by reflecting when~~ updated monitoring data ~~will be available which reflects~~ and the impact of implementing actions from the Affordable Housing Strategy. ~~The City's Official Plan review occurs on a five year basis with the next review scheduled to commence in 2017/18 and take a number of years to complete.~~

**Item 9**

*Section 6.3.3 is amended by editing the last paragraph starting on page 20 and the first paragraph starting on pg 21 as follows:*

The City's financial incentives should focus on achieving the City's affordable housing targets and address identified housing issues. The City's main

challenge has been meeting the ~~annual~~ 31% affordable primary rental housing target without financial incentives which equates to approximately 34-60 rental units per year in a five year period. The additional research undertaken on the costs of development revealed that \$60,000 to \$80,000 represents the financial hurdle of a "tipping point" for development to be financially viable with a reasonable rate of return in the current Guelph market for creating affordable rental housing that meets the City's benchmark price. While financial incentives are the most impactful, the Affordable Housing Strategy includes other actions that support meeting the City's affordable rental target and identified housing issues. In addition, potential tools and resources provided by senior levels of government are still under development and could positively affect the City's ability to meet the rental housing target. Since the strategy as a whole is directed at increasing supply and addressing meeting the targets, staff are of the opinion that financial incentives are not required for 100% of the units.

~~Staff recommend setting aside sufficient funds to incent 40% to 50% of the City's affordable rental target which would equate to approximately \$820,000 to \$1.3 million representing 40% of the rental target at the lowest cost per unit to 50% of the rental target at the highest cost per unit. Staff note that setting aside sufficient funds to incent 50% of the City's affordable primary rental target would equate to approximately \$360,000 to \$480,000 annually representing six units at \$60,000 to \$80,000 per unit.~~ The annual financial allotment would allow the City to participate in cost shared government programs and provide direct incentives. Over time staff will assess the impact of the other actions from the Affordable Housing Strategy on meeting affordable housing targets and identified housing issues; the market's ability to supply units and assess the effectiveness and future need for incentives.

#### **Item 10**

*Section 6.3.6 is amended by editing actions #20 and 23 as follows:*

20. That the primary rental housing target be measured as a five year average ~~and that purpose built secondary rental housing units, excluding accessory apartments, be included where known.~~

23. That the City ~~continue to monitor primary rental and purpose built secondary rental units~~ explore the ability to identify and monitor purpose built secondary rental housing annually, excluding accessory apartments, through the development review/approval process, for inclusion in measuring the affordable rental targets.

#### **Item 11**

*Section 6.3.6 is further amended by editing the last paragraph on page 23 as follows:*

Plans need to be implemented and monitored to ensure that anticipated outcomes are met. The City's Official Plan Update (OPA 48), 2012 policies commit the City to developing and maintaining an affordable housing monitoring system ~~(See Appendix 2, Policy 7.2.6.11)~~. The monitoring is to include details on the affordable housing developments planned and constructed over the year and to set the new affordable housing benchmark prices for ownership and rental housing for the upcoming year.

**Item 12**

*Section 6.3.6 is further amended by editing the last paragraph starting on page 24 as follows:*

Information on the secondary rental market is also important since it is estimated to be a significant portion of the City's rental market at 45% and a source of affordable units, especially within the accessory apartment stock. Identifying purpose built secondary rental housing, where possible, as part of the development review/approval process will help gauge whether or not it should be included in measuring the affordable rental target which in turn would assist the City in meeting rental housing targets. Purpose built secondary rental housing units, also referred to as condominium investment units, are an emerging supply that has similar security of tenure as primary rental housing stock. In addition Canada Mortgage and Housing Corporation (CMHC) includes secondary rental market units, where ~~more than 5100%~~ of the units are rented and managed by one property management company, as part of its rental market vacancy rate. ~~City staff will endeavour to evolve the measurement of the rental target to include secondary rental housing stock that aligns with CMHC's definition.~~

**Item 13**

*Appendix 2- Official Plan Update (OPA 48 and OPA 39): Housing Policies (Excerpt) is deleted in its entirety*

**Item 14**

*Appendix 3 is amended by editing the table on page 1 as follows:*

**Appendix 3  
Summary of Strategic Actions**

**Strategic Actions**

#	Policy Implementation	How
1.	That the affordable housing target be <del>maintained set</del> at 30%; <del>27.25%</del> <u>affordable ownership, and 3% rental, 1% affordable primary rental, and 4%</u>	To be monitored annually and reported to

<a href="#">affordable secondary rental.</a>	Council.
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**Item 15**

*Appendix 3 is further amended by editing page 6 as follows:*

<b>Monitoring</b>			
20.	That the <a href="#">affordable primary</a> rental housing target be measured as a five year <del>annual average, and that purpose built secondary rental housing units, excluding accessory apartments, be included where known.</del>	2017, Ongoing	Staff: Policy Planning and Urban Design

**Item 16**

*Attachment 2 of IDE Report #17-49 be inserted as Appendix 4.*

**Item 17**

*That the table of contents, page numbers, section numbers, cross references etc. be amended as appropriate in accordance with the items above.*