Date       June 3, 2020  Report No. 2020-265

To        Chair and Members  
            Social Services Committee

From      Aaron Wallace, Acting General Manager  
            Health and Human Services

1.0  Type of Report

   Consent Item [X]  
   Item For Consideration []

2.0  Topic       Options to Support Affordable Housing Development  
               [Financial Impact: None]

3.0  Recommendation

A. THAT Report 2020-265 Options to Support Affordable Housing Development [Financial Impact: None] BE RECEIVED; and

B. THAT Staff BE DIRECTED to issue an Expression of Interest to explore options for supportive housing partnerships; and

C. THAT Staff BE DIRECTED to bring back a report outlining additional capital available from increasing the debt limit for rate supported affordable housing initiatives; and

D. THAT Staff BE DIRECTED to bring back a report that provides a review of the current builds in the 10-Year Capital Plan and outlines options to increase housing density to maximize the use of land and capital; and

E. THAT Staff BE DIRECTED to bring back a report outlining how to maximize the use of municipally owned lands that do not support high density builds; and
F. THAT Staff BE DIRECTED to identify an appropriate location for an affordable housing development on the Greenwich Mohawk Brownfield site; and

G. THAT Staff BRING FORWARD recommendations to retain a parcel of land for affordable housing upon the completion of the Mohawk Lake District Plan.

4.0 Purpose and Overview

This report outlines potential strategies to increase affordable housing options in the City of Brantford and County of Brant.

5.0 Background

Creating increased affordable housing options and accelerating new housing development is critical to improve the economic stability, health, and well-being of individuals and households in the City of Brantford and County of Brant.

Over the past several years the demand for housing has outpaced new development, resulting in lower vacancy rates and higher housing costs. It is increasingly difficult for potential home buyers and renters to find suitable options, creating significant impacts across the housing continuum including 1) delayed home ownership for young families, 2) limits on economic growth and labour supply, 3) households spending a high percentage of their income on housing, 4) inability for households to transition out of subsidized housing into the private rental market, and 5) higher incidence of homelessness.

As of May 2020, the Brantford Access to Housing wait list remained at an all-time high of over 1,700 active applicant households, which has doubled since 2010. Depending on household composition and client type, applicants are waiting two to eight years for an offer of affordable housing; however, non-senior applicants can wait over eight years for a one bedroom unit. The urgency has also been highlighted in the 2019-2020 Council Priorities (Report No. 2019-710), the 10-Year Housing Stability Plan (Report No. 2019-584), the Community Conversation on Homelessness held September 23, 2019, and with the establishment of the Mayors’ Housing Partnerships Task Force (Report No. 2020-124).

Municipal staff are looking for creative ways to rapidly move forward on housing solutions. The options outlined below propose innovative methods to increase capital, maximize land use, and secure supportive housing partnerships.
6.0  Corporate Policy Context

Council Priorities 2019-2020: Housing Continuum

7.0  Input From Other Sources

Finance Department
Legal and Real Estate Department
Mayors’ Housing Partnerships Task Force
Planning Department

8.0  Analysis

To rapidly respond to the housing stock shortage, staff have outlined potential methods to increase capital, maximize land use, and secure supportive housing partnerships. Staff is seeking Council's direction to research and report back on the following proposed options.

8.1 Supportive Housing Partnerships

Supportive housing is a critical tool to end chronic homelessness. Supportive housing refers to a Housing First model of housing assistance that provides shelter first and wrap-around supports, which enable people to live as independently as possible while maintaining their shelter in their community. Municipalities are looking at partnerships with private, non-profit, and faith-based organizations to deliver affordable and supportive housing options. The City of Brantford’s Homes for Good program demonstrates the success of supportive housing partnerships (Report No. 2020-169).

The importance of partnerships is further evidenced by the work of the Mayors’ Housing Partnerships Task Force established February 20, 2020 (Report No. 2020-124). The Task Force is a collaborative between the government, the corporate, and non-profit sectors to accelerate the development of housing solutions. Issuing an Expression of Interest to explore options for additional supportive housing partnerships is one of many community-based approaches the Task Force can utilize to accelerate affordable housing in the City of Brantford and County of Brant.

8.2 Increasing Debt Limit for Rate Supported Housing Initiatives

The maximum amount of debt a municipality is legislatively allowed to carry is derived from the amount of annual servicing costs as a percentage of its
revenues. Revenues include ‘own-source’ revenues, such as taxes, user fees, and permit revenues, and exclude grants from other levels of government. The Provincial maximum allowed for debt servicing is 25% of own-source revenues. However, City Council has a self-imposed 7% limit for the City of Brantford.

Staff last presented City Council with an option to allow certain rate supported projects, such as affordable housing builds, to proceed outside of the self-imposed limit as part of the 2017 Estimates process. Annual servicing costs for rate supported, or other self-sustaining projects, are not borne on the property taxpayer. In the case of affordable housing buildings, the servicing costs would be paid from rental revenues from financially sustainable builds.

In November 2019, finance staff reviewed debt levels of similar single-tier municipalities as part of an information report (2019-744) to the Estimates Committee, and this indicated that Brantford was at the low end of its comparators with respect to current debt servicing costs and highlighted that a number of municipalities allow their self-imposed limits to be exceeded for specific growth related debt or rate supported debt that can be serviced without the use of property tax.

As a result, staff are seeking Council direction to review the impact that additional rate supported debt would have on increasing housing stock in the City of Brantford and County of Brant.

8.3 Innovative Tools to Increase Capital

If the City of Brantford’s self-imposed debt limit increased incrementally or if specific rate supported housing projects were able to exceed the self-imposed debt limit, capital could be increased by 1) remortgaging current housing stocks, 2) participating in additional grant programs that require a municipal contribution, and 3) securing additional bank or debenture financing.

8.3.1 Remortgaging Current Housing Stock

Brantford Municipal Non-Profit Housing Corporation, a consolidated local board of the City, has the ability to hold mortgages on properties, such as the mortgage on the Branlyn Meadows property. Mortgages are serviced through
rent and other user fees. Staff are seeking direction to review how much capital could be raised by remortgaging existing housing properties.¹

8.3.2 Participating in Grant Programs

Many grant programs require municipalities to receive funding in the form of loans and/or provide matching capital, such as Canada Mortgage and Housing Corporation’s Seed Funding Program and the Federation of Canadian Municipalities’ Sustainable Affordable Housing Program. Since the City of Brantford has a self-imposed 7% debt limit that is forecasted to be fully utilized as part of the 10-Year Capital Plan, the City could be ineligible for certain Provincial and Federal grants unless the limit is increased or other planned projects are deferred outside the 10-Year plan. Staff is seeking Council direction to determine how much capital is available through granting programs if the debt limit is increased incrementally.

8.3.3 Securing Additional Debenture Financing

City Council has already authorized borrowing for a number of capital works in progress. Staff is seeking Council direction to determine how additional debenture financing could maximize density and accelerate housing options and partnerships.

8.3.4 Disposal of Municipal Assets

Capital for housing can also be secured by the disposal of Municipal assets, such as the sale of single detached homes currently underway with the Woodlawn Meadows portfolio (Report No. 2019-146), and the sale of the Arrowdale Municipal Golf Course. As per Report No. 2019-453, staff have been directed to develop a disposition strategy for the properties acquired for the Veterans Memorial Parkway that may no longer be required, following the completion and Council approval of the Transportation Master Plan. An allocation of 10% of the net disposition proceeds from each sale will be directed to the Social Housing Reserve. Staff are continuing to research how the disposal of municipal assets can further accelerate affordable housing.

¹ As of May 2020, the City of Brantford has nine housing properties with no mortgage or debenture: Daleview Gardens, Eastdale Gardens, Northland Gardens, Lorne Towers, Riverside Gardens, Sunrise Villa, Walkers Greens, Willow Street, and Winston Court. Four housing properties still have mortgages or debentures: Brant Towers matures by 2022; Woodland Gardens matures by 2024; Albion Towers matures by 2025, and Trillium Way matures by 2027.
Maximizing Density on Current Land

Once additional capital is secured, staff is well positioned to immediately increase the numbers of units in new builds currently identified in the 10-Year Capital Plan. Increasing density on current development enables the City to benefit from economies of scale and operating efficiencies, and it recognizes that the City has limited access to available land for new builds.

At Trillium Way, staff are ready to undertake the feasibility work to construct new affordable housing immediately at Council’s approval (Report No. 2020-183) and begin construction in 2021. Shellard Land construction is planned for early 2022. Therefore, accessing additional capital quickly is critical to increase the density of current builds and maximize the use of land and capital. Preliminary analysis demonstrates that if the City has access to additional capital, housing stock at the Trillium Way development could increase from 22 units to 50 units, and housing stock at Shellard Lane could increase from 34 units to 70 units.

Increasing units at these sites also enables a more financially sustainable build, since more market rent units could be included. In a financially sustainable build, rental revenues cover all associated operational costs, contribute to capital reserves, and service the debt associated with the development.

Therefore, staff is seeking Council direction to review all housing development currently in the 10-Year Capital Plan to determine how increased capital could maximize density of planned builds.

Increasing Land Available for New Builds

The City of Brantford has limited access to available land for new builds. The remediation of the 51-acre Greenwich Mohawk brownfield site is an opportunity to secure additional land to increase affordable housing options. On site remediation was completed in December 2016, followed by a two year post-remediation sampling program. With the sampling program complete, the City is now in the final stages of finalizing the Certificate of Property Uses (CPUs) and filing the Record of Site Conditions (RSCs) with the Ministry of Environment, Conservation, and Parks (MECP). The Certificate of Property Uses will outline any monitoring and building construction requirements, such as ground water and soil monitoring systems, proper basement ventilation, and no residential units on the main floor. The Housing Department is well positioned to address these requirements and maximize partnerships with community organizations to provide mixed-use buildings.
In addition to the remediation of the site, in order to guide the future land use, the City initiated the Mohawk Late District Plan to establish the vision for the redevelopment of the entire District Area including the former Greenwich Mohawk brownfield site which will inform any future Official Plan and Zoning bylaw amendments to permit the above noted uses.

With respect to the status of the Mohawk Lake District Plan, in June of 2019 City Council endorsed a draft preferred Mohawk Lake District Plan and directed staff to complete a series of technical studies to ensure that the land uses identified in the content plan were implementable mainly due to the proximity of existing industrial uses adjacent to the Greenwich Mohawk site. The technical studies will identify any traffic impacts, servicing considerations, noise, odour, dust, and vibration impacts from the industrial sites. Planning staff are in the process of finalizing the technical studies and addressing some revisions to the overall draft land use plan based on the findings of the technical studies. Planning staff anticipate bringing forward the final Mohawk Lake District Plan to Council for approval before the end of 2020.

Staff are proposing that Council direct staff to identify a parcel of land from the Greenwich Mohawk brownfield development site for an affordable housing development. Should Council approve this recommendation, the Housing Department will work with staff in Planning, overseeing the development of the Mohawk Late District Plan, to identify an appropriate location for an affordable housing development. This will ensure that the size and location of the lands identified will meet the need for a future affordable housing development and take into consideration the findings of the technical studies to ensure compatibility with surrounding and proposed land uses within the District. Lastly, upon completion of the overall Mohawk Lake District Plan, staff will bring forward recommendations to Council for consideration with respect to retaining a parcel of land for affordable housing.

**Maximize Use of Land That Does Not Support High Density Builds**

Staff is seeking Council direction to study how to maximize the use of municipally owned lands that do not support high density builds. In November 2019, City Council approved the Compact, Affordable, Sustainable and Efficient (CASE) Home Demonstration Project (Report No. 2019-516), which is assessing the feasibility and cost efficiencies of building compact units on land that does not support high density builds. In anticipation of a successful outcome, staff would like to analyze how to scale up this initiative on available Municipal lands.
9.0 Financial Implications

There are no Financial Implications associated with this report.

10.0 Conclusion

The City of Brantford and County of Brant are facing a severe housing stock shortage, which impacts the economic stability, health, and well-being of residents. Over 1,700 households are actively waiting on the Brantford-Brant affordable housing waiting list. Depending on household composition and client type applicants are waiting for two to eight years for an offer of affordable housing and over eight years for non-seniors seeking one-bedroom units. Staff are responding to the crisis – outlined by the Mayors’ Housing Partnership Task Force, 2019-2020 Council Priorities, the 10-Year Housing Stability Plan, and the Community Conversation on Homelessness – by proposing potential methods to increase capital, maximize land use, and secure supportive housing partnerships.

Aaron Wallace
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Alexandra Graham
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Maryellen MacLellan
Director of Housing Services
Attachments: None

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required  [ ] yes  [x] no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk  [ ] yes  [x] no

Is the necessary by-law or agreement being sent concurrently to Council?  [ ] yes  [x] no