



THE REGIONAL MUNICIPALITY OF PEEL
STRATEGIC HOUSING AND HOMELESSNESS COMMITTEE

AGENDA

SHHC - 4/2019

DATE: Thursday, September 19, 2019

TIME: 9:30 AM – 11:00 AM

LOCATION: Council Chamber, 5th Floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

MEMBERS: G. Carlson; G.S. Dhillon; A. Groves; N. Iannicca; M. Medeiros;
C. Parrish; P. Vicente

Chaired by Councillor A. Groves or Vice-Chair Councillor P. Vicente

- 1. DECLARATIONS OF CONFLICTS OF INTEREST**
- 2. APPROVAL OF AGENDA**
- 3. DELEGATIONS**
- 4. REPORTS**
 - 4.1. Housing Master Plan Financing Strategy Update (For information)
- 5. COMMUNICATIONS**
- 6. IN CAMERA MATTERS**
 - 6.1. Housing Master Plan Update (A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local Board)
- 7. OTHER BUSINESS**

8. NEXT MEETING

Thursday, November 21, 2019, 9:30 a.m. – 11:00 a.m.
Regional Council Chamber, 5th Floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

9. ADJOURNMENT

For Information

DATE: September 12, 2019

REPORT TITLE: **HOUSING MASTER PLAN FINANCING STRATEGY UPDATE**

FROM: Janice Sheehy, Commissioner of Human Services
Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To provide an update on the Housing Master Plan Financing Strategy, including negotiations with the Canada Mortgage and Housing Corporation.

REPORT HIGHLIGHTS

- On July 11, 2019, Regional Council approved the Housing Master Plan, a strategic portfolio-based approach to housing development which includes 30 housing development projects that will, if fully implemented, add 5,364 new affordable rental units, 226 supportive, and 60 emergency shelter beds to the housing stock in Peel, by 2034.
- Regional Council also approved a capital envelope of \$288.6 million to move forward with seven priority projects and to complete the feasibility work required for the Twin Pines site.
- Staff recommended to Regional Council on September 12, 2019 through a report entitled “Ontario’s Community Housing Renewal Strategy” that \$23 million or 79 per cent of Peel’s Phase 1 Federal/Provincial funding be used to fund Housing Master Plan projects. At the time of writing this report, the outcome of that recommendation is not known.
- Staff have worked with the Canada Mortgage and Housing Corporation (CMHC) to access long-term funding, in loans and grants, available through the National Housing Strategy’s Co-Investment Fund, to support the implementation of the Housing Master Plan.
- Negotiations with CMHC have led to an offer, in loan and grant funding, to the Region that can support partial implementation of the Housing Master Plan.
- Given the confidential nature of the negotiations, details of the CMHC offer are provided in the accompanying In-Camera report from the Commissioner of Human Services and the Commissioner of Finance and Chief Financial Officer, titled “Housing Master Plan Update”.
- While CMHC funding will support the Region in building more affordable housing units, the Region’s involvement and contribution remains significantly and disproportionately high.
- As such, advocacy efforts to secure long-term non-debt funding commitments from both the Federal and Provincial levels of government will continue.

4.1-2

HOUSING MASTER PLAN FINANCING STRATEGY UPDATE

DISCUSSION

1. Background

On April 5, 2018, Regional Council approved Peel's renewed 10-year Housing and Homelessness Plan (PHHP). The plan sets two long-term outcomes: Affordable housing is available to all Peel residents and Homelessness in Peel is prevented.

On March 28, 2019, Regional Council approved five PHHP priorities for implementation in 2019-20, on recommendation from the Strategic Housing and Homelessness Committee. One of the five priorities is the Housing Master Plan, a long-term infrastructure plan to guide how the Region of Peel, together with the Peel Housing Corporation, will use our land and assets to increase the supply of affordable rental, transitional, supportive housing, and emergency shelter in Peel.

On July 11, 2019, Regional Council approved the Housing Master Plan, which includes 30 housing development projects that will, if fully implemented, add 5,364 new affordable rental units, 226 supportive and 60 emergency shelter beds to the housing stock in Peel, by 2034. Regional Council also approved a capital envelope of \$288.6 million to move forward with seven priority projects and to complete the feasibility work required for the Twin Pines site.

The Housing Master Plan is a portfolio approach to housing development that positions the Region to strategically leverage regionally owned land, while capitalizing on available funding from the Federal and Provincial Governments. The Region is one of just a few organizations nationally who are taking this innovative portfolio approach.

Staff recommended to Regional Council on September 12, 2019 through a report from the Commissioner of Human Services, titled "Ontario's Community Housing Renewal Strategy" that \$23 million or 79 per cent of Peel's Phase 1 Federal/Provincial funding be used to fund Housing Master Plan projects. At the time of writing this report, the outcome of that recommendation is not known.

Staff has been in negotiations with the Canada Mortgage and Housing Corporation (CMHC) to secure long-term funding for the Housing Master Plan, available through the Federal Government's National Housing Strategy. A proposal of a low-cost loan and grant has been offered to the Region of Peel.

Given the confidential nature of the negotiations, details of the CMHC offer are provided in the accompanying In-Camera report from the Commissioner of Human Services and the Commissioner of Finance and Chief Financial Officer, titled "Housing Master Plan Update".

This report supplements the In-Camera report and provides an update on the Housing Master Plan financing strategy as a result of recent Federal/Provincial funding and the negotiations with CMHC.

4.1-3

HOUSING MASTER PLAN FINANCING STRATEGY UPDATE

2. Federal Funding through the National Housing Strategy

In November 2017, the Federal Government released the “Canada’s National Housing Strategy: A Place to Call Home” (the Strategy). The Strategy provides for a \$40 billion plan to improve affordable housing outcomes across the housing continuum, leveraging different tools and funding streams to 2028.

The Strategy also includes the National Co-Investment Fund which allocates \$5.19 billion in low-cost repayable loans and \$2.26 billion in grants over 10 years towards capital projects, to create 60,000 new units.

The National Co-Investment Fund is a loans first program where, proposed housing projects must meet specific outcomes related to affordability, energy efficiency, prioritization of vulnerable groups, accessibility, and service integration, to qualify for grants. It is important to note that in order to receive the grants, the low-cost loans, offered at Government of Canada borrowing rates with up to a 50-year amortization period, must first be accepted.

a) National Co-Investment Fund: Expected Outcomes

In order to qualify for the National Co-Investment funding, certain minimum conditions must be met by the Region. These conditions include that:

- On average, at least 30 per cent of the units must be offered at rental rates at less than 80 per cent of CMHC’s median market rent for the rental zone.
- Units must be maintained at those rates for a period of 20 years.

In addition, the Region will be required to meet the accessibility and energy efficiency outcomes at a portfolio level. The Region’s Affordable Housing Guidelines requires each project meet universal design criteria and as such, affordable housing projects already meet the minimum accessibility requirement of the National Housing Strategy. In terms of energy efficiency, the Region will be required to achieve the Strategy’s goals of reducing energy consumption and greenhouse gas emissions, at a portfolio level, during the implementation of the Housing Master Plan projects. This supports the Region of Peel’s Climate Change Master Plan.

As a result of the work undertaken between the Region and CMHC, a proposal of a low-cost loan and grant has been offered. Given the confidential nature of negotiations, details of the CMHC offer are provided in the accompanying In-Camera report.

With CMHC funding, the Region has an opportunity to achieve a greater number of units than the combined 840 housing units and shelter beds that were approved by Regional Council on July 11, 2019.

3. Next Steps

Pending Council approval of the recommended CMHC funding scenario, staff will continue to work with CMHC representatives to secure a letter of intent and finalize the terms and conditions of the agreements between the Region of Peel and the Federal Government.

HOUSING MASTER PLAN FINANCING STRATEGY UPDATE

Staff will continue discussions and advocacy with the Federal and Provincial Governments to address the unmet external funding needs to implement the Housing Master Plan and will develop funding options in line with the Long-Term Financial Planning Strategy to ensure long term sustainability. Potential staffing impacts will be evaluated by staff and if required, will be presented as part of the 2020 Budget Request.

RISK CONSIDERATIONS

The gap between the supply and demand for affordable housing in Peel continues to grow. Addressing this gap requires substantial levels of investment from all levels of government as well as the non-profit and private sectors. In a changing fiscal and policy environment at the Federal and Provincial levels, there is uncertainty about long-term dedicated funding for affordable housing.

The loans and grants offered through the National Housing Strategy funding is a significant opportunity for the Region to leverage Federal funding to partially implement the Housing Master Plan and increase the supply of affordable housing in Peel.

FINANCIAL IMPLICATIONS

Staff has developed different scenarios with CMHC funding which are outlined in the companion In-Camera report.

CONCLUSION

The Housing Master Plan is a long-term infrastructure plan that strategically positions the Region of Peel, together with the Peel Housing Corporation, to maximize the use of land and assets to increase the supply of affordable housing and leverage investments from the Federal and Provincial Governments.

As a result of the work undertaken between the Region and CMHC, a proposal of a low-cost loan and grant has been offered to the Region, the details of which are provided in the accompanying In-Camera report from the Commissioner of Human Services and the Commissioner of Finance and Chief Financial Officer, titled "Housing Master Plan Update".



Janice Sheehy, Commissioner of Human Services



Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

HOUSING MASTER PLAN FINANCING STRATEGY UPDATE

Approved for Submission:



N. Polsinelli, Interim Chief Administrative Officer

For further information regarding this report, please contact Aileen Baird, Director, Housing Services, Ext: 1898 or at Aileen.Baird@peelregion.ca.

Authored By: Archana Vyas, Advisor, Housing Master Plan, Sue Ritchie Raymond, Manager, Housing Supply and Kari Buzzelli, Manager, Business and Capital Planning.