



**City of Kingston
Report to Council
Report Number 17-308**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Sheldon Laidman, Director, Housing & Social Services
Date of Meeting: November 21, 2017
Subject: Affordable Rental Housing Capital Funding Allocations – 28 Cliff Crescent and 35 Lyons Street

Executive Summary:

The year four (2017-2018) Investment in Affordable Housing (IAH) program funding committed to new affordable rental housing capital construction totals \$1,538,880. These funds are to be allocated to affordable housing projects which can enter into a funding agreement no later than December 31, 2017 and commence construction no later than April 30, 2018.

Council Report Number [17-180](#) outlined the results of an affordable housing capital funding Request for Information (RFI) process and included a recommendation to approve notional allocations to Home Base Housing and two Kingston and Frontenac Housing Corporation (KFHC) projects. Home Base Housing has confirmed their project will not be advancing within the required construction timeframe.

With Council's approval of Report Number [17-180](#), KFHC has been working towards the April 30, 2018 deadline to commence the construction of eight stacked one-bedroom infill townhouse units on property owned by the KFHC located at 28 Cliff Crescent. The project is advantageous as the proposed infill development is consistent with the existing zoning on the property. In exchange for \$1.2M in capital funding, KFHC will develop eight affordable housing units which will remain affordable for a minimum 30 year period.

Addictions and Mental Health Services – Kingston, Frontenac, Lennox & Addington (AMHS-KFLA) is currently constructing a 44 unit apartment building at 35 Lyons Street. By way of affordable housing capital funding commitments under previous year's IAH and Social Infrastructure Fund allocations, 20 affordable units will be accommodated within the building. AMHS-KFLA submitted an RFI proposal to expand the affordable housing opportunity within the project through an additional affordable housing capital contribution. Since the project is already

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under construction, staff is proposing the balance of the year four IAH funding, totalling \$338,880, be provided to AMHS-KFLA for an additional three affordable housing units which will remain affordable for a minimum 20 year period. The additional proposed capital contribution would provide a total of 23 affordable housing units within the 44 unit building.

The recommendations of this report will provide affordable housing capital funding to two projects that can commence construction within the prescribed IAH 2017-2018 program year timeframe and will provide affordable housing opportunity for low to moderate income households. No other project proposals submitted through the RFI process were determined able to meet the required construction commencement timeline.

Recommendation:

That Council approve the allocation of affordable housing capital funding in the amount of \$1,200,000 to the Kingston and Frontenac Housing Corporation for the creation of eight (8) affordable housing units with a minimum affordability period of thirty (30) years at 28 Cliff Crescent; and

That Council approve the by-law, attached as Exhibit A to Report Number 17-308, "A By-law to Permit Council to Enter into a Municipal Contribution Agreement with the Kingston and Frontenac Housing Corporation for the Provision of Affordable Housing Units at 28 Cliff Crescent"; and

That Council approve the allocation of affordable housing capital funding in the amount of \$338,880 to Addictions and Mental Health Services – Kingston, Frontenac, Lennox & Addington for the creation of three additional (3) affordable housing units with a minimum affordability period of twenty (20) years at 35 Lyons Street; and

That Council approve the by-law, attached as Exhibit B to Report Number 17-308, "A By-law to Permit Council to Enter into a Municipal Contribution Agreement with Addictions and Mental Health Services – Kingston, Frontenac, Lennox & Addington for the Provision of Affordable Housing Units at 35 Lyons Street"; and

That Council authorize the Commissioner of Community Services or his/her delegate to review and approve all documents and agreements related to the funding allocations outlined in Report Number 17-308 which are in a form satisfactory to the Director of Legal Services; and

That Council authorize the Mayor and Clerk to execute all documents and agreements, reviewed and approved, related to the funding allocations outlined in Report Number 17-308, as approved by the Commissioner of Community Services or his/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:

Desirée Kennedy, Chief Financial Officer & City Treasurer ✓

Denis Leger, Commissioner, Corporate & Emergency Services ✓

Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services Not required

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Options/Discussion:

The IAH program is a federally and provincially funded affordable housing initiative which will provide the Service Area \$9,118,000 in affordable housing program funding over six years (2014 to 2020). By way of Report Number [15-166](#), Council approved the six year funding allocations amongst the eligible IAH programs (i.e. Rental Housing, Homeownership, Ontario Renovates, Rent Supplement and Housing Allowance).

In the spring of 2017, Housing & Social Services staff conducted a Request for Information (RFI) process to assist in the distribution of available affordable housing funding amongst projects that demonstrate construction and operating viability and intend to house low to moderate income households at affordable rental rates. The information gathered from the RFI process is being used to assist in the allocation of available affordable housing capital funding in accordance with the applicable funding programs' stringent construction commencement timeframe requirements.

Report Number [17-180](#) outlined the results of the RFI process and included a recommendation to approve notional allocations to Home Base Housing and two KFHC projects. Since that time, Home Base Housing has notified city staff that their proposed project will not be advancing within the timeframe required to meet the April 30, 2018 construction commencement deadline.

KFHC's RFI proposal included two projects, both infill development on property owned by the organization. KFHC's proposal to construct eight one-bedroom infill stacked townhouse units on the lands located at 28 Cliff Crescent is advantageous as the proposed infill units are consistent with the existing zoning on the property. In exchange for \$1.2M in capital funding, KFHC will develop eight affordable housing units which will remain affordable for a minimum 30 year period. The addition of affordable housing units on property owned by KHFC will support the creation of mixed-income housing property (i.e. affordable housing and rent-geared-to-income housing) which is the current best practice in a non-market housing development.

AMHS-KFLA is currently constructing a 44 unit apartment building at 35 Lyons Street. By way of previous affordable housing capital funding commitments under former year's IAH and Social Infrastructure Fund allocations, 20 affordable units will be accommodated within the building. AMHS-KFLA submitted an RFI proposal to expand the affordable housing opportunity within the project through an additional affordable housing capital contribution. Since the project is already under construction with development approvals obtained, staff is proposing that the balance of the year four IAH funding totalling \$338,880 be provided to AMHS-KFLA for an additional three affordable housing units which will remain affordable for a minimum 20 year period. The additional proposed capital contribution would provide a total of 23 affordable housing units within the 44 unit building. This funding will provide additional affordable housing opportunities for AMHS-KFLA's clients for whom there is limited availability of combined affordable housing and support services within the community.

Council's approval of the affordable housing capital funding recommendations in this report will enable staff to execute the required contribution agreements to meet the IAH programs year four delivery schedule.

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Existing Policy/By-Law:

Municipal Housing Facilities By-Law Number 2003 – 61

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The \$1,538,880 in affordable housing capital funding recommended for allocation in this report is available to the Service Manager under the Investment in Affordable Housing Year 4 (2017-2018) Rental Housing Component budget.

Contacts:

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

Sheldon Laidman, Director, Housing & Social Services 613-546-2695 extension 4957

Other City of Kingston Staff Consulted:

Melanie Bale, Financial Analyst, Housing Programs, Housing & Social Services

Lee Campbell, Manager, Housing and Childcare Programs, Housing & Social Services

John Henderson, Housing Programs Administrator, Housing & Social Services

Alan McLeod, Senior Legal Counsel, Legal Services

Lana Foulds, Manager, Financial Planning, Financial Services

Marnie Venditti, Manager, Development Approvals, Planning, Building & Licensing Services

Exhibits Attached:

Exhibit A By-Law 2018-XX 'A By-law to Permit Council to Enter into a Municipal Contribution Agreement with the Kingston and Frontenac Housing Corporation for the Provision of Affordable Housing Units at 28 Cliff Crescent'

Exhibit B By-Law 2018-XX 'A By-law to Permit Council to Enter into a Municipal Contribution Agreement with the Addictions and Mental Health Services – Kingston, Frontenac, Lennox & Addington for the Provision of Affordable Housing Units at 35 Lyons Street'

By-Law Number 2018-XX

**A By-Law to Permit Council to Enter into a Municipal Contribution Agreement
with Kingston and Frontenac Housing Corporation for the Provision of Affordable
Housing Units at 28 Cliff Crescent**

Passed: Meeting date, 2018

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 the Kingston and Frontenac Housing Corporation for the provision of eight (8) Affordable Housing Units at 28 Cliff Crescent, 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, 2017

Given Third Reading and Passed Month XX, 2018

John Bolognone
City Clerk

Bryan Paterson
Mayor

By-Law Number 2018-XX

A By-Law to Permit Council to Enter into a Municipal Contribution Agreement with Addiction and Mental Health Services – Kingston, Frontenac, Lennox & Addington for the Provision of Affordable Housing Units at 35 Lyons Street

Passed: Meeting date, 2018

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 Addiction and Mental Health Services – Kingston, Frontenac, Lennox & Addington for the provision of three (3) Affordable Housing Units at 35 Lyons 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, 2017

Given Third Reading and Passed Month XX, 2018

John Bolognone
City Clerk

Bryan Paterson
Mayor