

Region of Waterloo

Community Services

Housing Services

Planning, Development and Legislative Services

Economic Development

To: Committee of the Whole

Meeting Date: May 11, 2021

Report Title: Affordable Housing Framework: Building a Better Future for All

1. Recommendation:

For information.

2. Purpose / Issue:

This report provides Council with an update on the development of an Affordable Housing Framework ('the Framework') that outlines an innovative strategy to accelerate the development of affordable homes over the next five years.

3. Strategic Plan:

This report addresses the Region's Corporate Strategic Plan 2019-2023, Focus Area 4: Healthy, Safe and Inclusive Communities, Strategic Objective 4.2 to make affordable housing more available to individuals and families.

4. Key Considerations:

The growing need for affordable housing has highlighted the importance of strategic Regional investments to create housing stability and achieve affordability for all. The amount of affordable housing within the Region of Waterloo is currently inadequate and addressing this issue is a major focus of Council.

Although the Region is the Service Manager for housing and homelessness in Waterloo Region, accelerating the development of affordable housing requires support and commitment from the community. Region staff has been working collaboratively with area municipalities, housing and service providers, and the development community to identify sites and resources that will maximize the number of new affordable and supportive homes created through the Framework.

The Framework outlines a multi-pronged approach to the development of affordable housing including the following elements:

- **Affordable Housing Land Portfolio:** the Region owns parcels of land with higher land/resale value that could be leveraged for the development of affordable housing. By establishing site-selection criteria, lands may be assessed for their development potential before disposition. These lands could then form a portfolio designated for the development of affordable housing.
- **Requests for Proposals Plan:** a process and schedule for release of a succession of Requests for Proposals (RFP), including considerations related to funding and strategic partnerships as well as the supportive role of area municipalities. The RFPs involve a combination of capital funding and land;
- **Community Engagement:** a plan to facilitate the engagement of Regional Council, community members, those we serve, and our partners in realizing the vision and meeting the objectives in the Framework. The plan includes a process to report on progress annually; and
- **Staffing Support:** a strategic combination of skills and expertise by building the right team to lead the ambitious plan outlined in the Framework.

The development of a sustainable model for future affordable housing development through land acquisition is also underway. This includes pursuing strategic partnerships to facilitate affordable housing development, and planning to facilitate efficient land acquisition when opportunities arise.

5. Background:

With the effects of the pandemic, the rising cost of rent and of home prices, and the wait list for community housing growing at an accelerating rate, affordable housing has become a top priority for the community. Creating more affordable housing is central to the 10-Year Housing and Homelessness Plan and is a priority in the Regional Strategic Plan.

On January 20, 2021, Regional Council approved an investment of \$20M over 2021/2022 in response to the urgent need for affordable housing, including the immediate use of \$3M of these funds to support a Request for Proposals (RFP) for the development of affordable housing as soon as possible. Council also directed staff to include a 0.5% tax levy increase for affordable housing in the 2022 preliminary operating budget that would be subject to Council approval at that time.

These strategic funding investments by the Region introduce an opportunity to develop a strategy to prioritize Regional resources to expedite the development of thousands of new units of affordable housing, leveraging federal and provincial grant programs to supplement these efforts. The Framework outlines this five-year strategy (2021-2026) to create 2500 new affordable homes, and is anchored in the Region's commitment to

make housing affordable for all.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Through a Municipal Housing and Homelessness Leads Committee, Region staff regularly engage with area municipalities in the collective work of addressing housing and homelessness related issues in the region.

Ongoing engagement and consultation with community partners as well as housing and service providers occur on housing and homelessness issues through various working groups (e.g., emergency shelter, supportive housing). People with lived experience inform programs, actions and initiatives through the People's Action Group.

7. Financial Implications:

The 2021 Strategic Investment in Affordable Housing provides a capital budget of \$20 million over two years summarized as follows:

CAPITAL PLAN (\$000s)	2021	2022	Project total
Expenditure			
Uncommitted funds re: Strategic Investment Affordable Housing (SIAH)	\$7,000	\$10,000	\$17,000
Reaching Home Phase 3	4,215	-	4,215
COCHI/OPHI Funding	2,666	-	2,666
Commitments; 2021 RFP	3,000	-	3,000
Total expenditure	\$16,881	\$10,000	\$26,881
Funded by			
Tax levy; Affordable Housing Reserve	\$10,000	\$10,000	\$20,000
Federal, Provincial Capital Grants	6,881	-	6,881
Total revenue	\$16,881	\$10,000	\$26,881

Note: Proposed 0.5% (\$3M) tax levy increase for 2022 that is subject to Council approval will support Affordable Housing Initiatives.

This project will incorporate the elements as described within the framework as outlined in this report. In addition, \$3M of the 2021 allocation will be used to support a Request for Proposals for the development of affordable housing. This coupled with other sources of funding such as the one-time Reaching Home Phase 3, Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) can enhance the overall capital program for the creation of affordable housing

units. The COCHI and OPHI programs are a multi-year plan and the notional allocations for Phase II (2022-23 to 2024-25) has not been announced from the Province. It is anticipated that a funding notice will be received by fall 2021. The Region's Phase I notional allocation (2019-20 to 2021-22) for both programs was \$12,364,400.

8. Conclusion / Next Steps:

The Region of Waterloo is committed to making housing affordable for all because we believe communities thrive when everyone has a place to call home. The Framework outlines a multi-pronged approach to develop healthy, thriving communities that are accessible to everyone regardless of income level of life circumstances. As the Framework moves forward, the next steps include:

- Completing the recruitment process to secure the right staff team to implement the Framework;
- Developing a community engagement plan;
- Completing site readiness assessments of existing Regionally-owned lands; and
- Finalizing the elements of a land acquisition and disposition strategy.

Staff will provide an update to Council in the fall of 2021.

9. Attachments / Links:

Appendix A: Affordable Housing Framework

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