



**City of Kingston  
Report to Council  
Report Number 16-359**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Commissioner, Community Services  
**Resource Staff:** Sheldon Laidman, Director, Housing & Social Services  
**Date of Meeting:** November 15, 2016  
**Subject:** Social Infrastructure Fund Affordable Housing Allocation – 720  
Princess Street

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**Executive Summary:**

In late June 2016, the Housing & Social Services Department received notification from the Ministry of Housing (MOH) of the service area's Social Infrastructure Fund (SIF) 2 year allocations. The SIF is a three year provincial and federal government program providing \$640 million for housing initiatives across Canada. The SIF program is designed to support Service Managers' implementation of the provincial Long-Term Affordable Housing Strategy and local Housing and Homelessness Plans.

At its September 6, 2016 meeting, Council approved the SIF program allocations including \$2,000,225 under the Year 1 (2016-2017) Rental Housing Component for capital funding supporting the development of new affordable housing units ([Report Number 16-297](#)).

SIF Year 1 Rental Housing funded projects must receive Council approval prior to November 30, 2016 and have started construction by March 31, 2017. Through Report Number 16-297 Council approved the allocation of \$1.5 million of SIF to Kingston Frontenac Housing Corporation for the construction of affordable housing at 671 Brock Street, leaving a balance in the SIF of \$500,225.

1880551 Ontario Limited has recently obtained planning approvals to construct an additional 30 dwelling units at 720 Princess Street and is requesting affordable housing funding from the Service Manager. The affordable housing funding would provide eight affordable housing units within the phase two redevelopment of the property of which four units will be accessible. An earlier municipally funded capital contribution established 19 affordable housing units within the initial conversion of the property from a former hotel use to permanent residential units. The funding request for \$580,000 would establish four two-bedroom units and four bachelor units

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rented at 75% Canada Mortgage and Housing Corporation (CMHC) average market rent for a minimum period of twenty years. The completed project would include 80 units in total of which 27 would be affordable housing units.

To make up the difference between the current balance of the Year 1 SIF funds and the proponent's funding request, \$79,775 of municipal affordable housing capital funding would be required. The proposed capital funding request is consistent with the SIF guidelines and the City's capital funding program policy.

Given the short timelines associated with the Year 1 SIF funding, the proposal's construction readiness aligns well with the funding program requirements. Pending Council's approval of this request, the Year 1 Rental Housing funding would be fully allocated providing a total of 17 affordable housing units.

**Recommendation:**

**That** Council approve the allocation of 2016-2017 Social Infrastructure Funds in the amount of \$500,225 to 1880551 Ontario Limited for the creation of eight (8) affordable housing units with a minimum affordability period of twenty (20) years at 720 Princess Street; and

**That** Council approve the allocation of \$79,775 from the Municipal Capital Investment in Affordable Housing Program to 1880551 Ontario Limited to make up the balance of the total funding required to establish eight (8) affordable housing units at 720 Princess Street; and

**That** Council approve the by-law, attached as Exhibit A to Report Number 16-359, "A By-law to Enter into a Municipal Contribution Agreement with 1880551 Ontario Limited"; and

**That** Council authorize the Commissioner of Community Services or her delegate to review and approve all documents and agreements which are in a form to the satisfaction of the Director of Legal Services related to the funding allocations outlined in this report; and

**That** Council authorize the Mayor and Clerk to execute all documents and agreements, reviewed and approved, related to the funding allocations and property dispositions outlined in this report as approved by the Commissioner of Community Services or her delegate.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER \_\_\_\_\_

**Lanie Hurdle, Commissioner, Community Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER \_\_\_\_\_

**Gerard Hunt, Chief Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Denis Leger, Commissioner, Corporate & Emergency Services



Jim Keech, President and CEO, Utilities Kingston

Not required

Desiree Kennedy, Chief Financial Officer & City Treasurer



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**Options/Discussion:**

In late June 2016, the City of Kingston, as Service Manager for legislated housing programs for the City of Kingston and County of Frontenac, received notification from the Ministry of Housing (MOH) regarding the service area's SIF funding allocations. The SIF is a three year provincial and federal government program providing \$640 million for housing initiatives across Canada. The SIF program is designed to support Service Managers' implementation of the provincial Long-Term Affordable Housing Strategy and local Housing and Homelessness Plans. Locally, the Service Manager was allocated \$3,627,400 for two years, \$2,105,500 for Year 1 and \$1,521,900 for Year 2. The year three allocation is unknown at this time. Eligible SIF programs include: Rental Housing, Homeownership, Ontario Renovates, Rent Supplement and Housing Allowance.

At its September 6, 2016 regular meeting, Council approved the staff recommended SIF program allocations including \$2,000,225 under the Year 1 (2016-2017) Rental Housing Component providing capital funding for the development of new affordable housing units ([Report Number 16-297](#)). SIF Year 1 Rental Housing projects must be Council approved by November 30, 2016 and start construction by March 31, 2017. Due to the challenging project commitment and construction commencement timelines associated with the SIF Year 1 Rental Housing funding, City staff are recommending projects for approval based on readiness for a March 31, 2017 construction start. Council previously approved Year 1 SIF funding in the amount of \$1.5 million to the Kingston and Frontenac Housing Corporation's affordable housing project proposed at 671 Brock Street. The uncommitted balance of the Year 1 SIF Rental Housing funding is \$500,225.

1880551 Ontario Limited has recently obtained planning approvals to construct an additional 30 dwelling units at 720 Princess Street and is requesting affordable housing funding from the Service Manager. The funding totalling \$580,000 would establish four two-bedroom units and four bachelor units rented at 75% CMHC average market rent for a minimum period of twenty years. The completed project would include 80 units in total of which 27 would be affordable housing units. There is a demonstrated need for affordable bachelor, one and two bedroom units in the community. While this project would meet this need it would also add some diversity to the project by potentially attracting families.

Council's approval of the proposed \$580,000 funding commitment to the phase two redevelopment project at 720 Princess Street would fully allocate the Year 1 SIF Rental Housing funding within the prescribed program timelines. To make up the difference between the current balance of the Year 1 SIF funds and the proponent's funding request, \$79,775 of municipal affordable housing capital funding would be required and is currently available within the Capital Investment in Affordable Housing Program budget. The proponent is targeting starting construction in January 2017.

Under the SIF guidelines, funding can be provided up to 75% of the total per unit capital cost to a maximum of \$150,000 per unit, whichever is lesser. The City's Capital Investment in Affordable Housing Program policy establishes a general limit of \$50,000 per unit and a minimum affordability period of 15 years. The policy also considers contributions greater than

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\$50,000 per unit when longer periods of affordability are provided. The requested affordable housing funding complies with the SIF guidelines and the City's capital funding program policy. The funding request includes an affordability period of 20 years at 75% of market rent, both of which are above the minimum program guidelines.

Should Council approve this project for affordable housing funding, the City will enter into a Municipal Contribution Agreement which will set out the terms of the funding and will be registered on title for the twenty year affordability period. O. Reg. 603/06 of the Municipal Act, 2001 requires that Council approve the attached by-law (Exhibit A) which allows the Corporation of the City of Kingston to enter into a Municipal Contribution Agreement with 1880551 Ontario Limited and authorizes the Mayor and City Clerk to execute the required agreements in a form satisfactory to the Director of Legal Services.

**Existing Policy/By-Law:**

Municipal Housing Facilities By-Law Number 2003 – 61

Housing Department Policy 12-003 adopted by Council in March, 2012, provides guidelines for the Capital Investment in Affordable Housing Program. The purpose is to facilitate the development of affordable housing units in the private and not for profit sectors through municipal forgivable loans and to implement the recommendations of the 10-Year Housing and Homelessness Plan.

**Notice Provisions:**

Not applicable

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

The total affordable housing funding requested for this project is \$580,000 of which \$500,225 is being allocated from provincial and federal sources. The balance of \$79,775 of funding required for this project would come from the Municipal Capital Investment in Affordable Housing Program (CIAHP) which currently has a balance of \$116,674.

**Contacts:**

Lanie Hurdle, Commissioner, Community Services 613-546-4291 extension 1231

Sheldon Laidman, Director, Housing & Social Services 613-546-4291 extension 4957

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**Other City of Kingston Staff Consulted:**

Melanie Bale, Financial Analyst, Housing Programs

Lee Campbell, Manager, Housing and Childcare Programs

John Henderson, Housing Programs Administrator

Lana Foulds, Manager, Financial Planning, Financial Services

Alan McLeod, Senior Legal Counsel, Legal Services

**Exhibits Attached:**

Exhibit A By-Law 2016-XX 'A By-Law to Enter Into a Municipal Contribution Agreement With 1880551 Ontario Limited'

**By-Law Number 2016-XX**

**A By-Law to Enter Into a Municipal Contribution Agreement  
with 1880551 Ontario Limited**

**Passed:** Meeting date, 2016

**Whereas** the Corporation of the City of Kingston has passed a Municipal Housing Facilities By-Law in accordance with subsection 7(2) of Ontario Regulation 603/06; and

**Whereas** the municipality has determined that all the housing units to be provided as part of the municipal capital facilities fall within the definition of “affordable housing” contained in the municipal housing facility by-law;

**Therefore be it resolved that** the Council of the Corporation of the City of Kingston hereby enacts as follows:

1. That Council enter into a Municipal Contribution Agreement with 1880551 Ontario Ltd. for the provision of eight (8) Affordable Housing Units at 720 Princess Street, in Kingston;
2. That Council authorizes the Mayor and City Clerk to execute the required agreements in a form satisfactory to the Director of Legal Services.
3. This By-Law shall come into force and take effect on the date of its passing.

Given First and Second Readings Month XX, 2016

Given Third Reading and Passed Month XX, 2016

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**John Bolognone**  
**City Clerk**

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**Bryan Paterson**  
**Mayor**