



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 10-258

TO: Mayor and Members of Council

FROM: Terry Willing, Acting Commissioner, Community Services

RESOURCE STAFF: Jim de Hoop, Director, Community & Family Services
Mary McIntyre, Housing Programs Administrator

DATE OF MEETING: August 24, 2010

SUBJECT: John Howard Society of Kingston and District - Approval of Grant from the Affordable Housing Construction Reserve for Affordable Housing Development

EXECUTIVE SUMMARY:

On May 19, 2009, Council passed a resolution (Clause (5), Report No. 34) approving funding under the DOOR component of the Canada-Ontario Affordable Housing Program for John Howard Society of Kingston and District (JHSK) for a total of 9 units and total funding of \$859,914.00.

On May 26, 2005, Council approved the creation of the Affordable Housing Construction Reserve to provide grants to offset development charges, building permits, and impost fees related to affordable housing development. Currently, the maximum amount of grant allowed is \$10,000 per affordable housing unit. JHSK has been advised that the estimated cost of the three development fees is \$64,608 but may vary slightly. JHSK has requested a grant for its actual costs with the understanding that the grant cannot exceed the maximum of \$90,000 for the nine (9) affordable units.

On May 18, 2010, Council approved the By-Law which permits Council to enter into a Municipal Contribution Agreement with JHSK for the provision of affordable housing and authorizes the Mayor and City Clerk to execute the required agreements in a form satisfactory to the Director of Legal Services. This grant will be included in that Municipal Contribution Agreement.

RECOMMENDATION:

THAT Council approve a grant to John Howard Society of Kingston and District in an amount equal to the actual costs, currently estimated at \$64,608, for the development charges, impost fees and building permit fees related to the nine (9) affordable housing units being developed at 771 Montreal Street. The grant, to be provided from the Affordable Housing Construction Reserve, cannot exceed the maximum of \$90,000.

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY COMMISSIONER Terry Willing, Acting Commissioner, Community Services
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/R
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	N/R
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

OPTIONS/DISCUSSION:

On December 16, 2008, Council approved a resolution (Clause (d), Report No. 9) to issue an RFP for the creation and construction of new low- and moderate-income housing using the capital funding received under the DOOR (Delivering Opportunities for Ontario Renters) component of the Canada-Ontario Affordable Housing Program. Eight proposals were received, including a proposal from John Howard Society of Kingston and District (JHSK) for 9 units totalling \$859,914.00.

On May 19, 2009, Council passed a resolution (Clause (5), Report No. 34) to allocate the DOOR funding to JHSK conditional on the approval of any required planning applications, a comprehensive financial review to confirm the financial viability of its proposal, and completion of a building condition assessment to confirm structural stability for the duration of the 35 year term of the agreement. The proponent has provided a comprehensive financial report, which has been reviewed and approved by the Financial Analyst. As well, JHSK provided a report from a structural engineer which confirmed the building's structural stability for the duration of the 35 year term. At the time of writing this report, JHSK is in the final stages of obtaining the necessary planning approvals.

Council approved the creation of the Affordable Housing Construction Reserve on May 26, 2005 in conjunction with The Kingston Model for Affordable Housing Development. The reserve is to be used to offset development charges, building permit fees, and impost fees on new affordable housing units. The maximum grant is \$10,000 per affordable housing unit. The balance in the reserve on April 30, 2010 was \$382,108 and there have not been any disbursements from this account since that date. Building and Licensing staff have advised that the estimated cost of the three development fees is \$64,608 but may vary slightly. JHSK is requesting approval of a grant from this reserve for its actual costs up to the maximum of \$90,000 for development charges, impost fees and building permit fees related to the construction of the nine (9) affordable housing units at 771 Montreal Street.

O. Reg. 603.06 of the Municipal Act, 2001 requires that Council approve a by-law which allows the Corporation of the City of Kingston to enter into a Municipal Contribution Agreement with an affordable housing proponent and authorizes the Mayor and City Clerk to execute the required agreements in a form satisfactory to the Director of Legal Services. On May 18, 2010, Council approved "A By-Law To Permit Council To Enter Into A Municipal Contribution Agreement with John Howard Society of Kingston and District For The Provision Of Affordable Housing at 771 Montreal Street". The above requested grant will be included in the Municipal Contribution Agreement.

EXISTING POLICY/BY LAW:

The Kingston Model for Action May 2005 – Affordable Housing Supply
Municipal Housing Facilities By-Law No. 2003 – 6 1

NOTICE PROVISIONS:

There are no existing notice requirements under the Municipal Act concerning this subject.

ACCESSIBILITY CONSIDERATIONS:

This report may be available in alternative formats upon request.

FINANCIAL CONSIDERATIONS:

Funds for the grant to offset development charges and impost fees are available from the Affordable Housing Construction Reserve. There is no impact on the capital or operating budget of the City for housing capital project costs.

CONTACTS:

Jim de Hoop, Director, Community and Family Services	x4957
Mary McIntyre, Housing Programs Administrator	x4948

OTHER CITY OF KINGSTON STAFF CONSULTED:

N/A

EXHIBITS ATTACHED:

N/A