

To: Warden and Members of County Council

From: Chief Administrative Officer

Affordable Housing Funds 2022

RECOMMENDATIONS

1. That County Council authorize the allocation of up to \$1.2 million from the Affordable Housing Reserve to support the potential development of approximately 30 affordable housing units at 175 Springbank Avenue North, in the City Woodstock;
2. And further, that Council authorize the allocation of up to \$300,000 from the Affordable Housing Reserve to support the implementation of a secondary affordable unit program, for the purpose of providing grants in an amount of up to \$15,000 to eligible homeowners seeking to construct a secondary affordable housing unit on their property.

REPORT HIGHLIGHTS

- On December 8, 2021, County Council passed a resolution to increase the housing portion of the Human Services budget by \$1.5 million, and directed staff to report back to Council on how these funds could be maximized.
- Staff are recommending that \$1.2 million be utilized to support the creation of approximately 30 affordable units at the recently acquired property located at 175 Springbank Avenue North, Woodstock.
- It is also recommended that \$300,000 be utilized to support the implementation of a second unit program for the purpose of providing a grant in an amount of up to \$15,000 to eligible homeowners seeking to construct a secondary affordable housing unit in their home or on their property.
- The funding proposal will maximize available funding and will assist in addressing the ongoing housing crises in the County.

Implementation Points

This report addresses Council's direction to provide details with respect to how the additional \$1.5 million in the housing portion of the Human Services budget can be maximized.

Following Council’s consideration of this report, staff will issue an Expression of Interest (EOI) to gauge interest from eligible proponents, and determine potential partnerships and development opportunities for the affordable housing project at 175 Springbank Avenue North, Woodstock.

Furthermore, Staff will initiate the implementation of a second affordable unit program, including the retention of required staff resources and the development of a communication and promotion strategy.

Financial Impact







As the details contained in this report pertain to funds that are already included in the 2022 Budget, there will be no further impact on the current year’s budget.

Communications

This report partially pertains to an affordable housing program that is proposed to be available to the public. In light of this, details of the Second Affordable Unit Program will be shared with the community by way of the County website, subsequent news releases, and other promotional materials, following Council’s consideration of this report.

As a portion of this proposal also relates to a future affordable housing project in the City of Woodstock, the information contained in this report will be shared directly with City staff.

Strategic Plan (2020-2022)

					
<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
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DISCUSSION

Background

On December 8, 2021, County Council passed a resolution to increase the housing portion of the Human Services budget by \$1.5 million. Council further directed staff to bring forward a report on how this additional funding could be maximized across the housing continuum.

As required under the Housing Services Act, 2011, a five year review of the Shelter Plan was completed in December, 2019. This review identified a number of projected objectives and strategies for 2020 to 2024, including the following:

- Preserve and optimize existing housing stock;

- Increase the affordable rental housing supply.

In support of the above objectives, and in light of rising rental and housing costs, the need for a more comprehensive housing strategy was also identified in the 2022 Human Services Business Plan and Budget. The intent of this Strategy is to provide a clear understanding of the County's current housing needs, including gaps along the housing continuum, as well as a list of priority housing projects that can assist to address the identified gaps. For Council's information, this Strategy is currently underway, with completion anticipated in the third quarter of 2022.

Comments

While the overall findings of the Master Housing Strategy are expected to assist in formally identifying current and future housing needs, there is still an increasing urgency to fill gaps in the housing continuum with respect to affordable rental housing. In light of this, staff are proposing to utilize the additional contribution to support a future affordable housing project and a secondary affordable unit program.

[Affordable Housing Project - Woodstock](#)

In light of the identified gaps in the housing continuum, staff are proposing to utilize up to \$1.2 million in the housing budget to support a senior's affordable housing project at 175 Springbank Avenue North, Woodstock ('Bethany Lutheran Church'), which was recently acquired by the County for such purposes. In accordance with the preliminary concept plan that was completed for this site, it is anticipated that approximately 30 affordable units may be supported on this property.

It should also be noted that as a condition of the sale, the church was required to establish a charitable trust in the amount of \$700,000, for the purpose of providing rent supplements to the future tenants of the proposed affordable housing project. These funds will assist to offset individual rents by approximately \$150.00 per month, until such time as the funds have been depleted.

In terms of next steps, staff propose to issue an EOI for the property to gauge interest from eligible proponents, and determine potential partnerships and development opportunities for the affordable housing project. This process will also provide staff with a better understanding of total project costs, operating requirements and potential support services/amenities. Based on the submissions received, staff will work with Planning, Public Works and City staff to prepare the required planning applications (Official Plan Amendment and Zone Change) to ensure the lands are more 'shovel-ready' to accommodate a future multi-residential development.

Staff will report back to Council prior to initiating the required planning approvals, once all submissions have been received through the EOI process. Staff are proposing to issue the EOI following Council's consideration of this report, with submissions received by mid-April.

While a financial contribution of up to \$1.2 million is proposed to support this project, the amount may vary based on the submissions received through the EOI process. Based on previous affordable housing projects and in light of increased construction costs, a contribution of \$100,000

per unit is anticipated. That said, this contribution will also take into account any land contribution, development charge exemption and proposed support services.

The proposed funding contribution will also assist to improve the County's position should any new funding programs become available through Federal and/or Provincial governments.

Secondary Affordable Unit Program

In support of Bill 108, *More Homes, More Choices Act*, and subsequent policy updates, staff are recommending the implementation of a Secondary Affordable Unit Program, for the purpose of providing a forgivable loan to homeowners seeking to construct a legal Additional Residential Unit (ARU) and offer it at an affordable rent for a long-term period.

In light of low vacancy rates and the lack of affordable housing supply, the introduction of secondary units, and particularly a funding program, would have many benefits in terms of housing affordability, including:

- Leveraging private housing stock to increase the supply of affordable housing;
- Faster construction timelines in comparison to traditional multi-residential affordable housing builds.
- Provides an opportunity to create new affordable units in rural areas with private servicing.
- Secondary units can make homeownership more affordable for first-time homebuyers by offsetting mortgage costs with rental income.
- Provides additional income to individuals seeking to remain in their home as they age.
- Increases the independent accommodation options for seniors, students, and persons with disabilities.

The proposed Program will provide homeowners with a financial contribution up to \$15,000, to create a new second unit within, or accessory to, their existing home. The contribution amount will reflect the total costs associated with creating the second unit, and will vary depending on the extent of renovations.

Participants of the Program will be required to lease the secondary unit at an affordable rental rate for a minimum term, and the proposed gross household income of the tenant(s) will have to meet specific criteria. Over the required term, homeowners will also be required to provide rental receipts to the County on an annual basis to confirm that rates remain in line with those prescribed.

Program participants are required to provide proof from the applicable Municipal Building Department that the proposed secondary unit complies with relevant requirements of the Building Code and Zoning By-law, prior to applying for the Secondary Unit Program. Funds under the Program will be issued once the homeowner has entered into an agreement with the County and an occupancy permit has been issued by the Area Municipality.

The overall intent of this Program is to address the existing gap in the housing continuum with respect to affordable rental housing and homeownership. It is also anticipated that the Program will assist to streamline the creation of secondary rental units.

Staff will report back to Council once the final details of the program and supporting consultation/communication strategy have been developed.

Conclusions

The need to develop additional affordable housing is identified as a goal in the Oxford County Strategic Plan, County Official Plan, Future Oxford Community Sustainability Plan, County's 10 Year Shelter Plan and the Zero Poverty Action Plan, and was identified by County Council as a priority in 2022 with an additional \$1.5 million funding contribution.

The above funding proposal will have a positive impact on the community and will assist to address the existing housing crisis.

SIGNATURES

Report Author:

Original signed by _____

Rebecca Smith, MCIP, RPP
Manager of Housing Development

Approved for submission:

Original signed by _____

Michael Duben, B.A., LL.B.
Chief Administrative Officer

ATTACHMENT

Attachment 1 – Potential Development Proposal – March 9, 2022