

Date: 2021-04-22

Subject: **Request for Budget Amendment – Housing Catalyst Capital Project**

Secondary Title: Supplementary Report for Housing Brampton

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Report Number: Planning, Bld & Ec Dev-2021-523

Recommendations:

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1. **THAT** the report titled “**Request for Budget Amendment – Housing Catalyst Capital Project**” to the Planning and Development Committee meeting of May 10, 2021, be received;
2. **THAT** a budget amendment be approved and a new Housing Catalyst Capital Project be established in the amount of \$4 Million to support non-profit led Pilot Projects identified in Housing Brampton (the City of Brampton’s Housing Strategy and Action Plan), with funding of \$4 Million to be transferred from Reserve #110 – Community Investment Fund.

Overview:

- Staff Report titled “Housing Brampton” to the Planning and Development Committee meeting of May 10, 2021 sought endorsement of the City of Brampton Housing Strategy and Action Plan, “Housing Brampton”.
- This initiative requires capital funding of \$8.4 Million, with \$8 Million required for the Housing Catalyst Capital Project and \$0.4 Million to support the Region’s Financial Incentive Program. In addition, two full-time staff resources are recommended at approximately \$260,000.

- **This staff report recommends approval of the initial \$4 Million for the Housing Catalyst Capital Project through a budget amendment, while the remaining \$4 Million for the Catalyst Project, \$0.4 Million for support of the Region's Financial Incentive Program and two full-time staff, are to be considered through the 2022 budget process.**
- **This amount supports approximately ten Pilot Projects depending on scale of the project and funding requests. Staff will prepare a Program Report on a case-by-case basis for approval of funds for each Pilot Project.**

Background:

Brampton's first Housing Strategy and Action Plan (Housing Brampton) proposes a range of solutions to address varied and urgent housing needs of its residents. It specifically proposes a number of approaches and Pilot Projects to demonstrate new housing solutions and develop new policies and regulations.

Through the stakeholder engagement process for Housing Brampton, the City received positive feedback and many inquiries from private non-profit housing providers who are interested in developing housing in Brampton.

The non-profit housing sector plays a critical role in meeting the needs of groups or households that may experience barriers to housing or are those considered vulnerable. Non-profit led housing developments have been increasingly fulfilling a key role in the provision of affordable housing in the GTA. Non-profit housing providers have expertise in tenant qualification and selection as well as ongoing occupancy management. Further, they can help integrate wraparound services such as employment training, education, addictions recovery, and immigration services into housing projects.

Current Situation:

Housing Brampton proposes a strong collaboration with non-profit housing developers, including faith-based organizations. However, these groups also often struggle to develop new housing due to limited financial resources and human capital. These organizations are challenged to acquire land in the market and to provide the significant up-front equity required for a project to move forward.

Upon Council endorsement, Housing Brampton establishes a Housing Catalyst Capital Project to deliver capital funding and support private non-profits in the delivery of Pilot Projects. This will assist non-profits in upfront costs associated with technical studies, design, land acquisition, construction, etc. It is anticipated that the City funding will act as a stacking incentive over other financing sources (eg. Infrastructure Ontario, private lenders (eg. VanCity), Scotiabank, First National).

The Implementation Guidelines for the Housing Catalyst Capital Project will be developed and reported to Council for approval.

The Recommendation 2 of this staff report seeks a 2021 budget amendment to allocate the initial \$4 Million for the Housing Catalyst Capital Project. This amount supports approximately ten Pilot Projects depending on scale of the project and funding requests. Staff will prepare a Program Report on a case-by-case basis for approval of funds for each Pilot Project.

Corporate Implications:

Financial Implications:

Housing Brampton requires capital funds of \$8.4 Million, with \$8 Million required for the Housing Catalyst Capital Project and \$0.4 Million to support the Region's Financial Incentive Program in addition to two full-time staff resources recommended at approximately \$260,000.

This report recommends approval of the initial \$4 Million for the Housing Catalyst Capital Project through a budget amendment, while the remaining \$4 Million for the Catalyst Project, \$0.4 Million for support of the Region's Financial Incentive Program and two full-time staff, are to be considered through the 2022 budget process.

A new capital project will need to be established in the amount of \$4 Million to support non-profit led Pilot Projects identified in Housing Brampton. Funding for this initiative will be transferred from Reserve #110 – Community Investment Fund. There is sufficient funding available to proceed with this initiative.

As of December 31, 2020, the City has \$94.1 Million available in uncommitted strategic reserves. The \$8.4 Million in capital funding requirements for this initiative represents 9% of available strategic reserves for the City.

As part of the 2022 budget process staff will request, for Council consideration, a one-time financial incentive amount of \$400,000 towards a Brampton project for the Region of Peel Incentives Pilot Program for affordable rental housing; and \$4 Million for the Housing Catalyst Capital Project to continue the support for the non-profit led Pilot Projects in Housing Brampton. Housing Brampton will also require two additional staff resources at a total cost of approximately \$260,000 (inclusive of salary, benefits and WSIB) and will be included as part of the 2022 budget process. The total anticipated 2022 budget request will be approximately \$4,660,000, subject to Council approval.

Other Implications:

There are no other implications in this report. The approval of the budget amendment will position the City to commence implementation of the Housing Catalyst Capital Project in 2021.

Term of Council Priorities:

This report directly aligns with the Council Priority to Create Complete Communities.

Conclusion:

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