

For Information

REPORT TITLE: **Region of Peel's Housing Master Plan – Annual Update 2020**

FROM: Janice Sheehy, Commissioner of Human Services

OBJECTIVE

To provide the first annual update on the implementation of the Regional Council approved Housing Master Plan.

REPORT HIGHLIGHTS

- On July 11, 2019, Regional Council approved the Housing Master Plan, a long-term infrastructure plan, which includes 31 housing development sites. The plan could add 5,364 new affordable rental units, 226 supportive, and 60 emergency shelter beds to the housing stock in Peel by 2034.
 - On September 26, 2019, Regional Council allocated in principle \$1 billion of funding, to support the initial implementation of the Housing Master Plan to yield 2,240 units and beds through 17 projects by 2028.
 - To date, \$672.8 million of funding has been secured, which includes \$276.4 million of federal investment through the National Housing Strategy, which is administered by the Canada Mortgage and Housing Corporation (CMHC). The CMHC funding will be a combination of repayable and forgivable loans that the Region would be taking on as debt.
 - While CMHC funding will support the Region in building more affordable housing units, the Region's involvement and contribution remains significantly and disproportionately high. As such, advocacy efforts to secure long-term non-debt funding commitments from both the federal and provincial levels of government will continue.
 - The Housing Development Office is currently completing a total of 700 affordable units and beds, in addition to conducting preliminary planning feasibility assessments for nine sites and overseeing two third-party led affordable and supportive housing projects.
 - Results from the planning feasibility assessment will support moving forward work on other Housing Master Plan projects, namely, Chelsea Gardens, Peel Manor Affordable Housing Sites, and the Mayfield West Family Site.
 - In July 2020, Regional Council approved the affordable housing incentive program that will support the development of rental housing for middle income households; the Housing Development Office will be designing the pilot program parameters for a scheduled launch in 2021.
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Region of Peel's Housing Master Plan – Annual Update 2020

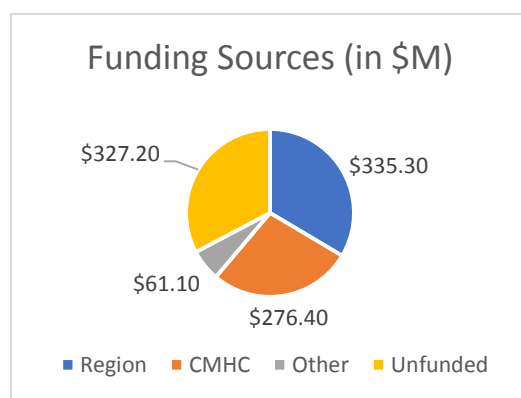
DISCUSSION

1. Background

On July 11, 2019, Regional Council approved the Housing Master Plan (HMP) that includes 31 housing development sites on the Region and the Peel Housing Corporation (PHC) owned lands. The plan anticipates the addition of 5,364 new affordable rental units, 226 supportive, and 60 emergency shelter beds to the housing stock in Peel by 2034.

On September 26, 2019, Regional Council allocated in principle \$1 billion of funding to support the initial implementation of the Housing Master Plan to yield 2,240 units and beds through 17 projects by 2028. To date, \$672.8 million of funding has been secured. The proposed funding breakdown is as follows:

- \$335.3 million Regional funds;
- \$276.4 million federal funds through the National Housing Strategy and the related National Housing Co-Investment Fund, which is administered by CMHC; and,
- \$61.1 million in funds committed through existing federal and provincial housing programs, which include the Investment in Affordable Housing Extension, the Social Infrastructure Fund, and the Ontario Priorities Housing Initiative.



There remains a gap of \$327.2 million. Moreover, the CMHC funding will be a combination of repayable and forgivable loans that the Region would be taking on as debt. While CMHC funding will support the Region in building more affordable housing units, the Region's involvement and contribution remains significantly and disproportionately high. As such, advocacy efforts to secure long-term non-debt funding commitments from both the federal and provincial levels of government will continue.

In 2019, Regional Council authorized staff to continue negotiations with CMHC to finalize the terms and conditions of the funding contribution and associated funding agreements. Staff have continued to work on moving this forward and it is expected that the final terms of the deal and a master loan agreement will be completed by the end of the current year.

This report provides an update on progress made by the Housing Development Office in implementing the Housing Master Plan, the CMHC funding application and agreement, HMP projects, and the third party affordable/supportive housing projects currently under construction.

2. CMHC – National Housing Co-Investment Fund Application

In January 2020, the Region received a Letter of Intent from the Canada Mortgage and Housing Corporation furthering the federal government's commitment to provide portfolio level funding to support the Housing Master Plan. On August 7, 2020, the federal government publicly announced its \$276.4 million of investment in Peel to help create 2,240 affordable housing units and shelter beds by 2028. These funds represent one of the largest

Region of Peel's Housing Master Plan – Annual Update 2020

affordable housing investments made by the Government of Canada in Peel. This funding will support 12 projects on Region of Peel sites and 5 projects on PHC owned sites, within the Council approved \$1 billion envelope. These projects will create a total of 2,240 units and beds, which includes replacement of the existing 125 affordable rental units and 100 shelter beds (a net increase of 1,955 affordable units and 60 new shelter beds) to address the housing needs in Peel.

On November 14, 2019, Regional Council as sole shareholder of the Peel Housing Corporation, authorized the PHC Board to be a co-borrower of the National Housing Co-Investment Fund with the Region and enter into required agreements with CMHC to secure funding to support the initial implementation of the Housing Master Plan. Council also authorized PHC to provide such guarantees and securities against its real property assets as necessary to secure the funding.

The Region's Housing Development Office and PHC staff are working with CMHC staff to finalize the terms and conditions of the funding arrangement, in anticipation of completing the master loan agreement by the end of this year.

a) Social and Environmental Outcomes

The National Housing Strategy includes specific targets and outcomes related to affordability, energy consumption and green house gas emissions, accessibility, and supporting vulnerable populations. These outcomes are aligned with and support objectives in Peel's Housing and Homelessness Plan and the Climate Change Master Plan. The Region of Peel has committed to achieving the National Housing Strategy's outcomes on a portfolio level basis through the CMHC funded projects.

In terms of affordability, at least 41 per cent of the units built with the National Housing Co-Investment Fund will be offered, on average, at rental rates below 60 per cent of the median market rent for the area. The current practice at the Region regarding the mix of Rent-Geared-to-Income and market rent units would allow Peel to achieve the affordability outcomes and address the needs of vulnerable population groups.

In terms of accessibility, the National Housing Strategy requires that projects meet full universal design criteria and at least 20 per cent of the units meet accessibility standards. The Region's Affordable Housing Guidelines require each project to meet universal design criteria and future CMHC funded Housing Master Plan projects will be built to meet the National Housing Strategy's accessibility requirements.

Regarding energy efficiency, the CMHC funded projects will achieve, at a minimum, a 25 per cent decrease in energy consumption and Greenhouse Gas emissions relative to the 2015 National Building Code. Moving forward, staff will work with internal and external partners with the intent to achieve a higher reduction in energy consumption in the new builds.

3. Progress Update on Housing Master Plan Projects and Housing Development Activities

Work is underway to implement the Housing Master Plan, which will result in achieving tangible outcomes for the Peel community. The Housing Development Office is completing a total of 700 affordable units and beds. To date, the Mayfield West Seniors project in the

Region of Peel's Housing Master Plan – Annual Update 2020

Town of Caledon has been completed and occupied, providing 60 units for seniors. A summary of the HMP projects underway is provided hereafter.

HMP Projects	Number of Affordable Units and Shelter Beds	Completion Timeline	Status
Mayfield West Seniors	60 units (Seniors)	Completed in 2019	Complete
360 City Centre Dr	174 units (affordable, seniors and market units)	2021 (Q1)	On target
Brightwater	150 units (affordable)	2023	On target
East Avenue	156 units (affordable)	2023	On target
Peel Family Shelter Relocation	120 shelter beds	2021	On target
Brampton Youth Shelter Relocation	40 beds	2021	On target
Total	700 units/beds (540 units and 160 beds)		

Details on the above listed projects are provided in Appendix I.

a) Future Housing Master Plan Projects

In addition to the above listed projects, preliminary planning feasibility assessment studies have been completed for two HMP sites and are underway for nine other sites. The feasibility studies will identify the type of housing, the bedroom mix, and the planning approval process and time required to successfully achieve HMP goals and affordable housing units. Staff are working in collaboration with local municipal planning staff to ensure planning goals and consistencies are maintained at all levels. The studies, anticipated to be completed by the end of this year, will directly support advancing work on these projects: Chelsea Gardens, and Peel Manor Affordable Housing sites in Brampton and Mayfield West Family site in Caledon.

b) Third Party Affordable Housing Projects

The Region's Housing Development Office also oversees the development of affordable housing projects by community-based organizations. These third-party builds are supported through funding from the Region and from federal and provincial programs such as the Investment in Affordable Housing and Social Infrastructure Funds. Construction is underway at the Brampton Bramalea Christian Fellowship Residences site in North East Brampton. The project will create 90 affordable rental units in 2021; 45 of these units will be dedicated to clients from the Region's Centralized Waiting List for subsidized housing.

Another project, Indwell Community Homes in south Mississauga is under construction, and will create 68 supportive housing units, ready for occupancy in 2021. The Compass Food Bank in Mississauga will be relocating to the ground floor commercial area of this project.

c) Region of Peel's Affordable Housing Pilot Project

In July 2020, Regional Council approved the affordable housing incentive program that will support the development of rental housing for middle income households, with a

Region of Peel's Housing Master Plan – Annual Update 2020

focus on larger, family sized units. The Housing Development Office is currently developing a detailed work plan and designing program parameters and material for the launch of the program in 2021. Staff will continue working with the local municipalities to support additional incentives and greater municipal collaboration in program implementation.

d) Community Awareness and Engagement

Access to affordable housing is vital and at the core of community wellbeing. Targeted community engagement is required to create an awareness about the need for affordable housing and the opportunities presented to address those needs through the incentives pilot program and the HMP projects. Purposeful engagement with the community can help address challenges such as “Not-in-my-Backyard (NIMBYism)” and seek the neighbourhood's and community's acceptance to allow for all types of housing and land uses to co-exist. The Housing Development Office is drafting a community engagement toolkit to support implementation of the incentives pilot program and the Housing Master Plan.

4. Next Steps

Staff will continue to work with CMHC to finalize the terms and conditions of the funding contribution and associated funding agreements within the stipulated timelines, to enable the Region to draw funds from the National Housing Co-Investment Fund beginning in 2021.

Regional Council has allocated in principle \$1 billion of funding to support an initial implementation of the Housing Master Plan. To date, \$672.8 million of funding has been secured to implement 17 projects within the Housing Master Plan. As highlighted earlier in the report, the initial as well as full implementation of the Housing Master Plan can only be achieved if Peel Region and the three local municipalities continue to receive federal and provincial funding to meet the community's affordable housing needs. Staff, with Council's support and direction, will continue to advocate to both the federal and provincial governments for further allocation of funding to Peel.

The successful implementation of the Housing Master Plan is contingent on having dedicated resources to support the work identified in this report. Staff anticipate a request for two full time employees through the 2021 budget process.

RISK CONSIDERATIONS

The current affordable housing challenges in Peel require bold and innovative approaches to managing housing development. The portfolio-based approach of the Housing Master Plan allows the Region of Peel to manage affordable housing development more strategically as an infrastructure portfolio. It permits long-term funding arrangements from senior levels of government.

Council's commitment of Regional funds and CMHC's investment will advance the work on several HMP projects and increase the supply of affordable housing in Peel over the next 10 years. Without these investment commitments, the challenges related to housing affordability will continue to rise. Further funding is required to close the gap of \$327.2 million in the \$1

Region of Peel's Housing Master Plan – Annual Update 2020

billion HMP capital envelope, and advocacy efforts with the provincial and federal governments will continue.

FINANCIAL IMPLICATIONS

There are no financial implications attached to this report. In September 2019, Regional Council allocated in principle \$1 billion investment to support an initial implementation of the Housing Master Plan, the work cited in this report is within the approved capital envelope.

CONCLUSION

The Housing Master Plan allows the Region of Peel to strategically plan and manage housing development on Regional lands and create that much-needed affordable housing stock to meet the needs of the community. The HMP has positioned Peel to tap into the funding opportunity presented through the National Housing Co-Investment Fund. Regional Council's commitment of Regional funds and the CMHC's investment would allow staff to advance work on several HMP projects, leading to create 700 affordable units and beds by 2023 and a total of 2,240 units/beds by 2028.

APPENDICES

Appendix I - Detailed Progress Update on Housing Master Plan Projects

For further information regarding this report, please contact Steve Dickson, Director, Housing Development Office, Ext. #4323, Steve.Dickson@peelregion.ca.

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Reviewed and/or approved in workflow by:

Department Commissioner and Division Director.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer