



**City of Kingston  
Report to Council  
Report Number 21-212**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Chief Administrative Officer  
**Resource Staff:** Ruth Noordegraaf, Director Housing and Social Services  
**Date of Meeting:** August 10, 2021  
**Subject:** Rapid Housing Initiative – Program Allocation

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**Council Strategic Plan Alignment:**

Theme: 2. Increase housing affordability

Goal: 2.2 Build a significant number of new residential units with a range of affordability.

**Executive Summary:**

In 2020, the federal government released the Rapid Housing Initiative (RHI) which is an affordable housing program administered by the Canada Mortgage and Housing Corporation (CMHC). The RHI is a capital funding program intended to create new, long-term affordable housing supply for vulnerably housed or homeless community members.

The initial round of the RHI program closed in December 2021; no Kingston projects were successful. Due to the level of interest in the RHI program, the 2021 federal budget includes funding for a second round of the program.

In July, the City received notification from CMHC of a local, pre-determined round two program allocation in the amount of \$7,418,328. This funding will only be allocated if the City can submit projects that meet all of the CMHC criteria. City staff must respond quickly to submit these project applications by August 31, 2021 and eligible projects must reach occupancy within 12 months of signing an agreement. The RHI program has specific criteria related to target tenant population, affordable rent level, and project type. City staff have identified concerns with criteria and the unlikelihood that any new construction, especially multi-residential, could meet the required timeframe.

August 10, 2021

Page 2 of 6

This report recommends Council to authorize the City to enter into an agreement with CMHC to have access to the funding allocation in addition to other administrative authorizations to meet the criteria of the program. Given the tight timelines associated with the RHI program, staff will report back to Council in the Fall advising which projects have been submitted to CMHC for review and approval. Staff will make every effort to submit projects that will maximize access to the committed RHI funding.

**Recommendation:**

**That** Council authorize the Mayor and City Clerk to enter into an agreement with the Canada Mortgage and Housing Corporation to receive Kingston's allocation under the Rapid Housing Initiative's Cities Stream for the creation of new affordable housing units; and

**That** Council provide direction to City staff to report back to Council in the Fall of 2021 confirming the projects that have been submitted for review and approval by the Canada Mortgage and Housing Corporation for funding available under the Rapid Housing Initiative Cities Stream allocation; and

**That** Council authorize the Chief Administrative Officer or his/her delegate to review and approve all documents and agreements related to Rapid Housing Initiative outlined in Report Number 21-212; and

**That** Council authorize the Mayor and Clerk to execute all documents and agreements related to the Rapid Housing Initiative outlined in Report Number 21-212, in a form satisfactory to the Director of Legal Services.

August 10, 2021

Page 3 of 6

**Authorizing Signatures:**

ORIGINAL SIGNED BY CHIEF  
ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

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

Paige Agnew, Commissioner, Community Services

Peter Huigenbos, Commissioner, Business, Environment & Projects

Brad Joyce, 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

August 10, 2021

Page 4 of 6

**Options/Discussion:**

The Rapid Housing Initiative (RHI) was released by the Canada Mortgage and Housing Corporation (CMHC) in the Fall of 2020. The initial phase of the RHI provided \$1 billion in grant funding to create new affordable housing opportunities for vulnerable Canadians. The \$1 billion capital funding program was delivered under two program streams: 1) Cities Stream which provided \$500 million to pre-determined municipalities and 2) Project Stream which provided \$500 million for individual projects to be assessed through a competitive application review process.

The RHI was part of the federal government's plan to support economic recovery and create new affordable housing. The City of Kingston did not receive a funding allocation under the Cities Stream. A Project Stream application submitted by City staff to support renovation work at 113 Lower Union Street was unsuccessful. It is understood the total request for funding under the Project Stream was significantly more than the program budget.

Based on the level of interest in the first round of the RHI, the 2021 federal budget provides an additional investment of \$1.5 billion in new funding to be delivered under the RHI program. The second round of RHI includes a pre-determined funding commitment for the City of Kingston in the amount of \$7,418,328.

The City's allocation is required to create a minimum of 28 new affordable units and funded units must be affordable for a minimum 20-year period. The City may appoint intermediary organizations to operate the housing units, however, the City is responsible for the project meeting the program requirements for the 20-year term, including financial viability.

The following includes an overview of the key criteria for projects to be assisted through the local RHI funding allocation:

- Funded projects must support the creation of new permanent affordable housing units including standard rental housing, transitional, permanent supportive housing, single room occupancies, and seniors housing.
- Eligible projects include the construction of new rental housing, the conversion/rehabilitation of a non-residential building to affordable housing, and the acquisition of an existing residential building in a state of disrepair or abandoned for the purpose of rehabilitation to a habitable condition.
- Projects must intend to serve households and/or individuals who would otherwise be in severe housing need (i.e. paying more than 50 per cent of their gross income on housing costs) or people experiencing or at imminent risk of homelessness.
- Tenants of funded units/beds must pay rent of no more than 30 per cent of gross income or the shelter subsidy component for social assistance recipients.

August 10, 2021

Page 5 of 6

- New construction projects must provide for accessible units 5 per cent beyond the building code's minimum requirement.
- New construction projects must be 5 per cent above energy efficiency standards.
- Property acquisitions that require the evictions of tenants are not eligible for funding.
- Projects must have a minimum of five units (or beds in congregate living settings).
- Projects must provide permanent housing (i.e. tenancies longer than three months).
- Funded projects must be able to advance quickly and be available for occupancy within 12 months of agreement signing.
- The minimum affordability period for a project is 20 years.

There is no ongoing annualized operating funding associated with the RHI program. Therefore, projects must be financially viable either through the revenue generated from rents or other operating subsidy provision.

The City must respond quickly to submit project applications by August 31, 2021. As a result of the tight timelines staff would report back to Council in the Fall of 2021 outlining the project application submissions. To expedite the project identification and development review process City staff have formed an interdepartmental team to facilitate project management, procurement, development approvals, real estate, and construction and design if required.

Potential projects being considered at this time are outlined in Exhibit A. This is a preliminary list and City staff are continuing to meet with non-profit housing providers to explore additional projects that meet CMHC criteria. Staff are also exploring opportunities to acquire potential real estate , which would be the subject of a further report to Council.

The development of affordable housing supply is consistent with the objectives outlined in the 10-Year Housing and Homelessness Plan and the Mayor's Task Force on Housing's final report. The RHI program provides for a deep level of affordability with rents established at 30% of the gross household income or maximum shelter allowance for social assistance recipients. This level of affordability is generally consistent with rent-geared-to-income housing. Accordingly, eligible projects must be financially viable based on the collection of rents otherwise annualized operating subsidy would be required to ensure financial viability.

**Existing Policy/By-Law:**

10-Year Municipal Housing and Homelessness Plan

August 10, 2021

Page 6 of 6

**Notice Provisions:**

None

**Accessibility Considerations:**

None

**Financial Considerations:**

The Canada Mortgage and Housing Corporation's Rapid Housing Initiative includes a round two component which is providing a pre-determined contribution to the City of Kingston in the amount of \$7,418,328. Funding is available for capital costs including construction and acquisition costs.

During the 20-year affordability period the City is responsible for ensuring financial viability.

**Contacts:**

Ruth Noordegraaf, Director, Housing and Social Services 613-546-4291 extension 4916

**Other City of Kingston Staff Consulted:**

Bruce Davis, Project Manager, Housing and Homelessness

Brandon Forrest, Director, Business, Real Estate & Environment

Mitchell Grange, Manager, Housing and Homelessness

John Henderson, Housing Programs Administrator

Speros Kanellos, Director, Facilities Management & Construction

Tim Park, Director, Planning Services

**Exhibits Attached:**

Exhibit A – Rapid Housing Initiative Potential Projects

## Exhibit A to Report Number 21-212

Potential projects being considered at this time are outlined in the following table:

<b>Project Location</b>	<b>Description</b>	<b>Affordable Housing</b>
113 Lower Union Street	Renovation costs associated with 19-bedroom congregate living facility providing affordable, supportive housing to Indigenous community members.	Rents to be set a social assistance shelter allowance.
805 Ridley Drive	Potential renovation costs associated with up to 18-units in the East Wing facility; units to be converted to self-contained suites.	Rents to be established at social assistance shelter allowance or 30% of tenant's gross income.
1 Curtis Crescent	Construction of 9-unit infill project on existing social housing lands.	Rents to be established at social assistance shelter allowance or 30% of tenant's gross income.
Note: City staff continue to meet with non-profit housing providers to explore additional projects that meet CMHC criteria and are exploring opportunities for the acquisition of properties.		