



**City of Kingston
Report to Council
Report Number 24-074**

To: Mayor and Members of Council
From: Lanie Hurdle, Chief Administrative Officer
Resource Staff: None
Date of Meeting: February 6, 2024
Subject: Limestone City Co-operative Housing Ltd. - City Owned
Property Commitment

Council Strategic Plan Alignment:

Theme: 1. Support Housing Affordability

Goal: 1.3 Increase supply of new-build not-for-profit and co-op housing and ensure sustainability and quality of existing stock.

Executive Summary:

This report provides Council with an update on the work done by the Limestone City Co-operative Housing Ltd. (LCCH) since the City approved a contribution of \$50,000, in June 2023, to advance its housing project development work.

This report recommends that Council commit the City-owned property located at 900 Division Street to the LCCH for a one-year period to allow it to develop architectural designs as well as a business and financing plan that could support a future residential development. Staff recognize that some City properties within the urban boundary are in high demand for much needed housing and therefore, want to ensure that vacant City-owned properties are not encumbered on an ongoing basis.

Furthermore, this report recommends that Council direct City staff to work with Brauer Homes to develop a partnership to implement a modular home pilot project, including affordable ownership at the City-owned property located at 367 Gore Road. This is the other property that was initially contemplated by the LCCH through [Report Number 23-174](#). Staff are also recommending a maximum period of 6 months to develop a plan and partnership for the 367 Gore Road property.

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Recommendation:

That Council commit the City-owned property located at 900 Division Street for a one-year period to allow the Limestone City Co-operative Housing Ltd. to develop architectural designs as well as a financing plan for a residential development; and

That Council direct staff to work with Brauer Homes to develop a modular home partnership over the next 6 months, that will include affordable ownership, to be built on the City-owned property located at 367 Gore Road; and

That Council direct staff to report back with an update on both the 900 Division Street and 367 Gore Road projects within the prescribed timeframes.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate Services Not required

David Fell, President & CEO, Utilities Kingston Not required

Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives Not required

Brad Joyce, Commissioner, Infrastructure, Transportation
& Emergency Services Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer Not required

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Options/Discussion:**Background**

On June 20, 2023, through [Report Number 23-174](#), City Council endorsed a contribution of up to \$50,000 to support the Limestone City Co-operative Housing Ltd. (LCCH) with the retention of consulting expertise to develop a concept and budget for a future residential development.

The report also identified two City-owned properties that could be considered for the future development: 900 Division Street and 367 Gore Road. Both properties were identified as surplus and available for the purpose of residential development.

Analysis**Limestone City Co-operative Housing Ltd.**

LCCH has recently retained a consultant/architect to support the development of its future project. It is important for the LCCH to have a dedicated property to start the planning work.

LCCH intends to develop a building with close to 300 residential units which would include 5-6 rent-geared-to-income (RGI) housing units. The number of RGI units could vary depending on final architectural plans and grant opportunities. Other units will be set at cost which the LCCH hopes will be at or below market rent. As an incorporated not-for-profit housing co-operative, LCCH cannot charge more in housing costs than what is reasonably necessary to maintain the building and pay off debts and obligations. Furthermore, residents are co-operative members, not tenants, and are expected to contribute to the maintenance and upkeep of the LCCH through mandatory volunteer hours. This approach often means that it is cheaper to occupy a unit in a not-for-profit housing co-operative than a traditional apartment building.

The project that is contemplated by the LCCH would incorporate various green spaces including community gardens and vertical farming which would enable members to grow and consume their own food. Based on preliminary concepts created by the consultant/architect, the property located at 900 Division Street would provide a better footprint and higher density potential. Very preliminary information indicates that the overall project cost could range between \$170M - \$180M. There is still significant work to be done on the concept and business/financing plans.

City staff recognize that there is a growing need for properties that can accommodate residential growth within the urban boundary. Staff understand there is an urgent need for more housing and therefore are recommending that City-owned properties not be encumbered on a long-term basis until there are feasible development plans. Therefore, staff are recommending that 900 Division Street be committed to LCCH for a period of one year in order to provide LCCH with appropriate time to develop a detailed concept and financing plan. The LCCH Board has indicated that they intend to finance the project through grants and mortgage. At this point, LCCH does not intend to request funding from the City in addition to the property contribution, but this could change once LCCH has a more detailed concept and financing plan.

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367 Gore Road & Brauer Homes

[Report Number 23-174](#) also identified the City-owned property located at 367 Gore Road as a property available for future housing development. Although it was not the preferred site identified by LCCH, this property can accommodate lower density developments.

Recently, City staff were approached by Brauer Homes, which is a residential developer operating in the Belleville area for over 30 years, who is interested in building modular homes in partnership with the City. This modular home project is an innovative housing product development that would support the City's strategic priority of promoting the increased supply of housing through underutilized public properties and innovative partnerships.

The modular homes contemplated for 367 Gore Road would be primarily studios and one-bedroom homes. It is anticipated that some homes would be available for affordable ownership while even market units would be highly attainable and in the range of \$150,000 to \$200,000. This range would make ownership of these modular homes affordable for many residents that may not be able to attain home ownership at market rates for traditional single, semi-detached, row housing or condos. The median list price of condos/apartments at the end of 2023 was \$430,200 in Kingston.

Staff are recommending that a partnership for the development of affordable and market modular homes at 367 Gore Road be explored in partnership with Brauer Homes and that City staff report back with details over the next 6 months.

Public Engagement

Public engagement for both projects will be required through the relevant and appropriate land use processes.

Climate Risk Considerations

Both projects propose residential developments on underutilized properties located within the existing urban boundaries, hence maximizing existing resources. Furthermore, the LCCH project proposes significant green spaces as well as community gardens and vertical farming.

Indigenization, Inclusion, Diversity, Equity & Accessibility (IIDEA) Considerations

It is anticipated that both projects will provide affordable rental and ownership options for Kingston residents.

Financial Considerations

There are no financial contributions proposed within this report. Land values will be identified when the final disposal recommendation is brought to city council.

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Contacts:

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Other City of Kingston Staff Consulted:

Lisa Capener-Hunt, Director, Building Services & Chief Building Official

Exhibits Attached:

None