



**City of Kingston
Report to Council
Report Number 19-308**

To:	Mayor and Members of Council
From:	Lanie Hurdle, Interim Chief Administrative Officer
Resource Staff:	Ruth Noordegraaf, Director, Housing & Social Services
Date of Meeting:	November 19, 2019
Subject:	Ontario Priorities Housing Initiative 2019-2020 Investment

Executive Summary:

In September 2019, City Council approved allocations of provincial funding under the Ontario Priorities Housing Initiative (OPHI) amongst the available programs. The allocations included a 2019-2020 investment of \$1,306,820 in the rental housing program stream which is intended to increase the supply of affordable housing units available within the community ([Council Report 19-212](#)).

In March 2019, City Council approved capital funding in the amount of \$1.35M to the Kingston and Frontenac Housing Corporation's (KFHC) mixed-income project occurring at Wright Crescent ([Council Report 19-083](#)). The allocations included \$723,215 of municipal funding to offset the project's 10 rent-geared-to-income units which support the implementation of the Rideau Heights regeneration strategy. In addition, \$626,785 of shared provincial/federal funding available under the Investment in Affordable Housing (IAH) was committed to the project to support the inclusion of 10 affordable housing units within the 40 unit project. At the time, it was assumed additional capital grant funding would be available under the National Housing Strategy's Co-Investment Fund, however, it has since been determined that the program's primary contribution will likely consists of low interest rate loans with a smaller component of grant funding.

This report recommends the allocation of \$1,306,820 in 2019-2020 OPHI funding to bring the total funding up to \$2,656,820 to support the creation of 13 affordable units and 10 rent-geared-to-income replacement units. KFHC has committed to providing the affordable units indefinitely.

If KFHC is successful in obtaining additional funding for the project through the Co-Investment Fund the 2019-2020 OPHI funding may be recommended for reallocation to support a townhouse infill project on existing social housing lands.

November 19, 2020

Page 2 of 5

This report is time sensitive to meet the provincial time frame for the allocation and ensure that this very important provincial funding for affordable housing is not lost.

Recommendation:

That Council approve the allocation of affordable housing capital funding available under the Ontario Priorities Housing Initiative as described in Council Report 19-308 to the Kingston and Frontenac Housing Corporation in the amount of \$1,306,820 to support the development of a total of thirteen (13) affordable housing units at 27 Wright Crescent. ; and

That Council repeal By-Law Number 2019-43 “A By-law to enter into a Municipal Contribution Agreement with Kingston & Frontenac Housing Corporation for the Provision of Affordable Housing Units at 7 Wright Crescent”; and

That Council approve the by-law, attached as Exhibit A to Report Number 19-308, “A By-law to Enter into a Municipal Contribution Agreement with the Kingston & Frontenac Housing Corporation for the Provision of Affordable Housing Units at 27 Wright Crescent”; 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 allocation outlined in this report; and

That Council authorize the Mayor and Clerk to execute all documents and agreements related to the funding allocation outlined in this report, in a form satisfactory to the Director of Legal Services.

November 19, 2020

Page 3 of 5

Authorizing Signatures:

**Lanie Hurdle, Interim Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Peter Huigenbos, Acting Commissioner, Community Services	Not required
Brad Joyce, Acting Commissioner, Corporate Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	
Sheila Kidd, Commissioner, Transportation & Public Works	Not required

November 19, 2020

Page 4 of 5

Options/Discussion:

In September 2019, City Council approved allocations of provincial funding under the Ontario Priorities Housing Initiative (OPHI) amongst the available programs. The allocations included a \$1,306,820 investment in the rental housing program stream which is intended to increase the supply of affordable housing units available within the community ([Council Report 19-212](#)).

In March 2019, City Council approved capital funding in the amount of \$1.35M to the Kingston and Frontenac Housing Corporation's (KFHC) mixed-income project occurring at Wright Crescent ([Council Report 19-083](#)). The allocations included \$723,215 of municipal funding to offset the project's 10 rent-geared-to-income units which make up the balance of the replacement units resulting from the decommissioning of 30 rent-geared-to-income units at 80 Daly Street as part of the Rideau Heights regeneration strategy.

In addition to the municipal contribution, \$626,785 in provincial Investment in Affordable Housing (IAH) funding was allocated to the project to support the creation of ten affordable housing units (i.e. rents at 80% of the CMHC average market rent). In the report it was noted the affordable units in the project were to be further supported with grant funding available through the Canada Mortgage and Housing Corporation's National Housing Strategy Co-Investment Fund. It was estimated up to \$2M might be available through the Co-Investment Fund, however since then, it has been determined that the program's support will likely be primarily in the form of low-interest rate loans with a smaller component of grant funding. In order to support the development of the project additional capital funding is required.

Housing and KFHC staff have considered the capital and operating budget requirements and the allocation of the 2019-2020 OPHI funding to the project would provide for a total of 13 affordable housing units in addition to the 10 rent-geared-to-income housing units. The total funding to be provided to the project would be \$2,656,820 which is consistent with funding levels provided to KFHC's recent mixed-income project (i.e. 40 Cliff Crescent and 645 Brock Street). The affordable housing units will be provided within the project indefinitely which is a substantial commitment as the majority of affordable housing projects have an affordability term of between 15 and 25 years.

Should the Co-Investment Fund application result in offsetting the requirement for the OPHI funding KFHC has outlined the funding could be reallocated to a townhouse infill project on lands owned by KFHC (i.e. social housing infill). Recently KFHC has completed multiple social housing property infill projects with mixed affordable and market housing stacked townhouses. Intensification of existing social housing lands continues to be an opportunity for additional affordable housing development.

Existing Policy/By-Law:

The 10-Year Municipal Housing and Homelessness Plan for the City of Kingston and County of Frontenac establishes direction to support the development of new affordable housing units throughout the service area.

November 19, 2020

Page 5 of 5

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The recommendations of this report will allocate the expenditure of provincial funding available through the Ontario Priorities Housing Initiative in the amount of \$1,306,820.

Contacts:

Ruth Noordegraaf, Director, Housing & Social Services 613-546-2695 extension 4916

Other City of Kingston Staff Consulted:

Lana Foulds, Director, Financial Services

Melanie Bale, Financial Analyst, Housing & Social Services

John Henderson, Housing Programs Administrator, Housing & Social Services

Exhibits Attached:

Exhibit A - Municipal Affordable Housing Capital Facilities By-Law

By-Law Number 2019-XX

**A By-Law to Enter into a Municipal Contribution Agreement
with Kingston & Frontenac Housing Corporation for the Provision of Affordable
Housing Units at 27 Wright Crescent**

Passed: Meeting date, 2019

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 & Frontenac Housing Corporation for the provision of twenty-three (23) Affordable Housing Units at 27 Wright 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, 2019

Given Third Reading and Passed Month XX, 2019

John Bolognone
City Clerk

Bryan Paterson
Mayor