



Media Release: Monday, November 4, 2019, 4:30 p.m.

Regional Municipality of Waterloo

Community Services Committee

***Addendum Agenda**

Tuesday, November 5, 2019

9:00 a.m.

Regional Council Chamber

150 Frederick Street, Kitchener, Ontario

1. * Motion to go into Closed Session

That a closed meeting of the Community Services Committee be held on Tuesday, November 5, 2019 at 8:45 a.m. in the Waterloo County Room in accordance with Section 239 of the “Municipal Act, 2001”, for the purposes of considering the following subject matters:

- a) receiving of information supplied in confidence to the municipality and negotiations carried out on behalf of the municipality

2. * Motion to reconvene into Open Session

3. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

4. Delegations

Consent Agenda Items

Items on the Consent Agenda can be approved in one motion of Committee to save time. Prior to the motion being voted on, any member of Committee may request that one or more of the items be removed from the Consent Agenda and voted on separately.

Should you require an alternative format please contact the Regional Clerk at Tel.: 519-575-4400, TTY: 519-575-4605, or regionalclerk@regionofwaterloo.ca

5. Request to Remove Items from Consent Agenda**6. Motion to Approve Items or Receive for Information**

- 6.1 PHE-19-10**, Update on Ontario Health Team Applications in the Region
(Information)

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- 6.2 PHE-HPI-19-08**, Climate Change and Health Vulnerability Assessment Update
(Information)

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Regular Agenda

7. Reports – Community Services

- 7.1 CSD-HOU-19-20**, 10-Year Housing and Homelessness Plan: Five-Year Review

Page 15**Recommendation:**

That the Regional Municipality of Waterloo take the following actions regarding the five-year review of the Region's 10-Year Housing and Homelessness Plan (2014-2024) (the 10-Year Plan), as outlined in Report CSD-HOU-19-20, dated November 5, 2019:

- a) Approve the five-year review of 10-Year Plan (see Attachment 1) as a replacement to the existing 10-Year Plan (P-14-042/SS-14-016);
- b) Direct staff to submit the five-year review to the Ministry of Municipal Affairs and Housing in fulfilment of the requirements of the Housing Services Act, 2011; and,
- c) Create a Steering Committee comprised of Regional Councillors and senior staff to develop a multi-sectoral task force for the purpose of increasing new and innovative affordable housing development in Waterloo region, per action 1.2 in Attachment 1.

- 7.2 CSD-HOU-19-18**, Waterloo Region Housing Master Plan (2020-2040)

Page 21**Recommendation:**

That the Regional Municipality of Waterloo take the following actions, as outlined in Report CSD-HOU-19-18, dated November 5, 2019, regarding the Waterloo Region Housing (WRH) Master Plan (2020-2040):

- a) Approve the WRH Master Plan (2020-2040) (see Attachment 1), subject to annual budget approval;
- b) Direct staff to include the proposed WRH revitalization strategy at an estimated capital cost of \$247 million (\$ 2019) in the preliminary 2020-

- 2029 Housing Services Capital Program; and,
- c) Direct staff to develop a budget issue paper for additional staff positions to be considered through the 2020 budget process to implement the WRH revitalization strategy.

7.3 **CSD-HOU-19-19**, Temporary Shelter Overflow Response 2019/2020

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Recommendation:

That the Regional Municipality of Waterloo authorize the Commissioner, Community Services, to execute such agreements and documentation in a form satisfactory to the Regional Solicitor, as required to approve a temporary shelter overflow response for November 2019 to April 2020, to be operated within the approved Regional operating budget of up to \$407,000 (100% Regional tax levy) as part of the Housing Stability Strategy (HHSS) funding for 2019/2020, as outlined in report CSD-HOU-19-19, dated November 5, 2019.

7.4 **CSD-HOU-19-21**, Housing Services Data Snapshot (July to September 2019) (Information)

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8. Information/Correspondence

- 8.1** Council Enquiries and Requests for Information Tracking List – No items pending
- 8.2** * Verbal Update on Interim Consumption & Treatment Services Operations.

9. Other Business

10. Next Meeting – Tuesday, December 3, 2019

11. Adjourn



Report: PHE-19-10

Region of Waterloo

Public Health and Emergency Services

To: Chair Elizabeth Clarke and Members of the Community Services Committee

Date: November 5, 2019 **File Code:** A02-20

Subject: Update on Ontario Health Team Applications in the Region

Recommendation:

For information.

Summary:

On May 8, 2019, Council received a report entitled “Support for Ontario Health Teams Expressions of Interest” that described the current development process for two Ontario Health teams in the region. In July, the Ministry of Health responded to the expressions of interest and identified that the Cambridge North Dumfries group was moving to the full application process, due October 9, 2019, and the KW4 (Kitchener, Waterloo, Wellesley, Wilmot and Woolwich) group was in development with the opportunity to submit a full application later this year. Both planning groups have continued to work with a number of community partners to define their vision for an Ontario Health Team. This report provides an update on the process and the supporting role Regional staff have played.

Report:

Ontario Health Teams (OHT) are part of the Ministry of Health’s (Ministry) plan to transform Ontario’s Health Care System. The Ministry is focused on the “quadruple aim” for the transformation that includes: 1. Better patient/caregiver experience; 2. Better provider experience; 3. Better healthcare outcomes; and 4. Better value and efficiency. It is expected that OHTs will deliver a continuum of health services across the lifespan. At their mature state (approximately three years after initiation) OHTs will “provide a full and coordinated continuum of care for a defined population within a geographic region; offer 24/7 access to coordinated care and system navigation services to ensure seamless transitions through the care journey; improved performance across a range of outcomes; operate within a single, clear accountability framework; funded through an integrated

funding envelope; reinvest in front line care; and take a digital first approach.

In Waterloo Region, two groups submitted expressions of interest to the Ministry, by the May 15, 2019 deadline, to apply to become an Ontario Health Team: Cambridge North Dumfries and KW4 (Kitchener, Waterloo, Wellesley, Wilmot and Woolwich). In late July, the Ministry responded to both expressions of interest. Cambridge North Dumfries was identified as ready to move to the full application process, while KW4 was identified as being in development, meaning more work was needed to fully define their proposed OHT model before they would move to full application. Since receiving notification from the Ministry both planning groups have been working on a variety of tasks to support their respective applications.

Cambridge North Dumfries

Cambridge North Dumfries OHT core planning group (see Attachment I) contracted with MD+A Health Solutions to facilitate the completion of the application process. The signatory group, from the expression of interest, met monthly to provide input into the process and three co-design groups were created: Governance, Digital Health, and Care & Transitions. Staff from Sunnyside and Paramedic Services participated in the Care & Transitions group. The consultants and members of the core planning team also held a variety of stakeholder consultations involving primary care physicians, patients/families/caregivers, signatory governors, as well as digital health vendors and service provider organizations. The result of these activities was the completion of the application which features the elimination of organizational boundaries between providers, co-location of services; common strategic and quality improvement planning; standardized intake, assessment, care planning and service delivery; use of primary care coordinators/system navigators; coordinated after-hours services; and increased accountability and efficiencies. The year one client group will focus on the frail/elderly, homeless or precariously housed and those with complex cases including mental health and addictions.

The Cambridge North Dumfries OHT application describes two types of membership in the OHT: full member or affiliate member. Full members will be required to sign performance standards agreements with the Ministry, commit to organizational resources for governance, planning, design and implementation activities, coordination/sharing of financial and human resources and the commitment to integrate and transform services to create alignment with the proposed model. Affiliate members are not required to sign agreements with the Ministry; however, they do commit to participating in the further development and implementation of the model including participation in strategic planning activities, collaborative quality improvement initiatives and, in some cases, prepare to join the OHT in the future. A commitment to one level of membership was required by the application deadline. The Region of Waterloo agreed to affiliate member

status and signed the letter of support (Attachment II)

On October 9, 2019, the core planning group submitted the completed application for the Cambridge North Dumfries OHT and await review by the Ministry. If approved, Cambridge North Dumfries becomes an OHT candidate and will begin the implementation process. Full implementation is expected to take two to three years and once achieved, the group receives full OHT status.

Kitchener, Waterloo, Wellesley, Wilmot and Woolwich

After the completion of the expression of interest, the KW4 OHT signatory group agreed to create a steering group to guide the work necessary to create the OHT application. The steering committee is comprised of representatives of the signatory group, patient & caregiver groups as well as community leaders. (The list of the steering group members is Attachment III.) With the Ministry notification that the KW4 group would be proceeding as “in development” meaning that they needed more work to fully develop their OHT model before moving to full application, the steering committee determined that hiring a staff person to guide the work was essential. Ingrid Pregel is the KW4 OHT Transformation Lead and she began her role in September.

At the September 18th meeting of the signatory group, the workplan for KW4 was shared. The steering committee will be hosting a forum on October 23rd to further develop the vision, mission and value statements for the OHT. A working group will be defining the future state KW4 population with support from the epidemiologists in Public Health. The work includes further developing the demographics related to precariously housed/homeless, refugees and frail/elderly. Another working group has tentatively been described as Year One Care and Transitions. The workplan also identifies an emphasis on ensuring that mental health and addictions as well as the rural/urban perspective factors predominantly in the development of the KW4 model. Working with the Ministry of Health consultant, the steering group will determine when the KW4 model is ready for the full application process which is expected to be late 2019 or early 2020.

As mentioned, Regional staff are supporting the data needs for the working group and will continue to be engaged as part of the signatory group. As other working groups are more clearly defined, there may be additional opportunities for staff involvement similar to those for the Cambridge North Dumfries application process.

Next Steps

Region of Waterloo staff are involved in both signatory groups for the two OHT planning teams and will continue to participate as relevant. Once the result of the Cambridge North Dumfries application is known, staff will represent the Region within the Affiliate member role. For KW4, staff will be participating in the Vision, Mission & Values meeting

on October 24th and will monitor development of the working groups to ensure additional staff involvement as needed. As the successful OHT applicants move to Candidate status, Regional staff will continue to support the teams as relevant to their departmental mandates.

Corporate Strategic Plan:

This report is in alignment with the 2014-2018 Strategic Plan focus area 4.0 Healthy, Safe, and Inclusive Communities.

Financial Implications:

Nil

Other Department Consultations/Concurrence:

Public Health and Emergency Services

Community Services including Seniors Services

Attachments:

- Attachment I: Cambridge North Dumfries Core Planning Group
- Attachment II: Cambridge North Dumfries Affiliate Member Letter of Support
- Attachment III: KW4 (Kitchener, Waterloo, Wellesley, Wilmot and Woolwich) Steering Committee

Prepared By: **Sharlene Sedgwick Walsh**, Director Healthy Living

Approved By: **Dr. Hsiu-Li Wang**, Acting Medical Officer of Health
Anne Schlorff, Acting Commissioner

Attachment I:

Cambridge North Dumfries Ontario Health Team
Core Planning Group

Cambridge Memorial Hospital

Delta Coronation Family Health Organization

Two Rivers Family Health Team

Grandview Medical Centre

Lang's Community Health Centre

Waterloo Region Nurse Practitioner-led Clinic

Attachment II: Cambridge North Dumfries Affiliate Member Letter of Support

Ministry of Health
 Ms. Helen Angus
 Deputy Minister
 80 Grosvenor Street, 10th Floor , Hepburn Block
 Toronto, ON M7A 1E9

Dear Deputy,

As a signatory to this letter, we are committing our support as an Affiliate Member of the Cambridge North Dumfries Ontario Health Team. As one of the thirty-one CND OHT Planning Partners, we have been engaged in the OHT planning process over the past nine months, including participating in planning and design meetings, nominating members of co-design groups, recruiting patients/families/caregivers for focus groups, and participating in clinician and governor engagement sessions. We are committed to the vision and goals of the OHT model in Cambridge North Dumfries.

As partner in its development, we support the vision, priorities and actions described in Cambridge North Dumfries OHT Full Application submission. Given the priorities and scope of activities in Year 1, we have committed to being Affiliate Members for Year 1. The Cambridge North Dumfries model has defined an active role for Affiliate Members, as described in the full application, including input into strategies and planning, participating in co-design and implementation planning and potentially implementing re-designed integrated services. We are committing our organizations to continue to support in the planning and design of the CND OHT as we prepare to potentially become Members in future years.

We believe that the Cambridge North Dumfries Ontario Health Team partnership will improve patient and population health outcomes, provide a better patient, family and caregiver experience and a better provider experience, and improve the value of investments our local health care system. We look forward to our ongoing collaboration and participation.



Attachment III:

KW4 (Kitchener, Waterloo, Wellesley, Wilmot and Woolwich)

Ontario Health Team Steering Committee

Representatives of the Signatory Group:

Dr. Joe Lee, Centre for Family Medicine

Ruth Cameron, ACCKWA

Cathy Harrington, Community Care Concepts

Jamie Schlegel, Schlegel Homes

Ron Gagnon, Grand River Hospital

Representatives of Patient/Family/Caregiver Group:

Ben Benninger

Steve Keczem

Community Leaders:

Mary D'Alton

Peter Sweeney

Tim Jackson



Report: PHE-HPI-19-08

Region of Waterloo

Public Health and Emergency Services

Health Protection and Investigation

To: Chair Elizabeth Clarke and Members of the Community Services Committee

Date: November 5, 2019

File Code: P07-80

Subject: **Climate Change and Health Vulnerability Assessment Update**

Recommendation:

For Information

Summary:

Region of Waterloo Public Health, together with Wellington-Dufferin-Guelph Public Health, jointly applied for and received funding from Health Canada to conduct a Climate Change and Health Vulnerability and Adaptation Assessment. Together, the two health units will collaborate to assess health vulnerabilities in our communities due to climate change. The vulnerability assessment will focus on addressing rising temperatures, extreme weather, increasing ultraviolet radiation, vector-borne disease, food borne illness, water borne illness, and air pollution.

Report:

The Ontario Public Health Standards mandate that boards of health assess the health vulnerability status of local communities, specifically addressing rising temperatures, extreme weather, ultraviolet radiation exposure, vector-borne illness, food and waterborne illness, and air pollution. To support this vulnerability assessment and reduce the duplication of effort between Public Health Units, Region of Waterloo Public Health and Wellington-Dufferin-Guelph Public Health jointly applied for and have been awarded \$300,000 from Health Canada. The funding is being used to hire a consultant to complete the local assessment over the next three years. ICLEI – Local Governments for Sustainability ([ICLEI Canada](#)) was selected through a Request for Proposals process to lead the vulnerability and adaptation assessment process. ICLEI Canada is

well positioned to conduct this work, having provided facilitation and technical support under their Building Adaptive and Resilient Communities program over the past two years in Waterloo Region, resulting in the Community Climate Adaptation Plan (PDL-CPL-19-38, dated November 5, 2019). The Public Health vulnerability and adaptation assessment will build on the work of the Community Climate Adaptation Plan, with a focus on health risks due to climate change. ICLEI Canada is collaborating with Dr. Chris Buse, one of Canada's foremost climate change and health equity researchers, to lead the climate change and health assessment for the two health units. ICLEI Canada and Dr. Buse will provide technical expertise, consulting, project management and stakeholder engagement to build capacity, share knowledge and support the implementation of climate change adaptation in the local community.

Purpose:

The key goals of the climate change and health vulnerability and adaptation assessment are to:

- reduce health risks and strengthen resiliency to current climate variability and future climate change in our community;
- increase public and stakeholder awareness of the health impacts of climate change in our community; and
- provide recommendations, based on local evidence, on priority adaptive measures to decision makers and stakeholders to strengthen overall resilience of local health systems to respond to the impacts of climate change.

Climate change is predicted to impact the health of Canadians, with the level of risk varying across the country.¹ Ontario can expect to see extreme temperatures, extreme storms, floods, wildfires, poor air quality and ozone depletion.² In the area of Waterloo Region, the City of Guelph, County of Wellington and County of Dufferin, the expected risks include a sharp rise in the number of heat waves with associated increase in heat related illnesses; increase in skin cancers and eye diseases such as cataracts from increased UV radiation exposure; and conditions that are increasingly favourable for the expansion of vector-borne disease, such as West Nile virus and Lyme disease.³ Local climate projections indicate temperatures will rise and Waterloo Region will see increased precipitation.⁴ Local evidence and climate projections provide information to

¹ Warren, F.J. and Lemmen, D.S., editors (2014): Canada in a Changing Climate: Sector Perspectives on Impacts and Adaptation; Government of Canada, Ottawa, ON, 286p.

² Berry, P., Clarke, K., Fleury, M.D. and Parker, S. (2014): Human Health; in Canada in a Changing Climate: Sector Perspectives on Impacts and Adaptation, (ed.) F.J. Warren and D.S. Lemmen; Government of Canada, Ottawa, ON, p. 191-232.

³ Gough, W., Anderson, V., and Herod, K. (2016) Ontario climate change and health modelling study: report. Ontario: Queen's Printer for Ontario.

⁴ Interdisciplinary Centre on Climate Change (IC₃) (2015): Localized Climate Projections for Waterloo Region. University of Waterloo, Waterloo, ON.

highlight the importance of the effects of climate change on local populations now and in the future. This facilitates knowledge-translation to ensure that communities and decision-makers are aware of what is forecasted to happen in our community. Well-planned adaptation measures have the potential to reduce the predicted health impacts of climate change over the next few decades.⁵ The Public Health climate change vulnerability assessment, which will be conducted over the next year, will provide an in-depth review of local climate projections, current and projected health risks and impacts related to climate change, as well as identify vulnerable populations most at risk to these impacts in our community. This work will inform adaptation planning over the remaining two years of the contract, including identifying and prioritizing adaptive policies and programs within Public Health and the community, which will strengthen local resiliency to climate change.

Collaboration:

The vulnerability and adaptation assessment project will involve multiple community partners across all levels of government, academia, conservation authorities, school boards and community groups, including those that serve vulnerable populations. Given the nature of the health outcomes associated with climate change, a broad spectrum of partners has been invited to be part of an Expert Task Force. The Expert Task Force will specifically aid in identifying local climate change and health impacts, advise on vulnerability and risk assessments, and identify and review adaptation interventions. Sustainability staff from the Region's Community Planning Division are participating on the Expert Task Force.

Ontario Public Health Standards:

This report provides information related to compliance with the Healthy Environments Program requirements of the Ontario Public Health Standards and provides information that supports ongoing education for Board of Health members to help remain informed of relevant trends and emerging public health issues.

Corporate Strategic Plan:

This report addresses Strategic Objective 3.4 of the 2015-2018 Corporate Strategic Plan: Improve the Region of Waterloo's resilience to climate change and/or severe weather.

Financial Implications:

The Climate Change and Health Vulnerability Assessment is funded through a Health Canada grant, managed by Wellington-Dufferin-Guelph Public Health. In-kind support of

⁵ World Health Organization (WHO) (2015): Operational framework for building climate resilient health systems
3096534

the activities described within this report are being implemented within Region of Waterloo Public Health's existing base budgets for Public Health Mandatory Programs; the budgets are established by Regional Council (as the Board of Health) and are currently funded up to 75% by the province with the remainder funded by the local tax levy. Recent provincial correspondence indicates that the provincial/municipal funding ratio will change for both cost shared and previously 100% funded envelopes; beginning in 2020, the provincial cost sharing for all environmental health programs will be reduced to a maximum of 70%.

Other Department Consultations/Concurrence:

Planning, Development and Legislative Services, Community Planning

Prepared By: **Jennifer Toews**, Health Promotion and Research Analyst, Health Protection and Investigation

Chris Komorowski, Manager, Health Protection and Investigation, Health Hazards, Safe Drinking Water and Emergency Preparedness

Approved By: **Dr. Hsiu-Li Wang**, Acting Medical Officer of Health

Anne Schlorff, Acting Commissioner



Report: CSD-HOU-19-20

Region of Waterloo

Community Services

Housing Services

To: Chair Elizabeth Clarke and Members of the Community Services Committee

Date: November 5, 2019

File Code: S13-40

Subject: 10-Year Housing and Homelessness Plan: Five-Year Review

Recommendation:

That the Regional Municipality of Waterloo take the following actions regarding the five-year review of the Region's 10-Year Housing and Homelessness Plan (2014-2024) (the 10-Year Plan), as outlined in Report CSD-HOU-19-20, dated November 5, 2019:

- a) Approve the five-year review of 10-Year Plan (see Attachment 1) as a replacement to the existing 10-Year Plan (P-14-042/SS-14-016);
- b) Direct staff to submit the five-year review to the Ministry of Municipal Affairs and Housing in fulfilment of the requirements of the Housing Services Act, 2011; and,
- c) Create a Steering Committee comprised of Regional Councillors and senior staff to develop a multi-sectoral task force for the purpose of increasing new and innovative affordable housing development in Waterloo region, per action 1.2 in Attachment 1.

Summary:

This report summarizes the five-year review of the 10-Year Plan (see Appendix 1). The 10-Year Plan was originally approved by Regional Council in April 2014 (P-14-042/SS-14-016) and submitted to the Province, per the Housing Services Act, 2011. The five-year review is intended to replace the existing 10-Year Plan, to guide the service planning and delivery of housing and homelessness programs in Waterloo region. It sets revised strategic directions to increase housing affordability and expand supports to help low- and moderate-income households find and maintain housing.

Report:

The Region is the Service Manager in Waterloo region, as designated by the Province, responsible for program planning, service delivery, resource distribution, compliance,

quality assurance, and needs and demand analyses including data and trending in the areas of housing and homelessness. In 2011, the Province required Service Managers to develop a 10-year plan for housing and homelessness for 2014-2024. Prior to 2011, the Region had produced two strategic plans, the Housing Action Plan and the Homelessness to Housing Stability Strategy. Rather than create a new 10-year plan, the Region combined these two documents and submitted them together to the Province as the 10-Year Plan (P-14-042/SS-14-016).

The Province further requires Service Managers to submit annual updates of their 10-Year Plans. The Region has met this requirement by submitting annual reports to Regional Council (CSD-HOU-15-23; CSD-HOU-16-04; CSD-HOU-17-13; CSD-HOU-18-16; CSD-HOU-19-10) and subsequently to the Province.

In addition to these annual reports, the Province requires a five-year review of the 10-Year Plan, by December 31, 2019. The review provides an opportunity to assess the current local context (e.g., ongoing challenges, current housing and homelessness data); consult with community partners; and update the strategic directions and actions for years 2019-2024. Attachment 1 serves as the Region's five-year review. It provides updated strategic directions and actions that are reflective of the current local context and merges the Housing Action Plan and Homelessness to Housing Stability Strategy from the original 10-Year Plan into one consolidated document.

1.0 Achievements between 2014 and 2019

Since 2014, the Region and community partners have worked together to meet the goals of the 10-Year Plan and implement a number of innovative responses, while continuing important day-to-day work (see section 3.0 in Attachment 1 for full details).

- In 2014, a diversion program was launched to support families experiencing homelessness to find and secure housing.
- In 2015, the Region created guidelines to prevent loss of affordable housing units in Waterloo Region, limit the conversion of affordable rental units into condominiums, and regulate the conversion and sales of apartment buildings.
- Between 2014 and 2019, 209 new affordable housing units have been built through Regional investments, plus an additional 92 units that are currently under construction and 61 that are under development.
- In 2016, the Prioritized Access to Housing Supports process was launched to coordinate access to housing supports for people experiencing homelessness.
- In 2016, the Region launched the 2016-2019 Affordable Housing Strategy to address the housing needs of 700 low- and moderate-income households by 2019.
- In 2017, the Region launched a tenant engagement strategy for Waterloo Region Housing (WRH), to provide staff with additional training and to build community capacity by further engaging with WRH and neighbouring communities.
- In 2018, the portable home-based support program was launched to pair private

market rent units with housing supports, based on tenants' needs.

- In 2018/2019, housing and homelessness programs began using a shared database to allow for shared service planning and case management among providers; real-time data collection; and evidence-informed service planning.

2.0 Review of current housing and homelessness data

As part of the five-year review, the Region conducted a review of housing and homelessness data to get a better understanding of the current context (see section 4.0 in Attachment 1). This information was collected between January and October 2019 and, where possible, compared to benchmark data from the original 2014 plan.

Based on this comparison, it is noted that many of the reviewed indicators remained relatively stable since 2014. For example, Waterloo region's population continues to grow and age; the majority of the new housing builds are apartment-style and located in the intensified areas; and the need for many housing services outweighs the availability.

There are also, however, many indicators that have changed over the last five years. While there are fewer individuals accessing emergency shelter, those who are staying are staying for longer periods, have a higher depth of need, and face additional barriers to obtaining and maintaining housing. Housing costs for both ownership and rental units have increased, making it more difficult for low- and medium-income households to secure affordable housing. The number of households on the community housing waiting list has increased, while the number of households that have been housed in community housing has declined. There is also a greater proportion of owners and renters who are paying greater than 50 per cent of their income on housing, indicating an increased risk of housing loss, due to the proportion of income used on housing.

3.0 Community consultations

The Region conducted a series of community consultations to gather feedback on the proposed strategic directions and actions of the updated Plan. These groups included community and supportive housing providers and tenants, housing and homelessness service providers, Indigenous partners, area municipalities, and Regional staff teams.

Many of the participants offered strategies to implement the proposed actions. This feedback informed the development of the Plan and has been retained to support implementation throughout 2019-2024. The most common overall theme was the need for more affordable and supportive housing in general. Given the changes in housing costs for both renters and owners, as well as a growing and aging population, the need for additional affordable and supportive stock was heard clearly.

4.0 Strategic Directions and Actions

Staff assessed the data, consultation feedback, and actions in the original 10-Year Plan to develop five strategic directions for years 2019-2024. Each direction is paired with a

series of actions to help scope the work; targets to set progress goals; and measures to track the progress of each action. For full details, see section 6.0 in Attachment 1.

Strategic Direction 1: Create more affordable and community housing

Through WRH, the Region operates and manages 2,814 community housing units across 65 sites. The WRH Master Plan (CSD-HOU-19-18) provides a strategy to revitalize and intensify existing WRH sites. While the WRH Master Plan focuses solely on development of WRH properties, the broader 10-Year Plan focuses on development across private, public, and non-profit sectors. This includes the Region's continued work with community non-profits, cooperatives, and private developers to develop new affordable housing.

This strategic direction identifies 10 actions to create new affordable units by implementing the WRH Master Plan and the affordable housing target (see section 5.0 in this document); creating an affordable housing task force to develop innovative housing solutions; and reducing barriers related to development (e.g., applications, land costs, funding requirements, increasing construction costs).

Strategic Direction 2: Retain and maintain the existing affordable housing stock

The existing stock of affordable housing units is an asset that must be actively maintained and prevented from being converted into higher-cost housing or falling into disrepair. There is also a need to ensure that community housing providers with expiring agreements can access the support that they require to continue to provide affordable housing and consider increasing their stock of units. This strategic direction identifies five actions to develop asset management strategies, support new and existing providers, and enhance existing standards, protocols, and policies.

Strategic Direction 3: Facilitate the development of an appropriate range of housing options

A notable portion of the community consultation feedback identified the need for a broad range of housing options to accommodate the continued population growth, changing demographics, and diverse housing needs in Waterloo region. This strategic direction identifies three actions to develop innovative housing solutions, assess alternative housing models, and develop culturally accessible housing programs.

Strategic Direction 4: Expand supports for people to find and secure housing

In Waterloo region, Region-funded housing stability programs are connected as a single system to support people to access the right housing resources at the right time. Housing and homelessness programs work to help people find and maintain housing. Despite the ongoing successes in supporting people to find and secure housing, the demand for services outweighs the resources that are available. This strategic direction identifies eight actions to expand and enhance these supports to ensure there are available resources for all who seek assistance in finding and securing housing.

Strategic Direction 5: Improve access to housing and homelessness programs

The system of housing and homelessness programs is complex, involving many partners and points of access. Many initiatives have been launched to make it easier for individuals to access housing and homelessness programs (e.g., coordinated access, a shared database, consolidated waiting lists, and the prioritization of programs). There is room for additional enhancement of these programs to make these programs more person-centered and easier to navigate. This strategic direction identifies seven actions to reduce existing barriers to providing programs and services, facilitate connections between providers, improve communications, and identify opportunities to further engage and support the people who are accessing housing programs.

5.0 An affordable housing target for Waterloo region, 2019-2041

This review of the 10-Year Plan also includes an affordable housing target for Waterloo region. The target is for 30 per cent of all new residential development between 2019 and 2041 to be affordable for low- and moderate-income households.

The Region's formula for developing this target considered ownership and renter affordability thresholds, the per cent of households by tenure and density type (2016 census data), and the per cent of households in 2016 spending 30% or more of their income on housing. The Region created one region-wide target as opposed to targets for each area municipality due to requirements in provincial legislation and the lack of data available specific to each municipality.

6.0 Next Steps:

If this five-year review is approved by Regional Council, the Region will then submit it to the Province for their review. Once the 10-Year Plan is then reviewed by the Province, the Region will lead the implementation of this Plan, as Service Manager. Over 2019/2020, Region staff will distribute the 10-Year Plan to the broader community; meet with community partners to identify community leads to support implementation; and form implementation groups, where appropriate.

The Region will align future planning documents with the strategic directions and the affordable housing target in the 10-Year Plan. This will include reports for Regional Council, the WRH Master Plan, operational protocols for housing programs, and other strategic planning documents. Further, the Region will also oversee the data collection process, per measurements listed in section 6.0 in Attachment 1. Progress towards the associated targets will be submitted to Regional Council as part of annual updates.

Quality of Life Indicators:

Funding that supports clients, creates new affordable housing, and addresses homelessness aligns with Economic Well-Being (e.g., increased access to affordable housing); Social Inclusion and Equity (e.g., housing support positively impacts participants' sense of belonging); and Physical and Emotional Well-Being (e.g., housing

support positively impacts participants' daily functioning and quality of life).

Corporate Strategic Plan:

This report addresses the Region's Corporate Strategic Plan 2015-2018, Focus Area 4: Healthy, Safe and Inclusive Communities; Strategic Objective 4.3 to increase the supply and range of affordable housing and supportive housing options; and Focus Area 5: Responsive and Engaging Government Services.

Financial Implications:

The 2019 annual funding allocation for the Housing Services Service Area is \$41.6M comprised of Federal, Provincial, and Regional levy funding. This annual funding supports the 10 Year Plan which includes the five strategic directions as noted in this report. A breakdown of funding sources and allocations can be found in below:

Housing Services Service Area 2019 Annual Operating Budget (in \$000s)	Homeless Programs	Housing Programs	Admin. Operating	Total 2019
Operating expenditures	\$ 15,700	\$ 60,500	\$ 3,400	\$ 79,600
Revenues (Federal, Provincial, other)	<u>13,400</u>	<u>24,500</u>	<u>100</u>	<u>38,000</u>
Net Levy	\$ 2,300	\$ 36,000	\$ 3,300	\$ 41,600
	Note 1	Note 2		
<p>Note 1: Programs include Consolidated Homelessness Prevention (CHPI), Reaching Home, Home for Good, Homelessness to Housing Stability Strategy (HHSS).</p> <p>Note 2: Programs include Waterloo Region Housing, Non-profit/cooperative, affordable housing.</p>				

Other Department Consultations/Concurrence:

Finance was consulted in the preparation of this report.

Attachments:

Attachment 1: [Waterloo Region 10-Year Housing and Homelessness Plan: Five-Year Review](#)

Prepared By: Ryan Maharaj, Social Planning Associate
 Ryan Pettipiere, Director, Housing Services

Approved By: Douglas Bartholomew-Saunders, Commissioner, Community Services



Report: CSD-HOU-19-18

Region of Waterloo

Community Services

Housing Services

To: Chair Elizabeth Clarke and Members of the Community Services Committee

Date: November 5, 2019

File Code: S13-40

Subject: **Waterloo Region Housing Master Plan (2020-2040)**

Recommendation:

That the Regional Municipality of Waterloo take the following actions, as outlined in Report CSD-HOU-19-18, dated November 5, 2019, regarding the Waterloo Region Housing (WRH) Master Plan (2020-2040):

- a) Approve the WRH Master Plan (2020-2040) (see Attachment 1), subject to annual budget approval;
- b) Direct staff to include the proposed WRH revitalization strategy at an estimated capital cost of \$247 million (\$ 2019) in the preliminary 2020-2029 Housing Services Capital Program; and,
- c) Direct staff to develop a budget issue paper for additional staff positions to be considered through the 2020 budget process to implement the WRH revitalization strategy.

Summary:

This report seeks approval of the WRH Master Plan from Regional Council. The full report has been provided in Attachment 1. The proposed WRH Master Plan serves as a framework for the operations and management of the WRH housing stock. The plan maps out a 20-year timeline to 1) create at least 600 new WRH units over approximately the next 10 years; 2) maintain and operate the current stock of WRH units in a state of good repair; and 3) explore potential divestment options and partnerships as opportunities become available to the Region.

The WRH Master Plan Steering Committee (hereafter referred to as the Steering Committee) recommends that the role of WRH should be to continue as a community housing provider; to create at least 600 new WRH units on the current 65 sites and not include the acquisition of additional property; and maintain the same proportion of

subsidized community housing that currently exists (approximately 30 per cent of the total community housing in Waterloo region).

Additionally, the Steering Committee is proposing a WRH revitalization strategy, as part of the WRH Master Plan. This strategy is estimated to be 11-years in duration (2020-2031) to develop 638 additional community housing units on five existing WRH sites in Cambridge, Kitchener, and Waterloo. The recommended revitalization plan includes an estimated total capital cost of \$247M (\$ 2019) over the 11-year life of this strategy. The proposed funding sources include approximately 20 per cent funding through National Housing Strategy grants (\$50M) and the remaining through CMHC mortgages (\$99M) and Regional long-term borrowing (\$98M). Staff is projecting that at strategy completion in 2030, the annualized tax levy impact will be \$3.4M.

Report:

1.0 The Region as a Service Manager

The Region performs two major roles in relation to affordable housing, as Service Manager and as landlord of 2,814 community housing units.

The Region is the Service Manager in Waterloo region, as designated by the Province, and is responsible for program planning, service delivery, resource distribution, compliance, quality assurance, and needs and demand analyses including data and trending in the areas of housing and homelessness. As Service Manager, the Region:

- Oversees 8,991 units of community housing, of which 5,882 units are legislated to be rent-geared-to-income (RGI) units. This level of RGI units must be maintained, per Provincial legislation (the Service Level Standard);
- Provides funding to non-profit, cooperative, and for-profit developers to create new affordable housing stock. Moreover, the Region works with all levels of government to explore the access and use of surplus lands to create more affordable housing through non-profit and/or private sector developers;
- Partners with landlords through its rent assistance (RA) programs which are often time limited (Provincial funded programs with sunset clauses) and contingent on the availability of the affordable rental stock and willing partners. The Region cannot allocate additional RA to units with RGI, per Provincial regulations; and,
- Coordinates access to community housing through a centralized waiting list. As of October 2019, there are 4,798 households on the community housing waiting list, an additional 209 pending applications that are under assessment, and 2,033 applications awaiting assessment. The total number of households who are seeking community housing in Waterloo region is 7,031.

2.0 The Region as a community housing provider

Concurrent to being Service Manager, the Region is a community housing provider,

known as WRH, operating and managing 2,814 community housing units across 65 sites. This represents approximately 30 per cent of the total 8,991 community housing units across Waterloo region, making the WRH the largest community housing provider in Waterloo region.

3.0 Proposed WRH Master Plan and relationship to the 10 Year Housing and Homelessness Plan

In February 2017, Regional Council approved the development of a WRH Master Plan and the establishment of a respective Steering Committee (CSD-HOU-17-04). The Plan provides a vision and long-term strategy for WRH for the next 20 years, with a focus on the Region's role as a community housing provider. As a provider, WRH is presenting a strategy to revitalize, maintain, and potentially divest WRH properties.

The proposed WRH Master Plan is available at www.regionofwaterloo.ca/en/living-here/housing-planning-and-research.aspx#WRHmasterplan.

The proposed WRH Master Plan complements the Region's 10-Year Housing and Homelessness Plan (2014-2024). The 10-Year Plan broadly guides the Service Manager in service planning and delivery across the housing and homelessness sector, setting strategic directions, targets, and actions to increase housing affordability and expand supports to help people find and maintain housing.

The WRH Master plan directly responds to the 10-Year Plan's action 1.1 to develop and implement a WRH Master Plan; strategic direction 1 to create more affordable and community housing; strategic direction 2 to retain and maintain the existing affordable housing stock; and strategic direction 3 to facilitate the development of an appropriate range of housing options for various community needs.

3.1 Governance

In February 2017, staff formed the Steering Committee, including Regional Council representatives from urban and rural communities in Waterloo region (currently includes E. Clarke, D. Jaworsky, K. Kiefer, G. Lorentz, and J. Nowak), and senior staff representing various Regional divisions and departments. In addition, staff formed a multi-disciplinary internal team and the Corporate Advisory Committee to oversee development of the WRH Master Plan.

3.2 WRH Strategic Directions

In May 2017, staff retained a consulting team to conduct a comprehensive community consultation process and prepare a summary report of the results (CSD-HOU-18-06).

Based on that feedback, the Steering Committee is recommending that:

- The Region should continue to play a major role as a community housing provider via WRH and maintain the same proportionality of community housing

that it currently has (approximately 30 per cent in Waterloo region). By continuing as a leader in high-quality community housing, the Region will have an ongoing influence on the overall level of quality of community housing stock throughout Waterloo region;

- The Region create at least 600 new WRH units within the current 65 community sites over the next 10 years (approximately). This ensures the 30 per cent proportionality, listed above, and that the Region continues to play a leading role in ensuring that 5% of all housing in Waterloo region be affordable; and,
- Given the opportunities on owned property, the Region should revitalize and intensify WRH existing sites to avoid the additional costs of land acquisition. Land acquisition is a barrier faced by all housing providers (cost and availability), but as a housing provider with 65 existing sites, WRH is well positioned to create additional Community housing. The proposed revitalization on existing WRH property is more cost effective and less disruptive to the existing tenant populations than other models. In any future consideration of intensification, maintaining WRH's RGI amount is required by legislation, complicating the option for future private-public partnerships on these sites. Options for future private-public partnerships would continue to be explored through the Service Manager role or divestment opportunities that are availed to WRH.

3.3 WRH site assessments

The Steering Committee developed three strategic categories, based on the feedback from the community consultation. Each of the 65 WRH sites was assessed using a series of evaluation tools, including an evaluation matrix (focusing on optimizing land use, positive community impacts, current building site conditions, financial implications, and the potential for redevelopment); a financial cost tool; a building site summary synopsis; and an estimated construction schedule. Based on the evaluations, each site was prioritized into one of the three strategic categories:

1. **Revitalize:** Build more affordable housing units by redeveloping and intensifying existing WRH sites. Existing WRH sites have sufficient available property to meet the WRH Master Plan goals, without the need to purchase new lands or expand the number of communities sites beyond a total of 65;
2. **Maintain:** Propose no change in the scale or scope of operations. WRH will continue its current community building programs to improve tenants' quality of life and access to services and programs. This includes all capital and maintenance programs, building condition assessments, and costs associated with providing 2,814 community housing units; and,
3. **Potentially divest:** Use a decision-making framework to review potential divestment options, as opportunities become available to the Region. Should any WRH site(s) be identified for potential divestment, staff will engage in an ongoing

process to involve tenants and the broader community, prior to confirming divestment. If divestment is deemed appropriate, existing tenants will be provided with advanced notice of timelines and offered the opportunity to relocate to other available WRH sites. No existing tenants will be left without housing options.

These opportunities may also include private-public partnerships where divestment is an effective use of the asset. Further, as Service Manager, the Region will also explore the possibility of private-public partnerships on existing Regional surplus lands, to expand the stock of community housing offered by other housing providers. The Steering Committee completed a comprehensive environmental scan of municipalities that have developed affordable housing through private-public partnerships. Private-public partnerships often render a lower upfront development cost but also require more communities/buildings to be redeveloped to achieve affordable housing net gains. It would take more communities and impact more tenants through this model, which potentially offsets the lower upfront development costs.

3.4 WRH revitalization strategy

The Steering Committee designed the WRH revitalization strategy to coordinate revitalization of the sites with the most potential for redevelopment, based on the findings of the 65 WRH site assessments. In preparing this strategy, the Steering committee assessed a total of five potential strategies. This strategy was selected as each site has a relatively high community housing waiting list, which would be reduced via revitalization. It was further acknowledged that there are several existing and brokered services available to these sites (examples vary per site, including support workers, seniors' services, child and youth services, youth programs), which can be expanded as part of the revitalization through community-based needs. This combination of proposed sites also ensures affordable units are developed on the central transit corridor and meet the needs of each of the three cities, based on the consultation feedback.

Figure 1: WRH revitalization strategy project sites

Address	Total Number of Proposed Units	Current Units per Site	Increase in Units
416 Kingscourt Dr., Waterloo	70	0	70
82 Wilson Ave., Kitchener	48	16	32
15-105 Mooregate Cr., Kitchener	476	55	421
140 Weber St., Kitchener	54	35	19
581-595 Langs Dr., Cambridge	134	38	96
Total:	782	144	638

3.5 The WRH revitalization strategy team

If the WRH Master Plan is approved by Regional Council, staff will submit requests for required additional FTEs through the regular budget issue paper process, in order to form a team responsible for overseeing the WRH revitalization strategy. The team is proposed to comprise of the following positions (see section 6.2.2 in Attachment 1):

- One (1) Community Revitalization Specialist in WRH to communicate and consult with tenants regarding development, and coordinate tenant move-ins and relocation, where required;
- One (1) Planner/Coordinator in Housing Services to obtain planning approvals for each site project; complete funding applications; and coordinate the delivery of the WRH Master Plan; and,
- Two (2) Revitalization staff in Facilities Management to manage proposed projects; lead procurement; administer contracts with consultants; assess designs; and oversee the capital program.

Thereafter, as the new 638 units are incrementally completed, WRH will require seven permanent FTEs. This level of staffing required is calculated based on an average per unit ratio of operational need. It is anticipated that 3.5 FTEs in 2025 and 3.5 FTEs in 2030 will be needed to support the operation and management of the additional units. These positions will be funded through the property tax levy operating budget in Facilities and WRH:

- One (1) Chief Building Officer in Facilities Management to assess and coordinate all ongoing maintenance needs, where required;
- One (1) General Maintenance Specialist in Facilities Management to complete repairs;
- One (1) Maintenance Plumber/HVAC in Facilities Management to address ongoing plumbing and heating needs, where required;
- One (1) Associate Property Management in Facilities Management to review onsite contractor projects, where required;
- One (1) Tenancy Support Specialist in WRH to manage all tenancy related matters, where required;
- One (1) Tenancy Service Coordinator in WRH to complete recalculations, arrears reports, and vacancy management; and,
- One (1) Community Engagement Specialist in WRH to support each new community with community development programs and support services.

4.0 Next Steps

If the WRH Master Plan is approved by Regional Council, the Community Advisory Committee and the Steering Committee will each remain intact to continue to provide

oversight and feedback to the implementation process. Note that this WRH Steering Committee is separate from the “Affordable Housing Steering Committee” that is being formed as part of the 10 Year Plan, to oversee the development of new affordable housing beyond WRH (CSD-HOU-19-20).

Further, the following steps will be initiated for each of the five site projects, as part of the WRH revitalization strategy:

- Tenant engagement and communication: A comprehensive engagement and communication strategy will be implemented for all WRH tenants and a tailored strategy will be used for each of the five communities named herein;
- Planning approvals: The program team will conduct pre-consultation meetings with area municipalities and stakeholders to refine the project proposal and determine the order and timing of implementation for sites;
- Hiring and design: Staff will initiate a consultant selection process with Procurement to hire an architect design team. Staff will explore opportunities that the redevelopment can create regarding social procurement; and,
- Finalize project proposal: The program team will work with consultants to finalize architectural designs and planning rationale; consult with area municipalities and the public; and present a revised budget in accordance with the refined proposal.

4.1 Explore potential divestment opportunities

Over the course of the WRH Master Plan implementation, staff will conduct divestment analyses of WRH sites using a proposed decision-making framework (see section 6.4 in Attachment 1). The framework is designed to ensure that the divestment opportunity aligns with expected outcomes and results in financial benefits and an overall increase in community housing. Identified divestment opportunities will involve an ongoing engagement process and will be submitted to Regional Council. This will include an exploration of private-public partnerships on existing WRH sites and Regional surplus lands, as opportunities become available to the Region.

4.2 Monitoring and evaluation

Staff will develop and implement an evaluation process to inform future decisions and ensure consistency across all WRH sites. Annual progress reviews of the Master Plan will be submitted to Regional Council. Likewise, the Master Plan will be updated every five years to ensure the relevance of data, information, directions, and consistency with the 10 Year Housing and Homelessness Plan.

Quality of Life Indicators:

The development of affordable housing aligns with Economic Well-Being (e.g., increased access to housing); Social Inclusion and Equity (e.g., supports positively

impacts participants' level of community inclusion); and Physical and Emotional Well-Being (e.g., housing support positively impacts participants' daily functioning).

Corporate Strategic Plan:

This report addresses the Region's Corporate Strategic Plan 2015-2018, Focus Area 4: Healthy, Safe, and Inclusive Communities; Strategic Objective 4.3 to increase the supply and range of affordable housing and supportive housing options; and Focus Area 5: Responsive and Engaging Government Services.

Financial Implications:

A. Proposed capital investment

The WRH revitalization strategy proposes the redevelopment of five properties resulting in a potential increase of 638 new affordable units within the WRH portfolio. The total estimated capital cost to implement this strategy is projected at \$247M (in 2019 dollars) and is summarized in the table below:

WATERLOO REGION HOUSING MASTER PLAN				
(\$ 2019, in thousands)	Total # of Proposed Units	Current Units Per Site	Increase In Units	Estimated Capital Cost
Proposed Projects				
82 Wilson, Kitchener	48	16	32	\$ 14,691
Kingscourt, Waterloo	70	0	70	28,616
Langs, Cambridge	134	38	96	46,362
140 Weber, Kitchener	54	35	19	15,096
Mooregate, Kitchener	476	55	421	141,791
Total Capital Expenditure	782	144	638	\$ 246,556
Proposed Capital Financing				
Grants:				
NHS Co-investment, New Construction				\$ 49,301
NHS Seed funding				750
			20%	50,051
Debt:				
NHS Co-investment (CHMC mortgage)			40%	98,621
Long term borrowing (Regional debentures)			40%	97,884
			80%	196,505
Total Funding and Financing			100%	\$ 246,556

Proposed capital financing includes grants from the National Housing Strategy (NHS) Co-investment program for new construction and seed funding. This is a Federal program and the grant amount is contingent on program requirements being achieved.

Based on the Master Plan assumptions, it is estimated that grant funding will be 20 per cent or \$50M of the proposed total capital financing. These grants can be used for costs related to pre-development and construction activities.

The remaining funding sources consist of NHS Co-investment financing (CMHC mortgages - \$99M) and Regional long term borrowing (\$98M). Combined, these sources comprise approximately 80 per cent of the estimated total capital costs. If Council approves the Plan as presented in this report, staff will incorporate the capital cost into the preliminary 2020-2029 Housing Capital Program, as set out in Appendix A. Appendix B provides a debt financing chart which depicts the estimated annual debt issuance that would total \$196.5 million over the 11 years should the master plan be implemented as proposed.

B. Proposed operating budget impacts

Operating revenues, expenses, and net levy impact have been estimated in 2019 dollars. Revenues include market, affordable, and RGI rents as well as non-rental revenues (e.g., laundry, parking income). Operating expenses include utilities, service contracts, other maintenance costs, insurance, lifecycle provision, and debt servicing based on the financing assumptions described above.

The incremental annualized tax levy impact by 2030 would be approximately \$3.4M (0.6 per cent) as outlined in the table below.

WATERLOO REGION HOUSING MASTER PLAN

(\$ 2019, in thousands)		Operating	Less	Net Levy	Tax
Annualized Net Levy Impact	Year	Expenses	Revenues	Impact	Impact
Proposed Sites					
82 Wilson, Kitchener	2023	\$ 595	\$ 412	\$ 183	0.0%
Kingscourt, Waterloo	2023	1,276	976	300	0.1%
Langs, Cambridge	2025	1,869	1,244	625	0.1%
140 Weber, Kitchener	2027	396	280	116	0.0%
Mooregate, Kitchener	2030	6,802	5,246	1,556	0.3%
		10,938	8,158	2,780	0.5%
Staffing	2025/2030	660	-	660	0.1%
Net Property Tax Levy Impacts		\$ 11,598	\$ 8,158	\$ 3,440	0.6%

A projection of operating budget impact, which includes the estimated staffing costs, by site and annual levy impact is provided in Appendix C.

The figures in the previous table are based on the following long-term financing

assumptions:

- 1) NHS Co-investment financing (which is effectively a mortgage issued by the Canada Mortgage and Housing Corporation) is potentially available for a 50 year term at a rate of 1.8% over the first 10 years. Interest rates would be subject to renewal for further 10 year terms. Additional research will be required with the CMHC and the province to ensure municipalities can access this funding.
- 2) Regional long-term borrowing has been projected based on a 30-year regional debenture issue.

Combined, this would result in an average borrowing term (taking into account the two sources above) of approximately 40 years. While this is a longer term than the Region would typically choose over which to finance asset construction (10 to 20 is standard), this approach does have the effect of keeping debt servicing costs lower and the net tax levy impact lower. On the downside, the overall amount of interest increases and the debt remains on the Region's books for a longer period of time. The Region could issue its debt over a shorter term (i.e. 10 to 20 years), which would reduce the overall average life of the debt. The table below shows the net tax levy impact of the WRH master plan under different debt issuance scenarios:

WRH Master Plan - Debt Financing Scenarios					
	CMHC Mortgage Amortization Period (Yrs)	Regional Long Term Borrowing (Yrs)	Average Borrowing Period (Yrs)	net Levy Impact (\$M), in \$2019	Tax Levy Impact (\$2019)
Master plan assumption	50	30	40	\$3.4	0.6%
Alternate Option 1	50	20	35	\$5.0	0.9%
Alternate Option 2	50	10	30	\$9.8	1.8%

There are advantages and disadvantages to each scenario, as previously discussed. The decision with respect to which term to use would be made at the time that the debenture financing would be required for a given project.

C. Proposed staffing

The completion of this strategy will require the addition of four FTE's (two in WRH/Housing Services, two in Facilities Management) to deliver the revitalization program. These positions will be funded through a combination of the tax supported operating budget and a recovery from capital projects. A budget issue paper for the new positions will be prepared for consideration as part of the 2020 budget process.

The addition of 638 units will require seven permanent FTEs to be added in 2025 (3.5 FTE) and 2030 (3.5 FTE) to support the operation and management of the additional units. These positions will be funded through the annual property tax supported operating budget.

Other Department Consultations/Concurrence:

The Steering Committee has representation from Planning, Economic Development, Finance, Community Services, Facilities Management, and Legal services. The consultation included key stakeholders across Regional Divisions and Departments.

Attachments:

Attachment 1: [The Waterloo Region Housing Master Plan \(2020-2040\)](#)

Prepared By: Ryan Maharaj, Social Planning Associate

Ryan Pettihere, Housing Director, Community Services

Approved By: Douglas Bartholomew-Saunders, Commissioner, Community Services

Appendix A: WRH Revitalization strategy

Waterloo Region Housing (WRH) Master Plan

Capital Forecast (\$ 2019, in thousands)

Proposed Projects	Total Units	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
1 82 Wilson, Kitchener	48	\$ 782	\$ 4,628	\$ 9,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,691
2 Kingscourt, Waterloo	70	1,630	12,875	14,111	-	-	-	-	-	-	-	28,616
3 Langs, Cambridge	134	217	2,538	3,506	26,681	13,420	-	-	-	-	-	46,362
4 140 Weber, Kitchener	54	-	-	420	627	4,871	6,829	2,349	-	-	-	15,096
5 Mooregate, Kitchener	476	-	-	-	-	3,032	6,062	23,489	40,917	40,917	27,374	141,791
TOTAL EXPENDITURE	782	\$ 2,629	\$ 20,041	\$ 27,318	\$ 27,308	\$ 21,323	\$ 12,891	\$ 25,838	\$ 40,917	\$ 40,917	\$ 27,374	\$ 246,556

Note 1

Proposed Capital FinancingGrants:

NHS Co-investment, New Construction	\$ 257	\$ 4,510	\$ 6,223	\$ 6,212	\$ 4,603	\$ 2,679	\$ 4,837	\$ 7,486	\$ 7,486	\$ 5,008	\$ 49,301
NHS Seed funding	350	100	97	53	150	-	-	-	-	-	750
	607	4,610	6,320	6,265	4,753	2,679	4,837	7,486	7,486	5,008	50,051

Debt: (Note 2, 3)

NHS Co-investment (CHMC mortgage)	1,051	8,016	10,926	10,923	8,530	5,156	10,335	16,367	16,367	10,950	98,621
Long-term borrowing	971	7,415	10,072	10,120	8,040	5,056	10,666	17,064	17,064	11,416	97,884
	2,022	15,431	20,998	21,043	16,570	10,212	21,001	33,431	33,431	22,366	196,505

TOTAL FUNDING & FINANCING	\$ 2,629	\$ 20,041	\$ 27,318	\$ 27,308	\$ 21,323	\$ 12,891	\$ 25,838	\$ 40,917	\$ 40,917	\$ 27,374	\$ 246,556
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Notes:

- 1 Reflects the proposed units based on preliminary plans at each location. The current number of units is 144; the proposed net increase is 638 units.
- 2 Capital financing does not include the potential divestment of regional properties, funding from the Housing General Reserve or the costs of capital work that is not required due to the proposed redevelopment of properties.
- 3 NHS Co-investment financing (CMHC mortgage) subject to change. Interest rate estimated at 1.8% for 50 year term; 10 year renewal. Long term borrowing (regional debentures) estimated at 4% interest rate over a term of 30 years. ☐
- 4 Additional staffing complements for Facilities are funded through the Project Management Fees. Staffing for housing related complements are reflected in the net operating impacts included on Appendix C.
- 5 Housing program initiatives such as Canada Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiatives (OPHI) are not reflected in the plan at this time.

Appendix B: Debt Financing Chart



Appendix C: Total Projected Levy Impact

Waterloo Region Housing (WRH) Master Plan

Net Incremental Tax Levy Increase (\$ 2019, in thousands)

<u>Net Incremental Tax Levy Increase</u>	<u>Total # of Units</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>Proposed Project</u>												
1 82 Wilson, Kitchener	48	\$ -	\$ -	\$ 156	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183
2 Kingscourt, Waterloo	70	-	-	90	300	300	300	300	300	300	300	300
3 Langs, Cambridge	134	-	-	-	-	320	625	625	625	625	625	625
4 140 Weber, Kitchener	54	-	-	-	-	-	-	59	116	116	116	116
5 Mooregate, Kitchener	476	-	-	-	-	-	-	-	-	512	1,024	1,556
Subtotal, Net Tax Levy	782	\$ -	\$ -	\$ 246	\$ 483	\$ 803	\$ 1,108	\$ 1,167	\$ 1,224	\$ 1,736	\$ 2,248	\$ 2,780
<u>Staffing Costs</u>												
Compensation		\$ 99	\$ 198	\$ 198	\$ 198	\$ 198	\$ 528	\$ 528	\$ 528	\$ 528	\$ 528	\$ 660
Total Net Incremental Tax Levy Increase		\$ 99	\$ 198	\$ 444	\$ 681	\$ 1,001	\$ 1,636	\$ 1,695	\$ 1,752	\$ 2,264	\$ 2,776	\$ 3,440
<u>Staffing, Full Time Equivalent (FTE)</u>												
Total FTE's		4.0	4.0	4.0	4.0	4.0	7.5	7.5	7.5	7.5	7.5	7.0

Appendix D: WRH Revitalization Strategy Proposed Project Timelines

ID	Task Mode	Task Name	Start	Finish	2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030			
					H2	H1	H2																					
1		WRH Master Plan	2020 January 06	2030 February 05																								
2		Scenario 4 - Community Needs	2020 January 06	2030 February 05																								
3		82 Wilson Avenue, Kitchener	2020 January 06	2022 November 23																								
28		416 Kingscourt, Waterloo	2020 January 06	2022 September 12																								
53		Langs, Cambridge	2021 January 25	2024 September 09																								
78		140 Weber St., Kitchener	2022 June 06	2026 August 28																								
103		Mooregate, Kitchener	2024 October 01	2030 February 05																								



Report: CSD-HOU-19-19

Region of Waterloo

Community Services

Housing Services

To: Chair Elizabeth Clarke and Members of the Community Services Committee

Date: November 5, 2019 **File Code:** S13-40

Subject: Temporary Shelter Overflow Response 2019/2020

Recommendation:

That the Regional Municipality of Waterloo authorize the Commissioner, Community Services, to execute such agreements and documentation in a form satisfactory to the Regional Solicitor, as required to approve a temporary shelter overflow response for November 2019 to April 2020, to be operated within the approved Regional operating budget of up to \$407,000 (100% Regional tax levy) as part of the Housing Stability Strategy (HHSS) funding for 2019/2020, as outlined in report CSD-HOU-19-19, dated November 5, 2019.

Summary:

Staff is currently exploring temporary shelter overflow responses in Cambridge and Kitchener/Waterloo for November 2019 to April 2020. Staff will ensure that potential responses align with current emergency shelter practices and provide enough beds to meet the anticipated increase in need for shelter over the winter months.

Report:

1.0 Emergency shelters in Waterloo region

The Region is the Service Manager in Waterloo region, as designated by the Province, responsible for program planning, service delivery, resource distribution, compliance, quality assurance, and needs and demand analyses including data and trending in the areas of housing and homelessness.

Emergency shelters provide a safe, temporary place for people experiencing homelessness. In Waterloo Region, there are 245 spaces across three adult-serving shelters (195 spaces), three youth-serving shelters (48 spaces), and the 'Bunkies' (two

spaces), which are single self-contained units operated by The Working Centre.

The emergency shelters operate as one system. If capacity at one shelter is reached, participants are referred to another shelter to fill all available beds. Access to shelters is coordinated through the housing helplines which support people to prevent housing loss and find alternative places to stay besides shelter. People are only referred to shelter when there are no appropriate alternatives.

2.0 Responding to increased capacity challenges

Shelter capacity challenges have been a constant pressure over the past years, where shelters are near capacity on most nights. This is best illustrated through the 'bed night' count which measures the total number of shelter beds occupied per night. In 2018/19 there were 107,340 bed nights, including overflow, which is a notable increase to the 88,511 bed nights in 2017/18.

Should the number of people seeking access to shelter exceed the number of available beds, the 'overflow' population has historically been accommodated in motels. Currently, motel overflow is not occurring, as it is not a sustainable response that cost nearly \$1M in 2018/2019. It is also not participant-centred as it leaves participants without appropriate support (e.g., access to food and emergency shelter workers, support on their housing plan). During the winter months, an overflow response is crucial due to the heightened risk of staying outdoors.

To address heightened demand during the winter months, the Region has used a temporary shelter overflow response over the past two years.

From January 1, 2018 to April 30, 2018 (four months), the House of Friendship operated a temporary shelter overflow response at St. Matthew's Lutheran Church, Kitchener, offering 70 cots at a cost of \$102,266, funded through the Province's Community Homelessness Prevention Initiative (CHPI) funding (CSD-HOU-18-01).

From November 1, 2018 to April 30, 2019 (six months), the YWCA Kitchener-Waterloo operated a temporary shelter overflow response, offering 45 cots at a cost of \$298,235, funded through HHSS funding (CSD-HOU-18-23). This option is no longer available as the YWCA has converted the space that was used for the overflow into an employment centre for youth.

3.0 Temporary shelter overflow response for 2019/2020

Staff is recommending that the 2019/2020 response be similar to the service that operated in the winters of 2017/2018 and 2018/2019. These responses offered a cost-effective and participant-centred response to increased capacity pressures.

This response would align with the current referral process for emergency shelters. The

housing helplines coordinate access to each of the seven existing emergency shelters, based on each individual's unique needs. Each night, if capacity is reached at one shelter, additional individuals are referred to another appropriate shelter, with support for transportation costs. The temporary shelter overflow response is only accessed if capacity is reached at all appropriate shelters.

Staff will continue to monitor daily shelter use to ensure that there are beds available for everyone seeking shelter. Should capacity at the temporary shelter overflow response be reached, staff will assess alternative options, including expansion of the overflow response, within the approved budget.

4.0 Planning for the 2019/2020 temporary shelter overflow response

Staff consulted with emergency shelter providers and Regional staff to identify the following list of essential criteria for an appropriate temporary shelter overflow response. The response should:

- Be operated by an experienced emergency shelter provider;
- Offer supports that are provided by qualified, trained, and paid staff;
- Be able to be implemented quickly;
- Align with existing emergency shelter policies (e.g., people access overflow after capacity is reached at regular sites; documented intakes and discharges; housing plans);
- Have enough space to meet expected demand for sleep space across the emergency shelter program (at least 45 people, based on 2018/2019 usage) and is in close proximity to other shelter sites, for ease of transportation, as well as community services, for ease of referrals to other services;
- Serve all gender identities; and,
- Be a cost effective response, in comparison to motel overflow practices.

As the overflow location used in 2018/2019 is no longer an option, due to repurposing of the space, staff conducted a thorough review for other potential overflow sites. In September and October 2019, staff consulted with emergency shelter providers, faith-based organizations, other community partners, area municipalities, community centres, other Regional departments, and private market renters around availability.

5.0 Next Steps

Staff is continuing to assess the viability of the potential responses. Once appropriate responses are determined, in close alignment with the above identified criteria, staff will present the responses to the Commissioner, Community Services.

If the Commissioner, Community Services approves the proposed response(s) (pending authorization from Regional Council per CSD-HOU-18-19), staff will enter into a new

service agreement with the identified emergency shelter provider(s) to detail responsibilities around the operation of the temporary shelter overflow response for winter 2019/2020. Staff will then work with Finance to ensure that the response is operated within the approved budget. Staff will continue to work with shelter providers to monitor the emergency shelter program and the temporary shelter overflow responses.

Quality of Life Indicators:

Funding that supports clients and addresses homelessness aligns with Economic Well-Being (e.g., increased access to affordable housing); Social Inclusion and Equity (e.g., housing support positively impacts participants' sense of belonging); and Physical and Emotional Well-Being (e.g., housing support positively impacts participants' daily functioning and quality of life).

Corporate Strategic Plan:

This report addresses the Region's Corporate Strategic Plan 2015-2018, Focus Area 4: Healthy, Safe and Inclusive Communities; Strategic Objective 4.3 to increase the supply and range of affordable housing and Supportive Housing options; and Focus Area 5: Responsive and Engaging Government Services.

Financial Implications:

The proposed winter shelter overflow response for the 2019/2020 winter season will be accommodated within the existing Regional operating budget of \$407,000. This funding is 100% Regional tax levy and was approved through a 2019 budget issue paper.

Services for the purposes of providing identified supports to vulnerable or at risk populations through public health or social service programs in exempt from the purchasing by-law.

Other Department Consultations/Concurrence:

Finance was consulted in the preparation of this report.

Attachments

Nil.

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Approved By: **Douglas Bartholomew-Saunders**, Commissioner, Community Services



Report: CSD-HOU-19-21

Region of Waterloo

Community Services

Housing Services

To: Chair Elizabeth Clarke and Members of the Community Services Committee

Date: November 5, 2019 **File Code:** S13-40

Subject: **Housing Services Data Snapshot (July to September 2019)**

Recommendation:

For information.

Summary:

This report provides a snapshot of housing and homelessness data in Waterloo region for July to September 2019. It serves as the first in a series of quarterly data snapshots to support Action 5.6 in the Region's 10 Year Housing and Homelessness Plan (2014-2019) (CSD-HOU-19-20) to "develop a communication plan to increase awareness of the system of housing programs in Waterloo region".

Report:

1.0 Housing and homelessness programs in Waterloo region

The Region is the Service Manager in Waterloo region, as designated by the Province, responsible for program planning, service delivery, resource distribution, compliance, quality assurance, and needs and demand analyses including data and trending in the areas of housing and homelessness.

All Regionally-funded housing and homelessness programs work together to prevent housing loss and support households experiencing homelessness to find and secure housing. Access to these programs is coordinated to ensure that households are offered the right resources, at the right time, based on their needs and preferences.

In recent years, the number of households that are seeking to access programs has often exceeded the resources that are available. Similar capacity pressures are experienced by many municipalities across the province and country and are a result of

complex factors including increasing costs of housing and rent, increasing complexity of need, and funding limitations to expand services and develop new affordable units.

2.0 Housing and homelessness data

Traditionally, the Region presented housing and homelessness data at a program level via the annual Housing Stability Data Summary (CSD-HOU-18-20). This approach described program trends well, but did not effectively describe the ways that programs work together as a system.

In 2018/2019, these housing and homelessness programs began using a shared database that allows for shared service planning and case management across programs, real-time data collection, and evidence-informed service planning.

This report takes a system-wide approach, focusing on the interconnectedness between programs. This helps to illustrate the overall efforts being made to prevent housing loss and support those who are experiencing homelessness to secure housing. Being the first report in this series, data are intended to serve as benchmarks going forward, and no trending is included. The focus is on data from July-September 2019, though some indicators are presented using alternative time frames (e.g., annual).

2.1 Preventing housing loss

In Waterloo region, there are a number of programs that support households that are experiencing housing crises. The goal is to prevent housing loss and the consequent experience of homelessness by working on strategies to maintain housing.

The housing resource centres are drop-in sites in Cambridge and Kitchener offering free housing help, such as the online renter's toolkit, education (e.g., budgeting, tenant rights), support with applications for community housing, referral to other programs, and application for rental supports. Between July 1, 2019 and September 30, 2019, the housing advisors at the housing resource centres supported 1,674 people.

The housing helplines support people to prevent housing loss and, where that is no longer possible, find appropriate alternatives to the emergency shelters. This ensures shelter beds are used as a last resort and that all other appropriate options are explored. Between July 1, 2019 and September 30, 2019, 48 per cent of people seeking shelter were diverted to alternative options.

In addition to the role as Service Manager, the Region is concurrently a community housing provider, known as Waterloo Region Housing (WRH), operating and managing 2,814 Community Housing units spread across 65 sites. In 2018, WRH and the Local Health Integration Network piloted a program to support tenants who were facing multiple challenges and were at risk of eviction. The program delivered on-site mental health and addiction support, resulting in successful eviction prevention for all 16

participants (CSD-HOU-18-22).

Figure 1: Summary of indicators related to housing loss prevention

Indicator	Timeframe	Value
The number of people supported by housing advisors at the housing resource centres	Jul. 1 – Sept. 30, 2019	1,674
The per cent of people who accessed the housing helplines who were diverted from emergency shelter	Jul. 1 – Sept. 30, 2019	48%
The number of evictions prevented for WRH tenants through the 2018 pilot program	Jan. 1 – Dec. 31, 2018	16

2.2 Supporting households experiencing homelessness to find housing

There are a number of programs dedicated to supporting people who are experiencing homelessness to find and secure housing. Many of these programs also provide supports while participants search for housing (e.g. basic needs).

The street outreach program provides mobile supports for households experiencing homelessness, including problem solving and connections to services. Between July 1, 2019 and September 30, 2019, street outreach workers supported 737 people.

The emergency shelter program provides a temporary place for households experiencing homelessness. There are 245 spaces in the seven Region-funded shelters across Cambridge and Kitchener, plus overflow responses when shelters are full. Between July 1, 2019 and September 30, 2019, the emergency shelter program supported a total of 790 unique people over 21,756 bed nights (bed nights measure the total number of beds used per night across all shelters in Waterloo region). During that same time period, the average duration of episodes of emergency shelter use was 45 days. An episode of shelter use starts at a person's first book-in date and ends on their date of book-out, prior to not returning for a minimum of 30 consecutive days.

The Prioritized Access to Housing Supports (PATHS) process coordinates access to housing support programs for people experiencing homelessness using one waiting list (the PATHS list). As of September 30, 2019, there were 234 households on the PATHS list that were experiencing chronic homelessness.

These service providers work together with households experiencing homelessness on housing plans, which include 10 steps to finding and securing housing. Generally, shelter participants begin to work on housing plans in their third week of shelter stay. As of October 10, 2019, 81 per cent of shelter participants who have been in the shelter for more than two weeks have an active housing plan.

Figure 2: Summary of indicators related to supports for households experiencing homelessness

Indicator	Timeframe	Value
The number of people supported by street outreach	Jul. 1 – Sept. 30, 2019	737
The number of unique people supported by an emergency shelters	Jul. 1 – Sept. 30, 2019	790
The average duration of episodes of emergency shelter use, across all shelters	Jul. 1 – Sept. 30, 2019	45 days
The number of households experiencing chronic homelessness on the PATHS list	As of Sept. 30, 2019	234
The per cent of emergency shelter participants who have stayed in the shelter for more than two weeks with an active housing plan	As of Oct. 10, 2019	81%

2.3 Supporting households to secure housing

Further, there are a number of programs dedicated to supporting households to secure housing and to maintain successful tenancy. This includes a range of housing options and supports, depending on the unique household's needs and preferences.

Between July 1, 2019 and September 30, 2019 a total of 41 households found housing through the PATHS process.

Supportive housing is long-term housing, paired with supports (e.g., assistance with independent living, rent assistance, strategies to maintain housing, and referrals to supports (e.g., mental health, crisis, medical)). As of September 30, 2019, there were 320 tenants in the supportive housing program. Of those, 253 tenants (79 per cent) had been housed for 12 months or longer.

Community housing is a form of affordable housing offered either by the Region via Waterloo Region Housing or by private/non-profit/cooperative agencies. These housing options may be paired with rental supports to improve affordability for tenants. Access to all community housing units is coordinated through the community housing waiting list, where households apply to their preferred buildings and unit types and remain on the waiting list until a unit becomes available.

As of September 30, 2019, there were 4,798 households on the community housing waiting list, plus an additional 209 pending applications that were under assessment for eligibility and 2,033 applications awaiting assessment. The total number of households that were seeking community housing was 7,031. Between July 1, 2019 and September 30, 2019 a total of 115 households moved into community housing.

The Region continues to support the development of new affordable housing units. Three projects are underway to create an additional 92 new affordable units in 2020 through partnerships with private and non-profit agencies (CSD-HOU-17-11; CSD-HOU-18-19). Additionally, 58 new affordable units are scheduled to be developed in 2021/2022 (CSD-HOU-19-17/COR-TRY-19-104).

Figure 3: Summary of indicators related to supports for households to secure housing

Indicator	Timeframe	Value
The number of households who found housing through the PATHS process	Jul. 1 – Sept. 30, 2019	41
The number of tenants in the supportive housing program	As of Sept. 30, 2019	320
The per cent of supportive housing tenants who have been housed for 12 months or longer	As of Sept. 30, 2019	79%
The total number of households on the community housing waiting list	As of Sept. 30, 2019	4,798
The number of households who moved into community housing	Jul. 1 – Sept. 30, 2019	115

3.0 Conclusion

There continue to be notable successes in supporting participants find and secure housing. In light of these successes, this connected system of programs functions most efficiently when people are able to access the right programs at the right times, based on their needs and preferences. During this time of increased capacity challenges, however, this often cannot happen, and participants are left waiting until resources become available. Similar pressures are experienced by many communities across Ontario and Canada. This is illustrated by the demand for supportive housing (via the PATHS waiting list) and for community housing (via community housing waiting list). Due to the lack of vacancies in affordable and supportive housing, many households on the waiting lists use alternative options, such as emergency shelter and less stable housing (e.g., couch surfing, camping, more expensive rental units that require higher proportions of income to be spent on rent).

The 10 Year Plan directly addresses this need for additional and alternate programs. The plan lists five strategic directions that focus on creating new and maintaining existing affordable units, expanding supports, and improving the effectiveness of a person-centred housing and homelessness system. The Region will continue to track housing outcomes to identify ways to enhance services and inform implementation of the 10 Year Plan.

Quality of Life Indicators:

Funding that supports clients, creates new affordable housing, and addresses homelessness aligns with Economic Well-Being (e.g., increased access to affordable housing); Social Inclusion and Equity (e.g., housing support positively impacts participants' sense of belonging); and Physical and Emotional Well-Being (e.g., housing support positively impacts participants' daily functioning and quality of life).

Corporate Strategic Plan:

This report addresses the Region's Corporate Strategic Plan 2015-2018, Focus Area 4: Healthy, Safe and Inclusive Communities; Strategic Objective 4.3 to increase the supply and range of affordable housing and Supportive Housing options; and Focus Area 5: Responsive and Engaging Government Services.

Financial Implications:

The 2019 annual funding allocation for the Housing Services Service Area is \$41.6M comprised of Federal, Provincial, and Regional levy funding. This annual funding supports the 10 Year Plan which includes the five strategic directions as noted in this report. A breakdown of funding sources and allocations can be found in below:

<u>Housing Services Service Area 2019 Annual Operating Budget (in \$000s)</u>	<u>Homeless Programs</u>	<u>Housing Programs</u>	<u>Admin. Operating</u>	<u>Total 2019</u>
Operating expenditures	\$ 15,700	\$ 60,500	\$ 3,400	\$ 79,600
Revenues (Federal, Provincial, other)	<u>13,400</u>	<u>24,500</u>	<u>100</u>	<u>38,000</u>
Net Levy	\$ 2,300	\$ 36,000	\$ 3,300	\$ 41,600
	Note 1	Note 2		
Note 1: Programs include Consolidated Homelessness Prevention (CHPI), Reaching Home, Home for Good, Homelessness to Housing Stability Strategy (HHSS).				
Note 2: Programs include Waterloo Region Housing, Non-profit/cooperative, affordable housing.				

Other Department Consultations/Concurrence:

Finance staff was consulted on this report.

Attachments

Nil.

Prepared By: Ryan Maharaj, Social Planning Associate

Ryan Pettihere, Director, Housing Services

Approved By: Douglas Bartholomew-Saunders, Commissioner, Community Service

10-Year Housing and Homelessness Plan

Five-Year Review



Message from the Director, Housing Services, Region of Waterloo

On behalf of Waterloo region, I am pleased to introduce the 5-year update to the 10-Year Housing and Homelessness Plan. The Region of Waterloo, as the provincially designated Service Manager for Housing and Homelessness, plays an important leadership role related to system planning, coordination of services, and the development of partnerships in these areas. This updated Housing and Homelessness Plan is a continuation of this work, outlining strategic directions over the next 5 years based on current analysis.

The Plan identifies needs and gaps across the region and proposes a range of strategies to address them. As a community, continued success will depend upon strong and trusting partnerships. Regional staff will work to develop the directions and actions of the Plan into more detailed implementation plans in close cooperation with all community partners and stakeholders. A collaborative approach to meeting housing challenges will cultivate innovative solutions and will allow the region to maximize the available resources of everyone.

We know that housing and homelessness are complex issues, involving shared accountabilities among all levels of government, the private sector and non-profit sector, as well as community residents. The work highlighted in this Plan as achievements over the last 5 years was only possible because of these strong community partnerships. This will continue to be essential in accomplishing the objectives over the next 5 years as well.

I would personally like to thank all Regional staff, Regional Councillors, local service providers and community advocates for their ongoing support of this work. With this updated Plan we will continue to build on the successes we've had while focusing on system improvements and measurable outcomes for the residents of Waterloo region.

Acknowledgements

The progress of this Plan would not be possible without the dedication and involvement of community partners together with Regional staff. Thank you to all those that contributed to the creation of this Plan, including the following individuals:

Victoria Gignac, Principal Planner, Housing Services

Judy Maan-Miedema, Principal Planner, Housing Services

Ryan Maharaj, Social Planning Associate, Housing Services

Ryan Pettipiere, Director, Housing Services

Jeffrey Schumacher, Supervisor, Housing Services

Thank you to all of those who participated in the community consultation, including community and supportive housing providers and tenants, housing and homelessness service providers, Indigenous partners, area municipalities, and Regional staff teams.

In order to ensure a healthy thriving Region and the successful implementation of this Plan, community collaboration is critical. Regional staff will continue to work in partnership with the community to not only achieve the desired outcomes of this Plan but our vision of being a community where people matter and ideas grow.

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1.0 Introduction

The Region is the Service Manager for Waterloo region, as designated by the Province, to be responsible for program planning, service delivery, resource distribution, compliance, quality assurance, and needs and demand analyses including data and trending in the areas of housing and homelessness.

In 2011, the Province required Service Managers to develop a 10-year plan for housing and homelessness for 2014-2024. Prior to 2011, the Region had produced two strategic plans, known as the Housing Action Plan and the Homelessness to Housing Stability Strategy. Rather than create a new plan, the Region combined these two documents and submitted them together to the Province as the 10-Year Plan (P-14-042/SS-14-016).

The Province further requires Service Managers to submit annual updates of their 10-Year Plans. The Region has met this requirement by submitting annual reports to Regional Council (CSD-HOU-15-23; CSD-HOU-16-04; CSD-HOU-17-13; CSD-HOU-18-16; CSD-HOU-19-10) and subsequently to the Province for their approval.

1.1 The five-year review

In addition to these annual reports, the Province requires a five-year review of the 10-Year Plan, by December 31, 2019. The review provides an opportunity to assess the current local context (e.g., ongoing challenges, current housing and homelessness data); consult with community partners; and update the strategic directions and actions for years 2019-2024. It provides updated strategic directions and actions that are reflective of the current local context and merges the Housing Action Plan and Homelessness to Housing Stability Strategy from the original 10-Year Plan into one consolidated document.

The five-year review of the 10-Year Plan guides service planning and delivery across the housing and homelessness sector in Waterloo region. There are two core purposes of this 10-Year Plan:

1. To set revised strategic directions, actions, and targets to increase housing affordability and expand supports to help low and moderate-income households find and maintain appropriate housing; and,
2. To introduce the affordable housing target for Waterloo region for 2019-2041.

2.0 The Integrated Housing and Homelessness System

All Regionally administered housing and homelessness programs work together as a connected system to prevent the experience of homelessness and support households experiencing homelessness to find and secure appropriate housing. Access to these programs is coordinated to ensure that households are offered the right housing

resources, at the right time, based on their unique needs and preferences. This includes the following range of programs and services.

2.1 Housing and homelessness programs

Housing Resource Centres: Drop-in sites offering free housing help to households at risk of housing loss, such as education (e.g., budgeting, tenant rights, understanding the rental market), support with applications for community housing, referral to other programs, and application for rental supports.

Housing Helplines: Phone lines that support callers to prevent the experience of homelessness and, where that is no longer possible, find appropriate alternatives to the emergency shelters. If there are no appropriate alternatives for callers, the helplines coordinate access to emergency shelter.

Emergency Shelters: Provide a temporary place for households experiencing homelessness. There are 245 spaces in the seven Region-funded shelters across Cambridge and Kitchener, plus motel overflow responses when shelters are full.

Street Outreach: Mobile and drop-in supports for households experiencing unsheltered homelessness, providing basic needs and supports in finding and securing appropriate housing.

Coordinated Access Process: The Prioritized Access to Housing Supports (PATHS) process coordinates housing supports for households experiencing homelessness with medium to high depth of need. Households with the highest depth of need are prioritized using one waiting list (the PATHS list) and matched to appropriate vacancies, based on their needs and preferences.

Marillac Place: Supports for single-parent youth households and pregnant youth, providing short-term shelter, basic needs, and supports in finding and securing housing.

Supportive Housing: Long-term housing, paired with short or long-term supports, including fixed-site buildings and portable home-based support in private market units. Access to these programs is coordinated through the PATHS process. The supports include assistance with independent living, rent assistance, strategies to maintain housing, and referrals to supports (e.g., mental health, crisis, medical).

2.2 Affordable housing programs

Defining affordable housing is challenging, as it often has a different meaning for varied population groups. The Canadian Mortgage and Housing Corporation considers housing affordable if it costs less than 30 per cent of the household's income (pre-tax). This definition is used locally, as housing affordability programs in Waterloo region aim to support households to get closer to this affordable ratio.

For the median household in Waterloo region (income of \$77,530 per 2016 Census), this would mean a rent or mortgage of \$1,938/month at a maximum. In contrast, a single household earning minimum wage (\$14/hour at 40 hours per week) would pay 42 per cent of their income to rent the average one-bedroom apartment (\$1,021 in 2018).

2.2.1 Community housing programs

Community housing is defined in Waterloo region as a type of affordable housing for low and moderate-income households that is administered by the Region, through a range of Federal and/or Provincial funding programs. Current to September 2019, there are 8,991 community housing units across Waterloo region. These units are owned and operated by a variety of providers, including non-profits, cooperatives, and the Region.

The Region owns and operates 2,814 community housing units across 65 sites. Of these units, 2,722 are owned by Waterloo Region Housing (WRH), the remaining 92 units are owned by the Region of Waterloo Community Housing Inc. (ROWCHI). Together, WRH and ROWCHI represent approximately 30 per cent of the total 8,991 community housing units across Waterloo region. This makes WRH the largest community housing provider in Waterloo region.

The remaining 6,177 community housing units in Waterloo region are owned by non-profit, private, and cooperative organizations and are funded by the Region through various funding programs. These units are a mix of low-end of market, rent-geared-to-income, and below average market rent. Going forward, the funding packages are the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI), which are designed to invest in capital repairs, support tenants, and build new units.

As part of the 10-Year Plan, the Region will continue to invest in the development of new WRH units while concurrently investing in the development of new private, non-profit, and cooperative units. In addition, the Region will explore public-private partnerships, as opportunities become available to the Region. This would potentially involve collaboration between the Region, area municipalities, non-profit and private organizations to co-develop new community and/or affordable housing units.

2.2.2 Community housing program types

There are three categories of community housing programs that are applied to community housing units, including:

1. Rent-Geared-to-Income (RGI): Tenants living in community housing units pay approximately 30 per cent of their gross income towards rent. The Region pays the remaining portion of the market rent.
2. Rent Assistance (RA): Tenants in private market units receive a set amount of monthly funding (e.g., the housing allowance with supports program provides \$601/month).
3. Below Average Market Rent (BAMR): The Region provides capital funding to housing providers in exchange for units in a newly constructed building to be charged at rent lower than the current average market rent. These BAMR units offer rent that typically ranges from 60 per cent to 80 per cent of average market rent.

Access to the community housing programs is coordinated through the Region of Waterloo Community Access System (ROWCAS) at the Community Housing Access Centre (CHAC). Households apply to their preferred buildings and unit types and remain on the list until a unit becomes available.

2.2.3 Housing affordability programs

Affordable Home Ownership: Assists renters in becoming homeowners by providing qualified households with down payment assistance loans.

Ontario Renovates: Provides financial assistance to low and moderate-income households to repair their home, improve the energy-efficiency/accessibility of their home, or build affordable secondary suites on their property. It is also available to repair community housing.

3.0 Achievements between 2014 and 2019

Since 2014, the Region and community partners have worked together to meet the goals of the 10-Year Plan and implement a number of innovative responses, while continuing important day-to-day work.

Diversification of families from emergency shelter

In 2014, the Region launched a diversion program to support families experiencing homelessness to find and secure housing and decrease the number of families accessing emergency shelter, as well as their length of stays in shelter. In 2018/2019, the Families in Transition team helped support a total of 402 participants.

The Prioritized Access to Housing Supports (PATHS) process

The PATHS process launched in 2016 to coordinate access to housing supports for people experiencing homelessness. The PATHS process matches people who have medium- to high-depth of need with the right housing support using one waiting list (the PATHS list). There have been major methodological changes to the paths process since its implementation, which has made it difficult to track overall housing outcomes since the program's launch. The new process was implemented in July 1, 2019. Between July 1, 2019 and September 30, 2019, a total of 42 households found housing through the PATHS process.

The Portable Home-Based Support (HBS) program

The HBS program was launched in 2018 as part of the supportive housing program. Through HBS, private market rent units are paired with short- or long-term supports based on the tenant's depth of need. Supports can include: assistance with independent living, rent assistance, strategies to maintain housing, and referrals to community supports (e.g., mental health, crisis, medical).

Homeless Individuals and Families Information System (HIFIS)

HIFIS is a web-based database that allows for shared service planning among housing service providers. Since the launch of HIFIS in April 2018, all Regionally-funded housing service providers are now using the database. This allows for shared case management across Waterloo region, meaning clients only have to tell their story once. It also allows for real-time data collection and evidence-informed service planning.

The Tenant Engagement Strategy

In 2017, the Region launched a new tenant engagement strategy for WRH communities. The strategy provided staff with training on community engagement, including cultural intelligence, de-escalation, and customer service. Staff focused on building community capacity through increased engagement among WRH and neighbouring communities.

The Affordable Housing Strategy

The 2016-2019 Affordable Housing Strategy aims to address the housing needs of 700 low and moderate-income households by 2019. This involves preserving 350 units and creating 350 new affordable housing units. By December 2018, the housing needs of 566 households were addressed through newly constructed affordable rental units, portable rent assistance, home ownership loans, and home repairs, which equates to over 80 per cent of the goal.

Condominium conversion guidelines

In 2015, the Region created guidelines to prevent the stock of affordable housing units from decreasing in Waterloo region. They are designed to limit the conversion of affordable rental units into condominiums and outline when apartment buildings are permitted to be converted and the units sold.

4.0 Data review: need and demand in Waterloo region

As part of the review of the 10-Year Plan, the Region reviewed housing and homelessness data to get a better understanding of the current needs in Waterloo region. This helped to determine whether the strategic directions and actions from the original 2014 10-Year Plan reflect the current data and enabled the Region to identify new challenges, trends, and factors in service use and delivery. This information was collected between January and October 2019. Where available, staff compared these update data points to benchmark data from the original 2014 Plan.

Based on this review, many of the indicators had remained relatively stable over the last five years. For example, Waterloo region's population continues to grow and age; the majority of new housing being constructed is apartment style and is located in already intensified areas; or many housing programs face capacity challenges, where the need for services outweighs the availability.

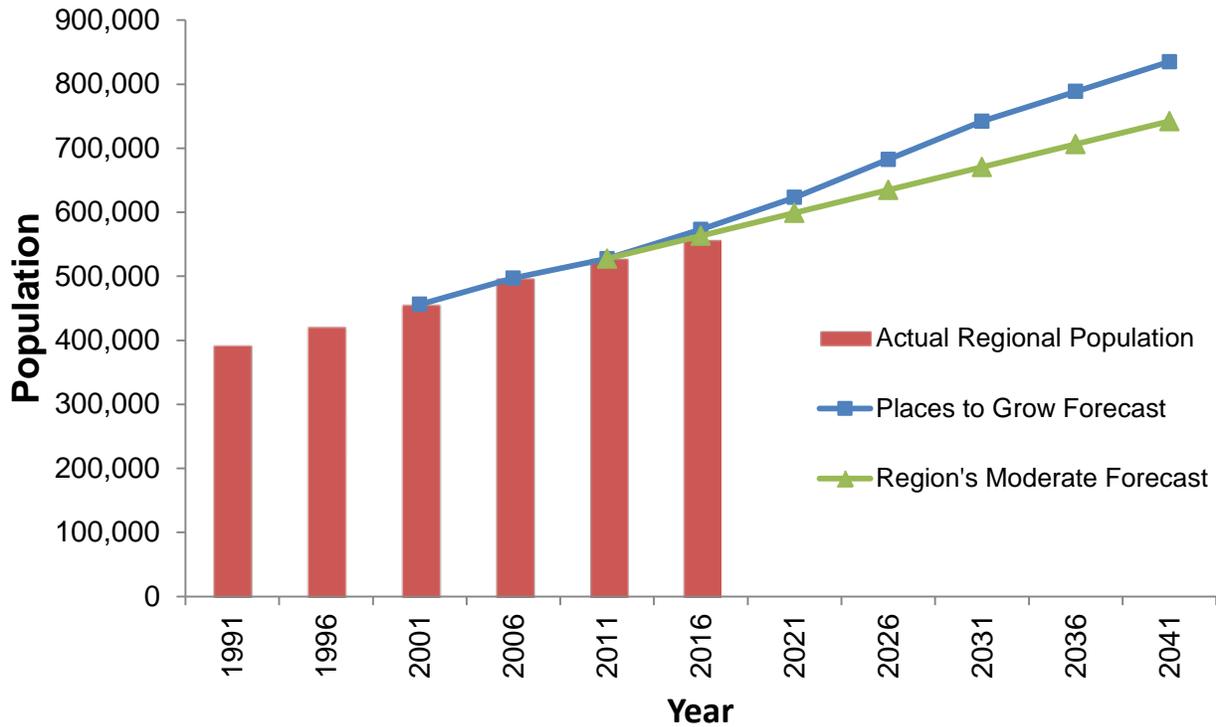
There are also many indicators that have changed in the last five years. In addition, there are a number of new programs that have been initiated since 2014. For these programs, benchmark data is provided.

4.1 Waterloo region population size

As per 2016 Census data, Waterloo region has a population of 535,154 people, which is 28,058 more people than in 2011. It is a vibrant community comprised of three cities (Kitchener, Cambridge, and Waterloo) and four rural municipalities (Wellesley, Woolwich, Wilmot, North Dumfries).

According to the Places to Grow: Growth Plan for the Greater Golden Horseshoe, 2017, the region's population is expected to grow to 742,000 by 2031. As shown in Figure 1 below, growth in Waterloo region has been a long-term upward trend that is expected to continue.

Figure 1: Waterloo region population growth, 1991-2041



Source: Census data; Places to Grow (2017); Regional forecasting between 2001 and 2041.

4.2 Housing loss prevention

Preventing housing loss and the consequent experience of homelessness is a focus of many housing programs in Waterloo region. The Housing Resource Centres are drop-in sites offering free housing help to households at risk of housing loss, such as education (e.g., budgeting, tenant rights, understanding the rental market), support with applications for community housing, referral to other programs, and application for rental supports. Between July 1, 2019 and September 30, 2019, the Housing Advisors at the Housing Resource Centres served 1,674 people.

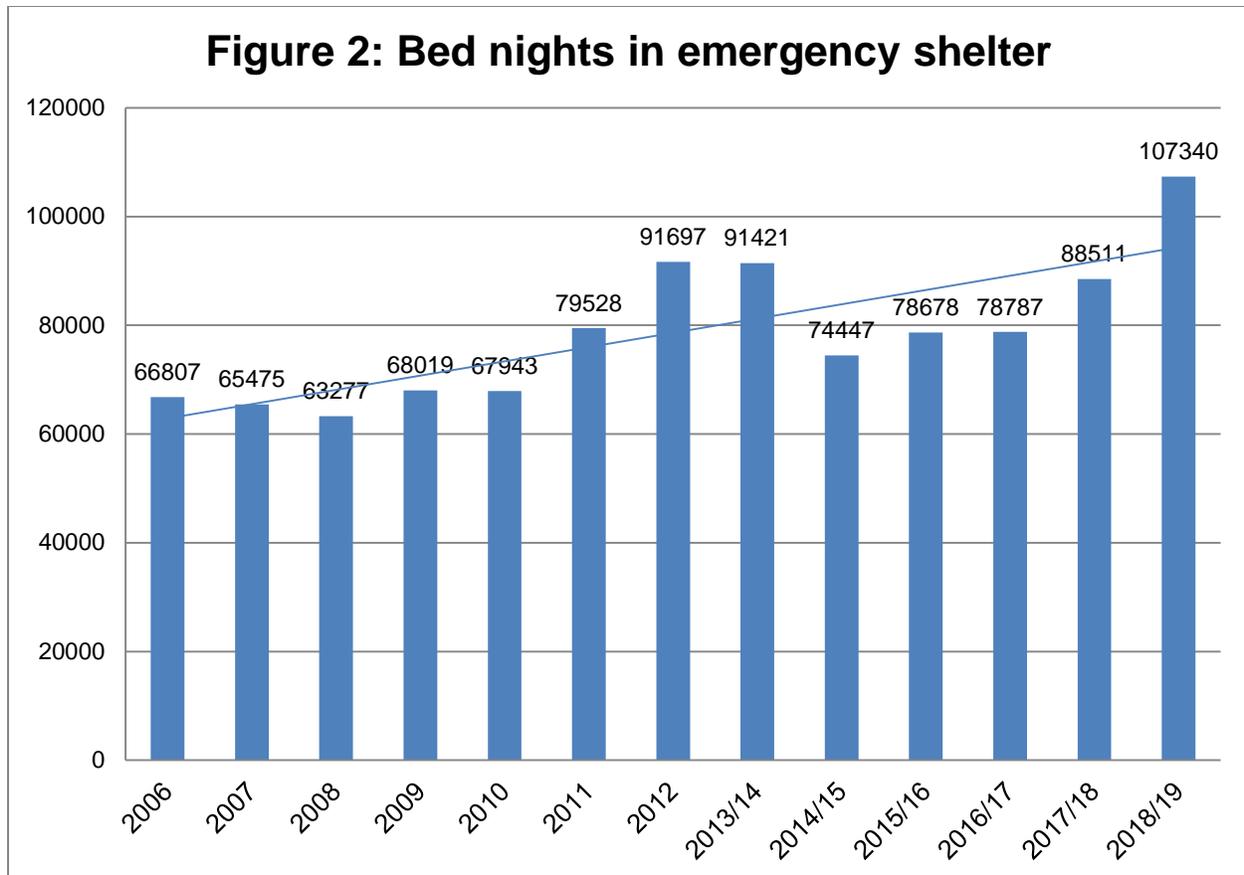
The Housing Helplines aim to support callers to prevent the experience of homelessness and, where that is no longer possible, find appropriate alternatives to the emergency shelters. Between October 1, 2018 and June 30, 2019, 43 per cent of callers seeking shelter were diverted to alternative options. This ensures shelter beds are used as a last resort.

4.3 Emergency shelters

Emergency shelters provide a safe, temporary place for people experiencing homelessness. There are 245 spaces in the seven Region-funded shelters across Waterloo region (see Appendix I), plus motel overflow when shelters are full. Access to

shelters is coordinated through housing helplines, which support callers to prevent housing loss and find alternative places to stay. Callers are only referred to shelter when there are no appropriate alternatives.

Capacity challenges have been a constant pressure for the emergency shelters, which are at or over capacity on most nights. This is best illustrated through the 'bed night' count, which measures the total number of shelter beds occupied per night. In 2018/19, there were 107,340 bed nights, including overflow, which is a 44 per cent increase over the 74,447 bed nights in 2014/15 (see Figure 2).



Source: Program data collected between 2006 and 2019.

In contrast, there has been a decrease in the number of unique individuals accessing emergency shelter. In 2018/19, 2,032 unique individuals accessed shelter, including overflow, which is a 37 per cent decrease from 3,219 in 2014/15. This suggests that while fewer households are accessing shelter, those who are accessing shelter tend to stay for longer periods.

Motels are used as an overflow response when shelter capacity is reached across Waterloo region. In 2015 and 2016, the use of motels was limited and occurred primarily over the winter months. Using motel spaces for overflow is only cost-effective when the

need is irregular and infrequent. Starting in the fall of 2017, however, capacity pressures grew to unsustainable levels.

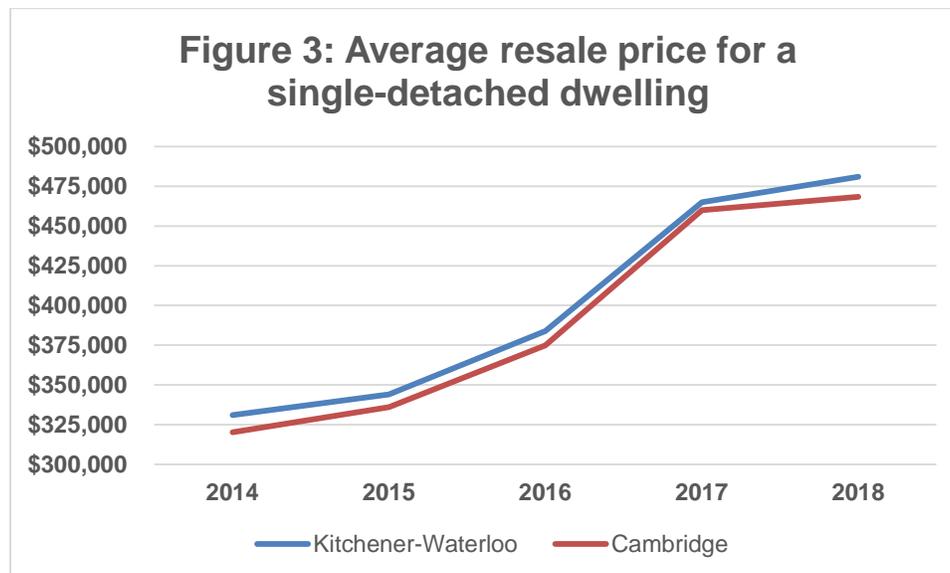
4.4 Supportive housing

Supportive housing is long-term housing paired with supports (e.g., assistance with independent living, rent assistance, strategies to maintain housing, and referrals to supports (e.g., mental health, crisis, medical)). This includes both fixed-site buildings and portable home-based support (HBS) in private market units. Access to these programs is coordinated through the PATHS process. As of September 30, 2019, there were 320 tenants in supportive housing units (fixed site and HBS). Of those, 253 tenants (79 per cent) had been housed for 12 months or longer.

4.5 Ownership and rental housing market

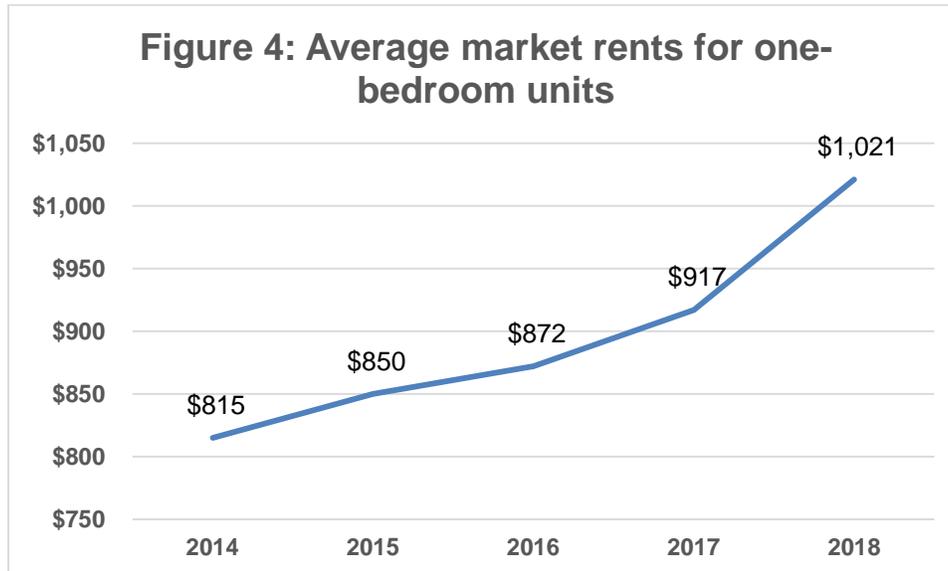
With respect to the housing market, there have been notable increases in the cost of housing over the last five years for ownership units (see Figure 3).

In 2018, the average resale price of a single-detached dwelling in Kitchener-Waterloo was \$480,915 up from \$331,072 in 2014. Likewise, in Cambridge, the average resale price of a single-detached dwelling was \$468,434 in 2018 versus \$320,243 in 2014. Overall, this is an increase in resale prices of approximately 30 per cent across the region since 2014.



Source: Kitchener-Waterloo and Cambridge Association of Realtors

Similarly, average market rents have also steadily increased in Waterloo region (see Figure 4) since 2014 by a total of 25 per cent to 2018. This is particularly pronounced in 2017/2018, when average rents for a one-bedroom unit increased from \$917 in 2017 to \$1,021 in 2018, which is an increase of 11 per cent. In contrast, inflation in 2017 was 1.6 per cent. It should be noted that the Township of Wellesley is not captured in these figures, as per the Canada Mortgage and Housing Corporation (CMHC) Rental Market Reports.

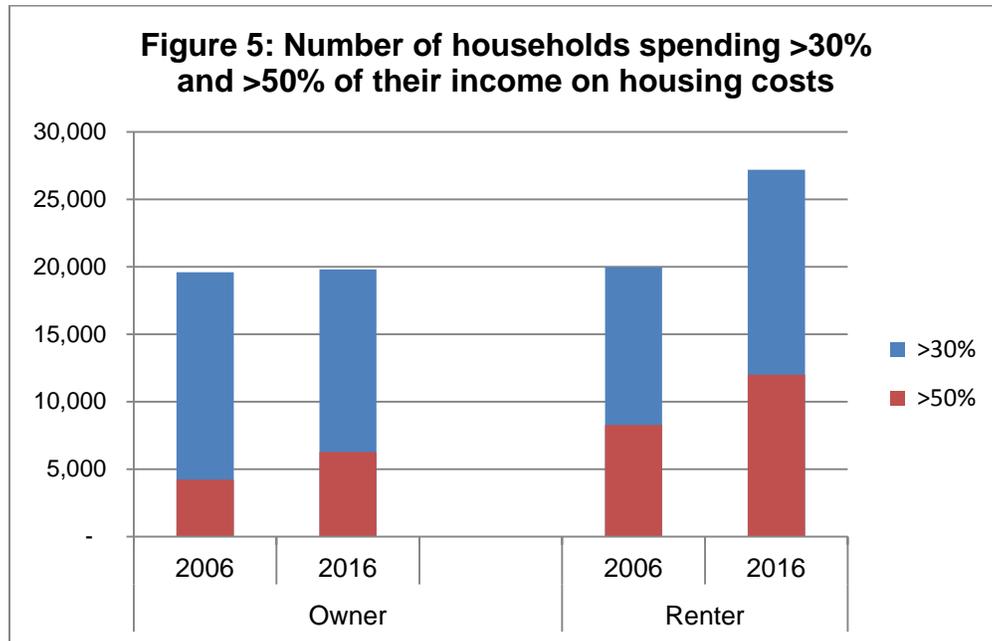


Source: Canada Mortgage and Housing Corporation Rental Market Reports

4.6 Housing affordability

Having a range of housing options for every household is a key contributor to a healthy community. Paying more than 30 per cent of income on housing costs is generally considered unaffordable. Paying more than 50 per cent of income on housing costs is considered severely unaffordable and increases the risk of housing loss.

Figure 5 demonstrates that the number of owner households paying more than 30 per cent of their income on housing has increased slightly between 2006 and 2016 (by 215 households). For renters, however, the number of households paying more than 30 per cent of their income on rent increased by 7,215 households during the same time period. Approximately 42 per cent of all renter households were paying unaffordable rents, up from 39 per cent in 2006.



Source: Statistics Canada, 2006 and 2016 Census

Likewise, the proportion of renters and owners spending more than 50 per cent of their income on housing has also increased from 2006 to 2016, by 2.5 per cent and 1.0 per cent respectively. In total, over 18,000 households are paying half of their income or more on housing.

In Waterloo region, 46,985 households are paying more than 30 per cent of their income on rent, as per the 2016 Census data. This is a 19 per cent increase from 39,555 households since 2006. Based on the definition presented in Section 2.2 above, housing costs are unaffordable for these households.

This indicator is known as Core Housing Need¹, which determines how many people are living in unaffordable or unsuitable conditions due to limited means, and therefore precarious housing circumstances. The more household income spent on housing, the greater risk of homelessness for these households.

4.7 Community housing programs

Across Waterloo region, there are 5,700 RGI units, 1,296 BAMR units, and 186 households currently receiving rental assistance.

While the Region has been adding approximately 100 new affordable units per year under the Affordable Housing Strategy, agreements with various housing providers have been expiring since 2014. This means that there is potential for units to be removed from the community housing stock.

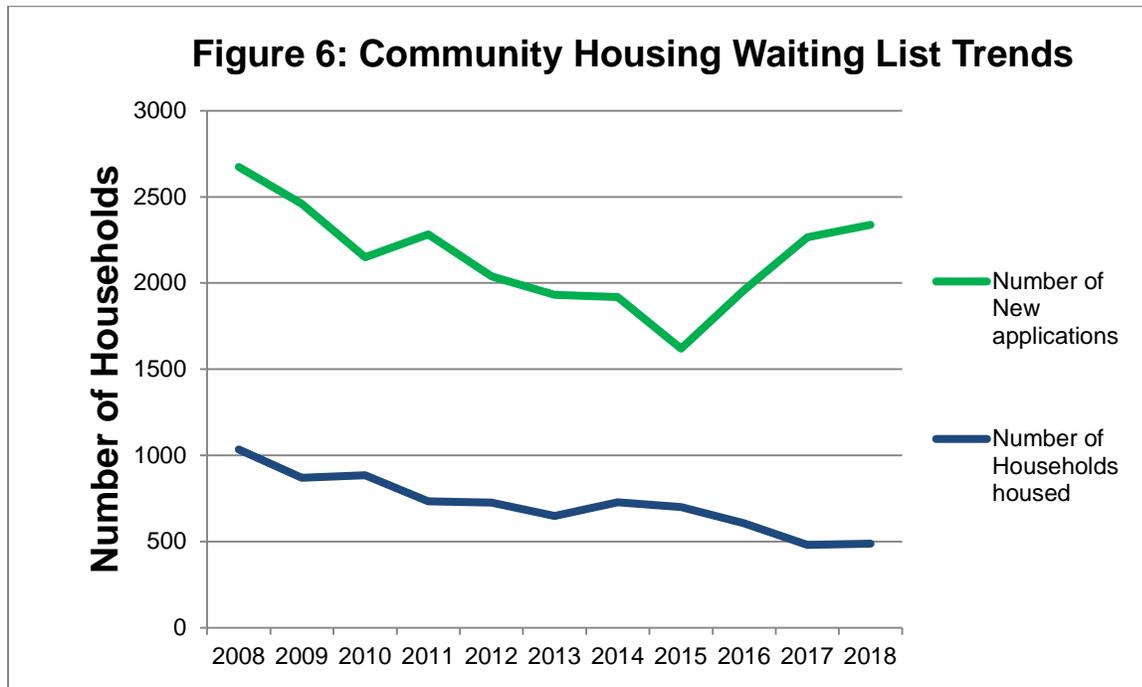
¹ A household is in core housing need if it would need to spend more than 30% of its income to afford the median rent in the area where they are living and if their current home is in need of major repairs, does not have enough bedrooms for the size of the household, or if they are paying more than 30% of their income on housing.

Since mortgage agreements with 25 Federal housing providers expired in 2014, 1,200 community units have been impacted. These units are no longer under the Region’s administration and are potentially no longer affordable. Between 2019 and 2030, agreements for another 13 Federal housing providers and 54 provincial housing providers will expire. This puts another 3,627 units at risk, creating additional potential pressure on the community housing waiting list and housing system.

Some of the funds available through COCHI and OPHI will be used to help housing providers achieve long-term sustainability as affordable housing after their mortgages expire.

4.8 Community housing waiting list

As shown in Figure 6, the need for community housing has grown in recent years, with the number of new applications rising after 2014.



Source: Annual Waiting List Statistics from Yardi in DOCS #1558421

As of September 30, 2019, there were 4,798 households on the community housing waiting list, plus an additional 209 pending applications that were under assessment for eligibility and 2,033 applications awaiting assessment. The total number of households who were seeking affordable housing was 7,031.

While the number of applications continues to grow, the number of people housed each year has steadily declined. In 2014, 728 households were housed off of the community housing waiting list, versus 488 households in 2018. Between 2014 and 2019, a total of 3,003 households moved into community housing.

This continued increase in number of new applications and decrease in the number of households moving off of the list has led to increased wait times for households on the waiting list.

4.9 Specific population groups

4.9.1 Rural townships

In addition to the urban municipalities of Waterloo, Kitchener, and Cambridge, Waterloo region includes the rural townships of North Dumfries, Wellesley, Wilmot, and Woolwich, blending a unique balance of urban and rural centres. According to Census data, the rural townships comprise approximately 12 per cent of the region's population.

The vacancy rate in 2018 for rural townships (1.8 per cent) is lower than that of Waterloo region as a whole (2.9 per cent). A three percent vacancy rate is considered a healthy benchmark for a rental market, which indicates that the rural townships are seeing more demand of rental units than the supply. Though this adds upward pressure on rental costs in the rural regions, average rents are consistently lower than rents in the urban areas.

Adding to this pressure is the lack in the range of housing types available in these communities, with the majority being single-detached dwellings. Of the 37,664 rental units across the region, only approximately 826 (2 per cent) are dispersed throughout the townships in predominately low-rise building typologies. Similarly, of the total number of units under the various affordable housing programs across the region, only approximately 4 per cent are located within the townships.

In contrast, only 6 per cent of households within rural areas spend more than 30 per cent of their income on housing costs.

Overall, while a predominant issue in the urban areas is housing affordability, the townships face a lack of various housing programs, limited transportation options, and a small range of housing options, specifically as it relates to rental options.

4.9.2 Seniors

Between 2011 and 2016, the population growth rate in Waterloo region for those over the age of 65 was 21.4 per cent. This is notably higher than the 5.5 per cent growth rate for the overall population. Although the number of seniors is rapidly growing, the age category currently represents a small proportion of the total population. In 2016, approximately 1 out of 7 people in Waterloo region were over the age of 65.

Based on the 2016 Census, 10 per cent (7,475) of senior households in Waterloo region were living with a low-income compared to 7 per cent (3,625) in 2005, which is measured using the Low-Income Measure After Tax. There were 10,015 senior households paying more than 30 per cent of their income on housing costs.

As of September 2019, there were 1,104 senior led households on the community housing waiting list, which is roughly one-quarter of the list at 24 per cent.

4.9.3 Indigenous Peoples

Indigenous Peoples who participated in consultations with Wellbeing Waterloo region reported that the Indigenous population in our Region is much higher than documented and is closer to 40,000. This has been supported in the “Our Health Counts” studies done in Toronto, Hamilton and London, which has indicated that the percentage of Indigenous Peoples living in an area is roughly 2 to 3 times that measured through the Census².

Though Census data has the above-mentioned limitations, it does show that Aboriginal³ households (roughly 9 per cent) are more likely to live with a low-income in comparison to Waterloo region’s overall population (approximately 7 per cent). Aboriginal households are also more likely to be paying more than 30 per cent of their income on housing costs.

4.9.4 Lone-parent households

According to the 2016 Census, there were nearly 24,000 lone-parent households in Waterloo region. This is approximately 2,235 more households than in 2011, representing an increase of 10.3 per cent. Of these 24,000 lone-parent households, 19,120 (80 per cent) were female-led. Of all the households with children in the region, one-quarter were lone-parent households. The number of lone-parent families is growing faster than the rate of couples with children. Lone-parent families continue to have the lowest median income of all family types.

To be suitably housed, lone-parent households often require a multi-bedroom unit, which can be challenging to afford. According to the 2011 Census, approximately 45.6 per cent of lone-female parent households who rent are in Core Housing Need. This is almost twice the total number of all renter households (24.8 per cent) in Core Housing Need across the region, which indicates that this population is more likely to live in a precarious housing situation.

4.9.5 Special priority of survivors of domestic violence and human trafficking

Survivors of domestic violence and human trafficking are given first priority from the community housing waiting list, as regulated by the Province. In 2014, 119 households were prioritized for this reason and successfully housed, which made up 16% of the total number of households taken off the community housing waiting list that year. In 2018, 136 prioritized households were housed, which comprised over 25% of the total

² Wellbeing Waterloo Region: Indigenous Community Consultations. September 2018 DOCS# 2769607

³ Statistics Canada exclusively uses the term “Aboriginal,” which is a legally defined term frequently used by government agencies that collectively refers to “Indians, Inuit and Métis” - according to the Canadian Constitution Act of 1982.

number of households housed into community housing that year. Though the number of prioritized households remains relatively consistent since 2014, a reduced number of non-prioritized households are successfully housed each year due to less turnover of community housing units on an annual basis.

In 2016, households experiencing domestic violence and living on a low-income were eligible to participate in a pilot program known as the Portable Housing Benefit. This program allowed these households to receive a housing allowance to find a rental unit in the private market rather than being added to the community housing waiting list. This pilot is now a permanent program in the region. In 2018, 25 households received this portable housing benefit and were housed with private landlords.

5.0 Feedback from community consultations

As part of the review to the existing plan, the Region conducted a community consultation. During this process, a summary of the data was shared and participants were asked about the relevance of the Plan given the changes in the data. The consultation questions were scoped to ensure that feedback was limited to the actions in the current Plan to determine what changes were required. Meetings and webinars were held with the following groups:

- Community housing providers including Indigenous partners
- Supportive housing providers
- Community housing and supportive housing tenants
- Street outreach and emergency shelter providers
- Area municipalities
- Internal staff teams

Much of the feedback provided was in regards to the action items included in the 10-Year Plan and how best to implement them. This feedback has been retained internally and will be used as a guide to implement the Plan over the next five years. There were three common themes that were identified among particular groups.

From the consultation process, the needs of people who are accessing housing programs are becoming increasingly complex. These participant groups conveyed that new options need to be made available to support households who are awaiting community or supportive housing and have a higher depth of need. While specific details about these options were unknown, they suggested organizing a forum for people to share ideas of what is and is not working.

Other housing providers indicated community and supportive housing tenants need better access to social supports. Some have been able to incorporate an element of this into their buildings by hiring staff who work with residents to build community and provide social supports (e.g., supports with independent living, mental health and

additions), however, many expressed their lack of financial means to provide these types of services on their own.

The majority of the participant groups identified a need for more affordable and supportive housing within Waterloo region. Some participants expressed concern that Waterloo region would become a community where people cannot afford to live where they work. Participants suggested changing the wording in the Plan to better illustrate a commitment to increase the affordable housing stock. They also suggested adding targets to the Plan, as well as other methods to measure the progress toward increasing the affordable and supportive housing stock in Waterloo region.

These pieces of feedback have been incorporated into the Plan's strategic directions, actions and targets, as outlined in Section 6.0.

6.0 Strategic directions and actions

Based on available data and feedback from community consultations, the Region has identified five strategic directions to address challenges relating to housing affordability and homelessness in Waterloo region. Each strategic direction is paired with a set of actions to help scope the work; targets to set progress goals; and measures to track the progress of each action. The targets for each action are subject to budget approval on an annual basis.

Strategic Direction 1: Create more affordable and community housing

The majority of the participants in the community consultations communicated the need for more affordable and supportive housing. There was a particular emphasis on the needs of people who are experiencing homelessness and those who face increased barriers to securing and maintaining housing (e.g., low and moderate-income households, marginalized groups). Strategic Direction 1 addresses this need and emphasizing the barriers to creating new affordable units, such as the lack of incentives, development application barriers, land costs, limited funding or funding requirements, and increasing construction costs.

Action	Target	Measure
1.1 Develop and begin to implement a WRH Master Plan	<p>a. Submit the WRH Master Plan for the consideration of Regional Council in fall 2019</p> <p>b. 340 WRH units under development by 2024, as part of the overall goal of creating at least 600 new WRH units over the 20-year term of the Plan</p>	<ul style="list-style-type: none"> • The number of new WRH units developed, annually • The number of people that move into new affordable units from the community housing waiting list each year

Action	Target	Measure
1.2 Create an affordable housing task force to increase affordable housing development within Waterloo region	<p>a. Convene a Steering Committee of Regional Councillors and staff in 2020 to develop a multi-sectoral and stakeholder task force</p> <p>b. Coordinate an affordable housing summit to identify and collaborate on new and innovative strategies, including public-private partnerships</p>	<ul style="list-style-type: none"> • Task force and Steering Committee convened • Number of recommendations brought to Council • Number of new affordable units created • The number of new partnerships between the Region and community partners for the purpose of increasing the affordable housing supply • The number of new initiatives that are launched and result in new units being developed
1.3 Continue to invest in private, non-profit, and cooperative housing providers to develop new community housing units, beyond WRH	a. Allocate all available COCHI and OPHI funding annually, per approved Investment Plan, subject to budget approval	<ul style="list-style-type: none"> • The number of new community housing units developed each year through Regional funding, not including those developed by WRH
<p>1.4.1 Assess the housing needs and gaps in service in the four townships</p> <p>1.4.2 Develop and implement responses to address identified needs and gaps</p>	<p>a. Conduct a needs assessment for each of the four townships by 2021</p> <p>b. Develop and implement responses to address identified needs by 2023</p>	<ul style="list-style-type: none"> • The number of needs assessments conducted • The number of responses developed • The number of responses implemented
1.5 Identify targeted policies and potential incentives for private, public, and not-for-profit sector developers to create and maintain the affordable housing stock (e.g., tax increment grant, multi-tax ratio, application fees, regional development charge grants)	a. Present assessment of targeted policies and potential incentives to Regional Council by 2021	<ul style="list-style-type: none"> • The number of proposed targeted policies • The number of proposed incentives • The number of new affordable units created under these policies and incentives

Action	Target	Measure
1.6 Work with area municipalities to develop guidelines for implementing and monitoring affordable housing targets	a. Complete implementation and monitoring guidelines by 2022 b. Meet annual affordable housing targets in 2023 and 2024	<ul style="list-style-type: none"> The number of new affordable units created
1.7 Develop a “housing first” policy to ensure that Regional surplus land is considered for the development of affordable housing development, prior to the consideration of divestment	a. Present housing first policy to Regional Council in 2020	<ul style="list-style-type: none"> The number of surplus sites retained for the purpose of developing affordable housing The number of new affordable units created on surplus land
1.8 Support area municipalities in conducting the housing assessment required for implementation of inclusionary zoning	a. Assist area municipalities to complete an inclusionary zoning housing needs assessment by 2021	<ul style="list-style-type: none"> Assessment completed
1.9 Develop and implement a new affordable housing strategy	a. Develop a strategy and submit to Regional Council in 2020	<ul style="list-style-type: none"> The number of measures and targets that are revised to reflect current demands The number of new affordable units created annually as part of the strategy
1.10 Conduct an assessment of the implementation of a vacant unit tax	a. Conduct the assessment and submit to Regional Council by 2021	<ul style="list-style-type: none"> The number of days that a unit remains vacant
1.11 Develop design guidelines for the development of affordable housing	a. Develop design guidelines and submit to Regional Council by 2021	<ul style="list-style-type: none"> The number of new affordable units that are built according to the design guidelines The number of new affordable units that are not built in accordance with the design guidelines

Strategic Direction 2: Retain and maintain the existing affordable housing stock

The existing stock of affordable housing units is an asset that must be actively maintained and prevented from conversion into higher-cost housing or falling into disrepair. There is also a need to ensure that community housing providers with expiring agreements can access the support that they require to continue to provide affordable housing and consider increasing their stock of units.

Action	Target	Measure
2.1 Develop a strategy to prevent the loss of community housing units and improve viability, as operating agreements with community housing providers expire	a. 100 per cent of community housing providers with expiring agreements continue to provide affordable housing	<ul style="list-style-type: none"> • The per cent of providers with operating agreements that have expired that continue to provide housing at 80 per cent AMR • The number of affordable units protected through the strategy
2.2 Develop a long-term asset management strategy for community housing providers	a. 100 per cent of community housing providers have an active asset management strategy by 2020	<ul style="list-style-type: none"> • The per cent of community housing providers with a long-term asset management strategy • The per cent of community housing providers that have 5-year capital plans • The number of current WRH units that are maintained in a state of good repair
2.3 Conduct operational reviews with each community housing provider to strengthen governance and operations	a. Conduct an operational review with 100 per cent of community housing providers by December 2024	<ul style="list-style-type: none"> • The per cent of community housing providers that have completed a full operational review with the matrix

Action	Target	Measure
2.4 Review and update community housing standards and protocols	a. Update three standards by 2022 b. Provide training to 100 per cent of community housing providers commencing in 2019	<ul style="list-style-type: none"> • The number of protocols and standards that are updated • The per cent of community housing providers that attended training sessions
2.5 Review the Condominium Conversation Policy in the Regional Official Plan to assess whether it is effective in preventing the loss of affordable rental housing stock	a. Evaluate the policy in 2020 b. Implement the recommendations by 2022	<ul style="list-style-type: none"> • The number of affordable rental units protected by these policies • The number of recommendations implemented

Strategic Direction 3: Facilitate the development of an appropriate range of housing options

A broad range of housing options is necessary to accommodate the continued growth, changing demographics, and diverse housing needs of Waterloo region. Housing forms and housing supports must be responsive to the changing needs of the community. There is also a need for culturally sensitive housing for Indigenous populations and other demographic groups.

Action	Target	Measure
3.1 Work with housing service providers, community partners, and area municipalities to develop innovative housing solutions to meet the needs of diverse populations	a. Five innovative housing-focused projects underway or completed by 2024, designed to meet the needs of diverse populations b. Submit an application proposing to lead an OneInnovation HUB, focused on finding new approaches to increasing affordable housing by 2024	<ul style="list-style-type: none"> • The number of innovative housing projects initiated • The number of specific needs addressed through new programming

Action	Target	Measure
3.2 Conduct an assessment of the lodging house model to identify regulatory frameworks in different area municipalities, prevalence, conditions, challenges, and successes	a. Complete an assessment by 2023	<ul style="list-style-type: none"> The number of frameworks assessed The number of lodging houses identified
3.3 Engage with Indigenous communities in Waterloo region to develop a shared strategy for culturally accessible and appropriate housing programming	a. Develop and submit an on-going engagement strategy for the consideration of Regional Council by 2024	<ul style="list-style-type: none"> The number of consultations held

Strategic Direction 4: Expand supports for people to find and secure housing

Housing programs in Waterloo region work together as a coordinated system, to ensure that resources are prioritized for those who need them most. This includes many existing programs and services that work to help people find and maintain housing (e.g., housing helplines, emergency shelters, housing resource centres, street outreach, the PATHS process).

Despite the ongoing success of these programs, there are many people seeking support and consequently there are challenges in meeting the need with current resources. Over the next five years, a concerted effort needs to be made to expand these supports to ensure there are available resources for all who seek assistance in finding and securing housing.

Action	Target	Measure
4.1 Improve discharge planning and referrals between community agencies (e.g. mental health, hospitals/medical, substance use treatment, corrections) and housing programs	<p>a. Develop a baseline to track the number of people being discharged into homelessness from community agencies by 2022</p> <p>b. Create three agreements with community agencies to improve discharge planning by 2024</p>	<ul style="list-style-type: none"> The number of formal or informal agreements created with community agencies The number of people being discharged into emergency shelter from community agencies

Action	Target	Measure
4.2 Continue collaborations with Provincially funded health agencies to ensure supportive housing tenants with complex needs receive appropriate health supports to maintain tenancy	a. Maintain the number of units with on-site, Provincially funded health services b. Create a 1 dedicated Community Treatment Team for Housing Support Programs by 2024	<ul style="list-style-type: none"> The number of supportive housing units with on-site, Provincially funded health services
4.3 Implement the housing plan in HIFIS, to support people experiencing homelessness to find and secure housing	a. 90 per cent of shelter participants have an active housing plan if in shelter for longer than one week	<ul style="list-style-type: none"> The number of shelter participants with an active housing plan
4.4 Provide supports to each household living in supportive housing that are aligned with their recovery journey	a. 90 per cent of households living in supportive housing have a documented support plan in HIFIS within a month of their tenancy	<ul style="list-style-type: none"> The number of households living in supportive housing with a documented support plan in HIFIS
4.5 Develop and implement a comprehensive landlord recruitment and retention strategy to increase the number of affordable units available in the private market	a. 200 new affordable units available in the private market by 2024 b. 90 per cent of current landlords retained	<ul style="list-style-type: none"> The number of new landlords recruited The number of new affordable units or beds that are available The number of existing landlords retained
4.6 Formalize a street outreach strategy to support street engaged people to access housing programs and connect with other community support systems	a. Access and referral process formalized by 2020, in collaboration with community partners	<ul style="list-style-type: none"> Access and referral process released
4.7 Create a task force to explore gaps in programming for households experiencing homelessness	a. Convene a Steering Committee of Regional and area municipal staff to develop a multi-sectoral and stakeholder task force by 2020	<ul style="list-style-type: none"> Task force and Steering Committee convened Number of recommendations brought to Council Number of program gaps resolved

Action	Target	Measure
4.8 Develop a move-on strategy to support households to move from supportive housing into community housing or private market rent, where appropriate	a. Develop and implement a move-on strategy by 2020 to support movement along the housing continuum	<ul style="list-style-type: none"> The number of households that appropriately move on from supportive housing into community housing or the private market

Strategic Direction 5: Improve access to housing and homelessness programs

The system of housing programs is complex, involving many partners and points of access. The intent is to make the system more person-centered and easy to navigate with the overall goal of being more effective in helping people find and secure housing.

Action	Target	Measure
5.1 Review the community housing waiting list policies to better address local needs (e.g., chronological vs. needs based)	a. Develop and submit a review for the consideration of Regional Council by 2022	<ul style="list-style-type: none"> The number of policies reviewed
5.2 Conduct a review of community housing waiting list processes and address inefficiencies (technological, training, etc.)	a. Reduce the processing time of community housing applications to seven business days	<ul style="list-style-type: none"> The number of processes reviewed The per cent of decrease in the length of processing time for applications
5.3 Develop and implement the new Integrated Housing System (IHS) software to replace existing Rent Café and other programs	<p>a. Implement IHS for 100 per cent of community housing providers by 2022</p> <p>b. 100 per cent of community housing applications occur on online via HIS by 2024</p>	<ul style="list-style-type: none"> The per cent of community housing providers using IHS The number of applications submitted online
5.4 Facilitate connections between community housing providers and community agencies, to better support tenants to retain housing	<p>a. Coordinate two facilitated sessions each year commencing in 2021</p> <p>b. Develop a baseline to track the number of tenant-related issues via calls from community housing providers by 2020</p>	<ul style="list-style-type: none"> The number of facilitated sessions held each year The per cent of reduction of calls from housing providers for tenant-related issues

Action	Target	Measure
5.5 Align the data strategy for housing and homelessness programs with the annual progress updates for the 10-Year Plan	a. Develop and submit a consolidated 10-Year Plan data and progress update for each of years 2020-2024	<ul style="list-style-type: none"> • The number of housing and homelessness program data points that are aligned with 10-Year Plan actions
5.6 Develop a communication plan to increase awareness of the system of housing and homelessness programs in Waterloo region	a. Develop a strategy by 2022	<ul style="list-style-type: none"> • The number of communications materials that are made public
5.7 Develop a process to create employment opportunities for community housing tenants as part of the implementation of the WRH Master plan	a. Incorporate employment opportunities in WRH Master Plan implementation proposals, when submitting for the consideration of Regional Council	<ul style="list-style-type: none"> • The number of employment opportunities created for tenants

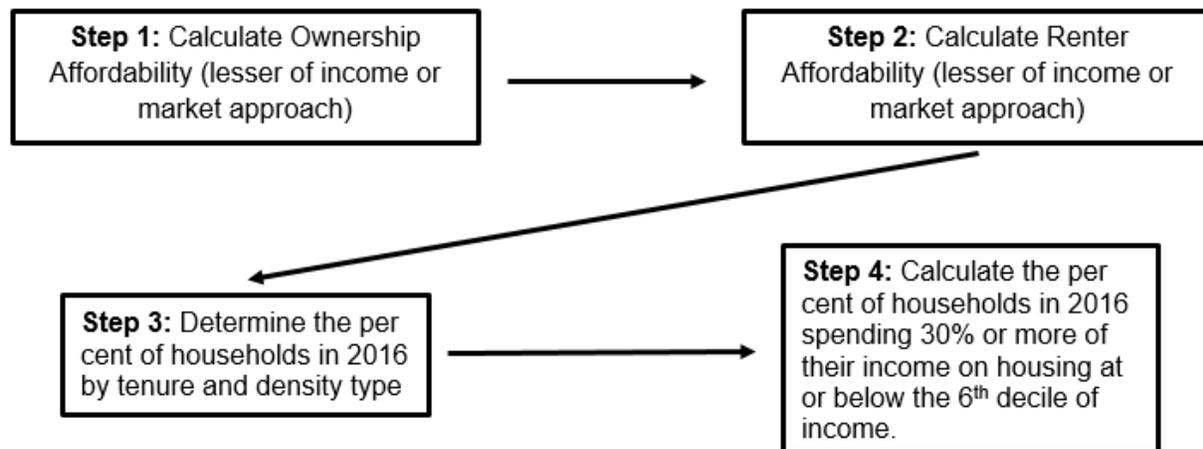
7.0 An affordable housing target for Waterloo region, 2019-2041

This review to the 10-Year Housing and Homelessness Plan includes an affordable housing target for the Waterloo region. **The target is for 30 per cent of all new residential development between 2019 and 2041 to be affordable for low and moderate-income households.**

This target is required by Provincial legislation. The Province defines affordable housing and dictates how affordable housing is measured, however, does not outline a method for determining a target. To satisfy these requirements, the Region reviewed methodologies used by other municipalities to develop the best approach to setting a target. The target was developed in conjunction with the Region's forecasting models for housing growth and data from Statistics Canada. The Region of York and City of Guelph were used as a primary example of a suitable framework for the Region.

The methodology determines the affordability cut off for ownership and rental units and also calculates the per cent of households which fall at or under these levels. The methodology then projects the number of affordable housing units needed per year to 2041. Figure 7 below shows the steps used in calculating the Region's affordable housing target.

Figure 7: Steps to calculate housing affordability in Waterloo region



The Region created one region-wide target as opposed to targets for each area municipality due to requirements in provincial legislation and the lack of data available for each municipality. Based on the above model, between 2019 and 2041, 30 per cent of all new residential development should be affordable for low and moderate-income households in order to meet the demand of a growing and changing population.

In collaboration with area municipalities and other community partners, the Region of Waterloo will develop strategies and tools to implement and monitor the affordable housing target, recognizing that additional tools and funding support from senior levels of government will be essential to the successful attainment of these targets.

8.0 Next steps

This 10-Year Plan is intended to guide service planning and delivery across the housing and homelessness sector in Waterloo region. As Service Manager, the Region will lead the implementation of this Plan, working with service providers, community providers, and community partners to achieve the identified objectives, actions, and targets.

Implementation

Throughout 2019/2020, Region Housing staff will distribute this Plan to the broader community. Additionally, the Region will meet with key community groups and partners to identify community leads and partners to collaborate on implementation; form implementation groups, where appropriate; and further consult on implementation of the strategic directions and actions. Additionally, the Region will use feedback collected from the consultation to provide further direction on implementation.

The Region will align future planning documents with the strategic directions in the 10-Year Plan. This will include reports for Regional Council, the WRH Master Plan, operational protocols for housing programs, and other strategic planning documents.

Data collection and monitoring

As the Region and community partners work to implement the Plan, the Region will oversee the data collection process, per measurements listed in Section 6.0. Progress towards the associated targets will be submitted for consideration of Regional Council as part of annual updates.

For more information or to request an alternate format of this document, contact Housing Services at housing@regionofwaterloo.ca or by phone at 519-575-4400 or TTY: 519-575-4608.

November 2019

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On February 22, 2017 Waterloo Regional Council directed staff to develop a 20-Year Master Plan for Waterloo Region Housing and approved the proposed process and timeline (Report CSD-HOU-17-04).

This is to acknowledge and thank those who contributed to this process, specifically the following individuals:

The Project Sponsor was responsible for approving the WRH Master Plan Project Charter and background reports:

- Douglas Bartholomew-Saunders, Commissioner, Community Services

The Project Manager was responsible for project coordination and progress oversight:

- Mina Fayez-Bahgat, Manager WRH, Housing Services

The Project Management Team was responsible for the consultant selection process, working with the consultant team throughout the process, including planning/preparing the Steering Committee meetings:

- Mina Fayez-Bahgat, Manager WRH, Housing Services
- Lynn Bestari, Social Planning Associate
- Jeff Schumacher, Supervisor, Housing Services
- Victoria Gignac, Principal Planner, Housing Services
- Ellen McGaghey, Director, Facilities & Fleet Management
- Richard Schafer, Manager, Project Management, Facilities Management
- Brad Pick, Senior Project Manager, Facilities Management
- Shauna Calder, Manager, Finance
- Alba Michelucci, Financial Analyst, Treasury Services

A Steering Committee was created to help guide this process. The current members are:

- Mina Fayez-Bahgat, Manager WRH, Housing Services (Steering Committee Chair)
- Geoff Lorentz, Regional Councillor (Kitchener)
- Elizabeth Clarke, Regional Councillor (Kitchener) & Chair of Community Services Committee
- Dave Jaworski, Regional Councillor (Waterloo)
- Joe Nowak, Regional Councillor (Wellesley)
- Debra Arnold, Director, Legal Services

- Ellen McGaghey, Director, Facilities & Fleet Management
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- Jeff Schumacher, Supervisor, Housing Programs and Development
- Brad Pick, Senior Project Manager, Facilities Large-Capital
- Lynn Bestari, Social Planning Associate
- Tara Bedard, Local Immigration Partnership
- Victoria Gignac, Principal Planner, Housing Programs and Development

A Corporate Advisory Committee was also created to provide advice throughout the process:

- Mike Murray, CAO
- Douglas Bartholomew-Saunders, Commissioner, Community Services
- Craig Dyer, Commissioner/CFO, Corporate Services
- Rod Regier, Commissioner, Planning, Development & Legislative Services

In May 2017, the Project Team initiated a request for proposals process to secure the services of a professional consultant team to help carry out the background reports required to develop a master plan. Tim Welch Consulting and GLPi (Glenn Pothier) were the successful candidates in this process, starting on June 19, 2017.

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1. Introduction and Background

1.1 Region of Waterloo's Vision for Affordable Housing

*Our vision is...*vibrant, people-centered affordable housing communities that contribute to quality of life, belonging and realizing potential.

*Our mission is...*to create and maintain safe, quality affordable housing communities in which people can live well and thrive.

1.2 Master Plan Purpose

The purpose of the Waterloo Region Housing (hereafter WRH) 20-year Master Plan is to provide a strategic framework to achieve our vision and mission with a focus on the Regional Municipality of Waterloo's (hereafter the Region) role as a housing provider. It presents a vision and strategy to revitalize housing communities through future redevelopment and growth as well as how it will maintain the current affordable housing¹ stock WRH offers. The WRH MP will also explore how and when potential divestment strategies are invoked to either replace existing units or generate revenue through potential partnership opportunities. The impact of the Master Plan is intended to ensure the continued support and improvement of services for all tenants.

Through the process of developing a Master Plan, it was recognized that WRH could create a minimum of an additional 600 units within its existing 65 communities which would then meet the overall service goal of generating more affordable housing within Waterloo region.

The WRH Master Plan will provide clear direction for managing both current and future communities as well as address current and upcoming challenges and opportunities.

1.3 Master Plan Development Approach

The Master Plan development process was approved and endorsed by Regional Council on February 22, 2017 (see Report CSC-HOU-17-04). This report to Council illustrates the need for a long-term strategy by sharing some of the conditions in 2017 that WRH was experiencing as a housing provider. Some of these conditions included: WRH's challenge with the increased costs for repair and replacement of an aging stock, an outdated community composition of 98.5% rent-geared-to-income (RGI) units, and the dwindling Federal capital subsidy and Housing Capital Reserves.

The Report also listed some key opportunities for example, some WRH sites are in strategic areas, within or close to the Central Transit Corridor and other transportation nodes, and some sites have the potential for infill and/or intensification/redevelopment. Furthermore, there is an opportunity for energy savings/costs by building more energy efficient units thereby reducing emissions. There would also be an opportunity to develop more mixed-income communities and provide WRH with greater degree of financial sustainability.

¹ Within the context of this Master Plan, "affordable housing" is defined as subsidized housing or more frequently referred to as "community housing".

A WRH Master Plan Steering Committee and Corporate Advisory Committee were established to assist with the process. The Steering Committee consists of 4 Regional Councillors, staff from Housing Services, Facilities Management, Legal Services and the Finance Department.

The Master Plan development process was comprised of three separate phases:

- Phase 1: Plan Design Phase (February 2017 – April 2017)
- Phase 2: Consultation and Development Phase (May 2017 – March 2018)
- Phase 3: Analysis of Options and Plan Development (April 2018 – October 2019)

In Phase 1, the Plan Design Phase, the Steering Committee and Corporate Advisory Committee were created, along with the Project Charter and Critical Path. (see Appendix A: Project Charter).

Phase 2, the Consultation and Development Phase involved the hiring of a consultant team (Tim Welch Inc. and GSP), and conducting a public consultation process with internal and external stakeholders. The consultants were involved in conducting background research, facilitating the stakeholder consultation, summarizing the results as well as developing and analyzing various options which helped to inform staff's recommendations moving forward.

For Phase 3, the Analysis of Options and Plan Development Phase involved the preparation of background reports, the creation of the assessment tools including the evaluation matrix tool, the financial costing analysis tool, and the building site summary tool, implementation of these tools and analysis of the results, and finally, the draft Master Plan.

The three background reports created include the following:

- WRH What We Heard Summary – Final report (summary of stakeholder consultation findings Report # CSD-HOU-18-06), Appendix J
- WRH Master Plan Discussion Paper, Appendix K
- Environmental Scan of Municipal Housing Corporations

A summary of the stakeholder consultation was presented to Council in February 2018 (CSD-HOU-18-06). It is described in Section 4.

The Assessment Tools developed and used for analysis of the existing WRH communities include:

- Evaluation Matrix Tool, Appendix B
- Financial Costing Tool for Potential Redevelopment, Appendix E
- Building Sites Summary Tool for all 65 WRH communities, Appendix C

- Estimated Construction Schedule Tool illustrating overall timelines for project(s) completion, Appendix H.

From November 2018 to September 2019, using the results of these tools, staff and the Steering Committee developed and evaluated several different scenarios for the revitalization of the WRH housing portfolio.

Key Findings and Conclusions

To ensure that the goals and targets for creating a minimum of 600 additional units are realistic and achievable, a number of key findings and conclusions were identified by the Master Plan Steering Committee. They include the following:

- The number of RGI units currently operated by WRH should not decrease;
- WRH should continue to develop more affordable housing units on existing sites;
- The redevelopment of existing WRH communities should include units that have low-end average market rents to help create a diversity of incomes among tenants and improve the long-term financial sustainability of WRH;
- Capital funding could be made available through selling certain WRH assets (e.g. single detached dwellings), partnering with the private sector and/or private non-profit or co-op housing sector organizations and through the National Housing Strategy or other programs;
- Additional operating revenue can be generated on redeveloped and new WRH communities by the potential to create commercial space, increasing the number of units paying below average market rents and private-public partnerships for joint condominium developments;
- Short and long-term capital repair costs would decrease on sites that are redeveloped. Due to the age of WRH's portfolio, Facilities Management (FM) staff spend a considerable amount of resources on maintaining the existing stock;
- The staffing costs to support the development of housing should be part of the overall capital budget of that new housing; and
- Funding for the new WRH communities should utilize the Federal government's National Housing Strategy to fund the construction costs along with Regional financing. The annual operations may have a tax levy impact.

1.4 Background and Context

Studies have shown that affordable housing is key to the health, equity and sustainability of communities². The lack of affordable housing impacts many aspects of a community's well being. It affects the well-being of families and individuals by

² Gursteiin, P. 2012 "Affordable Housing as a Sustainability Strategy: Policy Implications for Canadian Cities" in S. Gill and R.K. Dhawan (eds.), Volume on Canadian Studies. Brisbane, Australia: PANCS. 26 pp. (in press).
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increasing the need for longer commute times to work and reducing access to public transit and other services. Vulnerable populations are most frequently impacted when they lack access to affordable housing. Some of these populations may include: low and moderate-income households, older adults, Indigenous Peoples, newcomers to Canada, lone-parent households, or individuals experiencing mental health challenges and/or addictions.

A lack of affordable housing can also intensify other existing community challenges such as an influx in the number of households spending more than 30% on their shelter and a greater risk of people becoming homeless. This leads to more food insecurity and a lowered quality of life. Some of these challenges can result in greater costs to the income support program, emergency health system, the judicial system and the overburdened non-profit sector.

Affordable housing has been recognized by the United Nations in its list of Sustainable Development Goals as a way to achieve a better and more sustainable future for all by 2030. Goal 11: Sustainable Cities and Communities intends to “make cities and human settlements inclusive, safe, resilient and sustainable”.³ Similarly, one of the Region of Waterloo’s Corporate Strategic Priorities: “Healthy, Safe and Inclusive Communities” references the importance of affordable housing in Objective 4, which states that the Region will “increase the amount of affordable housing in Waterloo region.

The Region, as the fourth largest community in Ontario is experiencing rapid population growth. According to current population forecasts, Waterloo region will be home to an additional 140,780 households by 2031, which equates to an estimated population of 742,000 compared to the current population of 601,220, as of 2018. The proportion of those needing affordable community housing is also expected to grow. With this continued growth, a growing disparity in proportionality of affordable housing has reached a point of great concern.

The Region is a Community Housing provider, operating and managing 2,814 Community Housing units spread across 65 sites. This represents 30% of the 8,991 broader Community Housing units across Waterloo region. This makes the Region the largest Community Housing provider in Waterloo region.

While WRH actively maintains its existing units and its proportionality of affordable housing within Waterloo region, a long-term plan addressing the future of WRH’s portfolio does not currently exist.

1.5 Responsibilities of the Region of Waterloo

The Region performs two significant roles in relation to affordable housing:

1. Designated by the Province of Ontario, the Region is the Service Manager for housing and homelessness; and
2. It is the leading community housing provider in Waterloo region.

³ Kacyira, A.K. 2016. “Housing is at the center of the sustainable development agenda”. World Bank Blogs. <https://blogs.worldbank.org/psd/housing-center-sustainable-development-agenda>
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The Housing Services Act (2011) establishes the Region as the Service Manager. More specifically, in this role, the Region is responsible for the following:

- Housing system planning, including the 10-Year Housing and Homelessness Plan and the Housing Action Plan;
- Administering the Region's allocation of capital funding and other housing related grants or incentives from senior levels of government (e.g. Social Infrastructure Funding, Ontario Renovates);
- Assisting in the development of new affordable rental units through the private and non-profit housing development sector;
- Administration and funding for the non-profit and co-operative social housing providers from the 1980s and 1990s;
- Administration of rent supplement subsidies for tenants in many private sector rental and community housing providers and,
- Ensuring that the minimum number of Rent Geared-to-Income (RGI) units, the Service Level Standard, as identified by the Province, is available to low and moderate income households.

As defined by the Housing Services Act (2011), all Service Managers across Ontario are required to ensure that subsidized units are provided within their community.

Furthermore, as part of this requirement, municipalities are required to provide funding for all programs associated with these types of units. As such, as the Service Manager, the Region is responsible for these additional units within our community as well as the funding of the programs associated.

In addition to this, the Region works with community stakeholders to develop short and long term plans to address housing and homelessness issues.

In its other role, as a community housing provider/landlord, the Region operates and manages its community housing portfolio which are known as Waterloo Region Housing (WRH). Currently, WRH Staff oversee tenant management and relations as well as the overall operation of these communities.

1.6 Community Housing Overview

Although significant progress has been made over the years, the total amount of affordable housing development since 2002 has not maintained the minimum amount of affordable housing units required in Waterloo region. To date, with the exception of WRH development projects completed between 2003 and 2010, the Region relies solely on the non-profit and private sector to develop all of the affordable housing units within our community.

Across Waterloo region there are 8,991 community housing units, current to September 2019. These units are owned and operated by a variety of providers, including non-profits, cooperatives, and the Region. WRH owns and operates close to one-third (30%)

of the current supply of community housing units, 98.5% of which are RGI units. Below is the current breakdown of all community housing units:

Non-profit and co-ops	6,177
WRH (legacy stock)	2,722
Total	8,991

All the Provincially downloaded community housing units are set as a service level standard legislated in the Housing Services Act and must be maintained at that level. Because WRH holds a 98.5% RGI composition that represent 30% of the overall legislated service level standard, it is in a unique opportune position to redevelop.

Altogether, community housing units represent 4.8 percent of all occupied dwelling units in Waterloo region as of 2019 (see below).

Community Housing Units	8,991
Households/Occupied Dwellings (2016 census)	203,830
Community Housing as a percentage of all occupied dwellings	4.4%

Between 2002 and the present, the Region as the Service Manager, has through its Affordable Housing Strategy, enabled the building of 1,594 new affordable units, which is an average of 100 units per year. The majority of this new affordable housing has been constructed by the non-profit, co-operative and private sectors using funding through a variety of sources including Federal/Provincial capital funding and incentives from the Region and area municipalities. During the same period of time, the Region itself constructed 62 new units (an average of 4 units per year) in two separate developments on the Sunnyside Campus in Kitchener. Although provincially funded development grants/loans were available, the Region, for various reasons, chose not to avail themselves of this funding to build additional affordable units.

1.7 Current WRH Portfolio

The WRH portfolio consists of family-friendly buildings, buildings dedicated to seniors, and units for singles or couples. Units range from 1 to 5 bedrooms. The housing forms range from single-detached dwellings to duplexes, townhouses, low-rise, mid-rise and high-rise apartment buildings.

Waterloo Region Housing (WRH) manages the tenant responsibilities for Regionally-owned affordable housing, and works with the Facilities & Fleet Management (FFM) Division, which provides the asset and operational management.

1.7.1 WRH Current Challenges

There are some challenges with the current portfolio. Physical building assets across the 65 communities are aging, and capital repair and replacement costs are escalating. The Housing Capital Reserve, which covers much of the WRH capital costs has limits in its capacity and is depleting over time. In addition to increasing capital pressures,

operating costs are also rising due to old and inefficient systems. Much of the stock is also far from transportation options and other services.

1.7.2 WRH Future Opportunities

Some WRH housing communities are located in strategic areas within or close to the Central Transit Corridor (CTC) and/or other major transportation nodes. As such, these sites have the potential for infill or redevelopment/intensification. Replacing or adding units allows for energy efficiency improvements and opportunities to create mixed-income housing communities. There are new Federal and Provincial investment opportunities in housing, and changes in policies to create more flexibility for existing housing funding models and operations. At the same time, there is a growing need for affordable housing in Waterloo region. There are non-profit and private sector proponents that have expressed interest and capacity to develop new affordable housing (public-private partnership opportunities). However, they often face barriers around finding appropriate land, providing equity contributions or building to the scale that is currently required, making WRH a suitable partner because of its land assets.

1.8 WRH Current Tenant Profile and Pressures

As the largest provider of community housing in Waterloo region, WRH has the largest tenant population of close to 12,000 individuals, with roughly half (48%) being under the age of 25. The primary source of household income for tenants varies with a majority on fixed-incomes. Approximately 42% are on Canada Pension Plan/Old Age Security, and 30% receive Ontario Works (OW) or Ontario Disability Support (ODSP). The remaining 25% of households receive their income through employment. Many households whose source of income is employment based are often paying maximum rent.

The vast majority of WRH units (98.5%) have Rent-Geared-to-Income (RGI)⁴ subsidies attached to them. The remaining units having rents that are on the low-end of average market rent (AMR). With most WRH tenants being RGI households, only a few are mixed-income sites. The recently acquired ROWCHI sites consist of mixed-income buildings with a majority of units (63) at low-end of market, and only 29 RGI units.

Mixed-income communities are the preferred housing type, as it results in greater inclusiveness, and improves tenant engagement and quality of life. It also encourages the integration of various services in close proximity to residents so that residents and the surrounding neighbours feel a greater sense of safety and cohesion⁵. Additional services are valuable when more complex needs such as mental health challenges and/or substance abuse are experienced in a community.

A small number of Region units (56) are dedicated to supportive housing through the Concurrent Disorders Supportive Housing Program. These units provide on-site support services for those with mental illness and addictions. There is currently a waitlist of approximately 65 people for this housing type.

⁴ The rent is set to be 30% of the households total monthly income before tax. If the household received social assistance the rent is based on the rent benefit set by the Province.

⁵ De Vos, Esther and Ian Moore. 2017. Mixed-Income Housing: The Model in a Canadian Context. https://ucalgary.ca/cities/files/cities/de-vos-and-moore_mixed-income-housing_the-model-in-a-canadian-context.pdf
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Approximately half of the units owned by WRH are for families, with a significant number dedicated to seniors (39%), and a lesser number dedicated to single and couple adult households (11%). Generally, units for families contain three or more bedrooms, while units for seniors have a fewer number of bedrooms but are designed with accessibility standards. Units for singles and couples are standard with two bedrooms or less. Typically, these units are in different geographical locations or are situated close to each other rather than combined on one housing site. Families tend to live in single detached, semi-detached, or townhouse units, while seniors and adults tend to be in more compact housing communities such as low, mid or high-rise apartment buildings.

1.9 Waterloo Region as a Leader in Community Housing

In 2001, the Province transferred responsibility of Local Housing Corporations (LHC) to upper or single-tier municipalities. Accordingly, the Region became owner and manager of an additional 2,557 units of affordable housing. This was older stock with some built prior to 1957, and with most (85%) developed in the late 1950's to late 1970's. These housing communities had 100 percent Rent-Geared-to-Income (RGI) housing units.

The Region has always been a strong leader and provider of affordable housing. In fact, well before the Provincial transfer, the Region created its own affordable housing communities. In 1986, the Region established a non-profit corporation that was formerly known as the Waterloo Region Non-Profit Housing Corporation, a Private Non-Profit (PNP), and developed three mixed-income housing communities with a total of 132 units (112 Rent-Geared-to-Income and 20 Market Rent units). Through the transfer of social housing programs from the Province to the Region in 2004, this corporation was restructured and reorganized into what is now referred to as "The Region of Waterloo Community Housing Inc. (ROWCHI).

The Region continued to add to its affordable housing portfolio in 2003 with two units of infill development. The following year, the Region developed a 32 unit mixed-income building for seniors on the Sunnyside campus in 2004 (12 RGI & 20 Market Rent). The Region also completed the 30 unit Sunnyside Supportive Housing apartment in 2010. In 2015, two existing mixed-income housing sites known as La Capanna 1 and La Capanna 2, which consist of 92 units (29 RGI and 63 Market Rent) were transferred to ROWCHI.

Additionally, the Region purchased a vacant school site in Cambridge in 2016 that has potential to be developed for affordable housing. The decision regarding the use of this property is pending the outcome of the WRH Master Plan.

The current total number of Regionally-owned affordable housing units is 2,814, which includes the 92 units held by Region of Waterloo Community Housing Inc.

Other initiatives that demonstrate leadership include the introduction of smoke-free buildings in 2010, and the creation of YouthForce in 2016, which is an award winning provincially recognized summer employment program for local youth who live in or nearby community housing units to inspect units. Partnerships with local mental health

and addictions services have been established to provide home-based support to the tenants at two WRH communities. A Tenant Engagement Strategy was created in 2017 which provides tenants with meaningful opportunities to collaborate with WRH to create better homes and build better neighbourhoods through regular tenancy meetings, a tenant advisory committee, local tenant councils, and a WRH wide newsletter. Also in 2017, the Rogers Community Foundation funded all of WRH's units with the Rogers Connected for Success program which provides affordable internet service to all tenants.

During 2018-2019, the Community Services Department within the Region initiated its new service philosophy. It is transforming the Department to be fully integrated and "client-focused". It means that staff across Children's Services, Employment and Income Support and Housing work collaboratively with clients to achieve their goals around improving their quality of life. This will have a positive impact on WRH tenants as any services they access will be much more holistic and serve a number of needs all at the same time.

2. Affordable Housing Policy Context

Housing is a complex system where every level of government has a role to play. As a Service Manager, the Region of Waterloo provides a coordination and oversight function for this shared responsibility.

2.1 Federal Policy Context

Historically, the Federal Government has played a significant role in housing. However, in 1995, the Federal government was no longer involved in subsidized housing from a development and operational perspective. Beginning in 2003, the Federal government became re-involved by introducing the Canada-Ontario Affordable Housing Program in partnership with the Province, which provided program funding in the form of development grants/loans. Although this was a change in the level of involvement that the Federal government originally had in the affordable housing sector, it was not until 2017 where it again truly became a significant contributor in the sector.

In November 2017, the National Housing Strategy (NHS) was released. The NHS is a 10-year plan creating a new generation of housing in Canada to give more people a place to call home by providing more affordable homes through public, private and non-profit partnerships. The NHS aligns with the Region's own vision on the creation of more affordable housing.

Following its release, multi-lateral agreements were signed in April 2018 by the Federal, Provincial and Regional governments to secure the commitment of the NHS and move ahead with implementation. A bi-lateral agreement between the Federal and Ontario government was then signed, providing an opportunity to align Federal funds with Ontario's Community Housing Renewal Strategy, which was announced in April 2019. The National Housing Strategy provides potential financing options to assist with future development initiatives.

In May of 2018, the Federal government announced the National Housing Co-investment Fund (NHCF), as part of the NHS, which provides funding through low-cost loans and capital contributions for the maintenance and construction of affordable housing units in various communities across Canada. This fund has been designed to support partnerships between governments, non-profits and the private sector to respond to a broad range of housing needs.

Overall, there appears to be continued Federal funding for new supply as well as for new resources for re-development through a Federal portable housing program, and low interest financing. The National Housing Strategy will be a significant factor in how part of the WRH Master Plan can utilize relatively new Federal capital funding to proceed with the redevelopment and new construction of affordable housing units within the community (see Strategic Category 1 of the Master Plan, p.42).

The Canadian Mortgage and Housing Corporation (CMHC) is a Federally-owned Crown Corporation that has been mandated to administer all of the different funding programs for the NHS.

2.2 Provincial Policy Context

The Province has the role of housing system steward, and sets the housing policy framework through the Housing Services Act (2011), and other associated legislation such as Bill 108: More Homes, More Choice Act, the Community Housing Renewal Strategy and the Growth Plan for the Greater Golden Horseshoe.

2.2.1 Housing Services Act, 2011

The Housing Services Act (2011) is the key piece of legislation governing most aspects of affordable housing in the Province. Its purpose is to allow for community-based planning and provision of housing and homelessness services with provincial oversight and policy direction. It gives Service Managers some degree of flexibility while maintaining RGI requirements, and other aspects of community housing and homelessness programs as well as mandating subsidy calculations for community housing.

2.2.2 Community Housing Renewal Strategy

The Community Housing Renewal Strategy aligns with the Housing Supply Action Plan and is a multi-year plan to sustain and expand Ontario's community housing system through repair, new construction, supports and improved system efficiency. The Strategy is focused on affordable housing for low and moderate-income households and community-based housing provided by the non-profit, co-operative and municipal housing sectors. It is also intended to build a better community housing system through the implementation of new funding programs, improving waitlists, simplifying rent-geared-to-income rules and creation of additional incentives for community housing providers.

The overall goal of this Strategy is to increase the supply of affordable and adequate housing, improve access to affordable housing and support individual needs to achieve

housing stability, as well as ensure an efficient community housing system with long-term sustainability.

2.2.3 Provincial Policy Statement (PPS)

The Provincial Policy Statement (PPS) is a land use vision for how the Province of Ontario manages land and resources over the long-term, with the overall goal of achieving liveable and resilient communities. The PPS provides policy direction on matters of provincial interest, setting the foundation for development and use of land.

The PPS includes policies related to housing, which requires municipalities to provide for an appropriate range and mix of housing types and set affordable housing targets that will accommodate the projected population of current and future low and moderate-income residents.

The Region has set an affordable housing target of 30%, which is being implemented as part of the updated 10-Year Housing and Homelessness Plan. Redevelopment by WRH will contribute to achieving the annual affordable housing targets.

As part of Ontario's Housing Supply Action Plan, the Provincial Policy Statement is proposing policy changes to support the goal of increasing the housing supply, supporting jobs and streamlining development approvals across Ontario. The government is proposing policy changes to:

- Encourage the development of an increased mix and supply of housing
- Protect the environment and public safety
- Reduce barriers and costs for development and provide greater predictability
- Support rural, northern and Indigenous communities
- Support the economy and job creation

The provincial government is currently in the process of consulting on these proposed changes.

2.2.4 A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan)

The Growth Plan, a framework for implementing Ontario's vision for building stronger communities by better managing growth, has been designed to promote economic growth, increase housing supply, create more jobs and build communities that make life easier, healthier and more affordable for people of all ages.

The Growth Plan has some specific policies around housing, and specifically affordable housing. It requires the Region (corporately) to develop a housing strategy, which identifies a diverse range and mix of housing options to meet the needs of current and future residents and establishes targets for the amount of affordable rental and ownership housing that needs to be developed. These targets are currently being established and are expected to be included in the five-year review of the 10-Year Housing and Homelessness Plan. These targets will result in a need for the Service Manager and Waterloo Region Housing to play a role in creating new affordable

housing and in maintaining the overall affordability (by proportion) within Waterloo region.

The Region of Waterloo is bound by Provincial legislation, and utilizes these regulations for guidance in creating and implementing specific policy, programs or initiatives in response to local housing related issues. Without Federal or Provincial involvement, the number of community housing units within the Region is unlikely to increase substantially. Accordingly, the WRH Master Plan lays out the best strategy to accomplish the goal of creating 600 additional affordable housing units by utilizing both Federal and Provincial funding opportunities and changes to legislation.

2.3 Regional Policy Context

The Region has various policy documents in place to foster affordable housing options within our community and improve tenant quality of life, as indicated below.

2.3.1 Corporate Strategic Plan

The Region's Strategic Plan describes a future of what we are working to achieve within our community. It provides a common focus for Council and staff by helping to guide priorities, and ensure our programs and services efficiently addresses the needs of our community.

Currently, the Region is undergoing an update of our Strategic Plan. The Region's Strategic Plan has five high level focus areas that carry over from the previous Strategic Plan:

1. Thriving Economy
2. Sustainable Transportation
3. Environmental and Sustainable Growth
4. Healthy, Safe and Inclusive Communities
5. Responsive and Engaging Government Services

In recognizing the increased challenges, the Region faces with regard to affordability in our community, the updated Strategic Plan has a strong focus in providing outcomes related to affordable housing listed under Section 4: Healthy, Safe and Inclusive Communities. Similar to the previous Strategic Plan, the objectives under this section will aim to provide quality services and programs to improve access to the supports that contribute to a healthy, safe and inclusive community. This will include improving housing affordability in the Region.

2.3.2 Regional Official Plan

Chapter 3 of the Regional Official Plan emphasizes the importance of housing as a basic necessity, stating that a liveable community is one that provides a full range of housing types that is safe, affordable and accessible. The intent of the policies within this section of the Official Plan are to protect affordable housing within our community and promote intensification through an appropriate mix of housing in terms of form,

tenure, density and affordability to satisfy the various physical, social, economic and personal support needs of residents.

Specifically, Chapter 3 includes requirements on affordable housing, setting out criteria for condominium conversions, provisions for multi-unit development and encourages opportunities to offer incentives in providing affordable housing such as density bonuses or property tax exemptions. Lastly, the Official Plan regulates community housing with respect to the special needs required by some populations who require accessibility conversions as well as Regional community housing and emergency shelters.

2.3.3 10-Year Housing and Homelessness Plan (2014-2024)

The 10-Year Housing and Homelessness Plan plays a critical function in setting out how the Region manages affordable housing and facilitates the ending of homelessness. Specifically, the 10-Year Plan maps out how the Region provides housing affordability, coordination of homelessness and related support services, the prevention of homelessness and ending of *chronic* homelessness.

Based on comprehensive consultation with the greater community as well as numerous stakeholders, the 10-Year Plan consists of various objectives, targets and other related goals to respond to housing and homelessness issues within our community. The 10-Year Plan is a planning framework to implement positive change in our community by setting a foundation for the Region to address complex needs and affordability issues. A five-year review of the 10-Year Housing and Homelessness Plan will be submitted to Council before the end of 2019.

2.3.4 Affordable Housing Strategy

The Region's Affordable Housing Strategy was first initiated in 2001, which set a goal of creating a minimum of 1,000 new affordable units, including new rental units, rent supplement units and affordable home ownership. The goal was later expanded to 1500. The Region's Affordable Housing Strategy was updated in 2014, proposing a new goal of addressing 700 low and moderate-income households through the creation of 350 new affordable housing units and the preservation of 350 existing units.

This Strategy was utilized by the non-profit and private housing sector to increase the amount of affordable housing available within our community. With the Affordable Housing Strategy in place, the Region has consistently exceeded these goals. The success of the Affordable Housing Strategy has had a positive impact on the housing environment in our community, and will continue to be updated to respond to changing needs.

Although its success has been recognized, the overall population growth of the Region and subsequent increase in property values has rendered the goals of the Strategy insufficient in addressing the growing gap in affordability. Even with the 2,440 new affordable housing units created through the Affordable Housing Strategy since 2001 by the non-profit and housing sector, the need for more affordable housing is exponentially growing. The Waterloo Region Housing Master Plan can address the disparity since it will be participating in the creation of a minimum of 600 new affordable housing units

assuming Regional Council supports such a plan. By doing so, WRH will continue to maintain a 30% proportional amount of the overall affordable housing offered by the Service Manager.

3. Environmental Scan of Municipal Affordable Housing in Ontario

Municipal Housing Corporations (MHC's) across Ontario were studied to better understand some of the current practices within the municipal community housing sector. MHC's were compared to establish some of their respective roles and responsibilities and recently undertaken activities. WRH conducted this environmental scan of municipal counterparts in order to better inform what type of tools (corporate structure) and approaches it could utilize within its Master Plan.

Six MHC's were analyzed as part of this process. Of the six listed below, only Guelph-Wellington County Community Housing is owned by its parent municipality as WRH currently is by the Region of Waterloo. The remainder were owned by an arm's length corporation whose sole shareholder is the municipality that also holds Service Manager responsibilities. A table comparing the six municipalities can be found on page 25.

The decision for Wellington County to directly own their community housing stock was made for a number of reasons including:

- Helping to ensure better communication between municipal staff (e.g. those managing the housing and providing services, etc.)
- Providing housing and support services under one roof to provide easier access for tenants;
- Ensuring resources that are allocated to municipally-owned assets are built and managed to proper standards;
- Streamlining the approvals process, rather than having to obtain support by both a Board of Directors and Council.

The remaining MHC's are owned by an arm's length corporation, whose sole shareholder was the municipality. The following reasons were provided for continuing with this organizational structure:

- More flexibility and agility to respond to changes and implement new ideas. Individuals from these MHC's felt that being owned directly by the parent municipality could be restrictive due to the risk adverse nature of government;
- Isolating risk from the shareholder when undertaking construction or other activities;
- Greater financial flexibility such as being able to obtain mortgages, loans from so called "patient" or social enterprise lenders and develop revenue generating activities;
- The ease in building a brand for the organization; and
- Being able to obtain political and community support for new initiatives in a much shorter time period. Rather than trying to obtain support from Council (who may

not have housing as a priority) for each new initiative, only the Board of Directors needed to provide approval for such decisions. It should be noted that in general, these activities were governed by the MHC's Master or Strategic Plan which was approved by Council. In addition, Council support is required if municipal incentives are being provided to MHC activities.

Based on feedback provided by MHC staff, it appears that there is no right organizational model for a Municipal Housing Corporation. Based on several findings of this scan, housing corporations are most successful when:

- The organizational structure matches the institutional culture and traditions of the municipality it is operating in;
- Staff are highly skilled and have good communication within and between different municipal departments;
- There is strong support from the shareholder for the MHC activities; and
- An active and strong Board of Directors or Advisory Group helps guide the MHC to undertake new and innovative activities.

The following is a brief summary of how other municipalities in Ontario are responding to affordability issues within their community, particularly as it relates to community housing owned and operated by the public sector.

3.1 Windsor Essex Community Housing Corporation (CHC)

The Windsor Essex Community Housing Corporation is the largest housing provider in Windsor and Essex and the fourth largest in Ontario. This corporation is an independent local housing corporation, with a Board of Directors appointed by the City of Windsor. The City of Windsor is the sole shareholder of this corporation.

They are responsible for the delivery of 4,708 housing units in the City of Windsor and County of Essex while the Housing Services Unit at the City of Windsor is responsible for the administration of a total of 8,700 affordable housing units within the community.

The Windsor Essex Community Housing Corporation is in the process of developing Ontario's largest passive house complex⁶ in Canada, which is the first affordable housing project built in Windsor by WCH since 1987. It is a \$39 million development, offering up to 150 affordable housing units in an eco-friendly building. The proposed building is highly energy-efficient, which could result in monthly energy bills as low as \$20. The majority of the funding for this project is being provided through the National Housing Strategy's Co-Investment Fund, as well as the Province and other sources including the City of Windsor.

3.2 Guelph-Wellington Community Housing

The County of Wellington is the Consolidated Municipal Service Manager for the Wellington and Guelph area, and plays a vital role in addressing housing issues in the

⁶ Passive houses are rigorous voluntary standard for energy efficiency in a building, which reduces the building's ecological footprint. It results in ultra low energy buildings that require little energy for heating and cooling.

community. The County of Wellington owns and manages approximately 1,189 rental housing units through rent-g geared-to-income subsidies for eligible tenants and below average market rents. There are a total of 2,754 affordable housing units within Guelph-Wellington, which consists of units owned by Wellington Community Housing, non-profit providers, Federal non-profit units and co-operatives.

WCH plays an administrative role for rent supplements and housing allowances, as well as various administrative agreements and funding initiatives. Similar to WRH, their main functions are maintaining and providing a Centralized Waiting Lists, the Housing Help and Outreach Services, Landlord and Management Services, Social housing for non-profit and co-operative housing owners, and affordable housing.

Wellington Community Housing recently completed construction of a new 55-unit affordable housing project for seniors in 2017. This project was made possible by leveraging \$8 million in Federal and Provincial funding as well as significant municipal contributions.

More recently in 2018, another affordable housing project was developed, which consisted of 11 units designed for families. Wellington Community Housing leveraged \$1.65 million in funding from Federal and Provincial governments to begin construction for this development.

3.3 Ottawa Community Housing (OCH)

The City of Ottawa is over two times the geographic size of the Regional Municipality of Waterloo, with a population of nearly one million people. Unlike the WRH, Ottawa Community Housing is an arm's-length organization whose sole shareholder is the City of Ottawa. OCH is governed by a Board of Directors, comprised of the Mayor, City Councillors, community representatives and a tenant representative. They are the second largest community housing provider in Ontario, and the largest in Ottawa, managing two-thirds of the City's portfolio.

Through their 10-Year Strategic Plan, OCH owns and operates approximately 15,000 units with a diverse tenant population of 32,000 people. OCH offers a broad range of market rent and rooming house opportunities, along with homes that are available with rent subsidies. The City's Housing Services Department administers and funds approximately 22,500 affordable housing units across the city, and manages a waitlist of approximately 10,000 households.

Being the largest housing provider in Ottawa, Ottawa Community Housing recognizes that the demand for affordable housing is much greater than the supply. Their most recent affordable housing project is known as the Ashgrove Expansion, which consisted of the development of seven new townhomes and three triplexes, both comprised of larger units. Funding for this project was provided by the Federal-Provincial Investment in Affordable Housing (IAH) program as well as by OCH.

Additionally, in 2019, the City of Ottawa announced that the city will spend \$15 million of its own funds to double the number of affordable housing units to be built in the upcoming years. This is the largest municipal contribution to housing capital in the city's

budget. The fund comes from a variety of sources, including housing reserves, development charges and spillover money from Federal and Provincial programs. The funding could lead to 250 new affordable housing units for 2019 alone, which is more than double the number from the previous year. This money will be allocated towards new affordable housing or rent supplements through an awarding process.

3.4 CityHousing Hamilton (CHH)

The City of Hamilton is comparable to the Regional Municipality of Waterloo in geographic size, population and demographics. City-owned affordable housing units within the City of Hamilton are governed by the CityHousing Hamilton Strategic Plan (2017-2021).

CityHousing Hamilton is the housing corporation owned and operated by the City of Hamilton. CHH manages a portfolio of 7,136 units across over 1,200 properties that include apartments, townhomes, semi-detached and detached dwellings. Most housing within their portfolio is available on a rent-to-g geared-to-income (RGI) basis, with some units provided at market rent.

CHH is currently embarking on an extensive revitalization of its portfolio, which is its first large-scale redevelopment project. The project involves the redevelopment of 337 new units by rehabilitating 146 through retrofit and the construction of 191 new affordable units throughout Hamilton. This is an investment of \$63 million into five city-owned buildings through an intensive retrofit of existing assets and new development that replaces single and semi-detached dwellings that have been sold, as well as by adding new units⁷.

As part of this redevelopment plan, CHH is seeking planning approvals for an affordable housing project known as Jamesville, which is located at Hamilton's waterfront. Through a public-private partnership and a Request-for-Proposal process, the proposal aims to replace the existing 91-unit townhouse complex with a 46-unit rent-g geared-to-income apartment building with a broader mixed-income community. The RFP requires that the project must also include a minimum of 45 affordable rental units, where rents must have an average of not more than 125% of the median market rent. The RFP evaluation approach includes a further incentive for proposals to offer an overall proportion of 15% of affordable units within the development. At minimum, the development will replace the existing 91 affordable housing units, while promoting a diverse mixed-income community.

Similar to the Region of Waterloo, Hamilton's community housing waitlist continues to grow, which creates challenges in maintaining existing units as well as adding to the aging stock. In response to this, the City has been exploring the option of using unused funding to pay for "portable" rent supplements linked to specific tenants rather than specific units.

⁷ <http://www.cityhousinghamilton.com/page1.aspx?page=PropDev&tab=6&menu=1>
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3.5 Housing York Inc.

Housing York Inc. is York Region's Housing Corporation. They are the largest housing provider in York Region and the seventh largest provider in Ontario. The housing corporation is made up of Regional Council appointed Board of Directors, a leadership team and staff from the Community and Health Services Department. The corporation was established in 2003 and owns nearly 2,600 units spread across 37 properties. Over the last decade, the waitlist for community housing has nearly doubled, which leaves more than 10,000 households waiting for a unit.

In 2016, Housing York Inc. developed a community hub in Richmond Hill, which combines affordable housing with commercial offices and youth services. There are a total of 202 units within this development, majority of which are one bedroom. The first of its kind in York Region, the hub includes a drop-in centre, indoor and outdoor courtyard recreational space, counselling rooms, and emergency and transitional bedrooms for youth. This building also includes LEED⁸ features in some of the recognized categories. Funding for this development was committed by York Region with some additional funding provided by the Province, Richmond Hill, Pathways for Children and Youth and Families of York Region Inc.

Since the establishment of the corporation, Housing York Inc. has grown by more than 945 units through the development of nine new builds, and three acquisitions. Moving forward, Housing York Inc. is undertaking two upcoming projects. As recent as 2019, Housing York Inc. is moving ahead with the redevelopment of a site in Woodbridge, which will result in an additional 160 affordable units.

In 2020/21, Housing York Inc. is undertaking the development of a new affordable housing building for seniors, with a total of 260 units, the majority of which are funded via Federal and Provincial funding streams.

3.6 Simcoe County Housing Corporation (SCHC)

The County of Simcoe is the direct owner and manager of the Simcoe County Housing Corporation, which currently owns 1,292 rent-geared-to-income units as well as 49 affordable housing units. Across the County of Simcoe, there are 4,113 social housing units, and 2,878 units are owned by non-profit organizations. The majority of these units are rent-geared-to-income units.

The County of Simcoe 10-Year Affordable Housing and Homelessness Prevention Strategy set out a goal of creating 2,685 affordable housing units by 2024. As of mid 2019, the County of Simcoe has created nearly 1,288 new affordable housing units, with 271 of those units being built in 2018 alone. This achievement has been done through a combination of new development, rent supplements and housing allowance, homeownership assistance and the creation of secondary suites.

⁸ **LEED certification** provides independent, third-party authentication that a building, was designed and built using plans focused on achieving high performance in key areas of human and environmental health: location and transportation, sustainable site development, water savings, and energy efficiency, 3122588

Simcoe County Housing Corporation is currently developing the County of Simcoe's largest affordable housing project ever undertaken. The development is located in the Town of Collingwood and consists of 147 apartment units in two buildings, with a ground floor service component. The project has replaced 30 affordable townhouse units and will be geared towards seniors and families. Funding for the \$39 million budget was provided through development charges, Social Infrastructure Fund (SIF), capital reserves, as well as financing. The Town of Collingwood also waived applicable development application fees to help reduce the cost to proceed with the development.

The Simcoe County Housing Corporation (SCHC) is currently planning the redevelopment of a 3-acre site located in the Town of Victoria Harbour. The redevelopment plan proposes the construction of a three-storey building, with 41 one-bedroom units targeted for seniors and persons with disabilities. The building will be built to achieve LEED-silver efficiency. The County of Simcoe has allocated \$4 million of municipal funds to help pay for the development through a unique program for rural communities.

The following table provides some comparative aspects of the six municipalities.

Table 1: Environmental Scan of Municipal Affordable Housing in Ontario

Municipality	Municipally-Owned Community Housing	Arms-length Corporation	# of Units operated	Share of overall community housing stock	# of new units added since 2017
Guelph-Wellington	*		1,244	43%	82 (built)
Windsor-Essex Community Housing Corp.		*	4,700	55%	150 (to be built)
Ottawa Community Housing		*	14,800	66%	148 (in progress)
CityHousing Hamilton		*	7,000	51%	522 (to be built)
Housing York Inc.		*	2,600	52%	162 (in progress)
Simcoe County Housing Corporation		*	1,292	31%	300 (in progress)
Waterloo Region Housing	*		2,722	30%	0

Sources:

<https://www.wellington.ca/en/social-services/wellingtoncountyownedhousing.aspx>
 ; <https://www.wellington.ca/en/social-services/resources/Housing/250-DALY-HOUSING-MEDIA-RELEASE.pdf>
<https://www.simcoe.ca/SocialHousing/Pages/AboutHousing.aspx>; <https://www.simcoe.com/news-story/8002686-affordable-housing-on-track-for-2018-in-simcoe-county/>
<https://www.york.ca/wps/portal/yorkhome/support/yr/housing>;
<https://www.york.ca/wps/wcm/connect/yorkpublic/0afc49a1-8194-492a-80fc-c09edf6b3953/HYI-2018-Highlights.pdf?MOD=AJPERES&CVID=mORDBkI>
<http://www.cityhousinghamilton.com/>; <https://www.thespec.com/news-story/8897657-hamilton-s-social-housing-wait-list-keeps-growing/>; <https://www.cbc.ca/news/canada/hamilton/riverdale-1.5039628>;
<http://www.och-lco.ca/>
<http://www.och-lco.ca/ottawa-community-house-to-build-affordable-housing-capacity-with-eco-build/>
<https://www.cbc.ca/news/canada/windsor/windsor-council-approves-affordable-housing-unit-1.4759262>

4. Current and Future Affordable Housing Needs

To determine the current and future needs for affordable housing, both quantitative and qualitative evidence was gathered from a comprehensive public consultation as well as the most recent available housing and demographic data (2016-2019). This chapter will present the results of both investigations

4.1 The Public Consultation Process and Summary of Findings: What We Heard

Phase 2 of the WRH Master Plan process included hiring a consultant team to conduct a community consultation and provide a summary report of the results. Tim Welch Consulting and Glenn Pothier from GLPi were the consultant team hired in June 2017. Public consultations began over the summer and were completed by the end of September 2017.

Within the Region, the following stakeholders were consulted:

- Regional staff from a number of divisions/departments such as Community Services, including housing staff from WRH and those that carry out other housing administration and policy functions, Public Health, Facilities, Finance, Legal, Planning and Economic Development;
- Commissioners from a number of Regional departments and the Chief Administrative Officer; and
- The Regional Chair and Regional Councillors.

The following stakeholders from the broader community were consulted:

- Tenants currently living in WRH communities;
- Community groups providing support services to tenants in WRH buildings;
- Non-profit housing and Co-operative housing providers;
- Private market housing developers; and
- Councillors and staff from lower tier municipalities.

A number of processes were used to obtain feedback from stakeholders within the Region of Waterloo and the broader community. These include:

- Focus Groups with stakeholders from within and outside of the Region;
- Individual interviews with staff from the Region, elected officials, non-profit and private sector housing providers and support service providers in the community;
- Surveying tenants living in three different types of WRH communities (seniors, families and single non-seniors). There were several meetings with the WRH Tenant Council, as well as a meeting with the YouthForce Team. Tenants who did not wish to complete a paper survey were invited to complete an online version of the survey; and

- Inviting participants to provide written feedback via e-mail if they were unable to participate in scheduled consultation events.

In total, more than 200 individuals (including 100 WRH tenants) were consulted through these four strategies.

Based on feedback from very different groups of stakeholders, there emerged some general findings and perceptions:

1. Waterloo Region Housing appears to have a good reputation regarding its management and physical stock, although there is general lack of knowledge and familiarity about WRH.
2. There are a number of perceived strengths of Waterloo Region Housing, noting that the organization was moving in the right direction and has made great improvements in a number of key areas such as asset management and tenant engagement. Staff excellence and the benefits of economies of scale with WRH being the largest community housing provider in Waterloo region were also recognized.
3. There are a number of areas noted for improvement of Waterloo Region Housing, such as WRH's low profile, absence of WRH long term plan, and constraints of being integrated into a Regional corporation. WRH was considered a relatively more expensive provider due to variables such as a unionized workforce and high standards for construction and asset management compared to other community housing providers. Limitations of some of the WRH stock were noted such as age, poor design and other inefficiencies. Other concerns were the perceived uneven distribution of units across the Region, tenant concerns about policies, staffing levels, and stigma of living in WRH communities, and confusion about different staff roles and functions.
4. Despite some of the noted opportunities for improvement, there was a strong feeling among the majority of stakeholders that WRH plays a pivotal role in the community and there are a number of benefits from the Region being a housing provider, such as being a more effective advocate for affordable housing, providing quality housing and supports, helping the Region's most vulnerable citizens, setting a high standard for others, having the potential to be more innovative, and playing an important role in preserving affordable housing stock in Waterloo region.
5. Feedback also included important issues and trends that should be addressed as part of the WRH Master Plan. This would include housing market trends, current and changing tenant needs, integration of support services, other municipal funding pressures, capacity in the non-profit sector for operating and developing housing, capital funding opportunities, and collaboration opportunities with other community partners.

Overall, there was very strong support for WRH creating a 20-year Master Plan, as an important tool to help WRH evolve into an organization that is more efficient, robust and

responsive to the opportunities, challenges and changing needs within Waterloo region. There were many suggestions about what WRH future activities should include, as outlined in the summary document.

When asked about the potential roles WRH could evolve into over the next 20 years:

- There was little to no support for “status quo”, which was perceived as neither feasible nor desirable.
- The option of divesting the entire WRH stock was also not seen as a feasible or desirable solution. There was support for divesting some stock with inefficient use of land or high operating costs if proceeds could be re-invested into the re-development of existing or new WRH communities to replace this loss and help build more affordable housing.
- There was support for WRH to play a larger role as an advocate or facilitator for affordable housing, but there was some confusion whether this should be WRH’s role or the Region’s role as Service Manager.
- There was strong support for WRH to redevelop its existing communities that met certain criteria, with the intent of replacing and increasing the number of units and where more income mixing could occur.
- There was no consensus on whether WRH should build additional communities. Some supported this option while others felt that the non-profit and private sector could do this at a lower cost.

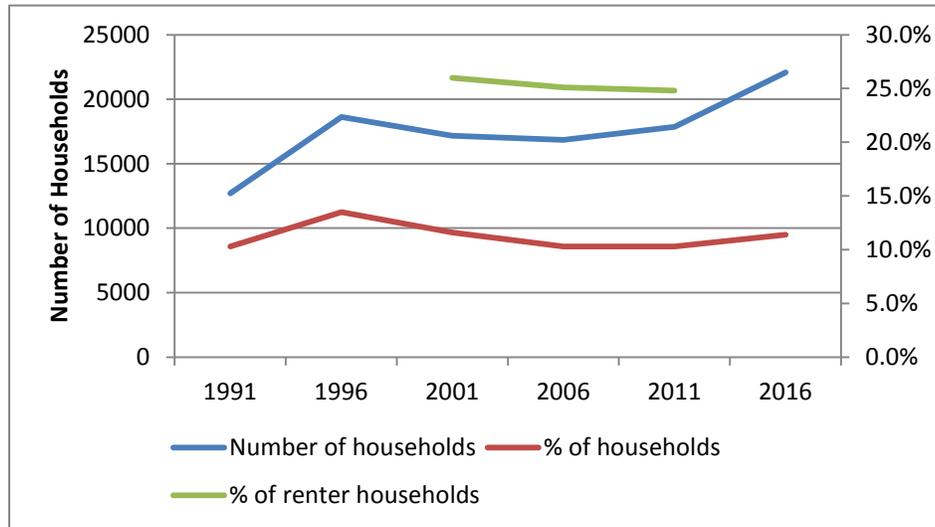
4.2 Affordable Housing Need

Waterloo Region Housing is at a critical point in its history. The demand for community housing and households with complex needs have increased substantially over the past few years. In 2018, just 51% of renter households could afford the average market rent in the region.

4.2.1 Measures/Indicators of Housing Need

A common industry standard measure of the need for affordable housing is to look at the number or percentage of households Core Housing Need, which is an indicator created by Statistics Canada using census data. A household is in Core Housing Need if its housing is: not adequate (needs major repairs); is not suitable (not enough room for the size of the household); or is not affordable ($\geq 30\%$ of income spent on housing), and would therefore have to spend 30% or more of its income to pay the median rent of local housing that is adequate and acceptable housing. This indicator determines how many people are living in unaffordable or unsuitable conditions due to limited means, and therefore are in precarious housing circumstances. This increases the risk of homelessness for these households. See Figure 1 below to see trends over time.

Figure 1: Core Housing Need in Kitchener-Cambridge-Waterloo CMA



Source: Canada Mortgage and Housing Corporation (CMHC) and Statistics Canada, Census of Population 2016

In Waterloo region from 2011 to 2016, there was a 25% increase in the number of households in Core Housing Need^{9,10} going from 17,855 in 2011 to 22,250 in 2018. This represents 11% of all the households in the Region. Kitchener has the highest percentage of those living in Core Housing Need at 13.5% of all households. The Census of 2016 shows that:

- The vast majority of those living in Core Housing Need are renters (73%); and
- Lone parents, single and couple seniors, Indigenous and newcomers to Canada were the most likely to experience Core Housing Need.

With increasing numbers of households living in Core Housing Need, the Region is also experiencing low vacancy rates, especially in Cambridge as well as for 3+bedroom units. This indicates that it is more difficult for renters to find a place to live due to a limited supply, which leads to increases in rents. Table 2 below illustrates the vacancy rates in Waterloo region by unit type. Since 2013, the vacancy rate for Waterloo region has been below three per cent. However, in 2018 the vacancy rate increased a full per cent to 2.9%, partially due to the creation of over 6,000 new rental units added in the last three years. A vacancy rate of three per cent is considered to be the most desirable.

⁹ Households in Core Housing Need pay more than 30% of their income on shelter AND that shelter does not meet one or more of the adequacy, suitability, or affordability standards

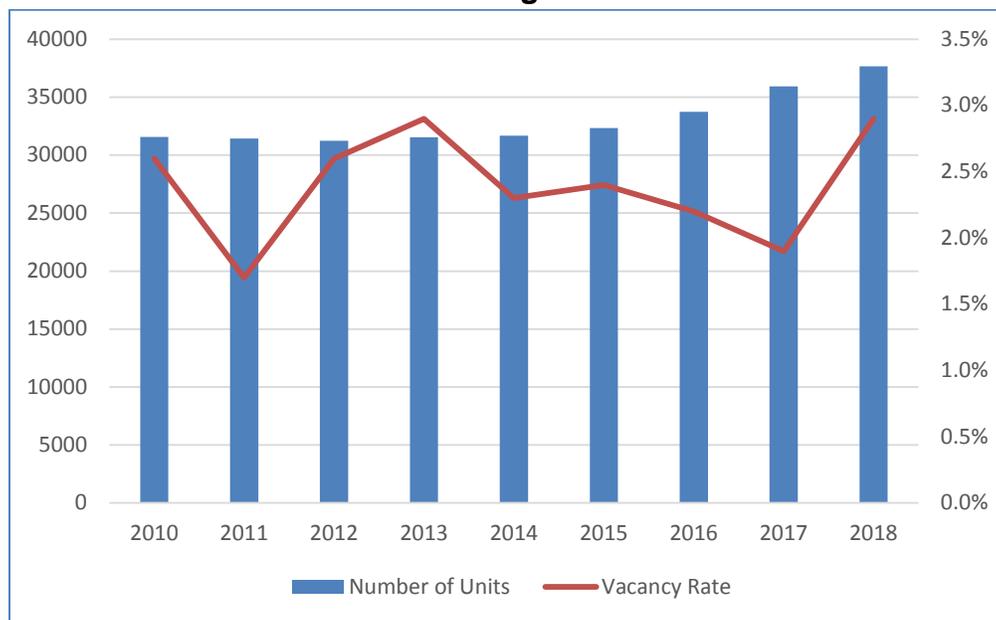
¹⁰ Source: Prepared by Research, Evaluation & Reporting Unit, Housing Policy Branch, Housing Division, Ministry of Municipal Affairs and Housing. *Common Local Indicators for Service Managers*. May 2019
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Table 2: 2018 Vacancy Rates by Service Manager and Census Subdivision¹¹

Geography	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
Regional Municipality of Waterloo (RofW)	2.5%	2.9%	3.1%	1.7%	2.9%
Cambridge CY	**	1.4%	1.4%	2.9%	1.5%
Kitchener CY	2.5%	3.9%	3.2%	1.5%	3.3%
Waterloo CY	**	1.6%	4.2%	**	3.1%
Wilmot TP	**	0.0%	0.0%	3.2%	0.6%
Woolwich TP	**	**	**	**	2.8%

**Data suppressed due to statistical reliability or confidentiality, or data not available from source.

Figure 2: Number of Rental Units and Vacancy Rates in Kitchener-Cambridge-Waterloo CMA

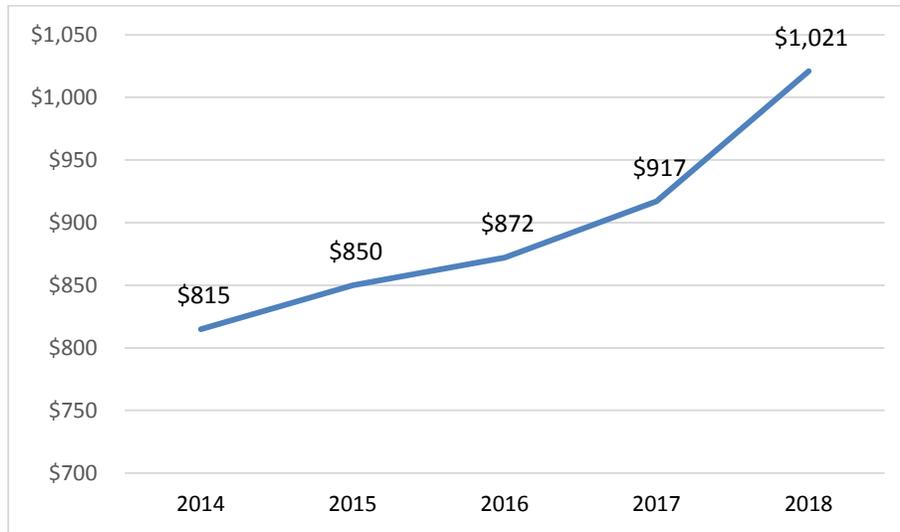


Source: Canada Mortgage and Housing Corporation (CMHC) and Statistics Canada, Census of Population 2016

Similarly, average market rents have also steadily increased in Waterloo region (see Figure 3) since 2014. This is particularly pronounced in 2017/2018, when average rents for a one-bedroom unit increased from \$917 in 2017 to \$1,021 in 2018, which is an increase of 11 per cent. In contrast, inflation for 2017 was 1.6 per cent. It should be noted that the Township of Wellesley is not captured in these figures, as per the Canada Mortgage and Housing Corporation (CMHC) Rental Market Reports.

¹¹ Source: Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey 2018. For purpose-built apartment structures of 3 or more units 3122588

Figure 3: Average Market Rents for One-Bedroom Units



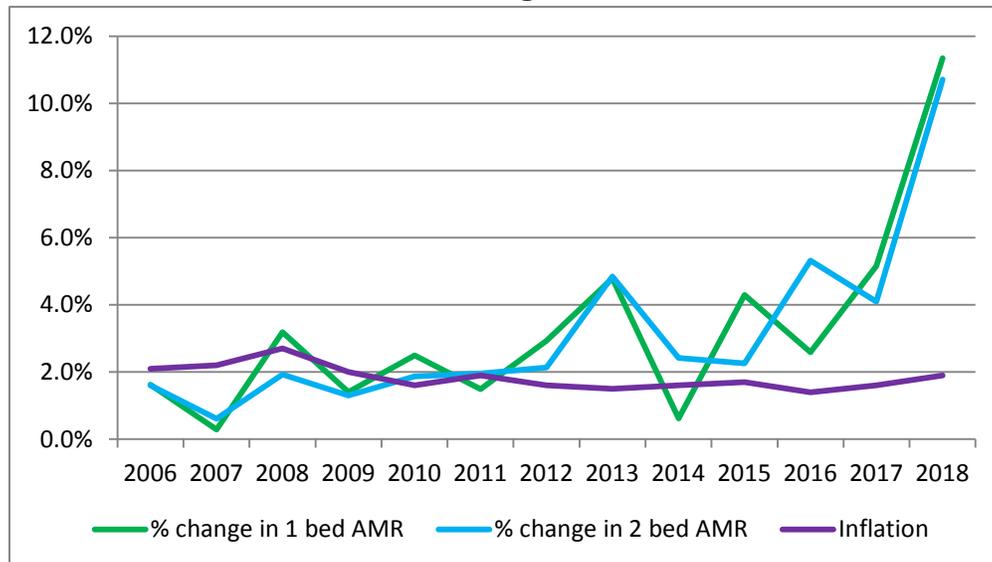
Source: Kitchener-Waterloo and Cambridge Association of Realtors

There have been new rental buildings built; however, the rents are typically much higher than the average market rent. Table 3 below illustrates:

Table 3: Average Market Rents for Units Built Since 2005¹²

	1 Bed	2 Bed	3+ Bed
Avg. Market Rent*	\$1,021	\$1,210	\$1,254
Units Built 2005+*	\$1,091	\$1,358	N/A
New Market Rents+	\$1,200 - \$1,500	\$1,400 - \$1,800	N/A

Figure 4: Percent Change in Average Market Rent for 1 or 2 Bedroom Units in Kitchener-Cambridge-Waterloo CMA



Source: CMHC Rental Market Reports; Statistics Canada, Consumer Price Index statistics

¹² Source: CMHC (2017) Rental Market Report; + Kijiji Listings for new apartment buildings (March 2018) 3122588

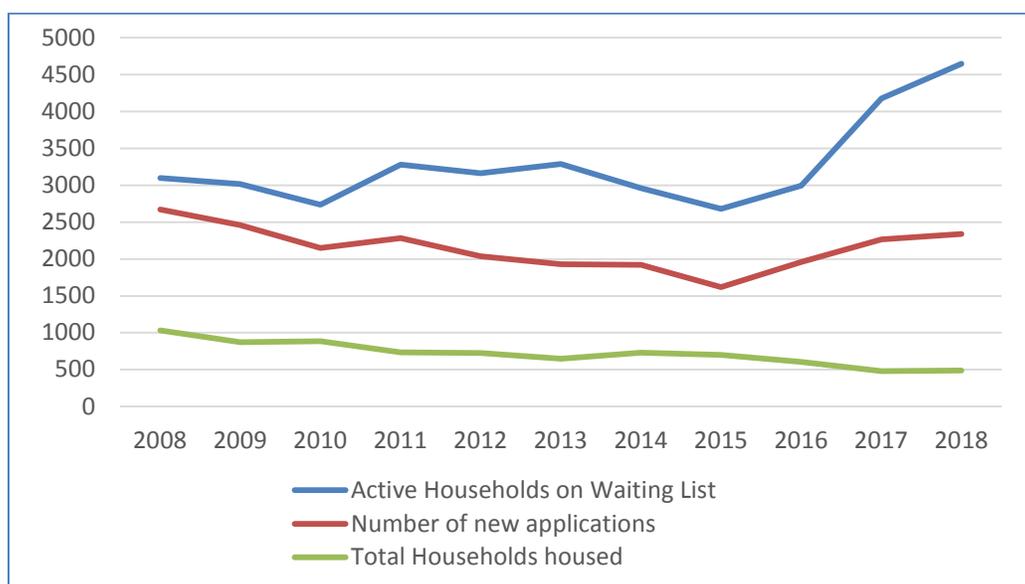
Ninety-two percent of rental apartment units in Waterloo region are one and two bedrooms. During 2016 and 2017 there was a marked increase in the number of refugees and economic immigrants with large families arriving in the area (1,920 refugees arrived in 2016¹³), thus putting additional pressure on the rental market for larger unit sizes.

Moreover, the combination of the increase in Core Housing Need, increase in rent prices, decrease in vacancy rates and the changing demographics of people seeking affordable units has resulted in significant pressure on community housing and homelessness waitlists.

4.3 Coordinated Housing Access System

Another way to measure a more specific aspect of affordable housing need is to look at the Coordinated Housing Access System, which each Service Manager is required to operate. This list gives an idea of the number of households that apply to live in community housing. Figure 4 below shows for Waterloo region the number of households on the waiting list, the number of new applications each year, as well as the number of households that move into community housing each year.

Figure 5: Community Housing Waiting List Statistics



Source: Annual Waiting List Statistics from Yardi in DOCS1558421

Since 2007, there was a downward trend in the number of new applications until 2015, at which time the number of new applications increased and continues to increase to 2019. Over the same time period, the number of households on the list who are housed each year continues on a downward trend (lower vacancy rates). This indicates that there are fewer turnovers in community housing.

Once people secure a home in community housing, they are less likely to move on. This is most likely due to the lack of suitable and affordable housing available in the private market and because no new units are being added to the community housing stock. As

¹³ Waterloo Region Immigration Partnership. 2019. Waterloo Region Immigration Profile. 3122588

a result, fewer households are being taken off the waitlist each year, which increases wait times for community housing. Table 4 below shows the changes in average wait times between 2011 and 2017.

Table 4: Average Wait Times for Community Housing, Waterloo region 2011-2017

Household Type	2011	2017	% increase
Seniors, 1-bed	1.3 years	3 years	127%
Non-senior, 1-bed	3.8 years	7.9 years	110%
Non-senior, 2-3 bed	1.8 years	2.8 years	52%
Non-senior, 4+ bed	2.1 years	3.5 years	68%

Source: Region of Waterloo Housing Services

Non-senior households requiring a one-bedroom unit have historically had and continue to have the longest wait time, at just under eight years on average. The wait time for seniors has increased by the greatest percentage since 2011 (127%).

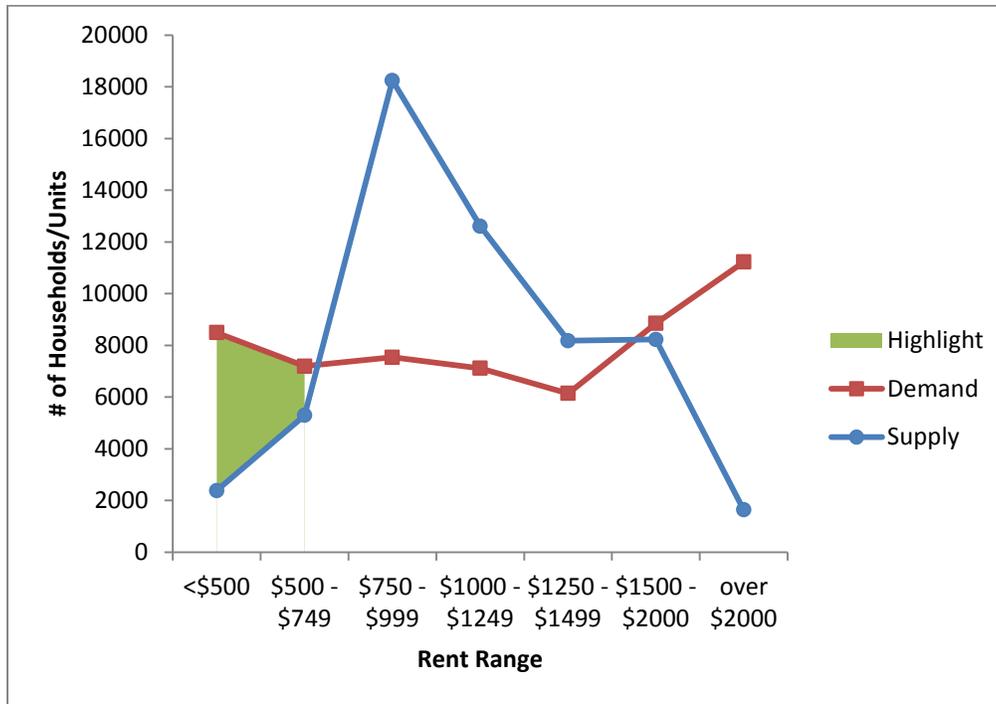
4.4 Rental Housing Gap

The Coordinated Access System only provides information on one part of housing need, because not every household that could benefit from affordable housing will apply for community housing largely due to the size of the waitlist and length of the wait times. Looking at the supply and demand of affordable rental housing can help to give a broader sense of the number of households that are in need of affordable housing, but may not be applying to community housing.

One way the demand for affordable rental housing can be determined is to look at the number of renter households that are not in subsidized housing and are living with an income that requires a certain rent range to be affordable. For example, a household with an income of \$20,000 to \$30,000 would require a unit with a rent between \$500 and \$750 (30% of income on rent) to be considered affordable.

The number of non-subsidized renter households in that income range then represents the demand for rental units in that price range. Similarly, the supply of affordable units in that rent range can be determined by the number of non-subsidized renter households that have units in that rental range, no matter what their income may be. The rental gap is then the difference between the demand and supply of units. Figure 5 below shows the rental housing gap for households at the lower end of income.

Figure 6: Rental Housing Gap at the Low-End-of-Income



Source: Canada Mortgage and Housing Corporation (CMHC) and Statistics Canada Census of Population 2016

There are 8,490 households in Waterloo region living with an income that requires a unit in the < \$500 rent range and there are 2,380 units available. There are 7,195 households living with an income that requires a unit in the \$500-\$750 range and there are 5,290 units available. The total gap in the supply of units for households at the lower end of income is 8,015.

Together these numbers and figures indicate that there is an increasing need for affordable housing in our community – to address the back log and to ensure housing for those who will make Waterloo region their home in the future.

4.5 Service Drivers

4.5.1 Population Growth

Waterloo region has a population of 601,220, up from 507,096 in 2011, which is an increase of 19%. According to current population projections, Waterloo region will be home to an additional 140,780 households by 2041. This is approximately 6,700 households per year. Currently, 4.8% of the occupied households in Waterloo region live in Community Housing. If this percentage remains the same, 154 of the 6,700 households arriving in Waterloo region each year will require community housing. In other words, as the population grows, the number of community housing units will need to increase to maintain the same percentage.

4.5.2 Demographics

Since 2011, 14,000 immigrants and refugees have arrived in the Region. They are arriving from multiple countries around the world, but most are coming from China, Syria, and India¹⁴. In 2015, recent immigrants' median employment income was \$25,122 compared to \$37,380 for those who were born in Canada. If using the Market Based Measure (MBM) of low-income¹⁵, the proportion of recent immigrants living below the MBM was 33%¹⁶. Anyone living below the MBM would qualify for community housing.

Other demographics are driving demand for affordable housing, including:

- 16% of families are lone parent families, an increase of 11.5% since 2011. Their median after-tax income was \$50,844 compared to \$111,133 for couple families with children¹⁷
- 15% of the population is currently over the age of 65, 10% of them live in low-income (LIM-After Tax). By 2041, 25% of the population will be over the age of 65 and the proportion of those living in low-income is expected to grow.
- 15% of children under age 17 are in low-income households (LIM-After Tax)
- Less than 2% of the total affordable housing units within our community are 4 or 5+ bedroom units, excluding units owned by WRH
- 8% of the total number of WRH units are 4 or 5+ bedroom units

In 2016, as part of the Federal government Syrian refugee resettlement initiative, Kitchener became one of 36 chosen communities for resettling the Syrian refugees. A total of 1,920 refugees and protected persons arrived in Kitchener that year, the highest number of all permanent resident categories. With this influx of refugees, came an increased proportion of large families requiring units with more bedrooms.

4.5.3 Income

The median total income of households in Waterloo region rose by 1.6% from 2005 to 2015 (\$76,327 to \$77,530) while at the same time, by 2015, 11.5% of people were living below the low-income measure (LIM). Over that same time period, the total average market rent per month in Kitchener-Cambridge-Waterloo CMA according to CMHC rose by 22.2% (\$775-\$947). So the cost of rent has been increasing more quickly than people's incomes and faster than inflation which rose 17%. This creates more demand for affordable housing or community housing.

4.5.4 Real Estate

The cost of housing, either rental or ownership, is increasing in Waterloo region. As seen in the previous section, it is rising more quickly than median family income. For instance, the average cost of a single detached dwelling in Waterloo region was

¹⁴ Wellbeing-Waterloo Region, 2019. Waterloo Region Community Well-being Survey. A Prompt for Discussion.

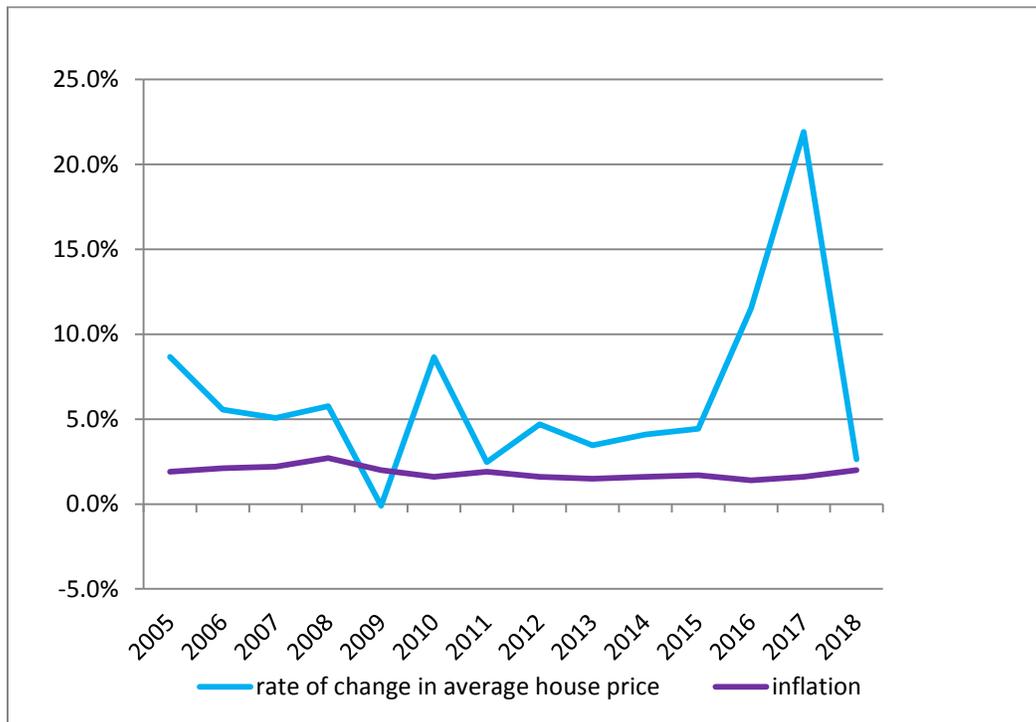
¹⁵ The Market Basket Measure (MBM) is a measure of low-income based on the cost of a specified basket of goods and services representing a modest, basic standard of living. In 2018, as part of Canada's Poverty Reduction Strategy, the MBM was chosen as Canada's Official Poverty Line

¹⁶ Waterloo Region Local Immigration Partnership, 2019. Waterloo Region Immigration Profile.

¹⁷ Statistics Canada, Census Profile, 2016 Census.

\$618,186 in June of 2019 compared to \$521,221 in 2017, a 19% increase in 2 years. The average for all housing types was \$533,619. Apartment condominiums are less expensive but are averaging \$332,716¹⁸. As the following figure illustrates, housing prices have been rising much more rapidly than inflation. When the cost of housing rises more quickly than income and/or inflation, more pressure is felt in the community housing system as more households need to access it.

Figure 7: Percent Change in Average Re-Sale House Price in Waterloo region



Sources:

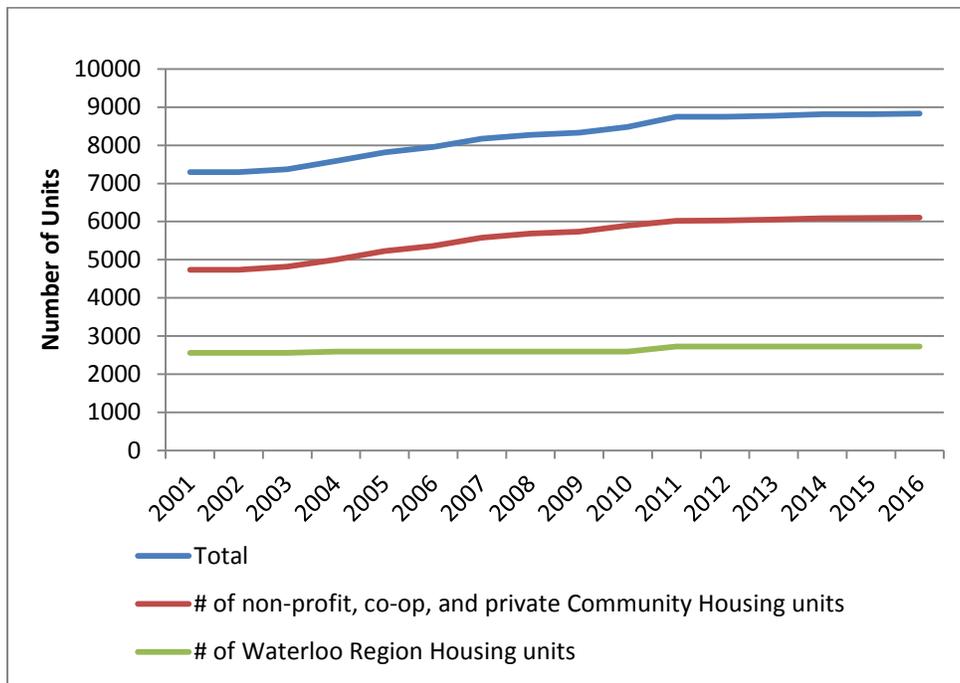
Kitchener-Waterloo Association of Realtors (2005-2017); Statistics Canada Consumer Price Index statistics

4.6 Not-for-Profit/Co-operative Affordable Housing Sector

The community housing sector has also been adding new units each year. From 2003 to 2018, a total of 1,532 new community housing units were built, which is an average of approximately 96 units each year. These 1,532 were assisted through Federal, Provincial and Regional capital funding. Waterloo region Housing currently owns and operates approximately one-third of the existing community housing stock.

¹⁸ Kitchener-Waterloo Association of Realtors, 2019. <http://creastats.crea.ca/kitc/> 3122588

Figure 8: Community Housing Units in Kitchener-Cambridge-Waterloo CMA



Source: Region of Waterloo, Housing Services

Similar to market rental housing, the increase in non-profit and co-op housing supply has not kept pace with the increase in demand, which in the previous section was illustrated by the yearly increase in the number of applications to the waitlist for community housing.

Based on the above information, population growth, and results from the stakeholder consultation it was determined that adding a minimum of 600 units to the current supply would be required. In order to keep pace with actual need, an additional 400 would be needed.

As mentioned above, three categories or strategies were identified that would fulfill the goals of WRH: 1) Develop/Intensify; 2) Maintain; and 3) Divest.

4.7 Private Development Interest & Capacity (Current & Future Picture)

Many jurisdictions across Canada have taken different approaches to building community housing through public-private partnerships. Some have established partnerships with several organizations including developers, financial institutions, other social service providers, non-profits, co-ops, indigenous organizations and local municipalities. The benefits of these kinds of partnerships are numerous including greater access to resources, more holistic approaches to identifying and solving issues and gaining insight and knowledge of opportunities and challenges that had not otherwise been anticipated. There are some challenges however, depending on the type of partnership that is established such as potential imbalances in who has control

of the funding, who is accountable for ensuring all tasks are completed, as well as ethical issues related to differing values.

4.8 Investments in Renewable Energy Retrofits

There is a significant opportunity for low carbon investment in the revitalization/ redevelopment of WRH community housing portfolio as the stock continues to age. The current policy context within the Region and Federally identifies the community housing sector as one of the key sectors for improving efforts to reduce energy consumption and green house gas emissions. Corporate Strategic Plan Objective 3.3 states that the Region will “reduce greenhouse gas emissions and improve air quality”. Other municipalities have achieved this by the inclusion of geothermal and solar air heating, photovoltaic electricity systems, and attaining the LEED certification as the Region did in 2010 at the Sunnyside campus or in Windsor-Essex with their current redevelopment using the “passive house” model. (see page 23)

5. Methodology for Assessing WRH Communities

5.1 Assessing the Current WRH Communities

Three levels of staff groups were formed to create the WRH Master Plan. The first was a multi-disciplinary staff team that was primarily responsible for the day-to-day tasks including: research, consultation, analysis and the design of the assessment tools. As part of their involvement in this project, this team also developed specific tools for assessing the communities including an evaluation matrix, financial costing tool, building site summaries, and projected construction schedule for construction project completion for each of the communities. These were key components for the development of a decision-making framework.

The second staff group was the Corporate Advisory Committee (CAC), which included the Region of Waterloo executive leadership team and senior management. The primary role of the CAC was to advise staff in the development of the Master Plan.

The third group was a Master Plan Steering Committee. The Steering Committee is comprised of members of Regional Council as well as staff from WRH, Housing Services, Facilities Management, Finance, Legal, and the Immigration Partnership. The Steering Committee met regularly, and helped in the hiring of a consultant, the community consultation process, setting goals associated with the Master Plan and the approval of the final outcomes within the three strategic categories of the Plan.

A series of evaluation tools were developed and used to assess the 65 WRH communities in order to prioritize them into three strategic categories.

5.2 Evaluation Matrix

To assess WRH’s housing sites and determine the order in which they are prioritized within each of the three strategic categories, an evaluation matrix was developed by the multi-disciplinary staff team, which utilized key attributes to reflect current

circumstances. The matrix (see Appendix B) focuses on optimizing land use, positive community impacts, current building site conditions, financial implications and the potential for redevelopment. It also scores for zoning, density and suitability with local municipal and regional official plans.

More specifically, the following factors were included in the evaluation of each of the sites:

- **Potential Unit Yield** does not factor into the scoring system, but provides an estimated number of total units permitted under the current/draft zoning by-law. Detailed analyses have been completed on all 65 sites.
- **Physical Building Condition** is scored higher if the building is in poor physical condition. Building conditions are scored out of 5.
- **Neighbourhood Factor** relates to fit of the proposed building with the local neighbourhood (type of housing), and supports area municipal and regional planning objectives (i.e. an area of transition, easy access to an ION station (within 5-minute walk), part of a campus, add social or support services to the broader community and other community amenities.
- **Site Waitlist** is based on the number of households on the waiting list for that site. The more households on the waiting list suggests a greater interest and demand for the building site, which results in a higher score. Scores for this factor are out of 2 (10+ households waiting is a score of 2, under 10 households waiting scores 1).
- **Tenant Factor** looks at impact of the redevelopment on the tenants who live there. It also takes into account the type of households (seniors, families, single adults) that will need to move from the site, the type of housing (i.e. bedroom counts, as it is more difficult to find/relocate to 4+ bedroom units), and the potential disruption (i.e. disturbed community balance, children needing to relocate to different schools, proximity to other supports or services). The score for this factor is out of 7.

Financial Factors take into consideration the physical condition of the building, 10-year capital costs of renewal, maintenance costs and the anticipated expiration of mortgages, based on specific expiry dates between 2019 and 2023. With the goal to create 600 new affordable housing units, the evaluation matrix automatically ranks and categorizes all 65 WRH sites.

Both favourability factors and certain risks that require further consideration were also included in the evaluation matrix. Specifically, the favourability factors include:

- **Good Development Yield**, which is the size of the development, renders a very good result in total new units created versus the amount of original units on the site.

- **Public Private Development Partnerships**, which involves working with private sector developers to jointly create various types of housing that can generate new revenue streams.
- **Economic Development Strategies**, where the development will bring new employment opportunities and/or skill development for tenants.
- **Community Needs**, where the development has onsite space and services and can address current community service and support needs with more purposeful amenity space.
- **Corporate/Regional Priorities**, when the development aligns with current Corporate/Regional strategic planning goals.

The results from the matrix are presented in both a spreadsheet format (Appendix B) and in one-page building site summaries (WRH Housing Portfolio, Appendix C). All of the data is presented as of 2019, is captured at a point in time and is subject to change as projections are further developed.

5.3 Financial Costing Tool

To support the development of the WRH Master Plan, and because of the potential significant costs associated, a detailed costing tool was developed, which was used to further analyze the top rated 15 communities¹⁹. A cost consultant (BTY) provided construction estimates including contingencies that would be borne by a General Contractor (hereafter, GC) to deliver the work. Both hard and soft costs are included such as all building construction costs by unit type, planning approvals, permits, furniture/equipment, tenant relocation, consulting services, HST and other allowances.

The construction estimates are only a portion of the overall project estimates. Region Facilities staff have provided for the balance of costs anticipated for Regionally managed construction projects including allowances and contingencies exclusive of the construction budget. Combined, these estimates form an overall project budget.

Cost metrics are presented including cost per number of bedrooms by housing type (i.e. apartment, row house, or townhome). (See Appendix E) All of the cost metrics and projected budgets are presented at a point in time and are subject to change over time.

An operating summary for each property is provided, which includes:

- Housing rent revenues
- Non-rent revenues (i.e. coin laundry, commercial rent, parking, etc.)
- Operating expenses such as utilities, service contracts, maintenance costs, etc.
- Financing costs related to debentures and mortgages

¹⁹ The top 15 communities were chosen as they were the highest scoring sites on the evaluation matrix.
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5.4 Building Site Summaries

The building site summaries provide a one-page synopsis, photo and map of each of the communities with the evaluation matrix factors listed as well as the 2018 operating costs. These are contained in a catalogue named WRH Housing Portfolio in Appendix C.

Once the tools were completed and all 65 communities were analyzed, the multi-disciplinary staff team was able to begin the strategic categorization process.

5.5. Estimated Construction Schedule Tool

Based on the experience of in-house Region of Waterloo staff and local housing developers, estimated construction schedules were assembled for the shortlisted WRH sites to depict project timeline for each individual scenario and better inform all decisions moving forward (see Appendix H). These schedules were compiled in a Gantt Chart using Microsoft Project and include overlaps between the construction and design phases of successive redevelopments such that construction begins at one site as construction is completed on the subsequent site.

6. Overall Goals, Strategic Categories and Options

In the initial stages of the development of the Master Plan, the Steering Committee established a set of goals and general strategic directions. They included the following:

- 1) There is a need for more affordable housing within Waterloo region.
- 2) The Region should play a significant role as a community housing provider (WRH) because of the high standards and quality of housing it provides.
- 3) The Region, through WRH, should continue to strive to maintain approximately 30% of the overall amount of community housing offered in Waterloo region. This will ensure that the Region through WRH continues to be the leader when providing high-quality, safe and well-maintained housing options for the most vulnerable and marginalized populations. This will also ensure that the Region, through WRH, has direct control in maintaining a minimum of 30% of the overall service level standard.
- 4) With the steady growth in the housing market and the increasing demand for affordable housing in Waterloo region, WRH will also be required to intensify its own stock by a minimum of 600 units to keep pace and hold its 30% portion of the overall community housing stock.
- 5) WRH will need to intensify on some of its current sites (65 total) in order to create a minimum of 600 new affordable housing units.

- 6) WRH should not be a mechanism to develop housing on new sites beyond the 65 it currently owns because there are more cost-effective ways to achieve this that have and can be achieved by others. In other words, allow the Service Manager to facilitate the non-profit, co-operative and private sector to continue to develop affordable housing on new sites.

The staff team, the CAC and the Steering Committee were also informed by the results of the stakeholder consultation as outlined in Section 4.1. It was made clear by nearly all stakeholders that the status quo for WRH is not an option.

Overall, there was compelling consensus for the expansion and redevelopment of WRH sites within its existing 65 communities. In other words, the Steering Committee recognized and decided that WRH should maintain its 30% proportion of the overall community housing sector within our community.

6.1 Current Key Goals and Strategic Directions

Near the end of the two-year process, the Steering Committee established a secondary set of key goals and strategic directions for the Master Plan, as follows:

- 1) Ensure the long-term sustainability both from a financial, environmental and physical perspective for all of the WRH community housing portfolio.
- 2) Establish a divestment decision-making strategy that could create opportunities for possible savings and/or revenue as well as potential service partnerships.
- 3) Meet the enumerated goals and objectives of the Region of Waterloo's Strategic Plan, and the Service Manager's 10-Year Housing and Homelessness Plan²⁰.

With these key goals in mind, the multi-disciplinary staff team developed the evaluation matrix and the financial costing tool as explained in Section 5. Each of the 65 sites were assessed and scored (see Appendix B for results of the Evaluation Matrix) and fifteen of the top-scoring sites were chosen. The Estimated Construction Schedule tool was also applied to obtain an approximate of the time it would take to complete construction. The multi-disciplinary staff team in collaboration with the CAC and the Steering Committee, then, organized the 15 sites into three main categories that would fulfill all of the goals and strategic directions that had been identified.

Strategic Category 1: Intensify/Revitalization WRH Communities

Strategic Category 2: Maintaining the Current WRH Stock

Strategic Category 3: Potential Divestment Decision Framework

²⁰ www.regionofwaterloo.ca/WRHmasterplan
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6.2 Strategic Category 1: Intensify/Redevelop WRH Communities

To continue to address the growing demand for affordable housing units in Waterloo region and in consideration of the projected rise in the population growth, the Service Manager estimated that 155 units will need to be constructed every year from now until 2038. Since 2003, the Service Manager facilitated the development of new affordable housing units through the private sector, non-profits and co-ops. Through this process, approximately 96 units were created annually, while WRH was only able to contribute an additional 4 units per year in the same 16-year time period. This created a 55-unit per year shortfall for the Service Manager when attempting to keep up with the population growth and the demand of more affordable housing in Waterloo region.

The Steering Committee, then, calculated that if the population of Waterloo region meets its projected population growth by 2038, it would mean that WRH would need to create 1,100 new affordable housing units in order to maintain its 30% proportionality (55 units per year for 20 years). This is based on two assumptions: 1) that the demand for affordable housing would continue at its current pace and require that 5% of all housing in Waterloo region be affordable; and 2) the overall population growth of the Region would continue at its projected rate of increase.

Given these two assumptions, the Steering Committee decided that it would be prudent for WRH to create a minimum of 55 new units per year in the first 11 years at a total of approximately 600 units. Accordingly, the Master Plan focuses the intensification of WRH housing in the first half of the 20 years so that there is an opportunity to review and confirm the two assumptions listed above at the end of the 11 years.

From the 15 communities, six different scenarios were presented to illustrate how WRH could utilize its top scoring communities to create an additional 600 affordable housing units. Each scenario included the total projected project costs, the total development timeline, and the overall net tax levy. The six scenarios include:

1. **Municipal Representation:** the representation of new affordable housing units in Kitchener, Cambridge and Waterloo.
2. **Least Amount of Impact on Communities and Tenants:** tenant relocation is not required, condominium development is not anticipated and construction times will be reduced
3. **Easiest to Build:** the developments will not include condominiums through public-private partnership and will be one of the quickest options to building 600 new affordable housing units.
4. **Community Needs Based:** current waitlist for these communities are long and the Region already has brokered services in each of the communities where it would best meet the needs of the tenants
5. **Along the Central Transit Corridor (ION station):** within 15-minute walk to an ION station.
6. **Most Cost Effective:** it is the least expensive per unit and includes communities with the lowest cost to get to 600 units.

All six potential scenarios with financial data and the various pros and cons were reviewed by the Steering Committee and the multi-disciplinary staff team to determine which scenario would be best suited to accomplish the goal of creating the 600 new affordable housing units within WRH through revitalization. (see Appendix I: The Six Redevelopment Scenarios)

As a result of this discussion, the Steering Committee chose Scenario 4: Community Needs. They renamed this the **WRH Revitalization Strategy**. It was selected based on the fact that it will meet a number of current and emerging community needs, is estimated to be an 11-year project (approximately January 2020 to February 2031), and proposes the development of 638 new affordable housing units on five existing WRH sites in Kitchener, Cambridge, and Waterloo as illustrated in Table 5.

Table 5: WRH Revitalization Strategy Projects

Address	Total Number of Proposed Units	Current Units per Site	Increase in Units
416 Kingscourt, Waterloo	70	0	70
82 Wilson, Kitchener	48	16	32
Mooregate, Kitchener	476	55	421
140 Weber St., Kitchener	54	35	19
Langs, Cambridge	134	38	96
Total:	782	144	638

The Steering Committee recognized that waitlists in the above listed communities are currently long and the construction time is not overly extensive compared to others. Furthermore, each municipality will benefit from this redevelopment.

It was further acknowledged that there are several existing and brokered services within these communities, which could be expanded upon by way of this revitalization through public-private partnerships. For example, Wilson currently has some Seniors services available which could be significantly enhanced. Weber is already a supportive housing community which serves individuals experiencing mental illness and addictions in partnership with two local agencies. With revitalization, these services could serve more individuals. Langs is located next to a Community Health Centre which presents an opportunity for a potential partnership with primary care and community health services. Two of the sites do not require demolition which would significantly reduce the impact on current tenants.

6.2.1 Redevelopment Project Approach

There are numerous approaches to redevelopment that the multi-disciplinary project team explored through a secondary environmental scan. Predominantly, the two major approaches to revitalization that most community housing providers have undergone are: 1) a traditional Design-Bid-Build approach; and 2) a Design-Build-Finance approach that requires a private-public partnership.

Design-Bid-Build (DBB) Approach

In this approach to redevelopment, the design is typically funded and completed first and then a public tender process is undertaken to secure the contractor to construct the project. Often, the funding of the construction is provided in a phased approach until completion of the development. This approach requires a complete financing model to be in place prior to the commencement of the procurement process. The majority of the responsibility and associated risks for the design, construction and financing remains with the owner of the asset. In the context of affordable housing redevelopment, this approach would allow for full control in creating additional affordable housing within the shortest planned period of time and using the least amount of communities to do so.

Design-Build-Finance (DBF) Approach

The Design-Build-Finance approach calls for a private-public partnership to be put in place. The DBF model combines various aspects of the project under one contract. Furthermore, payments for construction are made only upon substantial completion of the project. This model transfers the responsibilities and associated risks for the design, construction and financing to the private sector. The private sector is incentivized by being given parcels of publically owned land for the purposes of for-profit development in exchange for also developing affordable housing. Private-public partnerships often render a lower upfront development cost but also require more communities/buildings to be leveraged to achieve affordable housing net gains. Here, WRH would be giving up control of the overall ability to create only affordable housing units in its communities. In other words, it would take more communities and impact more tenants through this model, which potentially offsets the lower upfront development costs and extends the timeline to create more affordable housing.

The multi-disciplinary team ultimately recommended that the Region take a “Design-Bid-Build” approach for the redevelopment of the selected communities, subject to Council approval. This approach consists of three sequential phases:

- a) Design Phase: The Region will retain the architect and collaborate with them to develop construction drawings and technical specifications according to the Region’s needs
- b) Tendering (Bid) Phase: General contractors will bid on the project
- c) Construction Phase; Contractor manages the construction project(s) and daily activities on each site.

However, through its divestment framework, WRH reserves the opportunity to explore potential private-public partnerships.

6.2.2 The WRH Revitalization Strategy Team

A Revitalization Strategy Team will be created to implement the WRH Revitalization Strategy, which will include the hiring of four staff. Staff requirements will be requested through a Budget Issue Paper.

Housing Services will require 2 additional Full-Time Equivalent (FTE) positions. Activities of each new position will include the following:

Community Revitalization Specialist (1 Full-Time Position)

- Communicate with tenants on items related to the redevelopment
- Relocate tenants prior to construction if required
- Obtain input on building and site designs to ensure they meet tenants' needs,
- Coordinate moving tenants into the new units once they are completed
- Address tenant concerns once the move-in has been concluded

Planner/Coordinator (1 Full-Time Position)

- Work directly with consultants and Area Municipalities to obtain planning approvals for each proposal
- Complete all National Housing Strategy applications and/or other funding applications in collaboration with Finance and ensure any required reporting is submitted
- Coordinate internal and external processes for delivery of the Master Plan
- Report to management on progress

Facilities Management (FM) staff will be responsible for the “hard” aspects of the redevelopments, including: (2 Full-Time Project Management Positions)

- Manage each intensification project, applying project management rigor to organizing and coordinating the work packages as the Owner
- Lead procurements and administer contracts with consultants, general contractors and third party specialists
- Assess building and site designs to ensure they meet Region standards and requirements for affordable housing buildings
- Monitor and manage performance of the various project level measures (e.g. budget tracking, schedule alignment, scope management)
- Oversee the capital program, working with WRH to ensure the most effective development and construction strategies (e.g. procurement models, consolidating and organizing/prioritizing various project and program phases and procurements where effective)
- Perform stakeholder management functions, including overseeing communication plans and ensuring the various voices are heard and needs are addressed

- Reporting to Regional Council on progress

Once delivery of the Master Plan has been substantially completed, the 2 WRH FTE positions would be re-evaluated subject to ongoing tenant engagement and planning needs. The 2 Facilities Project Management positions would also be re-evaluated contingent on the overall capital program. Staff from other departments will also be involved including Finance and Procurement to create and monitor capital and operating budgets as well as hiring other consultants and external companies as required.

6.2.3. Financial Implications

The recommended revitalization strategy proposes the redevelopment of five properties resulting in an increase of approximately 638 new affordable units within the WRH portfolio. The total estimated capital cost over the life of this project is projected at \$247 million (in 2019 dollars). If Council endorses the Master Plan, the multi-disciplinary project team will prepare the 2020-2029 Housing Capital Budget to reflect this proposed capital cost, as set out in Appendix E, F and G.

Proposed capital financing includes grants from the National Housing Strategy (NHS) Co-investment program for new construction and seed funding. This is a Federal program and the grant amount is contingent on program requirements being achieved. Based on the Master Plan assumptions, it is estimated that grant funding will be 20 per cent or \$50M of the proposed total capital financing. These grants can be used for costs related to pre-development and construction activities.

The remaining funding sources consist of NHS Co-investment financing (CMHC mortgages) (\$99M) and Regional long term borrowing (\$98M). Combined these sources comprise approximately 80 per cent of the estimated total capital costs.

Operating revenues, expenses, and net levy impact have been estimated in 2019 dollars. Revenues include market, affordable, and RGI rents as well as non-rental revenues (e.g., laundry, parking income). Operating expenses include utilities, service contracts, other maintenance costs, insurance, lifecycle provision, and debt servicing.

The completion of this strategy will require the addition of four temporary FTE's (two in Housing Services, two in Facilities Management) to deliver the revitalization program. These positions are temporary in order to deliver the revitalization program and will conclude in 2030. These positions will be funded through a combination of operating and capital financing.

The addition of 638 units will require 7 permanent FTEs to be added in 2025 (3.5 FTE) and 2030 (3.5 FTE) to support the operation and management of the additional units. These positions will be funded through the annual operating budget. A budget issue paper for the new positions will be prepared for consideration as part of the 2020 budget process.

6.3 Strategic Category 2: Operate and Maintain Remaining Communities

During the stakeholder consultation, it was expressed that WRH should maintain its current affordable housing stock and should not allow it to deplete. According to legislation, the number of RGI units should not decrease regardless of how WRH evolves over the next 20 years. Given that most of the units were built before the mid-1970s, the costs associated with maintaining their upkeep are rising every year.

As a result of the decision made above in Strategic Category 1, there are 60 remaining communities that will require ongoing maintenance in order to continue their lifecycle in the existing affordable housing stock. To determine estimated costs, the MP team used the current WRH 10-year capital renewal budget. This budget is based on the building condition audits which are performed every 5 years on the WRH communities. These audits highlight the state of repair and required capital work along with timelines and costs associated with the work.

6.4 Strategic Category 3: Potential Divestment Opportunities

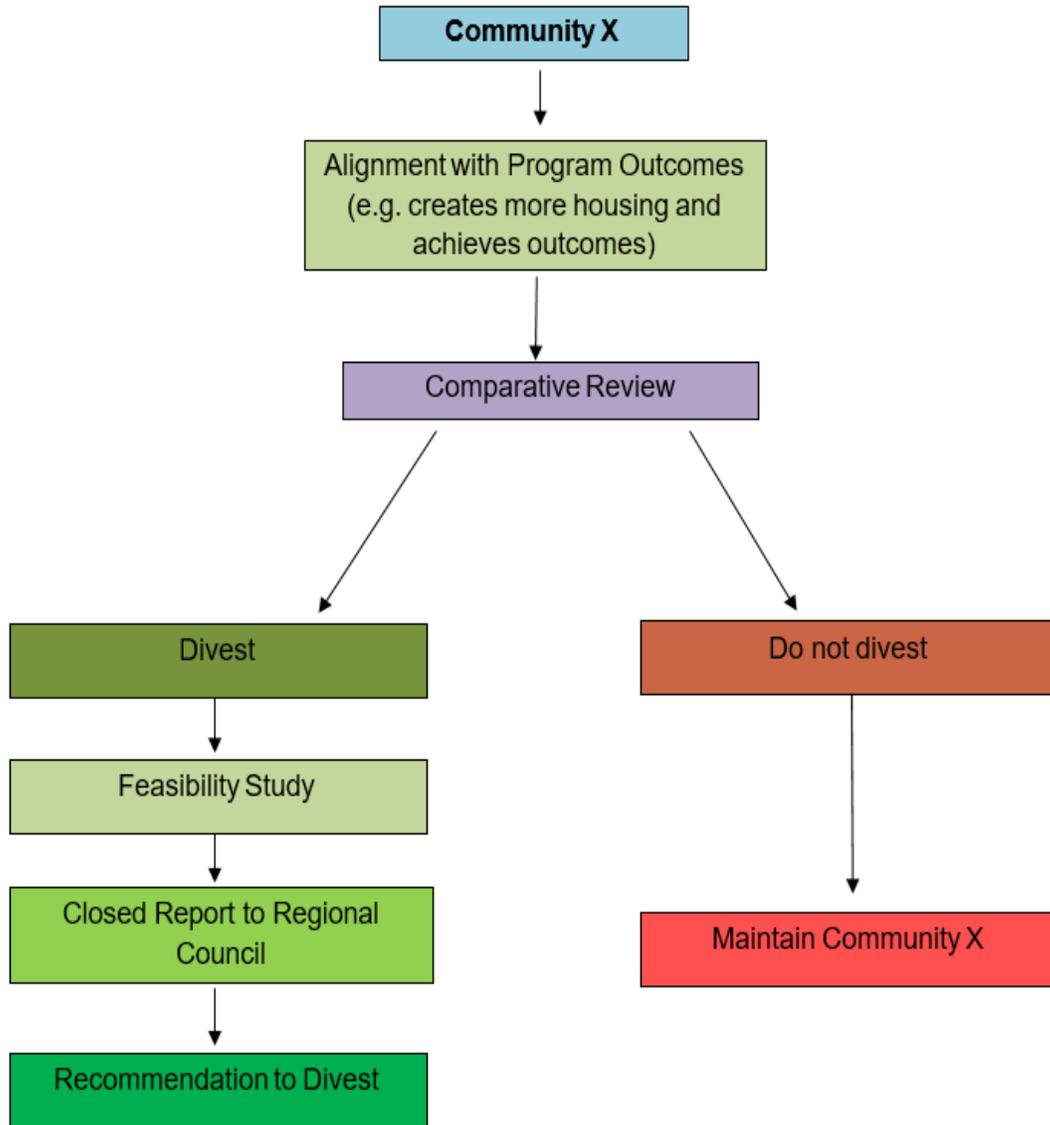
The evaluation matrix took into consideration specific factors when prioritizing the 65 WRH communities into the three strategic categories. The communities that placed in the third category would be taken into consideration when deciding on potential divestment. Some of the principle reasons for divesting from these communities are:

- Inefficient use of the land (e.g. small units on large pieces of land);
- The high operating costs compared to multi-unit dwellings; and
- Their relative value compared to other forms of WRH housing stock.
- Any other opportunities for revenue

Both the Steering Committee and the CAC stated their strong support for re-investing any proceeds gained from the sale of these communities into redevelopment of the existing housing stock.

To determine which sites to divest, a decision-making framework will be used at the time of each proposal. Potential divestments will be evaluated and assessed to ensure that divestment aligns with the expected outcomes and would result in financial benefits and an overall increase in affordable community housing. Any potential divestment opportunity will involve a multi-year consultation process with tenants and the broader community, prior to confirming divestment. Recommendations would then be brought to Regional Council for approval.

Figure 9: Decision-Making Framework for Potential Divestment of a Property



7. Implementation

The implementation of this plan will involve many aspects in order to move ahead with WRH's contribution to the affordable housing stock and achieve the target. The following is a summary of how WRH plans to implement this Plan, which does not include day-to-day tasks of staff working on this project:

1. Striking a Team

- Once approval of the Master Plan is granted, a Senior Project Manager will be assigned from the Facilities team for the duration of the series of all projects
- Similarly, once Council approval is granted, a Facilities Project Manager, Project Coordinator as well as a WRH Community Engagement Specialist will be hired to work with the community moving forward
- Thereafter, annual budget approval from Council would be required for the implementation of any individual project

2. Planning Approvals

- Meeting with Area Municipalities and other stakeholders for pre-consultation meetings to discuss proposals and refine details
- Adjust order of project site developments in consultation with Program Team to account for various lead times (e.g. zoning or minor variances)
- This process will be repeated for every site proposal moving forward

3. Hiring and Design

- Hiring an architectural firm to begin design work on the first selected site
- Hire a planning consultant to begin work on pre-approval steps for upcoming sites
- Development of a social procurement²¹ plan that will provide positive social and economic impacts to the surrounding communities

4. Finalizing Architectural Designs, Planning and Costing

- Facilities Management will work with consultants to finalize the architectural designs of each project
- The Project Coordinator from the Housing Services will begin consultations with Area Municipalities and the public to receive feedback on the proposals
- Concurrently, the Project Coordinator will work with the consultants to finalize the planning rationale for each proposal
- Lastly, as details are finalized, the Finance Team will rebuild the budgets according to the refined proposals

²¹ Social procurement refers to the practice of ensuring that spending is leveraged to have a positive impact on the local economy and the overall well-being of the community and neighbourhood.

5. Exploring Potential Divestment

- Begin to conduct a potential divestment analysis based on the Decision Framework for Divesting a Property, which will be accompanied with the revised program budget process
- Analyze outcomes and present a decision of whether or not to divest particular site(s) to Council
- Should approval be granted, rework the potential divestment opportunity back into the program budget to use for future financing sources

6. Monitoring and Evaluation

- Five-year updates of the Master Plan to ensure information, data and objectives are relevant
- Develop an evaluation tool to use going forward to assist in the monitoring of WRH
- Submit regular progress reports indicating any important information for reference moving forward

Throughout the implementation process, the Corporate Advisory Committee (CAC) and the MP Steering Committee will remain intact to continue to provide the WRH Revitalization Strategy Team with oversight and feedback of the implementation process. The Steering Committee will be provided with program level updates including the overall progress made on each project, as well as the Plan's objectives and outcomes.

8. Monitoring and Evaluation

The Master Plan has provided a long-range plan for ensuring that WRH maintains its 30% proportion of community housing in the Region. As set out in the plan a specific scenario is being recommended for revitalization and redevelopment that would best meet the community's needs as well as the current forecasted future demands. The MP must, however, be able to respond to changes in community needs, policy directions as well as fluctuations in rental market conditions and capital costs. To ensure the success of this Plan, ongoing monitoring of pertinent conditions, actions and impacts will occur.

As part of the monitoring and evaluation phase, staff will explore the opportunity for public-private partnerships.

The Master Plan will be reviewed and updated every five years, to ensure that data, information and directions are relevant and objectives are being met. This will include regular progress or update reports to Regional Council to inform the community of our progress and how to improve moving forward.

In addition to this, an evaluation tool with performance measures will be developed to use going forward as a way to inform the Region's future decisions as they relate to WRH and ensure that there is consistency with all WRH communities.

9. Appendices

Appendix A: Master Plan Project Charter

Appendix B: Evaluation Matrix Results

Appendix C: WRH Housing Portfolio (Building Site Summaries)

Appendix D: Summary of Six Scenarios

Appendix E: Financial Information on Waterloo Shortlisted Sites:

- i. Building and Unit Information
- ii. Capital costs and Financing Estimates
- iii. Assumptions for Capital Costs and Financing
- iv. Estimated 2019 and Proposed Operating Revenue Impact
- v. Assumptions for Proposed Operating Revenue
- vi. Estimated 2019 Operating Expenses
- vii. Proposed Operating Expenses
- viii. Assumptions for Proposed Operating Expenses
- ix. Estimated Net Property Tax Impact

Appendix F: Financial Information on Kitchener Shortlisted Sites

- i. Building and Unit Information
- ii. Capital costs and Financing Estimates
- iii. Assumptions for Capital Costs and Financing
- iv. Estimated 2019 and Proposed Operating Revenue Impact
- v. Assumptions for Proposed Operating Revenue
- vi. Estimated 2019 Operating Expenses
- vii. Proposed Operating Expenses
- viii. Assumptions for Proposed Operating Expenses
- ix. Estimated Net Property Tax Impact

Appendix G: Financial Information on Cambridge Shortlisted Sites

- i. Building and Unit Information
- ii. Capital costs and Financing Estimates
- iii. Assumptions for Capital Costs and Financing
- iv. Estimated 2019 and Proposed Operating Revenue Impact
- v. Assumptions for Proposed Operating Revenue
- vi. Estimated 2019 Operating Expenses
- vii. Proposed Operating Expenses
- viii. Assumptions for Proposed Operating Expenses

Appendix H: Estimated Construction Schedule

Appendix I: Six (6) Redevelopment Scenarios - Additional Information

Appendix J: WRH What We Heard Summary

Appendix K: Executive Summary of the WRH Master Plan Discussion Paper



Appendix A: Project Charter
Waterloo Region Housing Master Plan
Start Date: February 2017
Planned End Date: April 2018

Goal: Create a 20-year Master Plan for Waterloo Region Housing.

Principles:

- We will make decisions that support our work in implementing the 10 Year Housing and Homelessness Plan, our Service Manager role, our direct housing operator role, and Council’s Strategic Plan.
- We will make decisions that support the Regional values: Respect, Collaboration, Innovation, Service and Integrity.
- We will make decisions that support our Housing Services division’s belief statement: “We believe communities thrive when everyone has a home. Housing Services engages community partners to end homelessness and to provide a range of quality, affordable, housing options with appropriate levels of support”.
- We will make decisions focused on improving client’s housing services pathway.
- We will work to build on the strengths that exist within current processes and staff.
- We will have a strong commitment to engage and communicate inclusively with clients/tenants, community partners and Regional staff.
- We will challenge our existing ways of thinking and doing business (e.g. what we should start, continue and stop doing).

Project Management Structure:

		Responsibilities
Project Sponsor:	Douglas Bartholomew-Saunders, Commissioner Community Services	<ul style="list-style-type: none"> • Approve the Project Charter and necessary resources. • Endorse the general approach to engaging staff, community partners and conducting research. • Identify key issues to take to Corporate Leadership Advisory Committee • Approve the options. • Approve the final report. • Communicate as needed (e.g. Council).
Project Lead:	Mina Fayed Bahgat, Manager, Waterloo Region Housing	<ul style="list-style-type: none"> • Provide overall oversight on the project. • Chair the Steering Team • Approve the Project Charter. • Approve the project deliverables. • Approve the process, including RFP for consultant • Decide and forward the options for Project Sponsor approval.

		Responsibilities
		<ul style="list-style-type: none"> Decide and forward the final report for Project Sponsor approval. Communicate as needed
Project Planning Team:	<ul style="list-style-type: none"> Mina Fayez-Bahgat Manager, Waterloo Region Housing Jeff Schumacher Supervisor, Housing Program Initiatives Victoria Gignac Principal Planner, Housing Services Richard Schafer, Sr. Project Manager, Project & Property Planning Lynn Bestari, Social Planning Associate, Housing Services 	<ul style="list-style-type: none"> Assist Project Lead to plan, coordinate and facilitate the Steering Committee. Manage the project to ensure that timelines and deliverables are maintained and adhered to. Draft the Project Charter (the process plan). Draft the deliverables (materials needed for the project). Gather internal and external information, summarize and analyse. Support the decision-making process.
Steering Committee Members:	<ul style="list-style-type: none"> Project Lead, Mina Fayez Bahgat, 4 Regional Councillors: Clarke, Jaworski, Lorentz, Nowak Project Planning Team members (see above) Debra Arnold, Director, Legal Services Matthew Chandy, Manager, Economic Development Ellen McGaghey, Director, Facilities Management Shauna Calder, Manager, Finance Michelle Sergi, Director, Planning Services 	<ul style="list-style-type: none"> Provide support and expertise to ensure the project meets its goal and objectives. Review and provide input on draft Project Charter. Review and provide input on project deliverables. Review communications strategy Assist with RFP & hiring consultant team Provide input on the options to be considered. Provide input on the final report and recommendations.
Corporate Leadership Advisory Committee	<ul style="list-style-type: none"> Mike Murray, CAO Douglas Bartholomew-Saunders, 	<ul style="list-style-type: none"> To be consulted on key issues, as identified by Steering Committee, Project Lead, and/or Sponsor.

		Responsibilities
	Commissioner, Community Services <ul style="list-style-type: none"> • Craig Dyer, Commissioner, Corporate Services • Rod Regier, Commissioner, Planning, Development and Legislative Services 	

Objectives:

Plan Design Phase: February – April 2017	Consultation and Development Phase: May 2017 –March 2018	Analysis of Options and Plan Development Phase: April 2018 – October 2019
<ul style="list-style-type: none"> • Report to Council • Establish Project Steering Committee • Approval of Project Charter • Planning Day for Steering Committee • Finalize Critical Path • Create communication plan 	<ul style="list-style-type: none"> • Conduct consultations with internal key stakeholders • Hire consultant team to conduct consultations with external key stakeholders, summarize/analyze results, and draft report • Present to CLT and Council summary of finding • Respond back to stakeholders on summary of finding • Obtain additional feedback from stakeholders on findings 	<ul style="list-style-type: none"> • Final report to CLT and Council with recommendations for approval

In Scope:	Out of Scope:
<ul style="list-style-type: none"> • Regionally owned housing communities • Region of Waterloo Community Housing Inc. • Exploring new ideas for housing • Bringing together staff who may have very different ideas • Consideration that the master plan may have impacts on Regional staff and finances 	<ul style="list-style-type: none"> • Community housing programs

Constraints:

- Team member's time
- Staff knowledge and expertise in the different areas of Housing Services

- Budget for implementing the process (e.g. consultant team costs, printing materials, meeting expenses)

Resources Required:

- Steering Committee members' time
- Housing Services Staff Time
- Access to content experts
- Funding for implementing the process (e.g. consultant team costs, printing materials, meeting expenses)

Meeting Procedures:

- Meeting will be chaired by the Manager, WRH, Housing Services, Community Services Department.
- Agendas and minutes will be prepared and distributed by Regional staff.
- Committee members will adhere to Regional policies regarding conflict of interest and confidentiality.

Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix for City of Waterloo Properties

		1	2	3	4
<u>LOCATION</u>	Maximum <u>Points</u>	<u>1 High St</u>	<u>Sunnydale</u>	<u>Amos</u>	<u>416 Kingscourt</u>
COMMUNITY HOUSING					
Neighborhood Factor **	10	10	6	6	6
Waitlist	2	2	2	2	1
Tenant Impact	7	7	6	6	6
Planning, Site Intensification Potential	10	8	4	4	6
Transportation	5	3	1	1	1
Community Amenities	3	0	0	0	2
FINANCE					
Physical Bldg. Condition	5	2	2	2	2
2019 10 Year Capital Costs	7	7	7	7	4.5
Maintenance Costs (excl utilities)	5	5	3	3	3
Expired Mortgages/Debentures	3	3	3	3	2
TOTAL POINTS	57.0	47.0	34.0	34.0	33.5
%	100%	82%	60%	60%	59%
		Note 1			Note 2
BUILDING INFORMATION					
Building type		Row house	Row house	Row house	Apt. Walk-up
Current units		21	40	40	53
Potential yield		140	295	58	223
Total Potential Units (Est.)		161	335	98	276

Notes: ** Additional Comments on Neighborhood Factor

- 1 High redevelopment yield; identified by City as potential opportunity for community space
- 2 Unique location, existing buildings are 5 walk-up clusters with mixed market and RGI units

Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix for City of Waterloo Properties

Page ii

<u>LOCATION</u>	Maximum <u>Points</u>	5	6	7
		<u>Albert St</u>	<u>335 Regina</u>	<u>Keats Way</u>
<u>COMMUNITY HOUSING</u>				
Neighborhood Factor **	10	6	6	3
Waitlist	2	2	1	1
Tenant Impact	7	4	6	3
Planning, Site Intensification Potential	10	9	6	6
Transportation	5	1	3	1
Community Amenities	3	1	0	0
<u>FINANCE</u>				
Physical Bldg. Condition	5	2	2	2
2019 10 Year Capital Costs	7	2.5	2.5	2.5
Maintenance Costs (excl utilities)	5	3	1	1
Expired Mortgages/Debentures	3	3	2	2
	TOTAL POINTS	57.0	33.5	29.5
	%	100%	59%	52%
<u>BUILDING INFORMATION</u>				
Building type	-	Row house	Apt.	Row house
Current units	-	40	61	48
Potential yield	-	373	135	85
Total Potential Units (Est.)	-	413	196	133

Notes: ** Additional Comments on Neighborhood Factor

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		1	2	3	4	
<u>LOCATION</u>	<u>Maximum Points</u>	<u>Shelley Courtland</u>	<u>60 Paulander</u>	<u>Moore gate</u>	<u>45 Holborn</u>	
COMMUNITY HOUSING						
Neighborhood Factor **	10	10	9	5	6	
Waitlist	2	2	1	1	1	
Tenant Impact	7	4	7	5	6	
Planning, Site Intensification Potential	10	8	7	8	5	
Transportation	5	5	1	1	3	
Community Amenities	3	1	1	3	3	
FINANCE						
Physical Bldg. Condition	5	2	2	2	2	
2019 10 Year Capital Costs	7	2.5	4.5	2.5	4.5	
Maintenance Costs (excl utilities)	5	1	3	5	1	
Expired Mortgages/Debentures	3	3	2	3	3	
	TOTAL POINTS	57.0	38.5	37.5	35.5	34.5
	%	100%	68%	66%	62%	61%
			Note 1	Note 2		Note 3
BUILDING INFORMATION						
Building type		Row house	Row house	Row house	Row house	
Current units		70	52	55	25	
Potential yield		174	254	125	59	
Total Potential Units (Est.)		244	306	180	84	

Notes: ** Additional Comments on Neighborhood Factor

- 1 ION Station, ability to generate revenues (land), community centre
- 2 Part of campus portfolio, parking garage issues, opportunity to create a new/different community; safety issues due to current building design (CPTED) is less safe
- 3 Campus portfolio - Holborn

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		5	6	7	8
<u>LOCATION</u>	Maximum <u>Points</u>	140 <u>Weber</u>	<u>Mowat</u>	<u>Guerin</u>	47 <u>Holborn</u>
<u>COMMUNITY HOUSING</u>					
Neighborhood Factor **	10	9	4	4	7
Waitlist	2	2	2	2	1
Tenant Impact	7	6	4	4	6
Planning, Site Intensification Potential	10	3	4	4	5
Transportation	5	1	3	1	3
Community Amenities	3	0	3	3	3
<u>FINANCE</u>					
Physical Bldg. Condition	5	2	2	2	2
2019 10 Year Capital Costs	7	4.5	7	7	2
Maintenance Costs (excl utilities)	5	3	1	3	1
Expired Mortgages/Debentures	3	3	3	3	3
	TOTAL POINTS	57.0	33.5	33.0	33.0
	%	100%	59%	58%	58%
			Note 4		Note 3
<u>BUILDING INFORMATION</u>					
Building type			Row house	Row house	
Current units		35	17	33	45
Potential yield		56	12	27	86
Total Potential Units (Est.)		91	29	60	131

Notes: ** Additional Comments on Neighborhood Factor

- 3 Campus portfolio - Holborn
- 4 Opportunity with neighboring property; CPTED issues (safety), local support HUB/agencies, easy relocation strategy, broad neighborhood planning, neighborhood in early stages of transition good potential for latter phase

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		9	10	11	12	
<u>LOCATION</u>	<u>Maximum Points</u>	<u>Valley-view</u>	<u>65 Holborn</u>	<u>40 Paulander</u>	<u>Rutherford</u>	
COMMUNITY HOUSING						
Neighborhood Factor **	10	4	7	5	4	
Waitlist	2	2	2	2	2	
Tenant Impact	7	4	6	5	4	
Planning, Site Intensification Potential	10	6	4	7	4	
Transportation	5	3	3	1	1	
Community Amenities	3	0	3	1	0	
FINANCE						
Physical Bldg. Condition	5	3	2	2	2	
2019 10 Year Capital Costs	7	4.5	2.5	4	7	
Maintenance Costs (excl utilities)	5	3	1	3	5	
Expired Mortgages/Debentures	3	3	2	2	3	
	TOTAL POINTS	57.0	32.5	32.5	32.0	32.0
	%	100%	57%	57%	56%	56%
			Note 3	Note 2		
BUILDING INFORMATION						
Building type		Row house		Row house	Row house	
Current units		44	40	23	8	
Potential yield		40	115	112	3	
Total Potential Units (Est.)		84	155	135	11	

Notes: ** Additional Comments on Neighborhood Factor

- 2 Part of campus portfolio, parking garage issues, opportunity to create a new/different community; safety issues due to current building design (CPTED) is less safe
- 3 Campus portfolio - Holborn

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

13 14 15 16

<u>LOCATION</u>	Maximum <u>Points</u>	<u>Brybeck</u>	<u>Chandler</u>	82 <u>Wilson</u>	<u>Weichel</u>
COMMUNITY HOUSING					
Neighborhood Factor **	10	6	4	10	4
Waitlist	2	1	1	2	1
Tenant Impact	7	6	4	7	4
Planning, Site Intensification Potential	10	6	4	4	4
Transportation	5	1	3	1	1
Community Amenities	3	1	3	1	1
FINANCE					
Physical Bldg. Condition	5	2	2	2	2
2019 10 Year Capital Costs	7	2.5	2.5	0	7
Maintenance Costs (excl utilities)	5	3	5	1	3
Expired Mortgages/Debentures	3	3	3	3	3
TOTAL POINTS	57.0	31.5	31.5	31.0	30.0
%	100%	55%	55%	54%	53%

Note 5, 6

BUILDING INFORMATION

Building type	Row house	Row house	Apt.	Row house
Current units	36	44	16	23
Potential yield	168	32	84	14
Total Potential Units (Est.)	204	76	100	37

Notes: ** Additional Comments on Neighborhood Factor

- 5 Senior supportive HUB, seniors building, no elevator, small building, part of a campus, zoning, irregularity, vacancies
- 6 Part of campus (82 Wilson), if 82 Wilson is developed, future planning analysis may indicate intensification and provide future opportunity

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

	17	18	19	20	
<u>LOCATION</u>	Maximum Points	Overlea Crt./Dr.	Windom	119 College	Ingleside
COMMUNITY HOUSING					
Neighborhood Factor **	10	4	4	5	4
Waitlist	2	2	2	1	1
Tenant Impact	7	4	4	5	4
Planning, Site Intensification Potential	10	4	4	6	5
Transportation	5	3	1	5	1
Community Amenities	3	2	1	1	1
FINANCE					
Physical Bldg. Condition	5	2	2	2	3
2019 10 Year Capital Costs	7	2.5	4.5	0	4
Maintenance Costs (excl utilities)	5	3	3	1	3
Expired Mortgages/Debentures	3	3	3	2	2
TOTAL POINTS	57.0	29.5	28.5	28.0	28.0
%	100%	52%	50%	49%	49%
BUILDING INFORMATION					
Building type		Row house	Row house	Apt. Elevator	Row Semis
Current units		30	12	73	50
Potential yield		22	8	36	27
Total Potential Units (Est.)		52	20	109	77

Notes: ** Additional Comments on Neighborhood Factor

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		21	22	23	24	
<u>LOCATION</u>	Maximum <u>Points</u>	<u>Morgan</u>	<u>Kinzie</u>	<u>210 Fourth</u>	<u>512-524 Greenfield</u>	
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	3	4	5	4	
Waitlist	2	2	2	2	1	
Tenant Impact	7	3	4	5	4	
Planning, Site Intensification Potential	10	7	4	2	2	
Transportation	5	1	1	1	1	
Community Amenities	3	1	0	1	0	
<u>FINANCE</u>						
Physical Bldg. Condition	5	2	2	3	2	
2019 10 Year Capital Costs	7	2	4.5	4.5	7	
Maintenance Costs (excl utilities)	5	5	3	1	3	
Expired Mortgages/Debentures	3	2	3	3	3	
	TOTAL POINTS	57.0	28.0	27.5	27.5	27.0
	%	100%	49%	48%	48%	47%
				Note 6		
<u>BUILDING INFORMATION</u>						
Building type		Semi detached	Row house	Row house	Row house	
Current units		16	18	51	30	
Potential yield		39	7	116	12	
Total Potential Units (Est.)		55	25	167	42	

Notes: ** Additional Comments on Neighborhood Factor

6 Part of campus (82 Wilson), if 82 Wilson is developed, future planning analysis may indicate intensification and provide future opportunity

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		25	26	27	28	
<u>LOCATION</u>	Maximum <u>Points</u>	65 <u>Paulander</u>	<u>Lorraine</u>	<u>Strasburg</u>	518 <u>Greenfield</u>	
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	5	4	3	4	
Waitlist	2	1	2	2	2	
Tenant Impact	7	6	4	3	4	
Planning, Site Intensification Potential	10	4	4	3	2	
Transportation	5	1	1	3	1	
Community Amenities	3	1	0	2	0	
<u>FINANCE</u>						
Physical Bldg. Condition	5	3	2	2	2	
2019 10 Year Capital Costs	7	2.5	4.5	2	4.5	
Maintenance Costs (excl utilities)	5	1	3	3	1	
Expired Mortgages/Debentures	3	2	2	2	3	
	TOTAL POINTS	57.0	26.5	26.5	25.0	23.5
	%	100%	46%	46%	44%	41%
			Note 2			
<u>BUILDING INFORMATION</u>						
Building type			Row Apt. house	Semi detached	Apt. Elevator	
Current units		50	16	6	45	
Potential yield		102	8	6	18	
Total Potential Units (Est.)		152	24	12	63	

Notes: ** Additional Comments on Neighborhood Factor

- 2 Part of campus portfolio, parking garage issues, opportunity to create a new/different community; safety issues due to current building design (CPTED) is less safe

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		29	30	31	32	
<u>LOCATION</u>	Maximum <u>Points</u>	<u>Thaler</u>	168 <u>Fairway</u>	239 <u>Franklin</u>	74 <u>Church</u>	
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	4	4	3	4	
Waitlist	2	2	1	2	1	
Tenant Impact	7	4	4	3	5	
Planning, Site Intensification Potential	10	4	4	8	6	
Transportation	5	1	1	1	1	
Community Amenities	3	0	1	2	1	
<u>FINANCE</u>						
Physical Bldg. Condition	5	2	3	2	2	
2019 10 Year Capital Costs	7	2.5	2.5	0	0	
Maintenance Costs (excl utilities)	5	1	1	1	1	
Expired Mortgages/Debentures	3	3	2	1	2	
	TOTAL POINTS	57.0	23.5	23.5	23.0	23.0
	%	100%	41%	41%	40%	40%
<u>BUILDING INFORMATION</u>						
Building type		Row house	Semi detached	Apt. Elevator	Apt.	
Current units		35	30	32	61	
Potential yield		15	23	32	34	
Total Potential Units (Est.)		50	53	64	95	

Notes: ** Additional Comments on Neighborhood Factor

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		33	34	35	36
<u>LOCATION</u>	Maximum <u>Points</u>	145 <u>Overlea</u>	<u>Montcalm</u>	<u>Queenston</u>	84 <u>Wilson</u>
COMMUNITY HOUSING					
Neighborhood Factor **	10	4	3	3	3
Waitlist	2	1	2	2	0
Tenant Impact	7	4	3	3	0
Planning, Site Intensification Potential	10	2	4	4	3
Transportation	5	1	1	1	1
Community Amenities	3	0	0	0	3
FINANCE					
Physical Bldg. Condition	5	2	2	2	3
2019 10 Year Capital Costs	7	4.5	0	0	4.5
Maintenance Costs (excl utilities)	5	1	3	3	1
Expired Mortgages/Debentures	3	2	3	3	2
TOTAL POINTS	57.0	21.5	21.0	21.0	20.5
%	100%	38%	37%	37%	36%
					Note 6
BUILDING INFORMATION					
Building type			Row	Row	
		Apt.	house	house	Apt.
Current units		60	12	12	56
Potential yield		17	4	4	50
Total Potential Units (Est.)		77	16	16	106

Notes: ** Additional Comments on Neighborhood Factor

6 Part of campus (82 Wilson), if 82 Wilson is developed, future planning analysis may indicate intensification and provide future opportunity

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Kitchener Properties**

		37	38	39
<u>LOCATION</u>	Maximum <u>Points</u>	199 <u>Elmridge</u>	233 <u>Franklin</u>	215 <u>Lorraine</u>
<u>COMMUNITY HOUSING</u>				
Neighborhood Factor **	10	4	4	3
Waitlist	2	1	1	1
Tenant Impact	7	4	4	3
Planning, Site Intensification Potential	10	2	2	2
Transportation	5	1	1	1
Community Amenities	3	3	3	0
<u>FINANCE</u>				
Physical Bldg. Condition	5	2	2	2
2019 10 Year Capital Costs	7	0	0	2.5
Maintenance Costs (excl utilities)	5	1	1	1
Expired Mortgages/Debentures	3	1	1	2
	TOTAL POINTS	57.0	19.0	19.0
	%	100%	33%	33%
<u>BUILDING INFORMATION</u>				
Building type		Row house	Apt.	Apt.
Current units		50	119	34
Potential yield		39	46	10
Total Potential Units (Est.)		89	165	44

Notes: ** Additional Comments on Neighborhood Factor

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Cambridge Properties**

		1	2	3	4	
		Radford Allison Lumsden	Langs	Bechtel	Sekura	
<u>LOCATION</u>	<u>Maximum Points</u>					
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	6	3	5	3	
Waitlist	2	1	1	2	1	
Tenant Impact	7	6	6	5	3	
Planning, Site Intensification Potential	10	5	6	8	7	
Transportation	5	1	1	1	1	
Community Amenities	3	1	1	1	1	
<u>FINANCE</u>						
Physical Bldg. Condition	5	3	2	2	2	
2019 10 Year Capital Costs	7	6.5	7	7	7	
Maintenance Costs (excl utilities)	5	3	5	1	5	
Expired Mortgages/Debentures	3	3	3	2	3	
	TOTAL POINTS	57.0	35.5	35.0	34.0	33.0
	%	100%	62%	61%	60%	58%
			Note 1			
<u>BUILDING INFORMATION</u>						
Building type		Semi detached	Row house	Row house	Semi detached	
Current units		52	38	18	14	
Potential yield		41	2	7	10	
	Total Potential Units (Est.)	93	40	25	24	

Notes: ** Additional Comments on Neighborhood Factor

1 Lumsden maybe supported by City; on one street/parcel

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Cambridge Properties**

		5	6	7	8	
<u>LOCATION</u>	<u>Maximum Points</u>	<u>125 Champlain</u>	<u>55 Magor</u>	<u>Southwood</u>	<u>Lauris Ave.</u>	
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	3	3	5	9	
Waitlist	2	1	1	1	0	
Tenant Impact	7	4	3	5	7	
Planning, Site Intensification Potential	10	6	6	6	7	
Transportation	5	1	1	1	1	
Community Amenities	3	1	0	0	1	
<u>FINANCE</u>						
Physical Bldg. Condition	5	2	3	2	0	
2019 10 Year Capital Costs	7	7	7	2.5	0	
Maintenance Costs (excl utilities)	5	5	5	5	1	
Expired Mortgages/Debentures	3	2	2	3	3	
	TOTAL POINTS	57.0	32.0	31.0	30.5	29.0
	%	100%	56%	54%	54%	51%
			Note 2		Note 3	
<u>BUILDING INFORMATION</u>						
Building type		Row house	Row house	Row house	Vacant land	
Current units		58	31	58	0	
Potential yield		(2)	0	(4)	44	
Total Potential Units (Est.)		56	31	54	44	

Notes: ** Additional Comments on Neighborhood Factor

- 2 Limited potential to add units
- 3 Vacant site; to be considered with sale of ballantyne detached homes, in proximity of Ballantyne site, unique and owned by Region

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Cambridge Properties**

		9	10	11	12	
<u>LOCATION</u>	<u>Maximum Points</u>	<u>339 Bishop</u>	<u>95 Concession</u>	<u>10 Westgate</u>	<u>50 Chalmers</u>	
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	4	4	4	4	
Waitlist	2	1	1	1	1	
Tenant Impact	7	4	4	4	4	
Planning, Site Intensification Potential	10	4	6	4	4	
Transportation	5	1	5	1	1	
Community Amenities	3	3	1	2	1	
<u>FINANCE</u>						
Physical Bldg. Condition	5	2	2	2	3	
2019 10 Year Capital Costs	7	7	2	4.5	4.5	
Maintenance Costs (excl utilities)	5	1	1	1	1	
Expired Mortgages/Debentures	3	2	1	3	3	
	TOTAL POINTS	57.0	29.0	27.0	26.5	26.5
	%	100%	51%	47%	46%	46%
<u>BUILDING INFORMATION</u>						
Building type		Apt.	Apt.	Apt.	Apt.	
Current units		39	110	60	63	
Potential yield		(21)	28	(29)	(41)	
Total Potential Units (Est.)		18	138	31	22	

Notes: ** Additional Comments on Neighborhood Factor

-

Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Cambridge Properties

		14	15	16	17	
<u>LOCATION</u>	<u>Maximum Points</u>	<u>Ballantyne</u>	<u>143 Concession</u>	<u>Rouse Gail</u>	<u>778 Walter</u>	
<u>COMMUNITY HOUSING</u>						
Neighborhood Factor **	10	3	4	3	3	
Waitlist	2	1	1	2	1	
Tenant Impact	7	3	4	3	4	
Planning, Site Intensification Potential	10	7	4	6	4	
Transportation	5	1	1	1	1	
Community Amenities	3	1	1	1	1	
<u>FINANCE</u>						
Physical Bldg. Condition	5	2	2	2	2	
2019 10 Year Capital Costs	7	2.5	4.5	0	2.5	
Maintenance Costs (excl utilities)	5	3	1	3	1	
Expired Mortgages/Debentures	3	3	3	3	3	
	TOTAL POINTS	57.0	26.5	25.5	24.0	22.5
	%	100%	46%	45%	42%	39%
			Note 4			
<u>BUILDING INFORMATION</u>						
Building type		Single homes		Row		
Current units		50	Apt. 42	Semis 40	Apt. 44	
Potential yield		85	(29)	(18)	(26)	
Total Potential Units (Est.)		135	13	22	18	

Notes: ** Additional Comments on Neighborhood Factor

-

4 Close proximity to Lauris site, currently consider to sell

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix, City of Cambridge Properties**

<u>LOCATION</u>	Maximum <u>Points</u>	18 <u>Grand Ave.</u>	19 <u>Mulberry</u>	20 <u>Elgin</u>
<u>COMMUNITY HOUSING</u>				
Neighborhood Factor **	10	7	3	3
Waitlist	2	1	1	1
Tenant Impact	7	4	3	3
Planning, Site Intensification Potential	10	4	4	6
Transportation	5	1	1	1
Community Amenities	3	0	0	1
<u>FINANCE</u>				
Physical Bldg. Condition	5	2	2	3
2019 10 Year Capital Costs	7	0	4.5	7
Maintenance Costs (excl utilities)	5	1	1	3
Expired Mortgages/Debentures	3	2	2	3
TOTAL POINTS	57.0	22.0	21.5	31.0
%	100%	39%	38%	54%
		Note 5		
<u>BUILDING INFORMATION</u>				
Building type		Apt.	Apt.	Apt.
Current units		86	38	43
Potential yield		(58)	(22)	(22)
Total Potential Units (Est.)		28	16	21

Notes: ** Additional Comments on Neighborhood Factor

- 5 Location to downtown Cambridge and Grand River; provides opportunity for future 3P (public, private, partnership) development

**Appendix B:
Waterloo Region Housing (WRH) Master Plan
Evaluation Matrix for Townships Properties**

<u>LOCATION</u>	<u>Maximum Points</u>	<u>Elmira Snyder</u>	<u>Wellesley Henry</u>	<u>New Hamburg Forrest</u>	<u>Elmira Wyatt E</u>
COMMUNITY HOUSING					
Neighborhood Factor **	10	3	4	4	4
Waitlist	2	1	1	1	0
Tenant Impact	7	3	4	4	4
Planning, Site Intensification Potential	10	6	6	8	4
Transportation	5	1	0	1	1
Community Amenities	3	1	1	0	1
FINANCE					
Physical Bldg. Condition	5	3	3	2	2
2019 10 Year Capital Costs	7	7	7	2.5	4.5
Maintenance Costs (excl utilities)	5	3	3	3	3
Expired Mortgages/Debentures	3	3	2	2	2
TOTAL POINTS	57.0	31.0	31.0	27.5	25.5
%	100%	54%	54%	48%	45%
BUILDING INFORMATION					
Building type				Row	
		Apt.	Apt.	house	Apt.
Current units		10	16	31	36
Potential yield		0	0	0	0
Total Potential Units (Est.)		10	16	31	36

Notes: ** Additional Comments on Neighborhood Factor

Not applicable

Appendix C: Waterloo Region Housing Portfolio: Building Site Summaries www.regionofwaterloo.ca/WRHmasterplan

Appendix D: Summary of Six Scenarios

Waterloo Region Housing Master Plan

<u>Summary of Scenarios</u>	<u>Municipal Representation</u>	<u>Easiest to Build</u>	<u>Least Impact to Communities</u>	<u>Community Needs</u>	<u>Central Transit Corridor</u>	<u>Most Cost Effective</u>
	Scenario (1)	Scenario (2)	Scenario (3)	Scenario (4)	Scenario (5)	Scenario (6)
Proposed units	791	730	863	782	775	804
Existing units	<u>181</u>	<u>95</u>	<u>125</u>	<u>144</u>	<u>110</u>	<u>194</u>
Increase in units	610	635	738	638	665	610
Estimated Capital Costs	<u>\$ 229,267,000</u>	<u>\$ 233,546,000</u>	<u>\$ 251,987,000</u>	<u>\$ 246,556,000</u>	<u>\$ 239,226,000</u>	<u>\$ 227,140,000</u>
Proposed Capital Financing						
NHS Strategy Co-investment grants	\$ 46,794,000	\$ 44,472,000	\$ 46,559,000	\$ 50,051,000	\$ 45,566,000	\$ 45,740,000
NHS Co-investment (CHMC mortgage)	91,706,000	93,419,000	100,795,000	98,621,000	95,690,000	90,856,000
Long term borrowing	<u>90,765,000</u>	<u>95,656,000</u>	<u>104,633,000</u>	<u>97,884,000</u>	<u>97,970,000</u>	<u>90,544,000</u>
Total Proposed Financing	<u>\$ 229,265,000</u>	<u>\$ 233,547,000</u>	<u>\$ 251,987,000</u>	<u>\$ 246,556,000</u>	<u>\$ 239,226,000</u>	<u>\$ 227,140,000</u>
Duration in Years (approx.)	10	9	9	10	8	13
Average Capital Cost Per Unit	\$ 290,000	\$ 320,000	\$ 292,000	\$ 315,000	\$ 309,000	\$ 283,000
Net Operating Budget Impact						
Total incremental net property tax increase over capital life	\$ 2,051,000	\$ 2,518,000	\$ 2,670,000	\$ 2,774,000	\$ 2,424,000	\$ 1,754,000
Average annual incremental net property tax increase	\$ 186,000	\$ 252,000	\$ 267,000	\$ 252,000	\$ 269,000	\$ 125,000

Information on Scenarios:

Additional information on each scenario is presented in Appendix H.

(1) Represents new housing units in three municipalities; Waterloo, Kitchener and Cambridge.

Sites Include: 1) High St., Waterloo 2) Courtland/Shelley, Kitchener 3) 60 Paulander, Kitchener 4) Langs, Cambridge

(2) Selected sites would be one of the easiest to build 600 housing units.

Sites Include: 1) Sunnydale, Waterloo 2) Kingscourt, Waterloo 3) Mooregate, Kitchener 4) Lauris Ave., Cambridge

(3) Only two communities will be redeveloped and be used for the relocation for tenants.

Sites Include: 1) Courtland/Shelley, Kitchener 2) Mooregate, Kitchener

(4) Waitlists for these communities are long; Region has services in each of the communities.

Sites Include: 1) Kingscourt, Waterloo 2) 82 Wilson, Kitchener 3) Mooregate, Kitchener 4) Weber, Kitchener 5) Langs, Cambridge

(5) Communities are within a 15 minute walk to an ION station.

Sites Include: 1) Albert St., Waterloo 2) Kingscourt, Waterloo 3) Courtland/Shelley, Kitchener

(6) This is the least expensive per unit and the longest build; includes communities with the lowest cost to get to 600 units.

Sites Include: 1) High St., Waterloo 2) Courtland/Shelley, Kitchener 3) 60 Paulander, Kitchener 4) 82 Wilson, Kitchener 5) Weber, Kitchener
6) Lauris, Cambridge

Appendix E: Financial Information on Waterloo Shortlisted Sites

Region of Waterloo
Waterloo Region Housing (WRH) Master Plan
Building and Unit Information, Waterloo

Appendix E
Page i

WATERLOO	1 High St.	506-514 Sunnydale	416 Kingscourt	625-637 Albert St.
<u>Building Type:</u>				
Existing	Rowhouse	Rowhouse	Land	Rowhouse
Proposed	Apartment	Apt/Row	Apartment	Apartment
<u>Proposed Amenities:</u>				
Surface parking	73	140	29	109
Above/underground parking	-	-	81	154
Commercial space	-	-	-	-
<u>Planning Approvals Required:</u>				
Official plan amendment	-	-	-	Yes
Re-zoning	-	-	-	-
Minor variance	-	-	Yes	Yes
<u>Existing units:</u>				
1 Bedroom apt	-	-	-	-
2 Bedroom apt	-	-	-	-
3 Bedroom apt	-	-	-	-
2 Bedroom rowhouse	-	10	-	6
3 Bedroom rowhouse	11	20	-	23
4 Bedroom rowhouse	8	6	-	7
5 Bedroom rowhouse	2	4	-	4
Totals	21	40	-	40
<u>Proposed units:</u>				
1 Bedroom apt	74	25	20	-
2 Bedroom apt	18	47	23	188
3 Bedroom apt	18	14	11	50
2 Bedroom rowhouse	-	-	-	40
3 Bedroom rowhouse	-	-	4	8
4 Bedroom rowhouse	2	43	6	22
5 Bedroom rowhouse	1	10	6	10
Totals	113	139	70	318
<u>Unit Change</u>				
1 Bedroom apt	74	25	20	0
2 Bedroom apt	18	47	23	188
3 Bedroom apt	18	14	11	50
2 Bedroom rowhouse	-	(10)	-	34
3 Bedroom rowhouse	(11)	(20)	4	(15)
4 Bedroom rowhouse	(6)	37	6	15
5 Bedroom rowhouse	(1)	6	6	6
Totals	92	99	70	278

Notes:

- 1) The evaluation matrix shortlisted 15 sites where development potential was identified. Upon further analysis, 31-45 Amos St. in Waterloo did not have potential as originally anticipated.
- 2) Sites listed above will require architectural, environmental and planning reports; amenities for parking, commercial space subject to change pending additional system drawings.
- 3) New project can be constructed on current site re: 416 Kingscourt Dr.; does not require demolition.

**Region of Waterloo
Waterloo Region Housing (WRH) Master Plan
Capital Cost and Financing Estimates, Waterloo
(in \$000s)**

**Appendix E
Page ii**

WATERLOO	1 High St.	506-514 Sunnydale	416 Kingscourt	625-637 Albert St.	
Capital Costs					Notes
<u>Construction Costs:</u>					1
Apartment/Rowhouse	\$ 17,132	\$ 22,163	\$ 13,120	\$ 53,801	
Rowhouse	-	4,924	-	-	
Parking Structure	-	-	3,167	4,710	
Sitework, ancillary, general requirements	5,015	8,615	4,590	15,463	2
Other construction costs	1,402	1,950	1,290	3,657	
Subtotal	23,549	37,652	22,167	77,631	
<u>Soft costs:</u>					
Planning approvals	-	-	4	65	3
General administration	40	40	40	40	4
Consulting services	2,355	3,765	2,217	7,763	5
Permits	235	377	222	776	6
Furniture, equipment	218	269	135	614	7
Tenant relocation	46	84	-	85	8
Allowances, contingencies	3,296	5,262	3,104	10,868	9
Facilities project management	706	1,071	626	2,219	10
Net HST expense	108	171	101	354	11
Subtotal	7,004	11,039	6,449	22,784	
Total Project Costs	\$ 30,553	\$ 48,691	\$ 28,616	\$ 100,415	
Capital Financing					
NHS Co-Investment grants	\$ 6,202	\$ 9,428	\$ 6,498	\$ 18,449	12
NHS Co-investment (CHMC mortgage)	12,221	19,476	11,446	40,167	13
Long term borrowing	12,130	19,787	10,672	41,799	14
Total Financing	\$ 30,553	\$ 48,691	\$ 28,616	\$ 100,415	
Average cost per unit	\$ 270,000	\$ 350,000	\$ 409,000	\$ 316,000	

Notes:

Capital estimates are costed in 2019 dollars and are based on preliminary plans, and designs. Financing does not include the divestment potential of regional properties, funding from the Housing General Reserve or the costs of capital work that is not required due to the redevelopment of properties.

The following assumptions were used to determine the capital costs and financing:

- 1) Construction estimates are based without the benefit of detailed architectural, mechanical, electrical or processing system drawings and as such, estimates may be corrected within +/-20%.
- 2) Other construction costs were not included in the construction consultant's estimates:
 - i Leadership in Energy & Environmental Design (LEED) silver certification estimated at 2% of construction costs.
 - ii Suite metering estimated at \$600 per unit for water and electrical.
 - iii Flat fee estimate of \$300,000 for photovoltaic system per site; \$50,000 for storm water management.
 - v Security cameras estimated at \$896 per unit, per project.
 - vi Flat fee of \$30,000 for electric vehicle (EV) charging and \$20,000 for demolition where applicable.
 - viii HST expense estimated at 1.76% of BTY and other construction costs where applicable.
- 3) Flat fee of \$3,750 where applicable.
- 4) Flat fee of \$10,000 for general administration (photocopying, legal, etc.) and \$30,000 for public art.
- 5) Consulting fees are 10% of total construction costs; (includes architects, geotechnical, development consultants).
- 6) Permits estimated at 1% of total construction costs; expenses include site plans and building permits.
- 7) Furniture, equipment estimated at \$1,931 per unit; category includes unit appliances, common area furnishings, window coverings, garbage chutes, moloks.
- 8) Tenant relocation costs are project specific for existing tenants only; estimates include i) moving fees/utility connection and hotel costs for one week estimated for 25% of current units.
- 9) Design allowance, project and close out contingency estimated at 14% of total construction costs.
- 10) Project management fees estimated on BTY construction costs at 3%. Fees cover required staff hires to deliver the plan.
- 11) HST expense estimated at 1.76% of applicable soft costs.
- 12) NHS Co-investment grants approximates (18% to 23%) of project costs; amount of grant is contingent on application and program requirements being achieved. Grants can be used for costs related to pre-development/construction activities.
- 13) NHS Co-investment financing (CMHC mortgage) subject to change. Interest rate estimated at 1.8% for 50 year term and 10 year renewal.
- 14) Long term borrowing estimated at 4% interest rate over a term of 30 years.

Region of Waterloo
Waterloo Region Housing (WRH) Master Plan
Operating Revenue Impact Estimates, Waterloo
(in \$000s)

Appendix E
Page iv

WATERLOO	1 High St.	506-514 Sunnydale	416 Kingscourt	625-637 Albert St.
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2019 Year End Estimates

Rental Revenues

Market rents	\$ -	\$ -	\$ -	\$ -
Affordable market rents	-	-	-	-
Rent geared-to-income rents (RGI)	139	282	-	292
Subtotal	139	282	-	292
Vacancy loss	(11)	(17)	-	(22)
Net rental revenues	128	265	-	270

Non-rental revenues

Laundry	-	-	-	-
Commercial rent	-	-	-	-
Parking	-	-	-	-
Total Revenues	\$ 128	\$ 265	\$ -	\$ 270

Proposed Revenues

Notes

Rental Revenues

Market rents	\$ 742	\$ 820	\$ 751	\$ 2,377	1
Affordable market rents	369	526	210	1,070	2
Rent geared-to-income rents	139	282	-	292	3
Subtotal	1,250	1,628	961	3,739	
Vacancy loss	(37)	(49)	(29)	(112)	4
Net rental revenues	1,213	1,579	932	3,627	

Non-rental revenues

Laundry	18	13	8	50	5
Commercial rent	-	-	-	-	6
Parking	33	63	36	118	7
Total Revenues	\$ 1,264	\$ 1,655	\$ 976	\$ 3,795	

NET CHANGE, Increase \$ 1,136 \$ 1,390 \$ 976 \$ 3,525

Notes:

Operating revenues are costed in 2019 dollars (where applicable) and based on preliminary plans, designs and unit composition for each site which subject to change. The following assumptions were used to determine the operating revenues:

- 1) Market rents based on Canada Mortgage Housing Corporation (CMHC) 2019 average market rents by building type (apartment, rowhouse) and unit size.
- 2) Affordable rents calculated at 80% of the median market rents by building type and unit size. This is a requirement where approximately 30% of the units in the project are to be affordable in order to be eligible for grants/financing under the National Housing Strategy.
- 3) Rent geared-to-income rents based on August 2019. As service manager, the Region is required to maintain the existing number of RGI units per project site.
- 4) Industry standard is 3% for vacancy loss; applied on total rents.
- 5) Based on 2019 Waterloo Region Housing (WRH) laundry fee charges. Assumes 1 wash, 1 dry, per week, per unit.
- 6) Proposed building amenity reflects commercial rent at \$1,000 per month at 82 Wilson.
- 7) Revenues based on 75% of proposed number of parking spaces will be leased at a monthly charge of \$50 per parking spot.

Region of Waterloo
 Waterloo Region Housing (WRH) Master Plan
 Operating Expenses Impact Estimates, Waterloo
 (in \$000s)

WATERLOO	1 High St.	506-514 Sunnydale	416 Kingscourt	625-637 Albert St.
2019 Year End Estimates				
Utilities	\$ 112	\$ 194	\$ -	\$ 201
Natural gas	14	27	-	27
Electricity	16	40	-	37
Water	22	29	-	35
Storm water costs	5	4	-	5
Municipal Taxes	55	94	-	97
Service Contracts	23	30	-	30
Elevator maintenance	-	-	-	-
Waste removal	6	11	-	8
Grounds landscape	6	6	-	9
Grounds snow removal	6	7	-	7
Heating inspections	-	-	-	-
Life safety systems	3	4	-	5
Building janitorial	-	-	-	-
Pest control	2	1	-	1
Security services	-	1	-	-
Other Maintenance Costs	68	43	-	144
Building	4	3	-	14
Electrical	3	2	-	1
Equipment	-	-	-	-
Heating/plumbing	15	16	-	11
Unit repairs	46	22	-	118
Interdepartmental Charges	33	71	-	65
Insurance	3	13	-	7
Lifecycle provision	30	58	-	58
Debt Servicing	-	-	-	-
NHS mortgage costs	-	-	-	-
Debt costs hsg. properties (OHC)	-	-	-	-
Total Expenses	\$ 236	\$ 338	\$ -	\$ 440

Region of Waterloo
 Waterloo Region Housing (WRH) Master Plan
 Operating Expenses Impact Estimates, Waterloo
 (in \$000s)

WATERLOO	1 High St.	506-514 Sunnydale	416 Kingscourt	625-637 Albert St.	
<u>Proposed Expenses</u>					
<u>Utilities</u>	\$ 260	\$ 373	\$ 180	\$ 753	<u>Notes</u>
Natural gas	19	38	14	55	9
Electricity	35	44	26	103	10
Water/wastewater	15	20	11	45	11
Storm water costs	7	12	4	19	12
Municipal Taxes	184	259	125	531	8
<u>Service Contracts</u>	116	142	74	326	
Elevator maintenance	6	6	6	17	13
Waste removal	15	18	9	42	14
Grounds landscape	22	27	14	62	15
Grounds snow removal	20	25	12	56	16
Heating inspections	8	10	5	22	17
Life safety systems	16	20	10	45	18
Building janitorial	20	24	12	55	19
Pest control	5	7	3	15	20
Security services	4	5	3	12	21
<u>Other Maintenance Costs</u>	27	34	18	78	
Building general	4	5	3	11	22
Electrical	1	2	1	4	23
Equipment	1	1	1	3	24
Heating/plumbing	3	4	2	9	25
Unit repairs	18	22	11	51	26
<u>Interdepartmental Charges</u>	65	80	40	183	
Insurance	24	30	15	68	27
Lifecycle provision	41	50	25	115	28
<u>Debt Servicing</u>	1,071	1,734	964	3,634	
NHS mortgage costs	370	590	347	1,217	29
Long term borrowing	701	1,144	617	2,417	30
Total Expenses	\$ 1,539	\$ 2,363	\$ 1,276	\$ 4,974	

Notes:

Operating expenses are costed in 2019 dollars and based on preliminary plans, design concepts and proposed unit composition for each site which is subject to change. The following price assumptions are net of HST (where applicable) and are used to determine the operating expenses presented in Appendix E, Page vii.

Utilities and Municipal Taxes:

- 8) Natural gas paid by Region and calculated at \$0.20 and \$0.46 per sq. ft. respectively for Apartment & Rowhouse.
- 9) Electrical costs for units to be paid by tenants. Electrical costs for common areas calculated at \$1.47 and \$.70 per sq. ft. respectively for Apartments and Rowhouses.
- 10) Water/wastewater costs for units to be paid by tenants. Water/wastewater costs for common area calculated at \$0.64 and \$0.56 per sq. ft. for common areas in Apartments and Rowhouse buildings.
- 11) Storm water costs paid by Region and calculated at \$60 and \$180 per unit, per year for Apartments and Rowhouses.
- 12) Calculated using 2019 new multi-residential tax rates for region, area municipality and education and applied to estimated property assessment values.

Service Contracts:

- 13) Elevator service contract and ongoing maintenance estimated at \$230 per elevator.
- 14) Waste removal estimated at \$11 per unit, per month.
- 15) Grounds landscape estimated at \$196 per unit.
- 16) Grounds snow removal estimated at \$178 per unit.
- 17) Heating inspections estimated at \$69 per unit.
- 18) Life safety maintenance estimated at \$141 per unit.
- 19) Building janitorial estimated at \$14 per unit.
- 20) Pest control estimated at \$48 per unit.
- 21) Security services estimated at \$38 per unit.

Other Maintenance Costs:

These are non-recurring costs for building maintenance and repairs. During the first several years of operations, these costs are typically low. Estimates are calculated by applying a discount to the 2018 actual per unit cost and inflated by Consumer Price Index(Ontario) for 2019:

- 22) Building general estimated at \$241 per unit.
- 23) Electrical estimated at \$79 per unit.
- 24) Equipment estimated at \$71 per unit.
- 25) Heating/plumbing estimated at \$184 per unit.
- 26) Unit repairs estimated at \$1,074 per unit.

Interdepartmental Costs:

- 27) Insurance estimated at \$212 per unit.
- 28) Lifecycle provision estimated at \$360 per unit. Similar to "Other Maintenance Costs", the annual contribution has been adjusted by applying a discount to the per unit amount over 10 years. At the end of 10 years, the annual contribution to the lifecycle reserve fund will equal the required contribution based on the Region's policy.

Debt Servicing:

- 29) NHS Co-investment (CMHC mortgage) debt servicing costs based on capital financing presented on Appendix E, Page iii re: Note 13. Costs calculated using an interest rate of 1.8% and amortization period of 50 years (10 year renewal term).
- 30) Long term debt servicing costs based on the financing required as presented on Appendix E, Page iii re: Note 14. Costs calculated using an interest rate of 4% and amortization period of 30 years.

Region of Waterloo
 Waterloo Region Housing (WRH) Master Plan
 Net Property Tax Impact Estimates
 (in \$000s)

WATERLOO	1 High St.	506-514 Sunnydale	416 Kingscourt	625-637 Albert St.
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Net Property Tax Levy

2019 Year End Estimates

Property Tax Levy	\$ 108	\$ 73	\$ -	\$ 170
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Proposed

Property Tax Levy	\$ 275	\$ 708	\$ 300	\$ 1,179
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NET CHANGE, Increase	\$ 167	\$ 635	\$ 300	\$ 1,009
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Unit Information

Proposed units:	113	139	70	318
Existing units:	21	40	0	40
Unit Change, Increase	92	99	70	278

Appendix F: Financial Information on Kitchener Shortlisted Sites

Region of Waterloo
Waterloo Region Housing (WRH) Master Plan
Building and Unit Information, Kitchener

Appendix F
Page i

KITCHENER	Courtland Shelley	82 Wilson	60 Paulander	Mooregate Cres.	45-53 Holborn	140 Weber
<u>Building Type:</u>						
Existing	Rowhouse	Apt.	Rowhouse	Rowhouse	Rowhouse	Apt/Walk-up
Proposed	Apt/Row	Apt.	Apt.	Apt.	Apt.	Apt/Row
<u>Proposed Amenities:</u>						
Surface parking	57	-	-	126	45	-
Above/underground parking	186	-	-	256	30	-
Commercial space	-	Offices	-	-	-	-
<u>Planning Approvals Required:</u>						
Official plan amendment	-	-	-	-	-	Yes
Re-zoning	-	Yes	-	-	-	Yes
Minor variance	-	-	-	Yes	Yes	-
<u>Existing units</u>						
Bachelor apt	-	-	-	-	-	20
1 Bedroom apt	-	16	-	-	-	15
2 Bedroom apt	-	-	-	-	-	-
3 Bedroom apt	-	-	-	-	-	-
2 Bedroom rowhouse	23	-	26	24	25	-
3 Bedroom rowhouse	30	-	26	27	-	-
4 Bedroom rowhouse	13	-	-	4	-	-
5 Bedroom rowhouse	4	-	-	-	-	-
Totals	70	16	52	55	25	35
<u>Proposed units</u>						
Bachelor apt	-	-	-	-	-	-
1 Bedroom apt	259	48	112	291	12	32
2 Bedroom apt	52	-	20	135	42	8
3 Bedroom apt	50	-	25	14	24	8
2 Bedroom rowhouse	-	-	-	-	-	-
3 Bedroom rowhouse	8	-	-	12	-	-
4 Bedroom rowhouse	18	-	-	24	16	6
5 Bedroom rowhouse	-	-	-	-	-	-
Totals	387	48	157	476	94	54
<u>Unit Change</u>						
Bachelor apt	-	-	-	-	-	(20)
1 Bedroom apt	259	32	112	291	12	17
2 Bedroom apt	52	-	20	135	42	8
3 Bedroom apt	50	-	25	14	24	8
2 Bedroom rowhouse	(23)	-	(26)	(24)	(25)	-
3 Bedroom rowhouse	(22)	-	(26)	(15)	-	-
4 Bedroom rowhouse	5	-	-	20	16	6
5 Bedroom rowhouse	(4)	-	-	-	-	-
Totals	317	32	105	421	69	19
<u>Notes:</u>						
1) Sites listed above will require architectural, environmental and planning reports; amenities for parking, commercial space subject to change pending additional system drawings.						
2) 82 Wilson Ave. Kitchener has a higher degree of drawings/site specifications.						

Region of Waterloo
 Waterloo Region Housing (WRH) Master Plan
 Capital Cost and Financing Estimates, Kitchener
 (in \$000s)

KITCHENER	Courtland Shelley	82 Wilson	60 Paulander	Mooregate Cres.	45-53 Holborn	140 Weber	Notes
Capital Costs							
<u>Construction Costs:</u>							
Apartment/Rowhouse	\$ 49,916	\$ 7,619	\$ 23,354	\$ 79,323	\$ 18,294	\$ 6,870	1
Rowhouse	6,518	-	-	-	-	1,066	
Parking Structure	7,863	-	-	4,032	1,629	-	
Sitework, ancillary, general requirements	16,825	2,798	7,365	21,262	6,186	2,741	
Other construction costs	4,029	863	1,790	5,046	1,522	882	2
Subtotal	85,151	11,280	32,509	109,662	27,631	11,559	
<u>Soft costs:</u>							
Planning approvals	-	53	-	4	4	61	3
General administration	40	40	40	40	40	40	4
Consulting services	8,515	1,128	3,251	10,966	2,763	1,156	5
Permits	852	113	325	1,097	276	116	6
Furniture, equipment	747	103	303	919	182	104	7
Tenant relocation	147	30	105	113	46	65	8
Allowances, contingencies	11,922	1,579	4,551	15,353	3,868	1,619	9
Facilities project management	2,434	312	922	3,138	783	320	10
Net HST expense	389	53	149	499	126	56	11
Subtotal	25,046	3,411	9,646	32,129	8,088	3,537	
Total Project Costs	\$ 110,197	\$ 14,691	\$ 42,155	\$ 141,791	\$ 35,719	\$ 15,096	
Capital Financing							
NHS Co-Investment grants	\$ 20,619	\$ 3,507	\$ 9,338	\$ 25,942	\$ 6,650	\$ 3,469	12
NHS Co-investment (CHMC mortgage)	44,079	5,876	16,862	56,716	14,287	6,038	13
Long term borrowing	45,499	5,308	15,955	59,133	14,782	5,589	14
Total Financing	\$ 110,197	\$ 14,691	\$ 42,155	\$ 141,791	\$ 35,719	\$ 15,096	
Average cost per unit	\$ 285,000	\$ 306,000	\$ 269,000	\$ 298,000	\$ 380,000	\$ 280,000	

Notes:

Capital estimates are costed in 2019 dollars and are based on preliminary plans, and designs. Financing does not include the divestment potential of regional properties, funding from the Housing General Reserve or the costs of capital work that is not required due to the redevelopment of properties.

The following assumptions were used to determine the capital costs and financing:

- 1) Construction estimates are estimate without the benefit of detailed architectural, mechanical, electrical or processing system drawings and as such, estimates may be corrected within +/-20%.
- 2) Other construction costs were not included in the construction consultant's estimates:
 - i Leadership in Energy & Environmental Design (LEED) silver certification estimated at 2% of construction costs.
 - ii Suite metering estimated at \$600 per unit for water and electrical.
 - iii Flat fee estimate of \$300,000 for photovoltaic system per site; \$50,000 for storm water management.
 - v Security cameras estimated at \$896 per unit, per project.
 - vi Flat fee of \$30,000 for electric vehicle (EV) charging and \$20,000 for demolition where applicable.
 - viii HST expense estimated at 1.76% of BTY and other construction costs where applicable.
- 3) Flat fee of \$3,750 where applicable.
- 4) Flat fee of \$10,000 for general administration (photocopying, legal, etc.) and \$30,000 for public art.
- 5) Consulting fees are 10% of total construction costs; (includes architects, geotechnical , development consultants).
- 6) Permits estimated at 1% of total construction costs; expenses include site plans and building permits.
- 7) Furniture, equipment estimated at \$1,931 per unit; category includes unit appliances, common area furnishings, window coverings, garbage chutes, moloks.
- 8) Tenant relocation costs are project specific for existing tenants only; estimates include moving fees/utility connection and hotel costs for one week estimated for 25% of current units.
- 9) Design allowance, project and close out contingency estimated at 14% of total construction costs.
- 10) Project management fees estimated on BTY construction costs at 3%. Fees cover required staff hires to deliver the plan.
- 11) HST expense estimated at 1.76% of applicable soft costs.
- 12) NHS Co-investment grants approximates (18% to 23%) of project costs; amount of grant is contingent on application and program requirements being achieved. Grants can be used for costs related to pre-development/construction activities.
- 13) NHS Co-investment financing (CMHC mortgage) subject to change. Interest rate estimated at 1.8% for 50 year term and 10 year renewal.
- 14) Long term borrowing estimated at 4% interest rate over a term of 30 years.

KITCHENER	Courtland Shelley	82 Wilson	60 Paulander	Mooregate Cres.	45-53 Holborn	140 Weber
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2019 Year End Estimates

Rental Revenues

Market rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Affordable market rents	-	-	-	-	-	-
Rent geared-to-income rents (RGI)	380	67	294	266	156	94
Subtotal	380	67	294	266	156	94
Vacancy loss	(28)	(5)	(21)	(18)	(16)	(6)
Net rental revenues	352	62	273	248	140	88

Non-rental revenues

Laundry	-	1	-	-	-	3
Commercial rent	-	-	-	-	-	-
Parking	-	-	-	-	-	-
Total Revenues	\$ 352	\$ 63	\$ 273	\$ 248	\$ 140	\$ 91

Proposed Revenues

Notes

Rental Revenues

Market rents	\$ 2,676	\$ 196	\$ 663	\$ 3,752	\$ 543	\$ 263	1
Affordable market rents	1,157	157	520	1,458	364	-	2
Rent geared-to-income rents	380	67	294	266	156	94	3
Subtotal	4,213	420	1,477	5,476	1,063	357	
Vacancy loss	(126)	(13)	(44)	(164)	(32)	(11)	4
Net rental revenues	4,087	407	1,433	5,312	1,031	346	

Non-rental revenues

Laundry	56	7	24	69	15	8	5
Commercial rent	-	12	-	-	-	-	6
Parking	142	49	51	113	20	17	7
Total Revenues	\$ 4,285	\$ 475	\$ 1,508	\$ 5,494	\$ 1,066	\$ 371	

NET CHANGE, Increase \$ 3,933 \$ 412 \$ 1,235 \$ 5,246 \$ 926 \$ 280

Notes:

Operating revenues are costed in 2019 dollars (where applicable) and based on preliminary plans, designs and unit composition for each site which are subject to change. The following assumptions were used to determine the operating revenues:

- 1) Market rents based on Canada Mortgage Housing Corporation (CMHC) 2019 average market rents by building type (apartment, rowhouse) and unit size.
- 2) Affordable rents calculated at 80% of the median market rents by building type and unit size. This is a requirement where approximately 30% of the units in the project are to be affordable in order to be eligible for grants/financing under the National Housing Strategy.
- 3) Rent geared-to-income rents based on August 2019. As service manager, the Region is required to maintain the existing number of RGI units per project site.
- 4) Industry standard is 3% for vacancy loss; applied on total rents.
- 5) Based on 2019 Waterloo Region Housing (WRH) laundry fee charges. Assumes 1 wash, 1 dry, per week, per unit.
- 6) Proposed building amenity reflects commercial rent at \$1,000 per month at 82 Wilson.
- 7) Revenues based on 75% of proposed number of parking spaces will be leased at a monthly charge of \$50 per parking spot.

Region of Waterloo
 Waterloo Region Housing (WRH) Master Plan
 Operating Expenses Impact Estimates, Kitchener
 (in \$000s)

KITCHENER	Courtland Shelley	82 Wilson	60 Paulander	Mooregate Cres.	45-53 Holborn	140 Weber
<u>2019 Year End Estimates</u>						
<u>Utilities</u>	\$ 297	\$ 48	\$ 316	\$ 183	\$ 143	\$ 100
Natural gas	50	4	17	34	14	4
Electricity	2	10	99	1	1	25
Water	96	6	89	42	20	19
Storm water costs	9	1	9	6	2	1
Municipal Taxes	140	27	102	100	106	51
<u>Service Contracts</u>	89	11	121	55	20	36
Elevator maintenance	-	-	-	-	-	3
Waste removal	23	1	26	9	7	3
Grounds landscape	13	2	19	10	2	6
Grounds snow removal	31	2	40	25	5	9
Heating inspections	-	-	-	-	-	-
Life safety systems	10	4	11	7	3	10
Building janitorial	-	-	-	-	-	-
Pest control	6	2	8	4	-	2
Security services	6	-	17	-	3	3
<u>Other Maintenance Costs</u>	56	14	121	95	33	151
Building	5	3	16	5	3	17
Electrical	3	2	6	1	1	-
Equipment	-	-	-	-	-	9
Heating/plumbing	17	1	5	13	5	18
Unit repairs	31	8	94	76	24	107
<u>Interdepartmental Charges</u>	112	26	87	88	40	57
Insurance reserve	11	3	12	9	4	6
Lifecycle provision	101	23	75	79	36	51
<u>Debt Servicing</u>	-	-	71	-	-	-
NHS mortgage costs	-	-	-	-	-	-
Debt costs hsg. properties (OHC)	-	-	71	-	-	-
Total Expenses	\$ 554	\$ 99	\$ 716	\$ 421	\$ 236	\$ 344

KITCHENER	Courtland Shelley	82 Wilson	60 Paulander	Mooregate Cres.	45-53 Holborn	140 Weber	Notes
Proposed Expenses							
Utilities	\$ 923	\$ 117	\$ 371	\$ 1,204	\$ 259	\$ 133	
Natural gas	76	10	25	93	19	11	9
Electricity	104	19	48	175	36	15	10
Water/wastewater	46	8	21	76	16	7	11
Storm water costs	26	3	9	29	6	4	12
Municipal Taxes	671	77	268	831	182	96	8
Service Contracts	395	52	162	490	99	57	
Elevator maintenance	17	6	8	25	6	3	13
Waste removal	51	6	21	63	13	7	14
Grounds landscape	76	9	31	93	18	11	15
Grounds snow removal	69	9	28	85	17	10	16
Heating inspections	27	3	11	33	7	4	17
Life safety systems	54	7	22	67	13	8	18
Building janitorial	67	8	27	83	16	9	19
Pest control	19	2	8	23	5	3	20
Security services	15	2	6	18	4	2	21
Other Maintenance Costs	96	13	39	118	23	14	
Building general	14	2	6	17	3	2	22
Electrical	5	1	2	6	1	1	23
Equipment	4	1	2	5	1	1	24
Heating/plumbing	11	1	4	13	3	1	25
Unit repairs	62	8	25	77	15	9	26
Interdepartmental Charges	221	27	90	272	54	30	
Insurance	82	10	33	101	20	11	27
Lifecycle provision	139	17	57	171	34	19	28
Debt Servicing	3,967	485	1,434	5,139	1,288	506	
NHS mortgage costs	1,336	178	511	1,719	433	183	29
Regional debt costs	2,631	307	923	3,420	855	323	30
Total Expenses	\$ 5,602	\$ 694	\$ 2,096	\$ 7,223	\$ 1,723	\$ 740	
NET CHANGE, Increase	\$ 5,048	\$ 595	\$ 1,380	\$ 6,802	\$ 1,487	\$ 396	

Notes:

Operating expenses are costed in 2019 dollars and based on preliminary plans, design concepts and proposed unit composition for each site which is subject to change. The following price assumptions are net of HST (where applicable) and are used to determine the operating expenses presented in Appendix F, Page vii.

Utilities and Municipal Taxes:

- 8) Natural gas paid by Region and calculated at \$0.20 and \$0.46 per sq. ft. respectively for Apartment & Rowhouse.
- 9) Electrical costs for units to be paid by tenants. Electrical costs for common areas calculated at \$1.47 and \$.70 per sq. ft. respectively for Apartments and Rowhouses.
- 10) Water/wastewater costs for units to be paid by tenants. Water/wastewater costs for common area calculated at \$0.64 and \$0.56 per sq. ft. for common areas in Apartments and Rowhouse buildings.
- 11) Storm water costs paid by Region and calculated at \$60 and \$180 per unit, per year for Apartments and Rowhouses.
- 12) Calculated using 2019 new multi-residential tax rates for region, area municipality and education and applied to estimated property assessment values.

Service Contracts:

- 13) Elevator service contract and ongoing maintenance estimated at \$230 per elevator.
- 14) Waste removal estimated at \$11 per unit, per month.
- 15) Grounds landscape estimated at \$196 per unit.
- 16) Grounds snow removal estimated at \$178 per unit.
- 17) Heating inspections estimated at \$69 per unit.
- 18) Life safety maintenance estimated at \$141 per unit.
- 19) Building janitorial estimated at \$14 per unit.
- 20) Pest control estimated at \$48 per unit.
- 21) Security services estimated at \$38 per unit.

Other Maintenance Costs:

These are non-recurring costs for building maintenance and repairs. During the first several years of operations, these costs are typically low. Estimates are calculated by applying a discount to the 2018 actual per unit cost and inflated by Consumer Price Index(Ontario) for 2019:

- 22) Building general estimated at \$241 per unit.
- 23) Electrical estimated at \$79 per unit.
- 24) Equipment estimated at \$71 per unit.
- 25) Heating/plumbing estimated at \$184 per unit.
- 26) Unit repairs estimated at \$1,074 per unit.

Interdepartmental Costs:

- 27) Insurance estimated at \$212 per unit.
- 28) Lifecycle provision estimated at \$360 per unit. Similar to "Other Maintenance Costs", the annual contribution has been adjusted by applying a discount to the per unit amount over 10 years. At the end of 10 years, the annual contribution to the lifecycle reserve fund will equal the required contribution based on the Region's policy.

Debt Servicing:

- 29) NHS Co-investment (CMHC mortgage) debt servicing costs based on capital financing presented on Appendix F, Page iii re: Note 13. Costs calculated using an interest rate of 1.8% and amortization period of 50 years (10 year renewal term).
- 30) Long term debt servicing costs based on the financing required as presented on Appendix F, Page iii re: Note 14. Costs calculated using an interest rate of 4% and amortization period of 30 years.

KITCHENER	Courtland Shelley	82 Wilson	60 Paulander	Mooregate Cres.	45-53 Holborn	140 Weber
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Net Property Tax Levy

2019 Year End Estimates

Property Tax Levy	\$ 202	\$ 36	\$ 443	\$ 173	\$ 96	\$ 253
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Proposed

Property Tax Levy	\$ 1,317	\$ 219	\$ 588	\$ 1,729	\$ 657	\$ 369
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NET CHANGE, Increase	\$ 1,115	\$ 183	\$ 145	\$ 1,556	\$ 561	\$ 116
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Unit Information

Proposed units:	387	48	157	476	94	54
Existing units:	70	16	52	55	25	35
Unit Change, Increase	317	32	105	421	69	19

Appendix G: Financial Information on Cambridge Shortlisted Sites

Region of Waterloo
Waterloo Region Housing (WRH) Master Plan
Building and Unit Information, Cambridge

Appendix G
Page i

CAMBRIDGE	30 Lauris Ave.	2-52 Lumsden	581-595 Langs Dr.	127-161 Bechtel St.
<u>Building Type:</u>				
Existing	Land	Semi-detach	Rowhouse	Rowhouse
Proposed	Rowhouse	Apt.	Apt.	Apt.
<u>Proposed Amenities:</u>				
Surface parking	66	146	134	55
Above/underground parking	-	-	-	-
Commercial space	-	-	-	-
<u>Planning Approvals Required:</u>				
Official plan amendment	-	Yes	Yes	Yes
Re-zoning	Yes	Yes	Yes	Yes
Minor variance	-	-	-	-
<u>Existing units:</u>				
1 Bedroom apt	-	-	-	-
2 Bedroom apt	-	-	-	-
3 Bedroom apt	-	-	-	-
2 Bedroom rowhouse	-	-	10	4
3 Bedroom rowhouse	-	20	18	10
4 Bedroom rowhouse	-	6	10	4
5 Bedroom rowhouse	-	-	-	-
Totals	-	26	38	18
<u>Proposed units:</u>				
1 Bedroom apt	-	33	16	12
2 Bedroom apt	-	30	65	16
3 Bedroom apt	-	-	21	6
2 Bedroom rowhouse	-	-	-	-
3 Bedroom rowhouse	32	20	-	8
4 Bedroom rowhouse	9	18	32	8
5 Bedroom rowhouse	4	14	-	4
Totals	45	115	134	54
<u>Unit Change</u>				
1 Bedroom apt	-	33	16	12
2 Bedroom apt	-	30	65	16
3 Bedroom apt	-	-	21	6
2 Bedroom rowhouse	-	-	(10)	(4)
3 Bedroom rowhouse	32	-	(18)	(2)
4 Bedroom rowhouse	9	12	22	4
5 Bedroom rowhouse	4	14	-	4
Totals	45	89	96	36

Notes:

- 1) Sites listed above will require architectural, environmental and planning reports; amenities for parking, commercial space subject to change pending additional system drawings.
- 2) 30 Lauris Ave. is vacant land.

CAMBRIDGE	30 Lauris Ave.	2-52 Lumsden	581-595 Langs Dr.	127-161 Bechtel St.	
Capital Costs					<u>Notes</u>
<u>Construction Costs:</u>					1
Apartment/Rowhouse	\$ -	\$ 19,050	\$ 25,918	\$ 10,602	
Rowhouse	7,233	2,467	-	-	
Parking Structure	-	199	-	-	
Sitework, ancillary, general requirements	3,044	7,522	8,000	3,400	
Other construction costs	854	1,671	1,876	1,007	2
Subtotal	11,131	30,909	35,794	15,009	
<u>Soft costs:</u>					
Planning approvals	51	62	62	62	3
General administration	40	40	40	40	4
Consulting services	1,113	3,091	3,579	1,501	5
Permits	111	309	358	150	6
Furniture, equipment	87	222	259	104	7
Tenant relocation	-	55	78	37	8
Allowances, contingencies	1,558	4,327	5,011	2,101	9
Facilities project management	308	877	1,018	420	10
Net HST expense	52	142	164	70	11
Subtotal	3,320	9,125	10,568	4,485	
Total Project Costs	\$ 14,451	\$ 40,034	\$ 46,362	\$ 19,494	
Capital Financing					
NHS Co-Investment grants	\$ 2,607	\$ 9,894	\$ 10,636	\$ 4,008	12
NHS Co-investment (CHMC mortgage)	5,780	16,013	18,545	7,798	13
Long term borrowing	6,064	14,126	17,182	7,689	14
Total Financing	\$ 14,451	\$ 40,033	\$ 46,363	\$ 19,495	
Average cost per unit	\$ 321,000	\$ 348,000	\$ 346,000	\$ 361,000	

Notes:

Capital estimates are costed in 2019 dollars and are based on preliminary plans, and designs. Financing does not include the divestment potential of regional properties, funding from the Housing General Reserve or the costs of capital work that is not required due to the redevelopment of properties.

The following assumptions were used to determine the capital costs and financing:

- 1) Construction estimates are estimated without the benefit of detailed architectural, mechanical, electrical or processing system drawings and as such, estimates may be corrected within +/-20%.
- 2) Other construction costs were not included in the construction consultant's estimates:
 - i Leadership in Energy & Environmental Design (LEED) silver certification estimated at 2% of construction costs.
 - ii Suite metering estimated at \$600 per unit for water and electrical.
 - iii Flat fee estimate of \$300,000 for photovoltaic system per site; \$50,000 for storm water management.
 - v Security cameras estimated at \$896 per unit, per project.
 - vi Flat fee of \$30,000 for electric vehicle (EV) charging and \$20,000 for demolition where applicable.
 - viii HST expense estimated at 1.76% of BTY and other construction costs where applicable.
- 3) Flat fee of \$3,750 where applicable.
- 4) Flat fee of \$10,000 for general administration (photocopying, legal, etc.) and \$30,000 for public art.
- 5) Consulting fees are 10% of total construction costs; (includes architects, geotechnical, development consultants).
- 6) Permits estimated at 1% of total construction costs; expenses include site plans and building permits.
- 7) Furniture, equipment estimated at \$1,931 per unit; category includes unit appliances, common area furnishings, window coverings, garbage chutes, moloks.
- 8) Tenant relocation costs are project specific for existing tenants only; estimates include i) moving fees/utility connection and hotel costs for one week estimated for 25% of current units.
- 9) Design allowance, project and close out contingency estimated at 14% of total construction costs.
- 10) Project management fees estimated on BTY construction costs at 3%. Fees cover required staff hires to deliver the plan.
- 11) HST expense estimated at 1.76% of applicable soft costs.
- 12) NHS Co-investment grants approximates (18% to 23%) of project costs; amount of grant is contingent on application and program requirements being achieved. Grants can be used for costs related to pre-development/construction activities.
- 13) NHS Co-investment financing (CMHC mortgage) subject to change. Interest rate estimated at 1.8% for 50 year term and 10 year renewal.
- 14) Long term borrowing estimated at 4% interest rate over a term of 30 years.

Waterloo Region Housing (WRH) Master Plan
 Operating Revenue Impact Estimates, Cambridge
 (in \$000s)

CAMBRIDGE	30 Lauris Ave.	2-52 Lumsden	581-595 Langs Dr.	127-161 Bechtel St.	
2019 Year End Estimates					
<u>Rental Revenues</u>					
Market rents	\$ -	\$ -	\$ -	\$ -	
Affordable market rents	-	-	-	-	
Rent geared-to-income rents (RGI)	-	168	256	107	
Subtotal	-	168	256	107	
Vacancy loss	-	(23)	(5)	(1)	
Net rental revenues	-	145	251	106	
<u>Non-rental revenues</u>					
Laundry	-	-	-	-	
Commercial rent	-	-	-	-	
Parking	-	-	-	-	
Total Revenues	\$ -	\$ 145	\$ 251	\$ 106	
<u>Proposed Revenues</u>					
<u>Rental Revenues</u>					
Market rents	\$ 472	\$ 770	\$ 699	\$ 294	1
Affordable market rents	185	453	504	200	2
Rent geared-to-income rents	-	168	256	107	3
Subtotal	657	1,391	1,459	601	
Vacancy loss	(20)	(42)	(44)	(18)	4
Net rental revenues	637	1,349	1,415	583	
<u>Non-rental revenues</u>					
Laundry	-	18	20	8	5
Commercial rent	-	-	-	-	6
Parking	30	66	60	25	7
Total Revenues	\$ 667	\$ 1,433	\$ 1,495	\$ 616	
NET CHANGE, Increase	\$ 667	\$ 1,288	\$ 1,244	\$ 510	

Notes

Notes:

Operating revenues are costed in 2019 dollars (where applicable) and based on preliminary plans, designs and unit composition for each site which are subject to change. The following assumptions were used to determine the operating revenues:

- 1) Market rents based on Canada Mortgage Housing Corporation (CMHC) 2019 average market rents by building type (apartment, rowhouse) and unit size.
- 2) Affordable rents calculated at 80% of the median market rents by building type and unit size. This is a requirement where approximately 30% of the units in the project are to be affordable in order to be eligible for grants/financing under the National Housing Strategy.
- 3) Rent geared-to-income rents based on August 2019. As service manager, the Region is required to maintain the existing number of RGI units per project site.
- 4) Industry standard is 3% for vacancy loss; applied on total rents.
- 5) Based on 2019 Waterloo Region Housing (WRH) laundry fee charges. Assumes 1 wash, 1 dry, per week, per unit.
- 6) Proposed building amenity reflects commercial rent at \$1,000 per month at 82 Wilson.
- 7) Revenues based on 75% of proposed number of parking spaces will be leased at a monthly charge of \$50 per parking spot.

CAMBRIDGE	30 Lauris Ave.	2-52 Lumsden	581-595 Langs Dr.	127-161 Bechtel St.
2019 Year End Estimates				
Utilities	\$ -	\$ 89	\$ 169	\$ 71
Natural gas	-	1	25	12
Electricity	-	-	-	1
Water	-	28	57	17
Storm water costs	-	-	-	-
Municipal Taxes	-	60	87	41
Service Contracts	3	4	24	18
Elevator maintenance	-	-	-	-
Waste removal	-	-	7	2
Grounds landscape	3	1	4	8
Grounds snow removal	-	3	10	8
Heating inspections	-	-	-	-
Life safety systems	-	-	1	-
Building janitorial	-	-	-	-
Pest control	-	-	2	-
Security services	-	-	-	-
Other Maintenance Costs	-	18	19	18
Building	-	4	2	7
Electrical	-	3	2	3
Equipment	-	-	-	-
Heating/plumbing	-	5	6	4
Unit repairs	-	6	9	4
Interdepartmental Charges	-	42	61	29
Insurance reserve	-	4	6	3
Lifecycle provision	-	38	55	26
Debt Servicing	-	-	-	18
NHS mortgage costs	-	-	-	-
Debt costs hsg. properties (OHC)	-	-	-	18
Total Expenses	\$ 3	\$ 153	\$ 273	\$ 154

CAMBRIDGE	30 Lauris Ave.	2-52 Lumsden	581-595 Langs Dr.	127-161 Bechtel St.	
Proposed Expenses					
					<u>Notes</u>
Utilities	\$ 100	\$ 296	\$ 335	\$ 144	
Natural gas	9	28	27	12	9
Electricity	2	37	51	23	10
Water/wastewater	1	17	22	10	11
Storm water costs	3	9	8	3	12
Municipal Taxes	85	205	227	96	8
Service Contracts	38	117	141	57	
Elevator maintenance	-	6	11	3	13
Waste removal	-	15	18	7	14
Grounds landscape	9	22	26	11	15
Grounds snow removal	8	20	24	10	16
Heating inspections	3	8	9	4	17
Life safety systems	6	16	19	8	18
Building janitorial	8	20	23	9	19
Pest control	2	6	6	3	20
Security services	2	4	5	2	21
Other Maintenance Costs	11	28	34	14	
Building general	2	4	5	2	22
Electrical	1	1	2	1	23
Equipment	-	1	1	1	24
Heating/plumbing	1	3	4	1	25
Unit repairs	7	19	22	9	26
Interdepartmental Charges	26	65	76	30	
Insurance	10	24	28	11	27
Lifecycle provision	16	41	48	19	28
Debt Servicing	526	1,302	1,556	681	
NHS mortgage costs	175	485	562	236	29
Regional debt costs	351	817	994	445	30
Total Expenses	\$ 701	\$ 1,808	\$ 2,142	\$ 926	
NET CHANGE, Increase	\$ 698	\$ 1,655	\$ 1,869	\$ 772	

Notes:

Operating expenses are costed in 2019 dollars and based on preliminary plans, design concepts and proposed unit composition for each site which is subject to change. The following price assumptions are net of HST (where applicable) and are used to determine the operating expenses presented in Appendix G, Page vii.

Utilities and Municipal Taxes:

- 8) Natural gas paid by Region and calculated at \$0.20 and \$0.46 per sq. ft. respectively for Apartment & Rowhouse.
- 9) Electrical costs for units to be paid by tenants. Electrical costs for common areas calculated at \$1.47 and \$.70 per sq. ft. respectively for Apartments and Rowhouses.
- 10) Water/wastewater costs for units to be paid by tenants. Water/wastewater costs for common area calculated at \$0.64 and \$0.56 per sq. ft. for common areas in Apartments and Rowhouse buildings.
- 11) Storm water costs paid by Region and calculated at \$60 and \$180 per unit, per year for Apartments and Rowhouses.
- 12) Calculated using 2019 new multi-residential tax rates for region, area municipality and education and applied to estimated property assessment values.

Service Contracts:

- 13) Elevator service contract and ongoing maintenance estimated at \$230 per elevator.
- 14) Waste removal estimated at \$11 per unit, per month.
- 15) Grounds landscape estimated at \$196 per unit.
- 16) Grounds snow removal estimated at \$178 per unit.
- 17) Heating inspections estimated at \$69 per unit.
- 18) Life safety maintenance estimated at \$141 per unit.
- 19) Building janitorial estimated at \$14 per unit.
- 20) Pest control estimated at \$48 per unit.
- 21) Security services estimated at \$38 per unit.

Other Maintenance Costs:

These are non-recurring costs for building maintenance and repairs. During the first several years of operations, these costs are typically low. Estimates are calculated by applying a discount to the 2018 actual per unit cost and inflated by Consumer Price Index(Ontario) for 2019:

- 22) Building general estimated at \$241 per unit.
- 23) Electrical estimated at \$79 per unit.
- 24) Equipment estimated at \$71 per unit.
- 25) Heating/plumbing estimated at \$184 per unit.
- 26) Unit repairs estimated at \$1,074 per unit.

Interdepartmental Costs:

- 27) Insurance estimated at \$212 per unit.
- 28) Lifecycle provision estimated at \$360 per unit. Similar to "Other Maintenance Costs", the annual contribution has been adjusted by applying a discount to the per unit amount over 10 years. At the end of 10 year, the annual contribution to the lifecycle reserve fund will equal the required contribution based on the Region's policy.

Debt Servicing:

- 29) NHS Co-investment (CMHC mortgage) debt servicing costs based on capital financing presented on Appendix G, Page iii, re: Note 13. Costs calculated using an interest rate of 1.8% and amortization period of 50 years (10 year renewal term).
- 30) Long term debt servicing costs based on the financing required as presented on Appendix G, Page iii re: Note 14. Costs calculated using an interest rate of 4% and amortization period of 30 years.

Region of Waterloo
 Waterloo Region Housing (WRH) Master Plan
 Net Property Tax Impact Estimates, Cambridge
 (in \$000s)

CAMBRIDGE	30 Lauris Ave.	2-52 Lumsden	581-595 Langs Dr.	127-161 Bechtel St.
<u>Net Property Tax Levy</u>				
<u>2019 Year End Estimates</u>				
Property Tax Levy	\$ 3	\$ 8	\$ 22	\$ 48
<u>Proposed</u>				
Property Tax Levy	\$ 34	\$ 375	\$ 647	\$ 310
NET CHANGE, Increase	\$ 31	\$ 367	\$ 625	\$ 262
<u>Unit Information</u>				
Proposed units:	45	115	134	54
Existing units:	0	26	38	18
Unit Change, Increase	45	89	96	36

Appendix H: Estimated Construction Sched 1

ID	Task Mode	Task Name	Start	Finish	2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030							
					H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2					
1		WRH Master Plan	2020 January 06	2030 February 05	[Gantt bar spanning from 2020 H2 to 2030 H2]																											
2		Scenario 4 - Community Needs	2020 January 06	2030 February 05	[Gantt bar spanning from 2020 H2 to 2030 H2]																											
3		82 Wilson Avenue, Kitchener	2020 January 06	2022 November 23	[Gantt bar spanning from 2020 H2 to 2022 H2]																											
4		Design	2020 January 06	2021 September 08	[Gantt bar spanning from 2020 H2 to 2021 H1]																											
12		Demolition & Construction	2021 September 08	2022 September 29	[Gantt bar spanning from 2021 H2 to 2022 H1]																											
24		Close-Out	2022 September 29	2022 November 23	[Gantt bar spanning from 2022 H2 to 2022 H2]																											
28		416 Kingscourt, Waterloo	2020 January 06	2022 September 12	[Gantt bar spanning from 2020 H2 to 2022 H1]																											
29		Design	2020 January 06	2021 July 27	[Gantt bar spanning from 2020 H2 to 2021 H1]																											
37		Demolition & Construction	2021 July 27	2022 July 18	[Gantt bar spanning from 2021 H2 to 2022 H1]																											
49		Close-Out	2022 July 18	2022 September 12	[Gantt bar spanning from 2022 H2 to 2022 H2]																											
53		Langs, Cambridge	2021 January 25	2024 September 09	[Gantt bar spanning from 2021 H1 to 2024 H1]																											
54		Design	2021 January 25	2022 December 12	[Gantt bar spanning from 2021 H1 to 2022 H2]																											
62		Demolition & Construction	2022 December 12	2024 July 16	[Gantt bar spanning from 2022 H2 to 2024 H1]																											
74		Close-Out	2024 July 16	2024 September 09	[Gantt bar spanning from 2024 H1 to 2024 H1]																											
78		140 Weber St., Kitchener	2022 June 06	2026 August 28	[Gantt bar spanning from 2022 H2 to 2026 H1]																											
79		Design	2022 June 06	2024 September 26	[Gantt bar spanning from 2022 H2 to 2024 H1]																											
87		Demolition & Construction	2024 September 26	2026 July 06	[Gantt bar spanning from 2024 H2 to 2026 H1]																											
99		Close-Out	2026 July 06	2026 August 28	[Gantt bar spanning from 2026 H1 to 2026 H1]																											
103		Mooregate, Kitchener	2024 October 01	2030 February 05	[Gantt bar spanning from 2024 H2 to 2030 H1]																											
104		Design	2024 October 01	2026 September 16	[Gantt bar spanning from 2024 H2 to 2026 H1]																											
112		Demolition & Construction	2026 September 16	2029 October 17	[Gantt bar spanning from 2026 H2 to 2029 H2]																											
124		Close-Out	2029 October 17	2030 February 05	[Gantt bar spanning from 2029 H2 to 2030 H1]																											

Appendix I: The Six Redevelopment Scenarios

Scenario 1: Municipal Representation

Represents new housing units in Cambridge, Kitchener, and Waterloo

	Site	Features	Estimated Capital Costs	Proposed Units	Existing Units per Site	Increased Units
1	1 High St., Waterloo		30,552,000	113	21	92
2	Courtland/Shelley, Kitchener	parking structure	110,196,000	387	70	317
3	60 Paulander, Kitchener		42,155,000	157	52	105
4	Langs, Cambridge		46,362,000	134	38	96
Totals:			\$ 229,265,000	791	181	610

Proposed Capital Financing	
National Housing Strategy Co-investment grant, seed funding	46,794,000
NHS Co-investment financing (mortgage)	91,706,000
Regional debentures	90,765,000
Totals:	\$ 229,265,000

WRH Capital Asset Renewal (2020/2029)	
Reflects cost of capital work not required due to redevelopment in this scenario	\$ 7,219,000

Operating Budget Impact	
Gross incremental property tax increase over 11 years	\$ 3,094,000
Gross average incremental property tax increase over 11 years	\$ 281,000

Duration	Start	Finish	Ave. Capital Cost Per Unit
10 years	Jan. 2020	Apr. 2030	\$ 290,000

Notes:

Timelines are approximate and subject to change.

Estimates are based on preliminary plans, designs and are costed in 2019 dollars.

Pros

- Proposed developments in each of the three cities
- Courtland/Shelley on Central Transit Corridor (CTC); Langs site in close proximity
- Courtland/Shelley can be built in phases
- Courtland/Shelley has an opportunity for condominium sales and private development
- High St. has potential for commercial component
- Langs could include a public/non-profit partnership to create service hub in collaboration with Langs CHC
- Possibility to reduce parking structure footprint and costs for Courtland/Shelley
- Funding and financing opportunities available through the National Housing Strategy (NHS)

Cons

- Langs would require a phased relocation strategy (vacancy management)
- This may not meet all current community needs
- Divestment would not occur (due to limited Cambridge unit gains)

Scenario 2: Easiest to Build

These sites would be one of the easiest approaches to build 600 housing units and would not include condominiums.

	Site	Features	Estimated Capital Costs	Proposed Units	Existing Units per Site	Increased Units
1	506 - 514 Sunnydale, Waterloo		48,691,000	139	40	99
2	416 Kingscourt, Waterloo	parking structure	28,614,000	70	0	70
3	Mooregate, Kitchener	parking structure	141,791,000	476	55	421
4	30 Lauris Avenue, Cambridge	vacant land	14,451,000	45	0	45
Totals:			\$ 233,547,000	730	95	635

Proposed Capital Financing	
National Housing Strategy Co-investment grant, seed funding	44,472,000
NHS Co-investment financing (mortgage)	93,419,000
Regional debentures	95,656,000
Totals:	\$ 233,547,000

WRH Capital Asset Renewal (2020/2029)	
Reflects cost of capital work not required due to redevelopment in this scenario	\$ 4,169,000

Operating Budget Impact	
Gross incremental property tax increase over 10 years	\$ 3,432,000
Gross average incremental property tax increase over 10 years	\$ 343,000

Duration	Start	Finish	Ave. Capital Cost Per Unit
9 years	Jan. 2020	Aug. 2029	\$ 320,000

Notes:

Timelines are approximate and subject to change.
 Estimates are based on preliminary plans, designs and are costed in 2019 dollars.

Pros

Proposed developments in each of the three cities
 Sunnydale and Kingscourt are on the Central Transit Corridor (CTC)
 No demolition required for two projects; could be constructed at the same time (416 Kingscourt and 30 Lauris)
 Relocation of tenants would be easier due to increase of units at Lauris and Kingscourt
 Possibility to reduce parking structure footprint and costs for 416 Kingscourt and Mooregate
 Funding and financing opportunities available through the National Housing Strategy (NHS)

Cons

Divestment would not occur (due to limited Cambridge gains)
 This may not meet all current community needs

Scenario 3: Least Impact on Communities and Tenants

Only two communities will be redeveloped. Two communities will be used for the relocation for tenants.

	Site	Features	Estimated Capital Costs	Proposed Units	Existing Units per Site	Increased Units
1	Courtland/Shelley, Kitchener	parking structure	110,196,000	387	70	317
2	Mooregate, Kitchener	parking structure	141,791,000	476	55	421
Totals:			\$ 251,987,000	863	125	738

Proposed Capital Financing	
National Housing Strategy Co-investment grant, seed funding	46,559,000
NHS Co-investment financing (mortgage)	100,795,000
Regional debentures	104,633,000
Totals:	\$ 251,987,000

WRH Capital Asset Renewal (2020/2029)	
Reflects cost of capital work not required due to redevelopment in this scenario	\$ 3,421,000

Operating Budget Impact	
Gross incremental property tax increase over 10 years	\$ 3,134,000
Gross average incremental property tax increase over 10 years	\$ 313,000

Duration	Start	Finish	Ave. Capital Cost Per Unit
9 years	Jan. 2020	Oct. 2028	\$ 292,000

Notes:

Timelines are approximate and subject to change.

Estimates are based on preliminary plans, designs and are costed in 2019 dollars.

Pros

- This scenario provides the most new affordable housing units
- Least number of communities impacted
- Courtland/Shelley is on the CTC
- Courtland/Shelley and Mooregate can be built in phases
- Courtland/Shelley has an opportunity for condominium sales and private development
- Possibility to reduce parking structure footprint and costs for both sites
- Potential to divest Lauris site (vacant land)
- Funding and financing opportunities available through the National Housing Strategy (NHS)

Cons

- No representation in Cambridge or Waterloo communities
- This may not meet all current community needs

Scenario 4: Community Needs Based

Current waitlists for these communities are long and the Region already has brokered services in each of the communities.

	Site	Features	Estimated Capital Costs
1	416 Kingscourt, Waterloo	parking structure	28,614,000
2	82 Wilson Ave., Kitchener	comm. space	14,690,000
3	Mooregate, Kitchener	parking structure	141,791,000
4	140 Weber St., Kitchener	possible comm. space	15,096,000
5	Langs, Cambridge		46,362,000
Totals:			\$ 246,553,000

Proposed Units	Existing Units per Site	Increased Units
70	0	70
48	16	32
476	55	421
54	35	19
134	38	96
782	144	638

Proposed Capital Financing	
National Housing Strategy Co-investment grant, seed funding	50,049,000
NHS Co-investment financing (mortgage)	98,621,000
Regional debentures	97,883,000
Totals:	\$ 246,553,000

WRH Capital Asset Renewal (2020/2029)	
Reflects cost of capital work not required due to redevelopment in this scenario	\$ 7,385,000

Operating Budget Impact	
Gross incremental property tax increase over 11 years	\$ 3,646,000
Gross average incremental property tax increase over 11 years	\$ 331,000

Duration	Start	Finish	Ave. Capital Cost Per Unit
10 to 11 years	Jan. 2020	Feb. 2030	\$ 315,000

Notes:

Timelines are approximate and subject to change.
 Estimates are based on preliminary plans, designs and are costed in 2019 dollars.

Pros

- Proposed developments in each of the three cities
- Kingscourt is on the CTC; Weber, Langs are within close proximity
- Meets needs of each communities based on the stakeholder consultation
- Langs could include a public/non-profit partnership to create service hub in collaboration with Langs CHC
- Allows for increased Community Services programming
- Construction can be split into phases for two sites
- Lauris property could be divested to a non-profit housing provider which would generate revenue
- Retain Ballantyne houses for other programs (i.e. affordable home ownership).
- Possibility to reduce parking structure footprint and costs for both sites
- Funding and financing opportunities available through the National Housing Strategy (NHS)

Cons

- More challenging relocation strategy due to vulnerable populations at Weber and Wilson
- There would need to be a significant relocation strategy (vacancy management) at Langs
- There may be multiple construction projects happening at the same time

Scenario 5: Along the Central Transit Corridor (CTC)

The communities are within a 15 minute walk to an ION station.

	Site	Features	Estimated Capital Costs
1	625 - 637 Albert St., Waterloo	parking structure	100,416,000
2	416 Kingscourt, Waterloo	parking structure	28,614,000
3	Courtland/Shelley, Kitchener	parking structure	110,196,000
Totals:			\$ 239,226,000

Proposed Units	Existing Units per Site	Increased Units
318	40	278
70	0	70
387	70	317
775	110	665

Proposed Capital Financing	
National Housing Strategy Co-investment grant, seed funding	45,566,000
NHS Co-investment financing (mortgage)	95,690,000
Regional debentures	97,970,000
Totals:	\$ 239,226,000

WRH Capital Asset Renewal (2020/2029)	
Reflects cost of capital work not required due to redevelopment in this scenario	\$ 4,447,000

Operating Budget Impact	
Gross incremental property tax increase over 9 years	\$ 3,468,000
Gross average incremental property tax increase over 9 years	\$ 385,000

Duration	Start	Finish	Ave. Capital Cost Per Unit
8 years	Jan. 2020	Dec, 2027	\$ 309,000

Notes:

Timelines are approximate and subject to change.

Estimates are based on preliminary plans, designs and are costed in 2019 dollars.

Pros

This scenario has communities all within the CTC

No demolition required at Kingscourt

Relocation of tenants would be easier due to net gain of units at Kingscourt

Construction can be split into phases for two sites

All three of the communities have opportunity for condominium sales and private development

Possibility to reduce parking structure footprint and costs for both sites

Lauris property could be divested to a non-profit housing provider which would generate revenue

Funding and financing opportunities available through the National Housing Strategy (NHS)

Cons

No distribution of units in Cambridge

This may not meet all current community needs

Scenario 6: Most Cost Effective

This scenario is the least expensive per unit and includes communities with the lowest cost to get to 600 units.

	Site	Features	Estimated Capital Costs	Proposed Units	Existing Units per Site	Increased Units
1	1 High St., Waterloo		30,552,000	113	21	92
2	Courtland/Shelley, Kitchener	parking structure	110,196,000	387	70	317
3	60 Paulander, Kitchener		42,155,000	157	52	105
4	82 Wilson Ave., Kitchener	comm. space	14,690,000	48	16	32
5	140 Weber St., Kitchener	possible comm. space	15,096,000	54	35	19
6	30 Lauris Avenue, Cambridge	vacant land	14,451,000	45	0	45
Totals:			\$ 227,140,000	804	194	610

Proposed Capital Financing	
National Housing Strategy Co-investment grant, seed funding	45,740,000
NHS Co-investment financing (mortgage)	90,856,000
Regional debentures	90,544,000
Totals:	\$ 227,140,000

WRH Capital Asset Renewal (2020/2029)	
Reflects cost of capital work not required due to redevelopment in this scenario	\$6,226,000

Operating Budget Impact	
Gross incremental property tax increase over 14 years	\$2,999,000
Gross average incremental property tax increase over 14 years	\$ 214,000

Duration	Start	Finish	Ave. Capital Cost Per Unit
13 years	Jan. 2020	Feb. 2033	\$ 283,000

Notes:

Timelines are approximate and subject to change.
 Estimates are based on preliminary plans, designs and are costed in 2019 dollars.

Pros

- Proposed developments in each of the three cities
- Most cost effective
- Courtland/Shelley is on the CTC and Weber is in close proximity
- Courtland/Shelley can be split into phases
- Courtland/Shelley and High Street have the opportunity for condominium sales and/or commercial development
- Some community needs will be met with Weber St. and Wilson included
- There are some savings in parking space costs
- Funding and financing opportunities available through the National Housing Strategy (NHS)

Cons

- Relocation of tenants across cities would be challenging
- More communities are impacted
- Lauris will only provide a net gain of 45 units in Cambridge

Appendix K: Executive Summary of the WRH Master Plan Discussion Paper

Since June 2017, staff from the Region of Waterloo, Tim Welch Consulting and GLPi have been working on creating the foundation for a Master Plan to guide the activities of Waterloo Region Housing over the next 20 years. The following Discussion Paper provides a summary of those efforts, the findings from stakeholder consultations and background research and recommendations on how to move forward with the creation of the WRH Master Plan.

Waterloo Region Housing - Background

Waterloo Region Housing (WRH) is the largest provider of community housing in Waterloo Region with more than 2,700 units in 62 sites. Approximately 98.5% of these units have permanent Rent-Geared-to-Income supplements while the remaining 1.5% have rents that are at the low- end of market. In 2017, WRH had a tenant population of more than 11,800 individuals with almost 48% being under the age of 25. The primary source of income for tenants varies with 42% of tenants relying upon CPP/OAS and 33% receiving Ontario Works or ODSP. The remaining 24% received their income through employment related activities.

WRH's portfolio was created through has evolved over time through the construction of new buildings and the acquisition of existing assets from the community. As the majority of WRH's stock was constructed in the 1960s and 1970s, the average age of its buildings is 46 years. Approximately 50% of WRH units are for families while the remaining 50% is split between seniors housing (39%) and single and couple adult households (11%).

The operations and maintenance of WRH communities are split between staff from WRH and Facilities Management. While the former is primarily responsible for tenant management, the latter are responsible for undertaking general upkeep and capital repairs on WRH's 62 communities. While WRH operates and manages these units, they are owned by the Regional Municipality of Waterloo.

WRH vs. Service Manager Responsibilities

One of the key findings from stakeholder consultations is that there is some confusion over the respective roles and responsibilities of WRH and the Region in its role as a Service Manager. This confusion partially reflects the organizational structure of the Region as WRH and the activities of the Service Manager are both run from the Community Services Department. Despite sharing the same department, WRH and the Service Manager have distinctly different roles and responsibilities as is shown on Table 1 (following page).

Table 1: WRH and Service Manager Responsibilities

WRH Responsibilities	Service Manager Responsibilities
<ul style="list-style-type: none"> • Operate and manage the community housing portfolio owned by the Region 	<ul style="list-style-type: none"> • Carry out measures to meet the goals of the 10-Year Housing and Homelessness Plan; • Administer housing programs from senior levels of government; • Report back to Ministry on housing strategies; and • Maintain service level standards (# of RGI units)

Waterloo Region Community Housing Stock

At present, there are 9,755 units of community housing within the region which represents approximately 4.8% of all occupied dwellings within Waterloo Region. While 2,700 (28%) of these units are owned and operated by WRH, the remainder are owned and operated by a number of different organizations including non-profit and co-operative corporations and private sector organizations.

Since 2001, almost 1,600 units (100/year) of community has been created. The majority of this construction (1,536 units or 96/year) has been undertaken by the private sector, non-profit and co-operative sectors with funding from Federal/Provincial programs and incentives from the Region and lower-tier municipalities. During this time, WRH built 62 dwellings or 4 per year in two separate developments on the Sunnyside Long Term Care Home property in Kitchener.

Key Benefits of WRH

Over the course of this project, the majority of stakeholders believed that WRH had a number of key advantages or benefits compared to other community housing providers within the Region including:

- Providing high quality housing and support services to tenants;
- Being able to help the most vulnerable individuals within Waterloo Region
- Providing community housing where there is no interest or capacity from the private and non-profit sectors;
- Undertaking community development initiatives to provide support services and build recreational amenities;
- Preserving the Region’s supply community housing stock by assisting Projects in Distress (PIDs); and

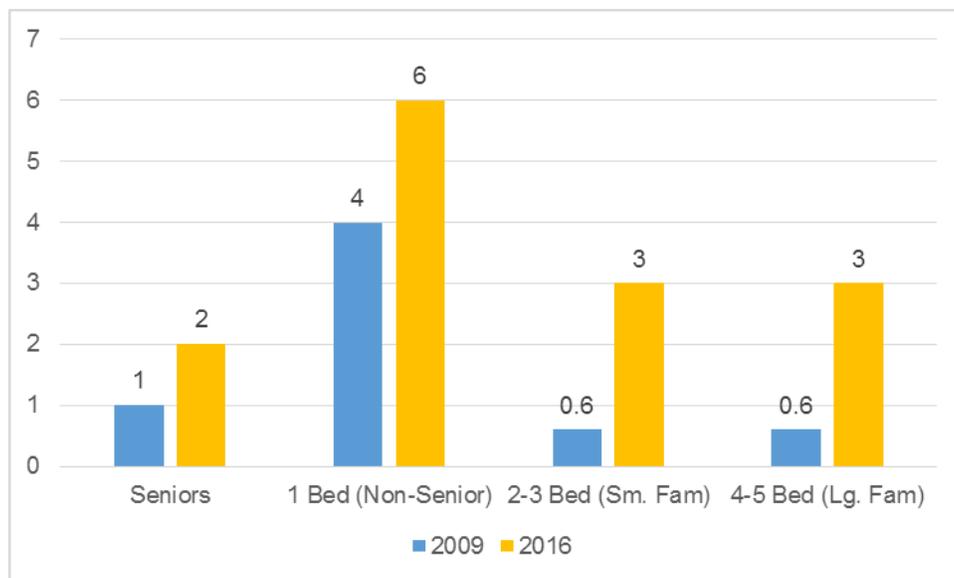
The ability to take risks due to WRH’s scale and access to resources.

v. Key Regional and Provincial Trends

There are a number of key trends occurring at the regional and provincial level that are providing WRH with a once in a lifetime opportunity to remake itself into a more innovative and self-sustaining organization. These trends include:

- Affordable Housing Need:** There is a growing need for affordable housing in Waterloo Region which is shown in the growing number of households with Core Housing Need (17,855 in 2011 and 22,075 in 2016, a difference of 4,220 households) and the growing time eligible households are waiting for an RGI unit. To keep pace with future growth and affordable housing needs, it is estimated that 155 units of community housing would need to be built annually which is an increase from the 100 units currently being built.

Chart 1: Minimum Waiting Time (Years) for an RGI Unit in Waterloo Region, 2009 & 2017



Source: 2009 ONPHA Waiting List Survey; Housing Stability Data Summary 2016/17, Region of Waterloo

- Growth Plan for the Greater Golden Horseshoe:** The increase in housing affordability problems is partly due to the regulations contained with the Province’s Growth Plan. By constraining the supply of developable greenfield lands, home prices, particularly for single detached dwellings, have risen dramatically in recent years. As a result, many households from the GTA are moving into the Region to take advantage of its comparatively lower home prices. Due to this influx, the median home price in Kitchener and Waterloo increased by 66% from \$243,000 to \$405,000 between 2008 and 2017. Similarly, the average market rent in the region has increased by 13% since 2013.

National Housing Strategy: In November 2017, the Federal government released the details of its ten year, \$40 billion National Housing Strategy. The Strategy is providing approximately \$8.5 billion in capital funding and surplus

- Federal lands for the purposes of creating new community housing units across Canada
- **Social Housing Modernization Program:** The Province has initiated a strategy to help transform the existing social housing sector into a more streamlined and entrepreneurial sector. To accomplish this, it is simplifying the administrative requirements social housing providers need to adhere to, relaxing RGI requirements for public housing projects (such as those owned by WRH) and taking steps to help encourage new forms of financing for community housing developments.
- **Collective Impact on WRH:** These trends and policies have had a number of impacts on WRH including:
 - Rising owner and rental housing costs has led to an increase in housing affordability problems and demand for affordable housing. Unfortunately, the supply of new community housing units has not been able to keep up with demand. As a result, the time spent waiting for an RGI unit at WRH and other community housing providers has increased significantly;
 - In order to keep pace with future growth, 155 community housing units will need to be built annually through WRH and/or non-government corporations (e.g. the private sector, non-profit and Co-operative housing providers);
 - Increased value for WRH's portfolio and in particular, the single and semi-detached dwellings which could be sold to help fund the redevelopment and construction of new WRH communities;
 - Higher average market rents could improve the viability of new developments by increasing annual operating revenues;
 - A sustained period of capital funding for new community housing from the Federal and perhaps Provincial government. As the plan is on a 10-year outlay, this could also allow WRH to identify and prepare for development activities well in advance of receiving capital funding from the Federal and Provincial governments; and
 - Allows WRH to significantly alter the way it currently operates such as methods of generating revenue (e.g. commercial and market rents, other sources) and finances new developments.

Key Assumptions Used

To help create goals that were achievable and realistic for WRH to meet, a number of guiding principles or assumptions were used throughout the consultation process.

These assumptions include:

- Maintain the current number of RGI units;
- A decrease in long-term capital expenditures as WRH's aging stock is replaced;
- Ensure that all capital and operating costs are a part of the redeveloped or new WRH community budget;
- Increase operating revenue through the creation of commercial space, increasing the number of units paying average market rents and other opportunities;

- New WRH communities will be financially self-sustaining from an operating perspective minus RGI subsidies and/or portable housing benefits; and
- Region operating staff will increase by 1 person per 100 new units constructed by WRH.

Proposed WRH Vision and Mission Statement

After a number of exercises, the following vision and mission statements for WRH were approved by Region stakeholders:

- *Our vision is...vibrant, people-centered affordable housing communities that contribute to quality of life, belonging and realizing potential.*
- *Our mission is... to create and maintain safe, quality affordable housing communities in which people can live well and thrive.*

Proposed Goals for WRH

In support of WRH's vision and mission statement, five overarching goals and related sub-goals for WRH to achieve or support have been identified:

- 1. Improve WRH Tenant Quality of Life and Living Experience:**
 - 1A) Maintain quality physical conditions in WRH sites;
 - 1B) Provide people centered services;
 - 1C) Enhance access to community/support services, recreational and cultural programs;
 - 1D) Strengthen tenant pride and belonging;
 - 1E) Increase the mixture of incomes in WRH communities; and
 - 1F) Enhance responsiveness to repair issues in WRH units/communities.
- 2. Increase the Number of WRH Community Housing Units:**
 - Option 1: In existing WRH communities, construct 600 new units (affordable and market) by 2038; and
 - Option 2: Construct 1,000 new WRH units (600 through the redevelopment of existing WRH communities and 400 on new sites) by 2038.
- 3. Greater Long Term Sustainability of WRH:**
 - 3A) Ensure financial sustainability of new and existing WRH sites; and
 - 3B) Enhance environmental sustainability of new and existing WRH sites.
- 4. Develop and Maintain a Positive Brand for WRH:**
 - 4A) Reduce the stigma associated with WRH communities;
 - 4B) Improve the image and perceptions of WRH.
- 5. Contribute to Implementing the Region of Waterloo's Strategic Plan**
 - 5A) New and redeveloped WRH sites will support Regional policies (e.g. Regional Official Plan, Housing Plan, Corporate Strategic Plan etc.)

- 5B) Enhance inter-departmental integration and coordination (e.g. between facilities and WRH, finance, legal, health etc.)

Proposed Roles and Models for WRH

In the summer and fall of 2017, staff from TWC and GLP*i* asked stakeholders to evaluate four potential organizational roles and models that WRH could take over the next 20 years. Stakeholders felt that the following roles or models for WRH were not suitable or appropriate:

- **Status Quo:** In general stakeholders generally felt that this option was the bare minimum WRH should be doing due to the significant demand for affordable and market rental housing in the Region as well as the growing capital repair needs for WRH's existing housing portfolio;
- **Divesting all of WRH's Stock:** All but a small minority of stakeholders saw divesting the entire WRH stock as a feasible or desirable solution. There were a number of concerns with this model including potential political and community backlash, capacity concerns with non-profit sector, reduced tenant satisfaction and the potential for divested buildings to physically decline due to poor management and insufficient resources.
- **Divesting WRH's Multi-Unit Buildings:** The majority of stakeholders were quite hesitant to divest WRH's multi-unit buildings to the private and community housing sectors due to the high cost of preparing the buildings for sale, the need for Region staff to oversee the divested stock to ensure the Region's standards are being met and concerns over the ability of the private and non-profit sector to maintain proper maintenance standards and tenant relations; and
- **Advocate/Facilitate New Community Housing:** Many felt that WRH should focus solely on managing the Region owned stock and that this activity should be undertaken by the Region in its Service Manager capacity.

In contrast, stakeholders felt that the following roles or models were suitable or appropriate for WRH:

- **Redevelop Existing WRH Communities:** Overall there was strong support to redevelop existing WRH communities where long-term capital costs were higher than the cost of redevelopment, land is underutilized, is in close proximity to transit and amenities and where need is highest. There was also a strong desire to partner with lower tier municipalities, community support service agencies as well as the private and non-profit sector to help create complete communities.
- **Divesting WRH's Single Detached Dwellings:** There was almost strong unanimous support for selling WRH's single detached dwellings to help fund the redevelopment of existing or build new WRH communities. An important caveat of this activities is that the sold units are replaced in WRH development activities so that no RGI units are lost.

Proposed Service Manager Roles

Stakeholders identified that all facilitation and capacity building activities should remain with the Service Manager. To help strengthen the community housing sector over the next 20 years, the following goals and sub-goals were created for the Service Manager:

1. **Improve Community Housing Tenant Quality of Life/Living Experience**
 - 1A) Strengthen tenant pride and belonging in private non-profit/ co-op community housing sector; and
 - 1B) Enhance coordination between different Regional and community support service providers.
2. **Increase the Number of Community Housing Units**
 - 2A) Facilitate new community housing development for non-profit and private sector organizations.
3. **Greater Long Term Sustainability of Community Housing Sector**
 - 3A) Share operational best practices among community housing providers; and
 - 3B) Advocacy role to all levels of government and within community
4. **Develop and Maintain a Positive Brand for Community Housing**
 - 4A) Educate community on benefits of community housing

Potential WRH Structures

After discussing a number of potential concepts for the potential organizational structure of WRH, two potential structures were favoured by Region stakeholders for further exploration: Option 1, where WRH undertakes development activities and Option 2, where ROWCHI is to responsible for building WRH's new community housing developments

- Option 1: In this scenario all development activities would take place within WRH's and the Region's existing organizational structure. While Facilities Management Staff would have the lead for the 'hard' aspects of construction, WRH staff would be responsible for aspects related to tenant relations.
Option 2: In this scenario, development activities would take place within ROWCHI, an arm's length corporation from the Region of Waterloo. While ROWCHI would be responsible for all of the 'hard' aspects of development, WRH staff would continue to work with all aspects of the project where tenants are impacted. In this scenario, the new development could be held by ROWCHI or be transferred to the Region upon completion. ROWCHI could also hire existing Region staff as "consultants" rather than hiring its own set of staff.

Table 2: Potential Roles of Region and ROWCHI

	Facilities Mgmt.	WRH	ROWCHI	Finance	Procurement
Procurement of Services/Pre Development					
Hire Design Consultants	Opt. 1	Opt. 1/2	Opt. 2	Opt. 1	Opt. 1
Hire Project Mgmt. Consult	Opt. 1	Opt. 1/2	Opt. 2	Opt. 1	Opt. 1
Hire Contractor	Opt. 1	Opt. 1/2	Opt. 2	Opt. 1	Opt. 1
Relocating Ext. Tenants	Opt. 1	Opt. 1/2			
Project Design					
Input on Design Specs.	Opt. 1	Opt. 1/2	Opt. 2		
Review Drawing Specs.	Opt. 1	Opt. 1/2	Opt. 2		
Construction					
Monitor Construction			Opt. 2		
Tenant Move-In, Building Occupancy					
Tenant Move In		Opt. 1/2			
Tenant Concerns		Opt. 1/2			
Operate Site		Opt. 1/2			
Maintainance Act.	Opt. 1/2				

Table 3 shows that there are a number of advantages and disadvantages with Options 1 and 2. Based on this high level summary, it appears that the primary advantage of Option 2 is to obtain alternative forms of financing for WRH development activities.

Table 3: Advantages and Shortcomings of Options 1 and 2

	Option 1	Option 2
Organizational Structure	<ul style="list-style-type: none"> • Uses existing structure, no need for changes 	<ul style="list-style-type: none"> • Changes made to structure, new organization created
Communication	<ul style="list-style-type: none"> • No or slight changes may be required 	<ul style="list-style-type: none"> • Additional department to coordinate communication
Financing	<ul style="list-style-type: none"> • Less flexible, can only obtain debentures 	<ul style="list-style-type: none"> • More flexible, can obtain private debt, slow capital, alternative forms of financing
Staffing Levels	<ul style="list-style-type: none"> • Requires additional staff 	<ul style="list-style-type: none"> • Requires additional staff

Recommendations:

1. Region staff should incorporate the vision and mission statement contained in this document into the WRH Master Plan. There is minimal to no costs to the Region for adopting these statements.
2. Region staff should incorporate Goal 1, Improve WRH Tenant Quality of Life and Living Experience, and its related sub-goals and targets into the WRH Master Plan. The purpose of this goal is to help maintain and build off recent improvements in relations between Region staff and WRH tenants. The impact of implementing this goal will vary depending on the activities proposed.
3. Region staff should incorporate Goal 3, Greater Long Term Sustainability of WRH, and its related sub-goals and targets into the WRH Master Plan. The intent of this goal is to help improve the financial sustainability of WRH by reducing its overall impact on the Region's tax levy through generating greater revenue and lowering operating expenses. An additional aspect of sustainability refers to shrinking WRH's impact has on the environment. The potential impact financial impact from implementing Goal 3 varies and some items may be subject to council approval due to their costs.
4. Region staff should incorporate Goal 4, Develop and Maintain a Positive Brand for WRH, and its related sub-goals and targets into the WRH Master Plan. The goal is important to WRH and its tenants as it can help build political and community support for new activities or initiatives and reduce the stigma associated community housing. The potential impact financial impact from implementing Goal 4 varies depending on the activities being proposed
5. Region staff should incorporate Goal 5, Contribute to Implementing the Region of Waterloo's Strategic Plan, and its related sub-goals and targets into the WRH Master Plan as it helps ensure that WRH activities support the Region's own goals and improve coordination between Regional departments.
6. Due to the potential costs associated with Goal 2, it is recommended that Region staff undertake a detailed examination of Options 1 and 2 to determine their overall feasibility (financially, number of units etc.) due to their cost implications and the need for additional staff. Once approved by Council, the preferred Option should be included in WRH's Master Plan to help guide future activities.
7. It is recommended that the Wilson Avenue Apartment Building be used as a pilot project to determine the best approaches for future WRH developments. This includes the optimal organizational structure, preferred construction delivery model and the respective roles of region staff among other aspects. While the construction of the Wilson Avenue apartment building is subject to Council approval due to its capital costs, the cost of examining the pros and cons of the approaches used during this pilot project are minimal.

It is recommended that Region staff update the existing Asset Revitalization Report once direction from Council on the number of units WRH should built is known. There may be some modest costs for Region staff to update some key

8. figures and assumptions used in the capital and operating budgets contained within the report.
9. It is recommended that Region staff explore the feasibility of using ROWCHI to undertake development activities for WRH. The timing of this investigation should occur after Council provides direction on the number of new community housing units WRH should build over the next 20 years, the findings from the Wilson Avenue Pilot Study and an updates to the Asset Revitalization Report to ensure that proper comparisons between the existing and/or proposed development models can be made. There may be some modest costs for Region staff to undertake this feasibility study. The actual cost implications of using ROWCHI as a developer is not known at the moment and would most likely be subject to Council approval before it could be employed for a WRH development.
10. If given the mandate to build communities on new sites, it is recommended that WRH should release an Expression of Interest to the lower tier municipalities within the region to see if they are interested in providing any surplus land or additional incentives to facilitate the construction of a new WRH community. There may be some modest costs for Region staff to prepare an Expression of Interest and review submissions. If land is purchased or transferred to the Region, additional costs may be incurred and could be subject to Council approval.