



**City of Kingston  
Report to Council  
Report Number 19-211**

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| <b>To:</b>              | <b>Mayor and Members of Council</b>                               |
| <b>From:</b>            | <b>Peter Huigenbos, Acting Commissioner, Community Services</b>   |
| <b>Resource Staff:</b>  | <b>Sheldon Laidman, Director, Housing &amp; Social Services</b>   |
| <b>Date of Meeting:</b> | <b>September 3, 2019</b>  |
| <b>Subject:</b>         | <b>Council Priority for the Development of Affordable Housing</b> |

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**Executive Summary:**

Council's Strategic Plan has identified *Increase Housing Affordability* as one of its five priorities for this term of Council. The endorsed implementation plan for Council's priorities further identifies the creation of 90 affordable housing units over four years and that up to \$18M be provided to support the development of these 90 units.

The purpose of this report is to provide Council with an update on progress towards meeting Council's housing affordability priority and to seek Council's endorsement of key principles to guide the proposed development projects.

Staff have determined that the best option to deliver on this priority is through a revised development plan on the City owned property located at 1316-1318 Princess Street as well as partnering with not for profit housing providers that own other feasible sites. The proposed development concept at 1316-1318 Princess Street will allow for the potential of 90 affordable units to be constructed within an overall 164 unit development in three buildings. City staff are recommending that the City partners with not for profit housing providers to offer a range of unit types from Rent Geared to Income (RGI) units, affordable units and market units on 1316 Princess Street. Some not for profit housing providers partners also own properties that can be considered to achieve the target of constructing 90 affordable housing units within the next three years.

City staff have been discussing with various not for profit housing providers the possibility of constructing new affordable housing units over the next three years. Multi residential construction projects can be complicated and costly. The not for profit partners must have the capacity within their organization to lead these projects as they continue to support their existing housing stock. Home Base Housing, Kingston Frontenac Housing Corporation and Kingston Co-Operative Homes have all identified an interest and demonstrate capacity to lead multi-

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residential construction projects. Both Home Base Housing and Kingston Frontenac Housing Corporation own other properties that could be considered to achieve the targeted number of new affordable housing units.

Staff are recommending that the City partners with these three not for profit organizations and report back to Council with more details on the potential development partnership and funding allocation for each. Staff will also be proceeding with a land use application for 1316-1318 Princess Street.

**Recommendation:**

**That** Council endorse the development of 1316-1318 Princess Street with the following key principles:

1. Staff develop partnerships with Kingston Frontenac Housing Corporation, Home Base Housing and Kingston Co-Operative Homes to develop the site in phases;
2. Approximately 164 housing units are to be constructed with a mix of unit types to be reviewed and approved through a separate land use application and process;
3. Affordable housing unit rents will range from Rent Geared to Income to 80% of Canada Mortgage and Housing Corporation market rent with the site also to contain a significant number of market units; and
4. Rent Geared to Income units are to be relocated from existing units in Rideau Heights in order to achieve the goals of the Rideau Heights Regeneration Strategy; and

**That** Council direct staff to submit all planning applications as necessary to facilitate the development of the 1316-1318 Princess Street site as described in this report; and

**That** Council direct staff to report back with an implementation plan with proposed partnerships with Kingston Frontenac Housing Corporation, Home Base Housing and Kingston Co-Operative Homes, including financial contribution up to \$18M, and number of affordable housing units for 1316-1318 Princess Street and other potential properties owned by not for profit housing providers.



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**Options/Discussion:**

Council, through its strategic planning sessions, identified “Increase Housing Affordability” as one of its five priorities. This priority was further defined with five sub priorities including “To build a significant number of new residential units with a range of affordability”. The implementation plan endorsed by Council included the goal of creating 90 affordable housing units over four years and that up to \$18M in funding be provided to support the creation of those 90 units. This was a result of a February 19<sup>th</sup> Council motion requesting that staff identify up to \$24.2M in deferrals of capital reserve fund expenditures from the current 2018-2022 term to future Council terms in order to create enough capital debt room to accommodate affordable housing (up to \$18M) and road and sidewalk repair (up to \$6.2M).

Staff have evaluated options to achieve this Council priority and have determined that a combined approach involving the development of the City owned property at 1316-1318 Princess Street and supporting development on other not for profit owned properties provides the best and most timely opportunity to achieve the creation of the 90 affordable housing units. 1316-1318 Princess Street was purchased by the City in 2012 and 2013 through the Affordable Housing Land Acquisition and Disposition Program. In the intervening time period, staff have worked through ground water contamination issues to ensure a clean Record of Site Condition. Staff have completed a development application, which included a zoning amendment application, and have coordinated one public open house.

In order to best achieve Council’s priority, staff have produced a redesigned development proposal which includes 164 units in multiple buildings. The project has been designed to ensure non-profit agencies have the suitable expertise and capability necessary to be able to complete the project. The development format includes a range of heights in order to best fit within the character of the surrounding land uses. Multiple buildings are currently proposed due to the shape of the property. The concept has been developed with a range of unit types from bachelors to 3 bedroom units. The site will be developed with a range of affordability to include rent geared to income units (RGI), affordable units and market units. The RGI units would be relocated from units in Rideau Heights to assist in meeting the goal of the Rideau Heights Regeneration Strategy to relocate 100 units from that neighbourhood. The exact mixture of affordable units will be determined in conjunction with the not for profit housing partners and in relation to the amount of funding received from senior level government. The site is conducive to intensive development and a high number of affordable units due to its location on the Princess Street corridor and its proximity to high frequency express transit, neighbourhood amenities including a grocery store, and employment opportunities.

Preliminary meetings have occurred between City staff and representatives from Kingston Frontenac Housing Corporation, Home Base Housing and Kingston Co-operative Homes. These not for profit housing providers have identified an interest and capacity to be involved in the development of the 1316-1318 Princess Street site. It can be expected that the distribution of affordable housing units, as well as the concept for the 1316-1318 Princess Street site, will be amended slightly as the partnerships with these three not for profit housing providers are finalized.

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In addition to the site at 1316-1318 Princess Street, staff have pursued discussions with not for profit housing providers to determine possible projects to fund on properties under their ownership or control which could form part of the 90 affordable units required to be provided. As part of the recommended implementation plan to be developed for Council, staff will provide detailed information on these potential projects, funding to be provided, number of affordable units to be included and expected timeframes for development.

**Existing Policy/By-Law:**

The Council Strategic Priorities include Increasing Housing Affordability through the building of a significant number of new residential units with a range of affordability.

The City's Housing and Homelessness Plan includes numerous recommendations to increase the supply of housing and affordable housing in particular.

The City's Official Plan recognizes the Princess Street Corridor as an area to support intensive development.

The Rideau Heights Regeneration Strategy recommends that 100 RGI units be relocated from the Rideau Heights neighbourhood to elsewhere in the City to achieve a better income mix in the neighbourhood.

**Notice Provisions:**

The 1316-1318 Princess Street development will require the submission of a Zoning By-Law Amendment where all neighbours within 120 metres of the site will be provided notice of the required public meeting. One open house has already taken place on the original, more intensive development proposal, to seek initial public input. Furthermore, a public process was undertaken in 2016 to add the road allowance from Hillendale Avenue to this property which included public notice and comments.

Development on other not for profit housing properties will require a range of different planning applications each with their respective notice requirements to be followed.

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

Staff identified funding options for the 90 affordable housing units as part of the Council Strategic Priority implementation planning; \$4M already included in the 15 year capital forecast devoted to affordable housing, up to \$3M in provincial funding, and the remainder of \$11M to be financed through the deferral of other capital projects. Since the Council Priority implementation planning occurred, staff have received further guidelines on the usage of the provincial funding which may result in less funding being available for capital projects. A report will be brought to Council at the September 3<sup>rd</sup> meeting regarding the allocation of this provincial funding.

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**Contacts:**

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**Other City of Kingston Staff Consulted:**

Lana Foulds, Director, Financial Services

John Henderson, Housing Programs Administrator

**Exhibits Attached:**

Not applicable