



To: COUNCIL
Meeting Date: 3/28/2023
Subject: Affordable Housing Reserve By-Law Amendment
Submitted By: Sheryl Ayres, Chief Financial Officer
Prepared By: Mirna Raponi, Supervisor of Accounting and Financial Reporting
Report No.: 23-099-CRS
File No.: C11
Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 23-099-CRS Affordable Housing Reserve By-Law Amendment be received;

AND THAT the Reserve and Reserve Fund By-Law 2-17 be amended by replacing Schedule A as per Appendix B to report 23-099-CRS.

EXECUTIVE SUMMARY:

Purpose

The purpose of this report is to amend the existing Reserve and Reserve Fund By-Law due to the changes to the Affordable Housing Reserve.

Key Findings

On January 31, 2023, Council approved the recommendations in report 23-071-CRS, with the exception of any amendments pertaining to the Affordable Housing Reserve as further inquiries and information was requested by Council. Staff have now responded to Council inquiries and prepared a memo which can be found in Appendix A. Staff recommend that the existing Reserve and Reserve Fund By-Law be amended by replacing Schedule A as per Appendix B to report 23-099-CRS, which will include the revisions to the Affordable Housing Reserve. No additional changes have been made to any other reserve or reserve funds.

Financial Implications

The amended By-Law will incorporate updated details on the Affordable Housing Reserve and will continue to support the City's financial flexibility, functionality and

transparency and contribute to improved financial stability and long-term financial planning.

STRATEGIC ALIGNMENT:

- Strategic Action; or
- Core Service

Objective(s): Not Applicable

Strategic Action: Not Applicable

Program: Finance

Core Service: Financial Planning

Reserve and reserve funds are financial tools used to ensure the responsible and sustainable management of financial resources.

BACKGROUND:

Reserve and Reserve Fund By-Law

On January 31, 2023, report 23-071-CRS Reserves and Reserve Funds Policy and By-Law Update was presented to Council. Council approved the recommendations in 23-071-CRS, with the exception of the recommended amendments relating to the Affordable Housing Reserve. Council had further inquiries and follow up questions regarding this reserve, to which staff have compiled information and responses in Appendix A. With this additional information supplied, staff are recommending that Council approve the update to the Reserve and Reserve Fund By-Law, which include changes to the Affordable Housing Reserve.

ANALYSIS:

Staff reviewed the existing Reserve and Reserve Fund By-Law. Staff recommend that Council approve the updated Schedule A to that By-Law, as included in Appendix B to this report. The update to Schedule A to the Reserve and Reserve Fund By-Law includes changes to the Affordable Housing Reserve.

The changes to the Affordable Housing Reserve is as follows:

Summary of change: Change in funding source and intended use as a result of changes to Section 37 of the Planning Act in 2020.

Description	Previous	Recommended Change
Funding Source	Funds to be derived from bonusing agreements entered into and registered on property title under Section 37 of the Planning Act negotiated on a site-by-site basis through bonusing agreements as part of the development approvals process. Funds may also be derived from conditions of plans of subdivisions/site plans and from donations.	Funds to be derived from developer contributions, plans of subdivisions/site plans, and from donations. Contribution from the operating budget. Operating fund surplus.
Intended Use	Funding would supplement the funding available through the Affordable Housing Community Improvement Plan. Funding may also be directed to the acquisition of land and construction costs directly related to the creation of affordable rental units. Funding would not be used for any costs associated with the operation, maintenance or repairs of existing or planned future affordable rental units. Funds are not intended to be used to finance any studies or consultant fees.	To provide funding towards the City's Affordable Housing Community Improvement Plan and any Affordable Housing related policies. Funding may also be directed to the acquisition of land and construction costs directly related to the creation of affordable rental units. Funding would not be used for any costs associated with the operation, maintenance or repairs of existing or planned future affordable rental units. Funds are not intended to be used to finance any studies or consultant fees.

EXISTING POLICY / BY-LAW(S):

The current Reserve and Reserve Fund By-Law 2-17 was enacted in January 2017 and amended by by-law 19-144 in October 2019. In January 2023, the Reserve and Reserve Fund By-Law was amended by by-law 23-002 but excluded any changes to the Affordable Housing Reserve. Periodically, amendments are required to this by-law to reflect the changing financial landscape. This report presents additional information regarding the Affordable Housing reserve and further recommends amendments to the by-law based on management review and analysis of this reserve.

FINANCIAL IMPACT:

This report recommends amendments to the Reserve and Reserve Fund By-Law that ensure transparency and accountability in the financial reporting of the City's reserve and reserve fund balances and strengthens the City's financial position through the development of a long-term financial strategy.

PUBLIC VALUE:

This report supports the financial sustainability of the City by ensuring appropriate oversight and governance towards the City's reserve and reserve funds.

ADVISORY COMMITTEE INPUT:

Not applicable.

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

The amendment to the Reserve and Reserve Fund By-Law are based on management review as well as staff research of best practices amongst other municipalities. Staff from divisions associated with specific reserve funds were consulted through the review of the by-law.

CONCLUSION:

Periodically, amendments are required to the Reserve and Reserve Fund By-Law to reflect the changing financial landscape. This report recommends amendments to the by-law based on previous Council direction and staff analysis.

REPORT IMPACTS:

Agreement: **No**

By-law: **Yes**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 23-099-CRS Appendix A – IM23-002(CD) Affordable Housing Reserve Fund Information
2. 23-099-CRS Appendix B – Proposed Amending Reserve and Reserve Fund By-Law