

Region of Waterloo
Community Services
Housing Services

To: Community and Health Services Committee

Meeting Date: November 4, 2025

Report Title: Waterloo Region Housing Revitalization Plan – Remaining Redevelopment Projects

1. Recommendation

For information.

2. Purpose / Issue:

As part of the draft 2026 budget, Council will receive an updated 10-year capital program that considers a re-profiled Waterloo Region Housing Revitalization Plan (WRH RP). The re-profile includes a one-year delay for the Mooregate redevelopment project, pausing existing pre-development work and moving the launch of the Courtland-Shelley redevelopment to 2030, and moving the start of the Weber Street redevelopment from 2026 to 2030. This report provides context and implications to consider for this proposed re-profiling.

3. Strategic Plan:

The redevelopment/intensification projects undertaken through the Waterloo Region Housing Revitalization Plan (WRH RP) directly support three of the four strategic priorities in the Region's approved Corporate Strategic Plan, 2023-2027: Homes for all, Equitable services and opportunities, and Climate-aligned growth.

4. Report Highlights:

- The Waterloo Region Housing Revitalization Plan (WRH RP) is a plan to address rising capital repair costs of operating older buildings, an outdated community make-up of Rent-Geared-to-Income units and dwindling Federal and Provincial subsidies and capital reserves. The first five years (2020-2025) of the WRH RP focus on the redevelopment and/or intensification of six WRH sites, to create at least 600 net new units.
- Through Building Better Futures (BBF), the Region of Waterloo contributes to the strategic creation of new affordable units primarily through four different avenues: portable rent supplements (45% of units), redevelopment/intensification of

Waterloo Region Housing (25% of units), partnerships with community partners and non-profits (23% of units), strategic development of publicly owned surplus lands (6% of units), and affordable homeownership and secondary suites programs (1%) (CSD-HOU-25-003). As a part of the BBF strategy, changes to the WRH RP will impact the ability to maintain a count of 2,707 net new affordable units created, and the ability to achieve the new BBF target of 3,500 units.

- A review of the WRH RP is to happen every five years to ensure responsiveness to changes in community needs, policy directions, and fluctuations in rental market conditions and capital costs. The redevelopment/intensification portion of the WRH RP has a significant impact on the Region of Waterloo's broader capital program and financial sustainability. As such, this was a central part of the review.
- Three of the six projects are reaching occupancy or are in construction, creating 203 net new affordable units. A high-level review of the remaining revitalization/intensification projects was done. This includes three redevelopment projects: 15-105 Mooregate Crescent, Kitchener (Mooregate), 1050-1064 Courtland Avenue and 440-470 Shelley Drive, Kitchener (Courtland-Shelley), and 140 Weber Street, Kitchener (Weber). These projects are planned to deliver 466 net new affordable units, with most already counted towards the 2,707 new affordable units created through BBF. See Appendix A for project-specific details.
- Construction is scheduled to begin next for the Mooregate redevelopment project. This project is planned to create 323 net new units. In addition to rental units, the building design includes an 88-space childcare centre, space for Community Partners to run programs, and a retail space. At this stage, all tenants have relocated, Canada Mortgage and Housing Corporation (CMHC) project funding is conditionally awarded (\$57.0M low-cost repayable loan and a \$18.9M forgivable loan, for a total of \$75.9M), and architectural design work is complete. The project's total capital costs are primarily sourced from debt, with the most impact occurring on the debt load in the years 2027 through 2030.
- Due to capital pressures and debt management efforts across the organization, tendering for Mooregate's site construction and demolition is paused until budget deliberations for 2026 occur. Pausing at this stage of development puts the project approximately three months behind and at risk of losing the CMHC funding.
- Design work and tenant relocation have begun for Courtland-Shelley, while project work remains largely not started for Weber, as this is the last planned redevelopment project.

5. Background:

The Waterloo Region Housing Revitalization Plan (WRH RP) was created in response to the rising cost of repair for operating an aging building portfolio, an outdated composition of Rent-Geared-to-Income (RGI) unit makeup and dwindling Federal and Provincial capital subsidies and reserves. Three strategic directions were developed to address these persistent pressures and plan for a more sustainable future: (1) Redevelop and intensify WRH sites, (2) Maintain the current WRH stock, and (3) Consideration of potential divestments. The first five years of the WRH RP primarily focus on the first strategic direction.

There are currently six approved revitalization/intensification projects:

- a) 420 Kingscourt Drive, Waterloo (Kingscourt)
- b) 82 Wilson Avenue, Kitchener (Wilson)
- c) 589 Langs Drive, Cambridge (Langs)
- d) 15-105 Mooregate Crescent, Kitchener (Mooregate)
- e) 1050-1064 Courtland Avenue and 440-470 Shelley Drive, Kitchener (Courtland-Shelley)
- f) 140 Weber Street, Kitchener (Weber)

Of these projects, Kingscourt, Wilson, and Langs are in construction or nearing occupancy, creating 203 net new units (CSD-HOU-24-021). Construction is scheduled to begin next for Mooregate to deliver 323 net new units, with Courtland-Shelley and Weber to follow. Design work and tenant relocation have begun for Courtland-Shelley, while project work remains largely not started for Weber, as this is the last planned redevelopment project. See Appendix A for remaining redevelopment project-specific details and status.

Undertaking redevelopment/intensification has a significant impact on the Region of Waterloo's broader capital program and financial sustainability, specifically as debt servicing costs for these projects begin to impact the Regional operating budget. The WRH RP outlines that a review of the plan will be undertaken every five years to ensure responsiveness to changes in community needs, policy directions, and fluctuations in rental market conditions and capital costs. A high-level review was completed for Mooregate, Courtland-Shelley, and Weber, specifically focusing on the projects' impact on the Region of Waterloo's financial sustainability. The WRH RP's Key Goals were also considered during the review:

- **Improve tenant quality of life**
 - Replace buildings at the end of their lifecycles to ensure quality physical conditions and services
 - Build mixed-income communities with embedded community services

- **Create 600 net new WRH units**
 - Respond to the lack of local housing affordability for households with low-to-moderate incomes
 - Contribute to local new non-market and affordable housing creation
 - Contribute to a future end to chronic homelessness in Waterloo Region
- **Increase the long-term financial and environmental sustainability of WRH**
 - Reduce capital repair needs
 - Shift the unit composition in new builds to support different levels of unit affordability within one building (see CSD-HOU-24-003, Appendix B for more information)
 - Develop net-zero buildings and reduce energy operating costs
- **Develop and maintain a positive WRH brand**
 - Reduce stigma associated with living in non-market housing
 - Enable WRH to provide environments where tenants experience stability, self-worth, and dignity
- **Contribute to broader strategic priorities (Homes for All, Equitable Services and Opportunities, and Climate-Aligned Growth)**
 - Inclusion of embedded community services, including childcare spaces in or adjacent to high priority areas (childcare deserts)
 - Net-zero buildings and intensification of existing sites to reduce environmental impact related to urban sprawl
 - Respond to persistent growth in local demand for affordable housing

A cross-departmental staff team reviewed the WRH RP from both a fiscal and service perspective. Due to capital pressures, debt management, and rising project costs, an alternative option to the existing WRH RP was identified. This alternative option includes re-profiling the WRH RP to delay Mooregate for up to one year and reconsider the approach for the remaining redevelopment projects through the creation of business case scenarios for the continuation of Courtland-Shelley and Weber, while also considering how to include seniors housing at 233 Franklin (Sunnyside campus) in scope.

This option includes a number of potential risks including inflationary costs, impacts on tenants, the potential loss of CMHC loan and grant revenue, and a slowing of development during a period of housing affordability challenges. However, these risks must be weighed against the significant debt repayment impacts of the current capital plan that cannot be absorbed into existing operating budgets without dramatically scaling back other efforts in housing and homelessness.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Area municipalities are kept up to date on the WRH RP through the Housing and Homelessness Municipal Leads Committee, which meets on a monthly to bimonthly basis. Area municipalities are also engaged through the Intra-Municipal Incentive Working Group, which specifically focuses on affordable housing development and policy incentives.

Public: Each WRH revitalization project aims to centre existing WRH tenants and to mitigate any known adverse impacts related to redevelopment, including tenant relocation. Broader community engagement with the surrounding neighbourhood is also a key part of these projects.

Lessons learned in previous WRH redevelopment projects are incorporated in every new redevelopment. This is specifically reflected in the different ways staff and consultants have prioritized tenant engagement, with new methods and approaches to engagement being introduced.

WRH tenants are most impacted by redevelopment projects, as tenant relocation is required. During relocation, tenants are housed in other units within the community housing system. This also impacts the Community Housing Waitlist and those on it, as there is a temporary decrease in community housing units (dependent on construction length). WRH tenants are provided with the first right of return, meaning they are given the option to relocate back to the site once the redeveloped building is ready for occupancy.

No communication has occurred with tenants regarding potential changes to redevelopment projects. Tenants at Courtland-Shelley have been actively moving out/relocating since June 2025, with preparations having begun in Summer 2024. Move-outs are paused for Courtland-Shelley until Council direction is received on the future progression of the WRH RP. See Appendix A for more details on project-specific engagement and communication.

7. Financial Implications:

	Current Year	Future Year(s)
Budget Impact?	No	Debt servicing costs
Capital Plan Impact?	No	Increase in construction costs since 2025 capital planning; remaining projects will be discussed during

		2026 budget.
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The three WRH RP redevelopment projects contemplated in this report were included in the 2025 approved capital budget for a total investment, funded by debentures, of \$411.6 million with an average of \$28.1 million in annual debt servicing charges over ten years.

A full cost and savings consideration will be provided through the Plan and Budget process, including 2026 costs associated with exploring other business plans.

8. Conclusion / Next Steps:

Council will next have the opportunity to discuss and consider the background information provided in this report at the November Plan and Budget meetings. If Council adopts a re-profiled WRH RP through the 2026 budget process as outlined in this report, staff will:

- pause Mooregate's construction for up to one year; and
- pursue the creation of business case scenarios for the continuation of the other two remaining WRH RP redevelopment projects, Courtland-Shelley and Weber.

The WRH RP Key Goals and Regional debt management practices will be considered during this process, as well as potential opportunities (see CSD-HOU-24-021) and known risks. Communication with WRH tenants will be prioritized to minimize any known adverse impacts related to an altered WRH RP. This includes communication/engagement with Mooregate tenants about the timing of the Mooregate redevelopment after Council's decision has been reached.

9. Attachments:

Appendix A: Remaining WRH Redevelopment Project Details

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