

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 January 08

FROM: DIRECTOR FINANCE

FILE: 7300-01

SUBJECT: OPERATING HOUSING RESERVE

PURPOSE: To establish an Operating Housing Reserve to fund operating costs associated with housing initiatives.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council create an Operating Housing Reserve to fund operating costs associated with housing initiatives.

REPORT**1.0 INTRODUCTION**

The various housing initiatives pursued by the City requires ongoing operating expenditures. The City's current Community Benefit – Affordable Housing Reserve is restricted to providing grants to external parties that are developing special needs or affordable housing projects and funding new City housing initiatives that are capital in nature. As a result, an alternate funding source is required to fund the operating costs of City housing initiatives.

2.0 POLICY SECTION**Goal**

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 BACKGROUND

A new non-statutory Operating Housing Reserve would fund ongoing operating expenditures related to housing initiatives such as the lease and operating agreement of the Homeless Shelter, operations of the City's Warming Centres and staffing costs for positions related to affordable housing initiatives.

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The Operating Housing Reserve would be established through a transfer of the interest earned on the Community Benefit – Affordable Housing Reserve. As at the close of Period 12 (2019 December 02), total interest earned on this reserve equates to \$14.0 million. The final transfer will be based on the December 31, 2019 total interest earned. Going forward, at the end of each year, any interest earned on the Community Benefit – Affordable Housing Reserve would be transferred to the non-interest bearing Operating Housing Reserve. These funding sources would fund ongoing expenditures related to housing initiatives and eliminate any additional property tax burden. Any new housing initiatives must be approved through the budget process.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council approve the establishment of an Operating Housing Reserve to fund operating costs associated with housing initiatives.



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DIRECTOR FINANCE

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Copied to: City Manager
Director Planning and Building