To: Mayor and Members of Council
From: John Bolognone, City Clerk
Resource Staff: Same as above
Date of Meeting: March 3, 2020
Subject: Transmittal of Mayor’s Task Force on Housing Final Report

Council Strategic Plan Alignment:

Theme: 2. Increase housing affordability

Goal: See above

Executive Summary:

On February 19, 2019, Council approved the following recommendation, in part, which reads as follows:

“\textbf{That} Council support the creation of the Mayor's Task Force on Housing and that funding not to exceed Ninety Thousand Dollars ($90,000) be approved for use by the Task Force in meeting its Mandate and that this amount be funded from the Working Fund Reserve; and”

The purpose of this report is to transmit the Mayor’s Task Force on Housing Final Report, entitled “A Foundation for the Public Good: Recommendations to Increase Kingston’s Housing Supply for All” and its findings to Council.

Recommendation:

\textbf{That} Council receive the Mayor’s Task Force on Housing Final Report, entitled “A Foundation for the Public Good: Recommendations to Increase Kingston’s Housing Supply for All”, attached as Exhibit “A” to Report Number 20-082 and give consideration to the recommendations contained therein; and

\textbf{That} the Mayor’s Task Force on Housing members be thanked for their time and efforts in serving on the Task Force; and
That the Mayor’s Task Force on Housing, having fulfilled its mandate, be and is hereby disbanded.
Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Community Services  
Peter Huigenbos, Commissioner, Business, Environment & Projects  
Lanie Hurdle, Chief Administrative Officer  
Brad Joyce, Acting Commissioner, Corporate Services  
Jim Keech, President & CEO, Utilities Kingston  
Desirée Kennedy, Chief Financial Officer & City Treasurer  
Sheila Kidd, Commissioner, Transportation & Public Works

Not required
Options/Discussion:

Background

On February 19, 2019, Council approved the creation of the Mayor’s Task Force on Housing via the following motion, as amended:

“Whereas the need for more housing in Kingston has been clearly identified as a priority in our community; and

Whereas a Mayor’s Task Force on Housing will provide a forum for community stakeholders to work towards a common goal of increasing and ensuring sustainability of the supply of a diverse range of housing options in Kingston; and

Whereas this Task Force will bring key stakeholders together to examine best practices and to explore all possible tools and incentives the City can offer, to enable developers, non-profits and community agencies to build more housing in general and more affordable housing in particular; and

Whereas the Task Force will have a mandate to report back to Council no later than the end of Q4 2019 with their ideas and solutions;

Therefore Be It Resolved That Council support the creation of the Mayor’s Task Force on Housing and that funding not to exceed Ninety Thousand Dollars ($90,000) be approved for use by the Task Force in meeting its Mandate and that this amount be funded from the Working Fund Reserve; and

That Council approve the membership of the Mayor’s Task Force on Housing as follows:

- Ted Hsu – Co-Chair;
- Councillor Mary Rita Holland – Co-Chair;
- Gennaro DiSanto;
- Councillor Bridget Doherty;
- Donna Janiec;
- Kieran Moore;
- Francine Moore;
- Beth Pater;
- Robert Rittwage;
- Martin Skolnick;
- One tenant member from a tenant’s advocacy group or a poverty advocacy group; and
- One tenant member from the general public; and

That in order to achieve the greatest cross-section of tenant experience the Mayor in consultation with the Task Force Co-Chairs be authorized to appoint the aforementioned tenant representatives to the Task Force; and

That Council approve the Mandate for the Mayor’s Task Force on Housing attached to the agenda as Appendix 1, as amended with respect to the revised membership.”
Through the motion, the mandate of the Task Force was established as follows:

The Mayor’s Task Force on Housing will provide evidence-informed and action-oriented observations and recommendations to Kingston City Council in order to increase and ensure the sustainability of the supply of a diverse range of housing for all residents in the City of Kingston.

It will present a coordinated and practical set of recommendations designed to guide Council as it makes decisions to address Kingston’s housing supply. It will rely on:

a) Local experience and knowledge obtained through a community-wide collaborative process with key partners,

b) Relevant policies and studies such as the Population, Housing & Employment Projections Study and the Official Plan,

c) An analysis of the economics of building both market rate and affordable housing in Kingston, commissioned by the Task Force and conducted by a third party expert.

d) The application of best practices and principles from other cities.

This report provides for the transmittal of the Mayor’s Task Force on Housing Final Report, entitled “A Foundation for the Public Good: Recommendations to Increase Kingston’s Housing Supply for All”, attached as Exhibit A to Report Number 29-082.

Existing Policy/By-Law:

None

Notice Provisions:

None

Accessibility Considerations:

None

Financial Considerations:

As of February 2020, $ 43,523.02 of the budget allotment for the Mayor’s Task Force on Housing has been spent. It is anticipated that upon payment of outstanding invoices the Task Force will be under $ 90,000 budget allotment.

Contacts:

John Bolognone, City Clerk, 613-546-4291 extension 1247

Other City of Kingston Staff Consulted:

None
Exhibits Attached:

Exhibit A – Mayor’s Task Force on Housing Final Report, “A Foundation for the Public Good: Recommendations to Increase Kingston’s Housing Supply for All”
A Foundation for the Public Good
Kina-maamweh we niimadziwiin

Recommendations to Increase Kingston’s Housing Supply for All
Housing availability and affordability continue to be top of mind in our community. In 2018 Kingston recorded the lowest rental vacancy rate in the province at just 0.6%. That’s why, following my re-election as Mayor in 2018, I pledged to assemble a housing task force. The Mayor’s Taskforce on Housing brought together a diverse group of key stakeholders to examine best practices and to explore all possible tools and incentives to enable developers, non-profits and community agencies to build more housing and more affordable housing in particular.

After countless hours of work over the last year, the task force has come forward with its report, detailing a number of recommendations for City Council’s consideration. I want to thank each of the taskforce members, the taskforce Co-Chairs Ted Hsu and Councillor Mary Rita Holland, and City support staff for the energy they have all put into preparing this report. This is a comprehensive document, reflecting incredible dedication and time to develop practical solutions to address housing supply in our community. I’d also like to thank all of the Kingston residents, community partners and stakeholder groups who were very engaged on this matter and provided their ideas and input to the group.

In 2019 Kingston’s vacancy rate rose to 1.9%. This is good news, but there is still a lot of work to do, not only to push the vacancy rate closer to a healthy 3%, but also to ensure we have policies and practices in place that will maintain a healthy housing supply long-term. These recommendations come at an important juncture. The housing landscape is rapidly evolving and we have an opportunity to implement strategies that are innovative, practical, and will ensure we maintain healthy housing levels into the future. I look forward to carefully examining these recommendations and incorporating them into our city-wide practices. Thank you again to everyone who made this report possible.

Mayor Bryan Paterson
Executive Summary

AND SELECTED RECOMMENDATIONS

The executive summary highlights certain recommendations, but is not exhaustive. Please go to the individual sections to see all the recommendations in full.

The Task Force’s scope of work, outlined by the Terms of Reference of the Mayor’s Task Force on Housing, was approved by Council in early 2019. We would, “provide evidence-informed and action-oriented observations and recommendations to Kingston City Council in order to increase the supply of a diverse range of housing for all residents in the City of Kingston.” Not wanting to lose sight of important points brought up by the public, our report discusses areas beyond the scope such as the importance of housing quality and how to make the most of Portable Housing Benefit Programs. We hope all ideas directly and indirectly related to housing supply could inform the future work of Council, the Housing and Homelessness Committee, Housing and Social Services and the wider community.

The report addresses specific elements in our mandate’s scope as follows:

**Understanding:** Establish a good understanding of the current state of housing in the city of Kingston (housing needs assessment and environmental scan, current and projected housing development, roles and responsibilities of the municipality, developers, not for profits, community agencies and residents).

We reviewed the housing literature in order to obtain a broader picture of housing. Tightness of supply and increased costs are experienced in many other jurisdictions in Canada and around the world. For knowledge about the distinctive nature of Kingston housing, we relied on stakeholder input and reviewed many past City reports. These have been archived online. We commissioned two reports to assist with our understanding: a rental market demand analysis and a rental housing development viability analysis.

Kingston has a housing affordability crisis.

Kingston’s housing market has high and rising demand, especially for rental housing. It is susceptible to low vacancy rates and price rises significantly exceeding inflation. But deeper than that is an affordable housing crisis – an affordability mismatch – wherein households in the lowest income quintile are suffering a chronic shortage of supply, and end up paying too much of their income for shelter, settling for inadequate shelter, and/or compromising on the quality of the community they live in. This has important implications because disposable income, adequate housing and social environment are determinants of health. We are short thousands of adequate, affordable homes, and that limits Kingston’s social and economic vitality.

According to the consultant’s report we commissioned on meeting future increases in housing demand, the number of affordable units which need to be added annually, about 100, is equivalent to building one 1316 Princess St. project every year. Demand will come from three sectors: in-migration from younger seniors (age 55-74), young families (age 25-44), and post-secondary students. Increased supply in the primary rental market is needed in Kingston East, and around Queen’s and St. Lawrence College.

According to the consultant’s report we commissioned on the current economics of building in Kingston, without taking into account project-specific circumstances, and under current economic conditions, the building of new market rental housing, starting from the purchase of land, “produces a moderate investment return that is generally attractive to a limited number of market participants”. Affordable housing requires public funding or philanthropy to be economically viable.

We lack housing. An increased supply of housing will, (i) reduce inflationary pressures on rents and house prices, (ii) improve the efficacy of portable rent subsidies, (iii) reduce the incentive to turnover tenants, (iv) help employers and businesses with hiring and retention, (v) improve the availability of supportive and accessible housing, (vi) ease pressures from in-migration of students and seniors, (vii) make housing available to different income households through “filtering”, and (viii) reduce an incentive to live outside of and commute into Kingston.

The Task Force benefited greatly from compiling and synthesizing housing market information, and believes that continually updated information about the state of housing should inform ongoing collaborations between key stakeholders. We recommend that two working groups be established.

• One is to share expertise and create opportunities for partnering between developers and not-for-profits interested in creating affordable housing.

• Secondly a Housing Working Group should host an ongoing dialogue between the City, residents, post-secondary and other institutions, developers, and community organizations. It should meet regularly to review up-to-date data on the housing market and building economics, and be willing to react by making policy adjustments in order to reach and maintain the goal of a 3-4% vacancy rate over the long term and over all housing sectors.

**Barriers:** Examine and determine the barriers to the development of housing in Kingston. This analysis should identify hindrances leading up to approval from City Council, as well as hindrances to construction following City Council approval.

The potential for delays and accumulation of unexpected costs during the approvals process for building housing in Kingston present a large opportunity for improvement.

The Task Force heard from the for-profit and not-for-profit development community which highlighted a number of obstacles in the development process. Delays created by numerous requests for technical studies and by staff resource limitations in the planning and permitting/licensing areas were highlighted. Sometimes there may be too much risk aversion. We recommend a re-instatement of the client relations function in the planning department, and an earlier, more open, collaborative process to help reduce unexpected costs and delays. We also recommend incentives for projects to begin construction including fast-tracking for affordable housing.

The unavoidable costs of building—labour, materials and land—have risen faster than inflation. We present ways that government
could respond, including reducing development risks and providing relief from certain soft costs.

In 2018-2019 there was significant turnover in the planning department. We recommend ways to address staffing risks going forward. In this regard, the most important and highest priority task is to update and harmonize the City’s zoning bylaws. In their present form, a legacy of the 1998 amalgamation, the outdated bylaws waste valuable staff time. Council should make every effort to ensure that this task is completed as soon as possible. Ultimately, the old zoning bylaws are retarding the building of housing and increasing costs.

Our consultant’s report on rental housing development viability states that viability is “…very sensitive to minor changes in revenue and costs inputs…” We therefore conclude that good policy can make a difference. Issues which could be targeted are: the option for less parking, the option to reduce the size of apartment units, higher density, incentives to reduce soft costs especially for affordable housing, securing funding from federal and provincial programs, cost of land, and any other project-specific factors which affect cost or risk.

Public funds are required to build affordable housing immediately. The federal government’s National Housing Strategy, with provincial matching, has substantial new funds available, but it is first-come, first-served. Our community should be as proactive and collaborative as possible to put together solid proposals and secure funding. This is an opportunity, which may or may not be there in the future, to leverage Kingston resources.

We recommend that the City further assist community organizations in accessing the funds, land, and development expertise necessary to realize not-for-profit housing projects. Tools and incentives for both the not-for-profit and for-profit sectors include reduced development charges, particularly for affordable housing projects, early planning guidance and community collaborations to reduce the number of, or to delay requests for, technical studies and peer-reviews. Task Force members recommended that the findings of the development viability analysis should be reviewed by all stakeholders to inform discussion around future development applications and policy decisions.

Availability of suitable development land is an issue for all. The disposal of surplus provincial and federal lands suitable for residential development should continue to be vigorously pursued and the City should purchase them when there is an opportunity to use them for affordable housing.

We support certain opportunities to mitigate rising hard costs of building with relief in soft costs, especially to incentivize middle-market and affordable housing. We recommend that the City consider a Community Improvement Plan to encourage affordable housing development. We detail ways to reduce the hard costs of construction including, (i) easing parking requirements, (ii) encouraging the possibility of smaller unit sizes, and (iii) encouraging higher density.10

City-wide Application: Focus on recommendations that are applicable across the community, rather than on those specific to intensification in the downtown.

The affordable housing crisis also affects the economic health of Kingston as documented by diverse community input. The building of middle-market housing10 by the private sector, which has a much larger capacity (financing and expertise) than the public sector, should be encouraged. We suggest specific ideas in our report. We recommend ways to increase housing supply across Kingston’s different demographic groups and geographic areas. For example, multi-residential developments in commercial areas, intensification along arterial roads, transit hubs, the university district, the downtown core, and infill with secondary suites are all ideas that were considered based on their ability to accommodate our diversity of needs. These ideas should be applied in all areas of the City.

While the Task Force was guided by the City’s Strategic Plan and the Official Plan’s focus on climate action and intensification, we also present a rationale for exploring specific ways of developing housing beyond the urban boundary, but where servicing capacity already exists.

The City should be open to innovative ideas such as tiny homes, micro-units, co-living, and wood-frame or modular construction. New ideas are being tried out by many other municipalities who are facing their own housing crises. Old ideas that have worked, like well-governed co-ops, can be expanded.

Diverse Supply: Establish recommendations to increase the supply of a diverse range of housing and complement the City’s 10 Year Housing and Homelessness Plan

The city-wide need for more housing should carry some weight in local neighbourhood planning decisions.

The City of Kingston is already pursuing various initiatives to increase the supply of affordable housing and should consider more. There are many possibilities for allocating municipal resources, including committing resources to keep affordable what is already affordable. The City should look at all the options, (this report discusses many of them), and consider which give the most public benefit per dollar. Kingston should take bold action, and this kind of analysis can give us the confidence to move forward.

The two working groups proposed by the Task Force should pay attention to increasing supply suitable for supportive housing. Affordable housing developed in partnership with non-profit organizations that provide services for vulnerable persons living with disabilities, mental illness or addictions would be invaluable.

Indigenous people are over-represented among those in core housing need or those who are homeless. Municipal resources should be aligned with a National Indigenous Housing Strategy and ongoing federal and provincial programs, and committed
to culturally supportive housing initiatives including an Indigenous cultural centre. Progress should be monitored and reported annually to Council.

A 3-4% rental vacancy rate, where inflation-adjusted rents in Canadian cities have historically been stable, should be a goal for all housing sectors (i.e. by income, age, geography, or household size). To provide housing which is immediately affordable to those caught in the affordability crisis requires a funding commitment from government. The much larger capacity of the private sector should be harnessed to achieve the 3-4% vacancy goal by building larger numbers of all, but particularly modest middle-market, housing. We recommend examining certain incentives. Multi-unit (as opposed to single detached), infill, or residential additions to underutilized commercial land are ways to increase density in the right places and reach our housing goals. These ideas are emerging as best practices in other municipalities.

Community Engagement: Establish a process to engage and consult the public. The Task Force will consult with business, labour and community groups. The Task Force will also seek input from a broad cross section of the community with a variety of lived experiences seeking housing in Kingston, such as seniors, students, vulnerable populations, immigrants, and young professionals.

We created a public engagement plan, utilizing staff expertise on the City’s public engagement strategy and input from Task Force members. An online survey was launched through the Get Involved platform and two public open houses were held in the spring of 2019. The survey included opportunities for respondents to provide information on income and education level, age, and whether or not they identified as an equity-seeking group in case these correlated with differences in views. Members of the public also attended regular Task Force meetings and forwarded their ideas by email to the Task Force co-chairs. The Task Force sought out input from different parts of the community with knowledge and experience of specific aspects of housing. Best practices from other jurisdictions and academic research were also very helpful.

The content in this report cannot and is not meant to be anywhere close to a last word on housing in Kingston. Nevertheless, the information and documentation we have assembled should continue to help inform discussions and decisions. The vehicle for ongoing engagement and follow-up to our report could be the Housing Working Group which we have recommended. It should monitor and report on progress responding to this report’s recommendations in the years to come.

Task Force members individually highlighted these recommendations for increasing housing supply:

- The zoning bylaws must be updated and harmonized without delay.
- Public funding is required to build affordable housing.
- Attention should be paid to the feasibility of building projects. Even small costs should not be allowed to accumulate to the point where projects become uneconomical.
- Housing that is currently affordable should be retained in our affordable housing stock.
- Municipal resources should be aligned with a National Indigenous Housing Strategy and committed to culturally supportive housing.
- Staffing levels related to planning, building and licensing should be supported and the senior client relations function should be restored.
- Mentorship and partnership with the expertise of private developers should be offered to not-for-profit groups who have resources to put into housing.
- A Community Improvement Plan should be established to encourage the building of housing which includes affordable housing.
- The space available for housing should be expanded, whether it is land or increased residential density.
- An ongoing Housing Working Group should meet regularly, review progress, and make policy adjustments.
- The building of middle-market housing should be encouraged, without discouraging developers from meeting current market demand.
Introduction

A HOUSING AFFORDABILITY CRISIS

Housing affordability crisis is the term the Association of Municipalities of Ontario used in its August 14, 2019 report, a term that was echoed by local stakeholders. The term is also used widely in the press to describe the current housing situation in Charlottetown, Halifax, Montreal, London, Peterborough, Toronto, Kitchener, Regina, Vancouver and other municipalities across Canada.

We know that housing, across the spectrum, and housing affordability was and is on the minds of Kingstonians because it was the top issue in the 2018 municipal election. Indeed, that motivated Mayor Bryan Paterson's promise to establish this Task Force. Kingston’s 2018 rental vacancy rate of 0.6%, lowest in Ontario, made news headlines. It seems to have resulted from a confluence of low construction starts in 2016, and an increase in post-secondary students on top of a steady in-migration of seniors. According to the most recent 2019 CMHC Rental Market Report the purpose built rental vacancy rate was reported to have increased to 1.9%. This headline statistic has drawn attention to, but is not fully reflective of, Kingston's housing supply and affordability challenges. While construction starts recovered in 2017 and various projects will be completed and occupied during 2019-2020, factors underlying the affordability crisis remain.

All the evidence suggests that supply is tight for the whole housing market. For rentals, in the last decade, three quarters of the growth in rental housing has been borne by the secondary rental market which is not part of the headline CMHC rental vacancy rate. These are all dwellings which are not part of purpose built rentals of three units or more. The secondary and primary rental markets are currently about the same size in Kingston.

While there has been a housing shortage and price increases above inflation along the whole housing spectrum, it is most acute, and likely to be most persistent for, households in the lowest quintile of income (household income below about $30,000). The Environmental Scan and Needs Assessment report provided to the City for the 2019 midpoint review of Kingston’s 10-Year Housing and Homelessness Plan found that, assuming that housing cost is suitable if it is less than 30% of household income, there is a shortage of nearly 3,900 units with rent suitable for households in the lowest income quintile. For all households about 14% or 7,000 households are in core housing need. Given the acceleration of house price and rent increases since then (as discussed below), the current number is likely to be substantially worse. These households in core housing need are generally not homeless. They are instead forced to pay a higher percentage of their income on housing (40-50%) and live in housing with a cost that is more appropriate for households in the second lowest income quintile.

Another way to look at this is that a customary way of defining "affordable" housing is rent at 80% of the median market rent. It is now commonly felt that this level of rent is still too high for a significant number of households. Looking at the data for Kingston, only at roughly levels under 60% of median market rent do units start to become affordable to households in the lowest income quintile.

The Task Force heard about many consequences of the tight low-rent housing market including:

- problems with deficiencies in property upkeep and maintenance.
- tent dwellers reported in Woodhaven (wooded area with no roads), Montreal Street/train tracks, John Machin Park, Belle Park, and a backyard near MacDonnell and Princess.
- difficulty in finding long-term rentals for tenants requiring supports for developmental disabilities, there being a 20-year trend of more people with challenging behaviour who need help, sadly concurrent with a 20-year trend towards higher housing prices.
- complaints from tenants of community housing about dangerous neighbours, inadequate maintenance as verified by data from a door-to-door survey.
Those with accessibility challenges are more affected by the housing crisis. From a client of Martha's Table we heard, "...there should be more consideration given to people with special needs and they are also in need of affordable housing. Mobility issues and stairs, narrow doorways can make most available housing impossible." A 50% increase in N12 personal use eviction cases handled by the Kingston Community Legal Clinic in the last five years.

The tight housing market is felt throughout the spectrum and has negative impacts on Kingston’s economy. One response from a survey conducted by the Kingston Chamber of Commerce was particularly illustrative: “One employee was sleeping on the couch of one of our other employees because there was not alternative/sufficient local housing. One employee has moved to Napanee and commuted because of lack of local/affordable housing.”

The Task Force solicited input from various stakeholders and what we heard included the following:

- **CFB Kingston:** Kingston has a reputation for being a stressful new posting, especially for junior Canadian Forces members with families, because of the tight housing market. Some are choosing to live outside of Kingston or to leave their families behind. Realtors have noticed the trend towards renting instead of buying amongst CF families posted here.
- **St. Lawrence College’s intake of more non-commuter students is limited by housing.**
- **Empire Life has lost their traditional competitive advantage.** Kingston is no longer a City where Empire’s entry-level employees can enjoy a higher standard of living compared to cities where its competitors are located.
- **Queen’s School of Graduate Studies:** Research at Queen’s has been hurt because many PhD students, who usually come with young families and limited budgets, choose to study elsewhere after taking into account the cost of family housing. The Chamber of Commerce conducted a survey of members and about half of the respondents reported that housing was having an impact on recruiting and retaining talent, and business growth.
- **Until the new Kingsbridge retirement residence opened in September 2019, private seniors residences had waiting lists whereas, in years past, they advertised to fill vacancies. The Kingston Real Estate Association has noticed the trend of baby boomers staying in their houses and not downsizing because they can’t find apartments. Nevertheless, Kingston is the #2 retirement destination in Ontario according to Seniors Association Kingston Region.**
- **There were many anecdotes about people having trouble finding housing or temporary housing when moving to Kingston to fill a job opening. The Real Estate Association sees many people having trouble finding housing, especially first-time buyers, or lower-income renters.**

A common thread running through this anecdotal evidence is that the housing shortage is particularly acute for younger, entry-level or lower-paid workers, and low-income seniors.

There are many moving parts to housing policy. There is no single factor which is the cause of Kingston’s housing situation, and no single place where there is a chance to do something about it.

First of all there are global, macro-economic influences. Richard Florida of the University of Toronto has written about the Global Housing Crisis. It’s no secret that, in recent years, global economic opportunity has been focused in cities with a knowledge-based, creative economy, and Kingston, being no exception, is a desirable place to live. Moreover, since the great recession of 2008-2009, interest rates have been held low in a coordinated fashion by central banks (quantitative easing) and even reached negative values. Low mortgage rates allow people to borrow more to buy housing. Increased money supply in retirement, sovereign wealth, and other savings vehicles is searching the world for investment returns and inflating asset prices, including real estate. General wage inflation has not kept pace.

In Kingston, it seems that investment demand has been less than in larger cities. Until at least 2015, the price-rent ratio in Kingston has been relatively low (rents have gone up faster than prices relative to other Canadian cities), which suggests there is pressure from people seeking housing (ownership or rental) rather than demand from investors (ownership). Nevertheless housing inflation has been significant. According to the Canadian Real Estate Association, Kingston residential real estate prices have increased around 6% a year in the last decade (accelerating to about 10% a year in the last four years).
Kingston rent has increased about 3.2% a year in the last ten years, according to CMHC. In 2019, according to the CMHC, average Kingston rents increased by 7.9%, the highest rate of growth since they started collecting rent data. Between 2005 and 2015, the last census years available, median total household income in the City of Kingston increased at about 2.4% per year, while inflation has averaged only about 1.7% annually. Not helping the situation is that the new Building Construction Price Index has gone up about 12% in the last two years (for residential construction in Ottawa-Gatineau, the closest city to Kingston tracked by Statistics Canada). All of this is a reflection of the local housing affordability crisis which is present despite a rebound in the headline purpose-built rental vacancy rate.

An important factor to consider for housing policy is climate change. The City of Kingston prides itself on having been the first Ontario municipality to declare a climate emergency. The housing crisis and the climate emergency are intertwined. Healthy neighbourhoods also include cultural support. Indigenous culture is particularly important for the government to support, given historical factors, and therefore the Task Force has recommendations to Council in that regard.

Policy responses are occurring at every level of government.

Federal
The federal government has implemented, starting from 2018, the National Housing Strategy, which consists of programs totaling at least $55 billion over ten years. It has goals to build 100,000 new housing units, remove 500,000 households from housing need, repair 300,000 existing units, protect 55,000 federally funded community housing units from passing to market-rent units as old subsidy agreements expire, and match provincial funding to similarly protect 330,000 provincially managed community housing units from passing to market-rent units. It is likely that the minority government, resulting from the 2019 general election, will be able to govern without decreasing funding for this initiative. It is also worth noting that the government's election platform included a property tax on vacant residential properties owned by non-resident, non-Canadians.

Municipal
The City of Kingston has been and continues to allocate capital funding for new affordable housing builds, the next one being a roughly 160 unit development at 1316 Princess Street. Earlier this year it amended zoning bylaws to facilitate the development of secondary suites and is encouraging their construction. It is applying for provincial and federal funding for building and repairing affordable housing. In 2019-2020 it is completing two secondary plans, North King's Town and Central Growth Strategy which will allow it to proceed with long-awaited zoning bylaw consolidation. In 2019 Kingston completed a provincially mandated review of its ten-year housing and homelessness plan. The update to this plan covers many issues having to do with homelessness and affordable housing. Along with this review it is considering various policies to encourage the construction and occupancy of housing, especially affordable housing or higher density housing. One of the five main areas of City Council's Strategic Priorities for 2019-2022 is dedicated to affordable housing.

Increasing supply can make housing more affordable because it reduces inflationary pressure on prices and rents. However, building immediately affordable housing requires public funding. As an illustration, consider Kingston Frontenac Housing Corporation's 27-unit, one-bedroom senior's affordable housing building at 233 Queen Mary Road, opened in July 2012. It cost $4.6 million to build. Adding the value of the land, which was appraised at $0.8 million, gives a total cost of $5.4 million. Construction was made possible by a $3.2 million contribution from the Province of Ontario's Delivering Opportunities to Ontario Renters (DOOR) program. The professionally appraised market value of this property as of May 2013, given the below-market rents, was only $2.9 million or $2.5 million below cost. This appraisal was based on a capitalization rate of 5.25%. It means that a private investor would not pay more than $2.9 million to own it (and therefore not undertake such a project in the first place) because there will be better (risk-adjusted) returns on investment elsewhere. There are recommendations, approved by City Council, from the 2012 Mayor's Task Force on development, which can still be acted upon.
Opportunity Cost and the best use of limited funds

In view of the scarcity of discretionary public funds, the City of Kingston should consider comparing all the different ways that it could spend money on affordable housing on the basis of cost effectiveness (public value per dollar spent). The number of options is not small. They include reduced or deferred development fees for affordable units, grants for building, reducing property taxes, keeping subsidized units affordable when agreements expire, building new units, supporting or expanding co-ops, buying land for affordable housing, partnerships such as the one to develop 27 Wright Crescent, staff time to help with development applications, monitoring the housing market or setting up a co-housing project, portable rent subsidies, maintenance and upkeep, and still other possibilities. There may be some cases where a competition or auction might be the way to get the best value for money or encourage innovation. This cost-effectiveness comparison will depend on operational details and political realities. Unfortunately it is beyond the scope of the Task Force’s work.

In the midst of all of the macro-economic and governmental actors on the housing stage, the Mayor’s Task Force on Housing has been mandated to research and make evidence-informed recommendations of actions for City Council which would help increase the supply of a diverse range of housing, particularly affordable housing. Because the City worked on various initiatives while the Task Force pursued its year-long investigation, many ideas in this report have been under consideration in parallel by City staff, and acted upon. There is also much work in the mid-point review of the Ten Year Housing and Homelessness Plan which we do not wish to duplicate. These we will comment on, but we would naturally focus on ideas which are not currently being acted upon, or which complement current activities by other actors.

The Task Force has been asked to look at the entirety of the Kingston housing market rather than any specific segment. This is important because housing is interconnected and, as noted above, a shortage and related price increases are observed across the board. Examples of interconnectedness:

I. An analysis indicates that many households in the lowest income quintile (roughly less than $30,000) are, as a result of a shortage, competing in the rental market with households in the second lowest income quintile (roughly $30,000-$55,000).

II. There is plenty of anecdotal evidence in Kingston that students seeking housing compete with families, or that more seniors would move from their houses if an alternative were available.

III. The Task Force also found recent research which connected the construction of market housing with the resulting quantity of housing made available in lower income areas by analyzing migration chain data in large U.S. cities where housing prices have risen rapidly relative to income.
His Worship, Mayor Bryan Paterson, convened the Mayor’s Task Force on Housing and appointed co-chairs and a diverse group of members, including, on the instruction of City Council, two rental tenants. They were

Councillor Mary Rita Holland, Kingscourt-Rideau District – co-chair
Ted Hsu, former Member of Parliament for Kingston and the Islands – co-chair
Mike Cavanaugh, student, Municipal Affairs Division of the Queen’s Alma Mater Society
Gennaro DiSanto, CEO Caraco Group of Companies
Councillor Bridget Doherty, Portsmouth District
Donna Janiec, Vice-Principal (Finance and Administration), Queen’s University
Tara Kainer, anti-poverty advocate, Justice, Peace and Integrity office of the Sisters of Providence
Francine Moore, President Homestead Land Holdings
Kieran Moore, Chief Medical Officer of Health, KFL&A Public Health
Robert Rittwage, Board member of Tipi Moza and member of the City Housing and Homelessness Committee
Martin Skolnick, Vice-President Cushman & Wakefield Kingston Real Estate Brokerage

One member had to withdraw for personal reasons.

The Task Force was supported by Ruth Noordegraaf, City manager of housing and childcare, and our clerk was Derek Ochej.

The Task Force was supported by Ruth Noordegraaf, City manager of housing and childcare, and our clerk was Derek Ochej. Task Force meetings were held approximately every two weeks, with the first meeting on February 27th, 2019, at City Hall. After several meetings to discuss the mandate, scope and identify questions for staff or outside consultants, a work plan was developed in early April.

On March 20th, interim-CAO Hurdle presented a comprehensive overview of the Housing landscape in Kingston including key data, housing programs and initiatives, relevant policies, tools and incentives. Task Force members requested and received a number of briefings, beginning in April with information from senior staff from the Planning, Building and Licensing department on the planning approvals process.

Task Force members also brought and shared their own, often extensive, knowledge and experience about housing. Research and information sharing amongst Task Force members began immediately, often stimulated by suggestions from our community. We spent time as a group identifying areas where we would need to gather further information, such as best practices from other municipalities and research and ideas from housing experts.

Public engagement

Creating a public engagement plan for the Mayor’s Task Force involved staff expertise on the City’s public engagement strategy as well as input from Task Force members. The Task Force provided recommendations for stakeholder groups with whom to consult, in order to supplement information from public submissions and public engagement activities.

In early May, the public engagement process was launched on the Get Involved platform. A general survey was available at launch followed by a survey for developers. Additionally, two online Idea Boards were opened on the platform that asked contributors for innovative housing solutions and their experience with housing in Kingston. A sub-committee was struck to organize public open houses in June; members included Task Force co-chairs, Mary Rita Holland and Ted Hsu, and City staff, Ruth Noordegraaf and Rob Hosier. Two open house events were scheduled – June 6, 2019, 2:00-4:00 pm at Memorial Hall (City Hall) and June 12, 2019, 6:30-8:30 pm at the Rideau Heights Community Centre.

A summary of the online engagement survey illustrates peak activity in the spring of 2019 shortly after the survey was launched and tapered off as the engagement moved into its processing and deliberation phases. The combination of online and live engagement provided the Task Force multiple sources of input to process and pursue.

General public survey results

The Get Involved survey for the general public in Kingston received 294 responses. Questions focused on the experiences of residents who were currently renting and/or looking for future rental housing. In general, respondents indicated that they were interested in a wide range of housing types but that affordability was a key factor in their decision.

Residents who hoped to move in the future indicated that they faced a shortage of affordable housing in the areas they would be looking to move to, again citing rental costs and financial constraints as the main barriers to moving.
Survey respondents were also asked to comment generally on their experiences with housing in Kingston and provide their recommendations for improvements.

A summary of the experiences respondents reported include:
- The lack of available, quality, accessible, affordable housing, particularly in areas around the downtown and Queen’s University
- Pressure from landlords to vacate for the renovation of units
- A lack of supply of one bedroom units for residents living on low income
- Challenges with sharing units, particularly for LGBTQ+ residents and individuals experiencing mental illness
- Limited supply of affordable units that accept pets
- Safety concerns for victims of domestic abuse who cannot move due to lack of supply of affordable housing options

Common suggestions from respondents to the general public survey included:
- Tiny home communities or on infill sites for residents living on low income
- Requirements to rent out empty units and resident requirements for landlords
- Increased cooperative housing options
- Secondary suites, laneway/carriage houses
- Inclusionary zoning

Development community survey results

The Get Involved survey designed for developers in the City received 44 responses. Questions sought input on developers’ experiences in Kingston as well as recommendations for improvements. The majority of respondents reported encountering barriers in the development process.

The main barriers highlighted by developers included:
- Cost of planning studies, zoning change applications, approval delays and LPAT(OMB) appeals
- Parking requirements, particularly in the downtown and Queen’s University areas
- Lot coverage and setback restrictions
- Heritage requirements
- Public/political resistance to height and density
- Shortage of land available for development within the urban boundary

Suggestions for improvements to increase supply of housing from the development community survey include:
- Reduction in requirements for studies and peer reviews for development applications
- Increased supply of tradespeople
- Changes to the Landlord/Tenant Act that would provide more effective recourse in cases of non-payment of rents
- Reduction in parking requirements, particularly in the downtown
- Implement recommendations of the 2012 Mayor’s Task Force on development which have been endorsed by City Council, including the coordination of staff responses to planning applications
- Harmonization of zoning bylaws
Briefings and Formal Submissions

The Task Force received several briefings and formal written submissions during the summer of 2019.

Briefings:
1. Greg Newman, Manager, Policy Planning regarding the planning approvals process
2. Ruth Noordegraaf regarding the 10 Year Housing and Homelessness Plan
3. Mike Keane and Margo Wilson, Poten Consultants regarding the planning process in Kingston
4. Ed Peterson, Tiny Town Association regarding tiny homes
5. Mary Lynn Cousins Brame, CEO Kingston & Frontenac Housing Corporation (KFHC) regarding KFHC operations and social housing in Kingston
6. Holly Wilson, Manager, Intergovernmental Affairs regarding provincial legislation, Bill 108
7. Tom Greening, Executive Director, Home Base Housing and Pierre Klein, Special Projects Manager, Home Base Housing regarding community and supportive housing in Kingston
8. Ted Smith, member of the Board of Directors, Kingston Co-operative Homes regarding co-operative housing in Kingston
9. Rob Hutchison, City Councillor – King’s Town District, regarding co-operative housing
10. Steve Pomero, Focus Consulting, regarding data informing the 10 Year Housing and Homelessness Plan mid-point review.

Formal Written Submissions (the content of these submissions, where permission has been given, is included in an appendix)
1. Social Planning Council of Kingston & District
2. Patricia Streich
3. Home Base Housing
4. Habitat for Humanity, Kingston Limestone Region
5. Kingston and Area Real Estate Association
6. Kingston Coalition Against Poverty
7. James Ward
8. Mary Farrar, Friends of Kingston Inner Harbour
9. Martha’s Table
10. Kingston Chamber of Commerce
11. Queen’s University
12. Melodie Ballard
13. James Ward
14. Matthew Gventer
15. Williamsville Neighbourhood Association
16. Two residents of Polson Park
17. Kingston Construction Association
18. Family and Children’s Services of FL&A
19. Pamela Cornell
20. Peter Walker
21. Downtown Kingston BIA
22. Dieter Rohde
23. AJ Kiely
24. Jamie Swift
25. Frank Dixon

Stakeholder consultations
Throughout 2019, the co-chairs met with a number of stakeholders in the housing/development sector, including:
2. SPEAKingston
3. Jeffrey Walker, Manager, Taxation and Revenue, City of Kingston
4. Don Young V.P. International Education, Kingston College and other senior staff
5. Col. Kirk Gallinger and staff, CFB Kingston
6. Don锲nit W.P. International Education, St. Lawrence College
7. John Done, Kingston Community Legal Clinic
8. Peter Walker
9. Hon. John Gerretsen former Mayor, MPP, Minister of Municipal Affairs
10. Anthony Gifford
11. Katarokwi Union of Tenants
12. MP Adam Vaughan, National Housing Strategy
13. Carl Doher, Manager, Measurement & Communications, Utilities Kingston
14. Olga Golozub, Senior Analyst for Kingston, CMHC
15. Andrea Furniss, City planner, Kingston, regarding secondary suites
16. Greg Newman, City planner, Kingston
17. Ben Poirier, Licencing & Enforcement Coordinator, Kingston
18. Winnie Peter, Executive Director, Tipi Moza
20. Paige Agnew, Director of Planning, Building and Licencing, Kingston
21. Paul and Andrew Martin, RPM Construction
22. Vicky Huehn, former executive director, FCMH&AS
23. Alice Gazeley, former Board Member, Kingston Town Homes
24. Lanie Hurdle, Interim CAO regarding Council Strategic Priorities Implementation Plan
25. Don Amos, executive director, Senior’s Association
26. Indigenous housing discussion of the Housing and Homelessness Advisory Committee
27. St. Vincent de Paul Society of Kingston
28. Patricia Streich, housing researcher
29. Profs. Allen Head and Huw Lloyd-Ellis, Housing Economists, Queen’s University
30. David Gordon, S.U.R.P., Queen’s University
31. Therese Lablanc, director, Regional Staff College, Correctional Service of Canada
32. Fahim Quadir, Dean. School of Graduate Studies, Queen’s University
33. John Done, Kingston Community Legal Clinic
34. Harold Sprong, president, Bayfield Retail Advisors (Frontenac Mall)
35. Barry Smith, Taggart Construction Ltd.
36. Richard Reznick, Dean, Faculty of Health Sciences, Queen’s University
37. Megan Knott, interim executive director, Tourism Kingston
38. John Done, Kingston Community Legal Clinic
39. Ann Tierney, Dean of Student Affairs, Queen’s University
40. Julia Bryan
41. Stephanie Hatzifilali, project liaison, Symbiosis
42. Community Living Kingston, Rob Yeo,
Fall retreat/finalization of recommendations

Beginning in late summer 2019, Task Force members drafted their recommendations for review/approval by the entire group. Discussion on the completed list of recommendations was scheduled to begin at a day-long meeting with Suzanne Gibson, facilitator from Gibson Solutions on September 16, 2019. Staff in attendance included Ruth Noordegraaf, Derek Ochej, and Interim CAO Lanie Hurdie. After initial discussion about the objectives of the session, Ms. Gibson facilitated discussion on draft recommendations which were approved through a voting process that promoted consensus-building. Task Force members demonstrated their level of support for each recommendation; if an individual member could not provide their unqualified support for a recommendation, there were opportunities to have their concerns addressed either through amendment or, if this was not possible, the recommendation proceeded to a final vote with a super majority required to pass it. In cases where recommendations were deemed to require further research, those items were deferred for future approval. At the end of the session, the Task Force agreed to continue the process to work through the remaining recommendations at its fall meetings. Ms. Gibson returned to facilitate a second session with the Task Force on November 4, 2019.

Final report

After completing deliberations on recommendations, the co-chairs began drafting a final report for the Mayor’s Task Force on Housing. The report includes information from background research conducted over the year, facts and arguments distilled from public engagement activities, as well as analysis provided by the two commissioned housing studies – a rental market demand analysis and a development viability analysis. It also includes points which were brought up during our deliberations to provide more detail and context to our recommendations.
Mayor’s Task Force on Housing Report

IN BUILDING AFFORDABLE HOUSING

Summary of recommendations:

- The Mayor should convene a consultation with the development community having the goal of creating a process whereby mentorship can be provided to not-for-profit organizations interested in creating affordable housing.
- The City, as it works with community organizations, should expand its role of assisting them in the pursuit of government funding for affordable housing.
- Investigate a Portfolio Funding grant from the CHMC/NHS co-investment fund to help community groups access federal funding and assure that there are no negative consequences for other development projects in Kingston.
- Explore further incentives and reduced development fees for not-for-profit affordable housing providers.
- The City should encourage the federal and provincial governments to divest immediately their surplus lands suitable for affordable residential development, and use its first right of refusal to purchase that surplus crown land.
- Support City staff working to partner on a pilot project for tiny homes in Kingston.

The Mayor should convene a consultation with the development community having the goal of creating a process whereby mentorship can be provided to not-for-profit organizations interested in creating affordable housing. The City of Kingston should facilitate housing development with community partners who have land, buildings, financial, or creative resources to contribute to building affordable housing but no knowledge about or experience with construction projects. Mentorship means people from the development community helping not-for-profit organizations by filling a knowledge gap. Working together they can identify opportunities, handle the technical aspects of applying for the financing of affordable housing, and make project ideas a reality.25

The City does already advance not-for-profit housing projects by providing funding. For example, it may invest approximately $18 million (with a contribution from other levels of government) over the next three years to build at least 90 affordable units at 1316-1318 Princess Street.26 Amongst other sites being considered by the not-for-profit housing sector, the City is also helping to fund a collaboration between Ongwanada and ARM Construction to build a 92 unit apartment building at 1752 Bath Road which will include 28 units of affordable and supportive housing. Kingston has also encouraged the building of affordable housing by eliminating planning fees for affordable units (80% of CMHC median market rent or lower) in a new residential building, and eliminated planning fees for not-for-profits (for projects which contain any affordable units).27

The City, as it works with community organizations, should expand its role of assisting them in the pursuit of government funding for affordable housing.

The amount of new affordable housing being built is small compared to demand. For example, Kingston Frontenac Housing Corporation had the capacity to build 97 new units over seven years from 2011 to 2018, about 15 units per year on average, an annual capacity which is two orders of magnitude smaller than the size of social and affordable housing waitlists or the number of households in core housing need. Therefore it is important to note that we heard from smaller not-for-profit community groups who were interested in using their resources to help provide affordable housing.28 Some have experience and expertise on their governing boards and capacity to scale up, like Habitat Kingston. Others have significant resources (land, buildings or financial) for affordable housing as well as creative ideas and energy, but lack the technical expertise needed for grant applications, planning, building, and property management. Under-resourced groups may produce lower quality development applications which take more time to process.29

Another example of sharing expertise is to help community groups who wish to replicate the co-op housing model, or to expand existing co-ops. We will return to this later in this report.

The federal government’s National Housing Co-investment Fund is a $13.2 billion fund to finance building repair, renewal and new building with a focus on affordability, energy efficiency and accessibility.30 Feedback from stakeholders so far is that it is not trivial to apply for and receive a capital contribution and/or a low-interest loan from the National Housing Co-investment Fund (NHCF).

Achieving the conditions for affordability, energy efficiency and accessibility requires significant technical expertise. MP Adam Vaughan, parliamentary secretary for housing told us that the federal government wants to be flexible. Since the NHCF is a relatively new program they know that some adjustments are to be expected in order to get funds flowing and housing built.

MP Adam Vaughan31 also told us that there is no funding allocation specifically set aside for Kingston. NHCF is first-come first-served. Therefore it behooves us to work together and share expertise and experience wherever possible. It is important to note that the City is not able to give advice on the business of building homes. That is where mentorship from the private sector and a knowledge broker or concierge service for community groups would be valuable. We would also hope that, over time, as the federal government returns to funding housing, expertise re-develops at CMHC and is made available to not-for-profit groups.

Investigate a Portfolio Funding grant from the CHMC/NHS co-investment fund to help community groups access federal funding and assure that there are no negative consequences for other development projects in Kingston.

Portfolio funding is an example of a way to collaborate. The Toronto Community Housing Corporation has obtained portfolio funding in the amount of $1.34 billion over 9 years under the NHCF repair and renewal stream. Habitat for Humanity Canada has received $32.4 million of portfolio funding under the NHCF which is available to its affiliates across Canada who then do not have to make separate funding applications to the Canada Mortgage and Housing Corporation (CMHC).32 Kingston is looking into a similar arrangement under the NHCF repair and renewal stream. It could look into the Habitat Canada agreement with CMHC as a template for new-build funding under the NHCF.
Steve Pomeroy, a consultant for the Ten Year Housing and Homelessness Plan review, told the Task Force that the sometimes long process of working through CMHC, as long as 12 months, makes it hard for not-for-profits to act on real estate opportunities and bring those properties into the stock of lower rent housing. For example, CMHC normally requires purchase of land, early in the application process, before applying for seed funding to pay for technical reports (environmental, services, etc.).

The City of Kingston has already been looking at a city-wide NHCF application for the renovation and repair stream because it is easier to meet NHCF’s accessibility and energy efficiency goals in the aggregate. By the end of 2019 there were only two other Kingston applications known to us for NHCF money at the service manager level. Could the City of Kingston negotiate “portfolio funding” with CMHC, for new builds, which can then be accessed by any affordable housing builder, public or private, in Kingston who satisfies NHCF’s criteria? This helps get around a capacity problem in Kingston. Another reason for portfolio funding is that it might be easier for the City to reach NHCF’s accessibility, affordability and energy efficiency requirements in the aggregate, rather than project by project.

The City should ensure that any such portfolio funding application does not negatively affect the ability of private developers to access CMHC funding. Nevertheless, it is important to remember that the National Housing Co-Investment Fund is first come first served. There is nothing set aside for Kingston, so we have to act earlier rather than later. Explore further incentives and reduced development fees for not-for-profit affordable housing providers.

One past source of municipal funding for affordable housing has been density bonus provisions.\(^\text{66}\) Ontario’s Bill 108, the More Homes, More Choices Act, 2019 replaces these provisions with a formal Community Benefits Charge strategy and by-law to be written locally. While Bill 108’s detailed implementing regulations have not been published as of January 2020, it is important to note that funding for soft services such as recreation and library are proposed to move from development fees to the Community Benefits Charge. If the City wishes to prioritize affordable housing then it should use the new Community Benefits Charge strategy and bylaw, required by Bill 108, to prioritize funding for affordable housing.

One important way of providing affordable housing is to retain the stock of housing which is currently affordable, especially because new housing is expensive and takes many years to build.\(^\text{67}\) In particular, several stakeholders mentioned that a possible way to deploy available funds is to extend expiring operating and mortgage subsidy agreements. When these (sometimes decades-long) agreements expire for private landlords there is no obligation to continue to offer below market rents (when tenancy turns over) and most do not. For publicly owned housing, the response to the end of subsidies is often to replace funding by converting some affordable units to market rent units. The federal national housing strategy addresses this issue, but only for federally administered community housing. Through the National Housing Strategy, the federal government will invest $500 million over 10 years for the Federal Community Housing Initiative. A first phase provides funding over a 2-year period to support federally administered community housing projects, as long-term agreements expire, to give housing providers time to prepare for modernization and transition to a new long term rental support program beginning April 1, 2020. However there is provincially administered affordable housing which is not covered. There are subsidy agreements with private landlords which simply expire after a fixed term. The City could look for creative ways to extend agreements for the provision of affordable housing.

The City should encourage the federal and provincial governments to divert immediately their surplus lands suitable for affordable residential development, and use its first right of refusal to purchase that surplus crown land.

To build market or affordable housing there must be land to build it on. We note that the often touted Vienna Model for Social Housing\(^\text{68}\) rests on the municipality’s historical acquisition of land. If the City owns residentially zoned land, it can require that below-market housing be included in whatever is built.\(^\text{69}\) However, the City should not be buying land for the purpose of building market-rental housing and competing with the private sector. Instead, land that the City buys should be for housing which is a mix of market and below-market housing.

The City is very much aware of the need for land and is vigilant in that respect. Land is scarce and one way to improve the supply of affordable housing is to provide land for building it. The purchase of surplus crown land is listed under the current Council’s Strategic Priorities\(^\text{70}\) and an example of such land is the Kingston Provincial Campus at 752 King Street West. We acknowledge that the Mayor and City officials have been lobbying the provincial and federal governments on expediting the disposal of crown land.\(^\text{71}\) With regards to City-owned land, the City has, in the past, created a list of properties suitable for affordable housing.\(^\text{72}\) Finally, some school board properties and properties owned by KFL&A Addiction-Mental Health Services should soon be on the market.\(^\text{73}\)

Support City staff working to partner on a pilot project for tiny homes in Kingston

City Council’s Strategic Priorities 2019-2022 include the development of a tiny home pilot project with the City as a partner. The City has had preliminary conversations with community groups on possible projects.\(^\text{74}\) A senior staff member has assured the Task Force that, at this early stage, it does not require the diversion of significant resources from other priorities related to housing. The challenge for utilizing the Tiny Home concept on a significant scale is that land is expensive in Kingston so there may be a significant opportunity cost to having Tiny Homes, except in certain infill situations or outside the urban boundary.\(^\text{75}\)

Explore further incentives and reduced development fees for not-for-profit affordable housing providers.
A Housing Culture

Summary of recommendations:

- Establish a ‘Housing Working Group’ for ongoing high-level collaboration between the City, developers, tenants, post-secondary institutions, CFB Kingston, and other key stakeholders with the objective of planning for a healthy* (3-4%) vacancy rate in the City and providing a venue for discussion of innovative affordable housing solutions.
- Results of a third-party economic analysis of rental apartment building should be reviewed by all stakeholders to inform discussion of development initiatives in Kingston.
- Encourage the creation of secondary suites in single-detached houses, including offering education and assistance in assessing the suitability for adding a secondary suite to a property.
- Encourage experiments in co-housing arrangements for seniors (e.g. seniors with students) and others, using existing homes, with attention paid to scalability.
- Welcome co-living buildings where apartments share common areas and rental costs per unit are lowered.
- Consider supporting well-governed co-operatives, subject to a case-by-case financial analysis, as a cost effective way to supply housing with community supports.
- Welcome innovative, cost-saving methods for residential or mixed construction which help create more affordable housing, or housing which is needed to meet the challenge of climate change.
- Examine the City’s own buildings, existing and future, for the possibility of adding residential density, including affordable housing, where and when feasible.
- Ensure that future updates to Kingston’s land-use policy (e.g. the Official Plan, or building design considerations) explicitly acknowledge the consideration of city-wide housing needs in making local planning decisions such as the need for a sustained 3-4% vacancy rate across different housing sectors, particularly housing with below-median rents.
- Establish a ‘Housing Working Group’ for ongoing high-level collaboration between the City, developers, tenants, post-secondary institutions, CFB Kingston, and other key stakeholders with the objective of planning for a healthy* (3-4%) vacancy rate in the City and providing a venue for discussion of innovative affordable housing solutions.

In detail, the Task Force proposes that,

I. A City/post-secondary housing working group meet regularly (at least annually) to help ensure that residence construction and post-secondary enrollment plans are coordinated with projected housing supply through ongoing discussion and negotiations.79 In particular, the City should encourage post-secondary institutions to create, or facilitate private developers creating, student housing, to accommodate increased enrollments. Two ways the City should facilitate the overall provision of student housing is by allowing increased density in appropriate areas where students will live and solving the issues that delay planning approvals.80

II. Major employers in the City should have increased and ongoing consultations with the City to ensure that their growth plans are consistent with the City’s plans for housing supply. Our largest employer, CFB Kingston, has built significant housing in the past. The Department of National Defence recognizes there is a housing shortage for Canadian Forces members across Canada. Thus CFB Kingston may build more housing in the future.

III. The City host an annual information session with stakeholders about the longer term and broader picture of housing to help build alignment between the City, community stakeholders and the development community. The City should publish an annual update on this broader picture of housing.

IV. Over the next few years these groups could revisit the recommendations in the present report and consider what progress has or has not been made.

The Task Force has observed valuable information sharing between different stakeholders (between planners and developers, for example) outside of the usual process for development applications. We believe that this could be institutionalized to Kingston’s benefit. There were related recommendations in the 2012 Mayor’s Task Force on development.80

Results of a third-party economic analysis of rental apartment building should be reviewed by all stakeholders to inform discussion of development initiatives in Kingston.

The Task Force engaged N. Barry Lyon Consultants Limited to analyze the viability of rental housing development in Kingston and engaged Watson & Associates to project, based on expected supply and demand, the vacancy rate in various sectors of the housing market. An understanding of these reports by City staff, Council and the public will improve the development of public policy. We expect that the members of our proposed Housing Working Group will meet with a willingness to regularly review such information and make policy adjustments in order that the 3-4% vacancy rate goal is met and sustained. The factors to review include:

I. Updated population growth projections, especially for students and seniors and updates on projects in the development pipeline.
II. How hard costs such as land, materials and labour have changed and how that has affected building.
III. How soft costs and risks such as fees, studies or approval times have changed and how that affects building.
IV. How macroeconomic factors and government policy has changed and how that affects housing supply.
V. What tenants and homeowners are experiencing in Kingston

Post-secondary Students

Kingston’s three major post-secondary institutions are central to its identity and its social-economic vitality. However, there is no shortage of anecdotes about post-secondary students and permanent residents seeking places to call home within the same pool of housing.81 Some in the community have called for Queen’s University or St. Lawrence College to build more housing for students. While post-secondary institutions have expressed their willingness to fully engage with the City on student enrollment and housing82, solutions are not all that
simple. At Queen’s, all first year students are guaranteed a place and generally live in residence. But for upper years, the student culture is deeply ingrained with the notion of living with fellow students, not too far off-campus. It’s why, for example, there is a strong preference to not live as far as West Campus and why more student housing hasn’t been built there. At St. Lawrence College, they have not constructed more student residences because they have not been able to fill existing ones. The University of Notre Dame in South Bend, Indiana, in 2018 required new students to live on campus for six semesters, but that policy remains controversial.53

While stakeholders including Home Base Housing, a housing researcher, and others, have pointed out their observations of competition42 between post-secondary students and households seeking modestly priced housing, these two groups are not mutually exclusive. There are many post-secondary undergraduate and post-graduate students who are amongst those needing affordable housing.45 Generally speaking, smaller housing units close to campus would help this group. It is worth noting that graduate students, especially those with families, are willing to live further away from the University District.87

Encourage experiments in co-housing arrangements for seniors (e.g. seniors with students) and others, using existing homes, with attention paid to scalability.

Several community members have remarked to the Task Force that many seniors’ houses have more space than those seniors need in their later years. While building more senior’s residences could free up houses, community members have brought up another possibility and drawn our attention to co-housing programs like the Symbiosis program at McMaster University48 which matches students needing housing with seniors who have space in their homes. The Kingston and Area Real Estate Association wrote that they have noticed seniors have a harder time downsizing to apartments, so they just stay in their homes longer before moving to a retirement home. While programs like Symbiosis have had some success as pilots, they have not yet scaled up to a size which is relevant to Kingston’s housing shortage. The idea is a worthy one to try out but the focus should be figuring out how to scale it up. It is not clear whether that is possible or not.

Consider the numbers. Symbiosis started in 2017 and the last two years they have made 20 matches between students and seniors. It is run by three graduate students, working as volunteers, which affects scalability. The volunteers interview students and seniors, do house inspections, make matches and put agreements in place. They are focused on making quality matches, not on increasing the number of matches. This is important because these arrangements fall outside the Residential Tenancies Act49 and neither party is protected by the provisions of that act or human rights legislation in case something goes wrong. From talking to Symbiosis it seems that any project proceeding beyond the pilot phase would need to fund the work that needs to go into setting up quality matches.

Symbiosis has not had any such problems so far because of the matching quality, the agreements, and relationships that develop. They try to match needs and wants, services, income requirements, motivation and are not interested in students who merely want cheap housing. They plan to put out a “toolkit” for other communities to use and try out their ideas. This could be a starting point for any group looking to do a Kingston version.52

Two other programs illustrate the need to see if this idea can be scaled up or not. Locally, St. Lawrence College has about 30-50 international students in home-stay arrangements. Compare that to the fact that their international student enrollment has increased by over 1000 in the last four to five years.52 A program called Humanitas in the Netherlands has attracted some attention. Six students live with 160 elderly residents. Students take rooms which happen to be empty and are able to live there for low rent in exchange for helping out the elderly. Project Oasis in Kingston has done the same. Humanitas is not currently expanding and not scaling up. Note that the requirement for empty rooms in retirement residences is sometimes not fulfilled in Kingston.

Welcome co-living buildings where apartments share common areas and rental costs per unit are lowered.

A visit was made to a new senior’s co-living home on Ford Street. They have a financial plan for four residents at about $600 per room, significantly below market rent. They are just starting out and learning, on their own initiative, so they don’t yet have any “tried and true” models to replicate but the financial incentives to share housing this way are pretty significant and easy to understand. Part of the financial cost advantage is much like what happens in a co-op: residents help each other whereas in a senior’s home, there are residents and there are paid caregivers. This home is an experiment worth keeping track of.

In Ottawa, a new 24-story tower managed by Common Living44 Inc. will have 25% communal apartments, sharing amenities such as kitchens. These units have monthly rents expected to be 30% lower than regular apartment rents. The advantage for the building owner, according to the
management company, is that rents per square foot are up to 50% higher with up to 1.5% higher yield on cost. However, there is specialized expertise required to design, operate and market these buildings. For this particular manager, co-living units are described as high-end student-like rentals which serve as transition homes for single adults. This type of housing arrangement might help free up the middle market for one of the largest demographic groups in core housing need, namely single adults 45-65. The City might consider inviting companies specializing in managing such buildings to consider partnering with a builder in the Kingston market.

Consider supporting well-governed co-operatives, subject to a case-by-case financial analysis, as a cost effective way to supply housing with community supports The co-op model is an attractive model which reduces the cash cost of housing and provides, to its members, some non-financial, quality of life benefits of community. It is worth noting that a wait of several years is typical for Kingston Co-operative Homes. Housing co-operatives differ in important ways from the usual landlord-tenant setting. They are governed by the residents who are shareholders. Certain expenses are borne by co-op residents, managed through volunteer labour, which, by contrast, require cash outlays in the landlord-tenant setting. The co-op can provide a sense of community, and some control over choosing neighbours. A healthy, safe neighbourhood community enhances value for money.

Subject to an economic analysis and some assurance of a strong, sustainable governance structure, funding co-ops, preferably the physical expansion of existing co-ops, may turn out to be more cost effective than building new community housing. In the past federal and provincial community housing programs have been delivered through co-ops. The City has funded capital costs of co-ops in the past. Kingston has looked at a co-op option for its 1316-1318 Princess Street property. Co-ops are also a source of supportive housing, which has been harder and harder to find. Usually the support service is responsible for that member’s co-op responsibilities.

Finally, we look forward to the exploration by the Science’44 Co-op to expand the co-op, increase accessibility, sustainability, and density in the Aberdeen Street area, a project which would enhance the residential experience for students and contribute to easing Kingston’s housing shortage.

Welcome innovative, cost-saving methods for residential or mixed construction which help create more affordable housing, or housing which is needed to meet the challenge of climate change.

Examine the City’s own buildings, existing and future, for the possibility of adding residential density, including affordable housing, where and when feasible.

Kingston, which has called itself a place, “where innovation and history thrive”, is already looking at innovation. Council’s support for piloting Tiny Homes is just one example. Developers and (when the workload in the planning, building and licensing departments allows) the City should be open to innovation, competition and associated risk-taking in the provision of housing. It’s difficult to say what the future holds, but some examples in the present include (a) modular factory construction of housing which, for Pocket Living of London, England, produces housing units 20-40% below market rate, (b) micro units, which have or will be built in large cities like Toronto and also cities comparable in size to Kingston such as Fredericton and Victoria, (c) medium rise wood frame construction. Some tenants expressed the inability to find temporary accommodations for the time during which a rent-controlled apartment was renovated, resulting in a permanent move-out and loss of controlled rent. Others reported difficulty finding temporary accommodations when moving to Kingston to take a job. Is there an innovative way to supply this sector of the housing market?

Ensure that future updates to Kingston’s land-use policy (e.g. the Official Plan, or building design considerations) explicitly acknowledge the consideration of city-wide housing needs in making local planning decisions such as the need for a sustained 3-4% vacancy rate across different housing sectors, particularly housing with below-median rents.

Planning decisions made purely on the basis of local land-use policy can increase the cost and reduce the quantity of affordable (and market) housing. For example, Habitat Kingston, in their submission to the Task Force, pointed out that at their Cowdy Street project, they would have preferred to not spend money on building garages and on certain features of the building facade and instead put the money towards future affordable housing. We have been told by staff that city-wide needs, such as the need to build affordable housing, do not carry weight when there is an appeal to the Local Planning Appeal Tribunal, even though the Official Plan talks about affordable housing, contains the Ten Year Housing and Homeless Plan by reference, and has secondary plans which require certain new areas to have at least 25% of the approved residential units to be for affordable housing. Recent developments may change this.

Section 1.4.3 of the Provincial Policy Statement (PPS) may provide some support for more weight given to Kingston’s city-wide need for more housing when planners or other officials make, say, building design decisions. The PPS is a higher directive than a municipality’s Official Plan. A municipality “must ensure that policies under the PPS are applied as an essential part of the land use planning decision-making process.” Quoting from section 1.4.3 (with additions in the 2019 PPS in bold, and underlines added for emphasis):

Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based needs of current and future residents of the regional market area by:

a) establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans.

There seems to be some room in the PPS for planners to rebalance needs, give more weight to the need to provide affordable housing, and avoid raising costs to build affordable housing.
Housing initiatives FOR INDIGENOUS PEOPLE

Summary of recommendations:

- Align with the National Housing Strategy/ National Indigenous Housing Strategy by committing municipal resources to Indigenous peoples and related culturally supportive housing initiatives. The City housing department should monitor the impact on the Indigenous community and report progress annually to Council.
- Demonstrate concrete support for housing for Indigenous people by ensuring mandatory Indigenous cultural competency/proficiency training regarding Indigenous social history factors, specifically their effect on housing opportunities, for all city staff, agencies funded by the City’s Housing & Social Services Department, and members of Council.
- Prioritize and demonstrate consideration in terms of Indigenous health and social equity, cultural concerns, social history factors in all supportive/housing related visions/plans/decisions in the future, (i.e. 10 Year Housing and Homelessness Plan, Official Plan, etc).
- Examine the inclusion of supportive housing, with consideration given to Indigenous seniors’ cultural supportive living, as part of the Indigenous cultural centre included in City Council’s Strategic Priorities 2019-2022.

Background/Context

The path toward healing relations between settler and Indigenous populations in the City has only begun. Institutional structures often impede this process and, therefore, the City will need to look at structural reforms in order to address the housing needs of Indigenous residents. There are opportunities to improve supply and services for Indigenous housing through the Canada-Ontario Community Housing Initiative (COCHI) program for which funding has been released. Within this program, service managers will be required to prioritize Indigenous housing providers that were developed under the Urban Native Housing program.

Through the process of updating the 10 year Housing and Homelessness Plan, City staff have gained an understanding of Indigenous housing needs in Kingston. CMHC methodology was used to calculate core housing need and showed that Indigenous persons remain disproportionately represented among the core need and homeless population. Approximately 25% of shelter users in the city are Indigenous persons although they represent only 8% of the general population based on 2016 Census. This number is similar to the rate of homelessness for Indigenous residents in cities across Canada.

Currently there is only one Indigenous housing service provider in the City - Tipi Moza - which has 17 units and a waitlist of approximately 100. Kingston Frontenac Housing Corporation (KFHC) and Home Base Housing do not provide the indigenous cultural support that Tipi Moza does. The fact that a large proportion of Indigenous clients of housing service providers are currently seeking service from non-Indigenous providers needs to be addressed in order to ensure the delivery of culturally appropriate and safe services to Indigenous clients.

Culturally supportive housing initiatives in Kingston should include:
- a fire pit for ceremonies
- a ventilated spot in units/houses for smudging
- a garden area for growing sacred medicines
- options for having extended family members visit for extended periods of time
- connections with other services and resources in the city that support Indigenous people culturally
- Resources to support the spiritual and mental health of Indigenous people

Through the 10-Year Municipal Housing and Homelessness Plan update, City staff has recommended the following actions for the next 5 years:

1. Provide housing and homelessness service staff with cultural proficiency training specific to Indigenous Peoples to create safety and improved outcomes for those seeking service.
2. In alignment with the developing federal Indigenous National Housing Strategy the City should seek to expand the supply of off-reserve housing within the service area dedicated to Indigenous Peoples.
3. Develop Indigenous cultural spaces (e.g. Friendship Centre) as outlined in the 2018-2022 Strategic Plan of Council.

Also, as part of the Engage for Change work that is ongoing through the Cultural Services department, in January 2020, members of Council received cultural safety training.

Mayor’s Task Force on Housing Report
Mayor's Task Force on Housing Report

Regulations TO HELP SUPPLY HOUSING

Summary of recommendations:

- City Council should have, as a priority, the completion of a city-wide harmonization of zoning bylaws, consistent with the official plan and secondary plans by Q1 2021.
- The harmonized zoning bylaws should allow for residential density to be added to commercially zoned areas.
- The new harmonized zoning by-laws should accommodate increased density in areas such as the arterial road borders of otherwise low-rise neighbourhoods, public transit hubs or active transportation corridors. Affordable housing should be added where possible.
- Encourage the creation of low-rise accessible multi-unit dwellings in established and single-detached neighbourhoods.
- Support the planning, building and licensing department in addressing their workload.
  - Review hiring and retention strategies, including exit interviews, for the planning, development and building inspection departments. The union should be asked to assist in creating new hiring and retention strategies for highly qualified staff in these departments.
  - Council should allow the flexibility to hire highly experienced planners,\(^{115}\) ones capable of handling complex files, beyond the normal complement, should one become available on the job market, to minimize the chance of a recurrence of recent shortages.
  - For the sole purpose of having short-term capacity to perform the critical work of completing secondary plans and harmonizing zoning bylaws, the City should have the flexibility to hire external and internal consultants.
- Council should temporarily refrain from requesting additional studies and reports to ensure planning staff can complete city-wide harmonization and modernization of zoning bylaws. Councillors should take note that, under present circumstances, if they add to the workload of the planning department, they will negatively impact housing supply.
- The function provided by the previously existing position of Senior Manager, Client Relations and Development Services should be reinstated as soon as staffing levels permit, in order to assist community groups, property owners and developers who wish to construction multi-residential projects, with a particular focus on projects that include affordable housing.
- Review the planning process to ensure that staff and the planning committee request only studies necessary to support decisions made on the basis of good planning. Provide training to new junior planners if they are found to be requesting too many studies because they are risk averse. Planning committee and Council members should refrain from requesting peer reviews or additional studies unless absolutely necessary.
- Implement an earlier, open and more collaborative process to postpone as many technical studies as possible until a later stage of development, in order to reduce barriers for property owners who want to create housing, particularly affordable housing.
- Fast track affordable housing projects through the development application process and ensure appropriate resources are provided to support this.
- Fast track and incentivize construction projects that can be completed in a prescribed time frame. Offer a time limited incentive for development that is “in ground” and completed within a specified time. Change building permit/ process rules to ensure approvals and permits lead to shovels in the ground.
- Assuming that Council’s new regulations, including licensing, for short-term rental accommodations (STAs) is approved, the City should monitor its effectiveness by collecting data and take actions to ensure that long term rentals are not converted to short-term rental accommodations.

City Council should have, as a priority, the completion of a city-wide harmonization of zoning bylaws, consistent with the official plan and secondary plans by Q1 2021.

Support the planning, building and licensing department in addressing their workload.

Creating housing supply, completing the city-wide harmonization of zoning bylaws, and managing the workload in the planning department are intertwined issues.

The time it takes to obtain approvals and permits from the City affects the supply of housing. Delays not only mean that residents wait for a place to live, but also builders’ costs increase because of interest charges on financing and increased financial risks (from uncertain labour and materials costs\(^{116}\)). Increased costs and increased risks erode the economic viability of projects meaning that lenders would require an increased rate of return. Housing supply would be adversely affected as a result. So housing depends critically on the timely processing of development applications by the planning, building and licensing departments. For-profit and not-for-profit organizations have brought this concern to the attention of the Task Force.

Without implying blame on the part of anybody, we note the fact that there has been a dramatic turnover in staff recently.\(^{117}\) Workload and stress have been high. Numerous stakeholders, large and small, have told us that development applications have been significantly impacted. Demand for planners in other cities is high. Therefore any and all underlying human resources issues should be continually evaluated and addressed.

The lack of up-to-date, harmonized zoning bylaws (currently there are five separate bylaws covering different parts of Kingston, dating from the 1970’s and 1990’s) is unfinished business from the 1998 amalgamation with Kingston Township and the City of Kingston. Dating from the 1970’s and 1990’s, the amalgamation with Kingston Township and the City of Kingston led to a situation where there were five separate bylaws covering different parts of the city. These bylaws are now outdated and need to be updated to reflect the current needs of the city. The Task Force recommends that the City Council should have, as a priority, the completion of a city-wide harmonization of zoning bylaws, consistent with the official plan and secondary plans by Q1 2021.
This catch-22 must be dealt with above all else. For that task, and for the completion of the secondary plans\textsuperscript{118} which necessarily precedes the zoning bylaw work, highly experienced planners are required. Some of these positions have been vacant recently and very difficult to fill since they require somebody more experienced than a nominal “senior planner”. It is for this reason that the Task Force believes that it would be a prudent management practice to allow an overstaffing of highly experienced planners, when the opportunity arises in the market-place, not only so that we have enough if one leaves, but so that we minimize the chance of stress and overwork for these staff members who are key to supplying housing to Kingston and improve the reputation of Kingston as a place for planners to work.

This is a separate recommendation from the one to support the hiring of external consultants for the sole purpose of having short-term capacity to perform the critical work of completing secondary plans and harmonizing zoning bylaws.\textsuperscript{119}

As an aside we acknowledge an initiative, as part of administrative restructuring in early 2020, to help manage workloads by creating separate Planning & Development and Building & Enforcement departments.\textsuperscript{120}

An additional commissioner was added to the corporate management team (Commissioner of Business, Environment and Projects) which reduced the workload of the Commissioner of Community Services (the portfolio that includes the Planning and Building departments).

Note that this imperative is independent of a discussion of how to increase density, how to incorporate healthy and green neighbourhood design, and how those choices address the climate emergency and housing affordability crisis. That should be addressed in the secondary plans.

The harmonized zoning bylaws should allow for residential density to be added to commercially zoned areas.

The rise of online shopping has changed the retail landscape. Adding residential units to underutilized retail space (e.g. malls) is a significant trend in Canada\textsuperscript{121} and the United States. In May 2019, the City of Burnaby adopted a new policy to allow residential units in up to 49% of the floor area of buildings in areas zoned commercial.\textsuperscript{122} In Kingston, multi-residential buildings are generally allowed in commercial zones.

While this idea has certain economic advantages, such as not needing to purchase land,\textsuperscript{123} we have found that large national landowners are focusing their management resources on the large municipal markets first. The City may consider how to get their attention, so as to move their smaller market up on their priority list. Adding residential to, say, retail space has to be an option, not a requirement, because it does require landlords to have a certain expertise. Commercial/retail and residential tenants require different expertise to manage, and they may have conflicts in services such as HVAC and parking. Adding residential to commercially zoned areas has particular potential when it is within walking distance of public transport hubs and amenities and therefore creates less (competing) demand for parking. A local example is the Kingston Centre.\textsuperscript{124, 125}

The new harmonized zoning by-laws should accommodate increased density in areas such as the arterial road borders of otherwise low-rise neighbourhoods, public transit hubs or active transportation corridors. Affordable housing should be added where possible.

After the new harmonized bylaws are in place, densification should be considered for arterial road borders of otherwise low-rise neighbourhoods, public transit hubs or active transportation corridors beyond those considered in the latest secondary plans (North King’s Town and Central Growth Strategy). In the interests of avoiding any perceived conflict of interest, the Task Force will not be more specific than to say that the Kingscourt District, University District, Bath Road, Gardiners Rd./Midland Ave., and Princess Street in the west end were the subject of submissions. We thank those members of the public who made the case for particular areas. A densification plan is expected to come out of the Nodes and Corridors Study, currently scheduled for 2022-2023. Residential densification should also consider where more people want to live and the amenities they desire. For example, upper year Queen’s students want to live within easy walking distance of the main campus near other students. Kingston could learn from the experience of the Northdale plan in the City of Waterloo, which created new dense student and young adult housing in a neighbourhood situated between the University of Waterloo and Wilfrid Laurier University.\textsuperscript{126} There is also demand for housing in Kingston’s downtown where City resources have gone into infrastructure and

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This diagram shows annual development applications per 100,000 population for various cities. It highlights Kingston and its lower application rates compared to other cities, suggesting a need for increased development and housing availability.
Encourage the creation of low-rise accessible multi-unit dwellings in established and single-detached neighbourhoods.

In an effort to increase housing supply, especially affordable housing, to allow people to live closer to jobs, schools and amenities, to make transit more viable and to counter segregation and inequity, many North American jurisdictions have looked at discouraging single-detached family zoning. Oregon and Minneapolis have, very recently, passed legislation to that effect. Kingston and Area Community Living Kingston has experienced great difficulty, in this tight housing market, placing clients who require supports into long-term housing. They have therefore been building secondary suites on their own properties in order to meet this urgent need for their vulnerable clients. They report that it took a lot of work to be able to rezone their properties in order to add two basements apartments to a duplex. Delays increase the cost of temporary housing.

Another poignant example of how pro-active zoning changes can help people in need: Community Living Kingston has experienced great difficulty, in this tight housing market, placing clients who require supports into long-term housing. They have therefore been building secondary suites on their own properties in order to meet this urgent need for their vulnerable clients. They report that it took a lot of work to be able to rezone their properties in order to add two basements apartments to a duplex. Delays increase the cost of temporary housing.

A note on by-law enforcement and housing

The Task Force wishes to make some remarks regarding bylaw enforcement in the context of housing supply. We have heard residents in certain neighbourhoods expressing concerns about troublesome aspects of some student housing and secondary suites in single family neighbourhoods, including the quantity of parked cars, mishandling of garbage and recycling, noise or other behaviour. Kingston needs more places for people to live and one way is to share space. In the context of housing supply, the creation of student housing and secondary suites could have increased community acceptance if (a) property standards were enforced more proactively, (b) students were better educated about and followed the garbage and recycling guidelines (peer training programs already exist), (c) personal connections were made with existing neighbours. The Task Force also suggests exploring the idea that proactive bylaw application, dispute mediation, and resolution for property standards issues may reduce turnover of rental units and lengthy disputes before the landlord-tenant tribunal.

The function provided by the previously existing position of Senior Manager, Client Relations and Development Services should be reinstated as soon as staffing levels permit, in order to assist community groups, property owners and developers who wish to construct multi-residential projects, with a particular focus on projects that include affordable units.

Many stakeholders commented positively on the service provided by the Senior Manager, Client Relations and Development Services to help proactively manage applications, their technical reports, and to be a point of contact for the applicant. By contrast, we heard from stakeholders that when their file was passed from one planner to another, the transition was bumpy. From the other side of the fence, the Task Force heard reports of undue stress on planning staff from interactions with some development applicants (at least since this client relations position was discontinued) and that this contributed to a poor work environment and staff turnover. This client relations position was created in 2015, responding to recommendation 4.3 of the 2012 Mayor’s Task Force on Development but was discontinued in 2018. The Task Force understands that this position unintentionally created internal conflicts in planning staff reporting lines but recommends that this senior-level functionality (the ability to advise applicants, coordinate decision-making and take responsibility for development applications) be restored by finding a way to incorporate it into existing staff positions. The City may wish to be careful and avoid inadvertently creating incentives to bypass normal reporting lines. Development applicants may wish to note that applying pressure to advance one’s own case may make the overall situation worse.

Review the planning process to ensure that staff and the planning committee request only studies necessary to support decisions made on the basis of good planning. Provide training to new junior planners if they are found to be requesting too many studies because they are risk averse. Planning committee and Council members should refrain from requesting peer reviews or additional studies unless absolutely necessary.

When City staff considers development applications, they request typical technical studies which look at planning justification, traffic, water and sewage service for example. At the time of application, sometimes community members or planning committee members ask for additional technical studies or peer reviews. In discussions with senior staff it appears to be possible to refine the process by which studies are deemed necessary. In fact, a review of when peer reviews are required is currently being completed by staff.
Our consultant’s report on rental housing development viability spoke of “moderate returns” and sensitivity of economic viability to, “minor changes to any of the revenue and cost inputs”. Delays in building projects increase costs and increase risk. Anticipation of these factors becomes an input into business plans for building housing and, other things being equal, will reduce the rate at which new housing is built and/or increase costs. For residents, this means more difficulty finding an adequate place to call home. While all necessary studies must be conducted in case there is an appeal to the Local Planning Appeals Tribunal, unnecessary delays impact not only a particular project, but additions to the workload of planning staff have city-wide negative impacts to housing supply. Requests for studies and peer reviews should not be used for political cover. It would be best to avoid putting a burden on the planning process and to try to resolve an issue at a community or political level.

Implement an earlier, open and more collaborative process to postpone as many technical studies as possible until a later stage of development, in order to reduce barriers for property owners who want to create housing, particularly affordable housing.

The idea of this recommendation is that postponing studies would accelerate the review of projects and make it easier to get approval, thereby reducing the need for further technical work.

Fast track affordable housing projects through the development application process and ensure appropriate resources are provided to support this.

We hope that facilitating affordable housing builds in this manner would have wide community support. It is important to understand that, if there is a significant number of affordable housing projects, this might affect the speed of approval for other projects. This recommendation follows one of Kingston City Council’s strategic priorities regarding which City Staff are expected to report back to Council in 2020.

Fast track and incentivize construction projects that can be completed in a prescribed time frame. Offer a time limited incentive for development that is “in ground” and completed within specified time. Change building permit/process rules to ensure approvals and permits lead to shovels in the ground.

The purpose of this recommendation is not to cut corners on construction, but instead to expedite the commencement of construction. The fast-tracking of certain projects carries the risk that resources are diverted away from other projects; the implicit assumption being that “fast-tracking” is only about allocating staff resources, and not about being flexible in the face of an affordable housing crisis. It should be both. Fast-tracking may not be so easy when many agencies external to the planning department must report back. Senior staff said that fast-tracking of affordable housing projects does not present much risk of impacting other projects because they aren’t very numerous. In any case, affordable housing is where the housing crisis is the most acute and the Task Force is fully behind fast-tracking those applications.

An incentive for the timely completion of a project which does not include affordable housing and is not part of a Community Improvement Plan is considered bonusing and cannot be applied to individual projects. We understand that a framework needs to be developed in consultation with the industry and in line with Ontario’s regulations. One possibility was tried by Kitchener and involved a time limited exemption from development charges for all developments in a certain area. It should be noted that the City is planning to implement a sunset provision for site plan approvals in 2020. This is mentioned in the housing section of Council’s Strategic Priorities 2019-2022 and means that projects which are occupying capacity for water, sewer and roads will give it up unless the project proceeds to construction in a timely manner. It is not usual for there to be a significant time lag after site plan approval and before construction begins. There are benefits (timely construction) and costs (added risk to be assessed before a project begins) which the City will have to weigh.

Monitor the effectiveness of any regulations for short-term accommodations by collecting data and take actions to ensure that long term rentals are not converted to short-term rental accommodations.

According to City staff, the purpose of the new Short Term Accommodation (STA) licensing bylaw is to encourage secondary residences to be rented out in the long term rental market. Research finds that the number of STA listings is growing rapidly. A very recent paper from the McGill University School of Urban Planning notes that in 2018, across Canada, Frequently Rented Entire Home (FREH) listings increased 40% year over year. 31,000 entire homes were rented frequently enough that they were unlikely to house a permanent resident. A STA licensing program and other regulations have been proposed by City staff, following some other municipalities. It has been the subject of a public consultation and, as of the end of 2019, a proposed bylaw was brought to Council but consideration deferred. It is not known what the impact of licensing will be on the transfer of housing
units between STAs and long term rentals, but one could monitor whether FREH listings become long term rentals, or vice versa, or are taken off the rental market. The Task Force is aware of the staff reports on STAs, the connection between STAs and the tourism and hospitality industries and income for private households but, given our mandate and our lack of consultation on all facets of the STA issue, we are focusing only on ensuring that short term accommodations are not created at the expense of long term rentals, especially within the urban boundary.

Summary of recommendations:

- Use the Rental Housing Development Viability Analysis, commissioned by the Task Force, as a starting point to inform policy discussions.
- Consider implementing a Community Improvement Plan to encourage affordable housing development and/or set aside a portion of property taxes from new market rentals, comparable to that of past brownfields programs, to pay for affordable housing.
- Examine options to incentivize the creation of smaller units, including micro and bachelor units, to meet any demand.
- Anticipate the federal and provincial government’s new Canada-Ontario Housing Benefit and aim to expand the existing portable housing benefit program while creating the quantity of new affordable and missing-middle housing necessary for the effectiveness of the benefit program.

We wish to draw the reader’s attention to the following points:

1. Without taking into account project-specific circumstances, and under current economic conditions, the building of new rental housing, starting from the purchase of land is, a priori, economically marginal.135
2. Affordable housing requires public funding or philanthropy to be economically viable.
3. The consultant’s report identifies the certain factors which affect economic viability and could be targeted by policy. Indeed the report states, “...the proforma is very sensitive to minor changes to any of the revenue and cost inputs...” which is why there are development applications, and why good policy in the following areas can make a difference:
   a. The need to park cars, especially underground, makes it harder to provide more housing. It is not surprising that there are many new developments in the Williamsville area targeted to students who, on average, require much less parking. Another population which needs less...
parking is older seniors (over 75). The City can reduce parking requirements in strategic areas. City policies to promote public transit, active transport, or car-sharing will, in the long term, benefit housing. In the suburbs, reducing the parking requirement enough (or having available land) to eliminate underground parking significantly improves economic viability. Having said that, developers often need to have a certain amount of parking simply because tenants demand it.

b. While the current market demand in Kingston favours apartments of a certain size, a landlord can increase per square foot revenue with smaller units, while decreasing the per unit rent. Such projects have been built not only in large cities, but also in smaller cities. We discuss this idea and its applicability to the Kingston market later in this section.

c. Up-zoning (allowing higher densities) in strategic locations, thereby reducing development risks and improving economic viability, can provide more rental housing.

d. As we have mentioned in many places in this report, the City can reduce soft costs or operating costs in order to incentivize the building of housing, especially affordable housing.

e. The federal and provincial governments are providing funding for housing and projects that are competing for funds should be supported. This funding is essential for any projects which have an affordable housing component.

f. Site specific land costs can be reduced by allowing infill and intensification. The consultant gives the example of adding rental apartments to commercial/retail land. Any policy discussion should be aware of other site specific costs and risks affecting economic viability including existing uses of the land, heritage characteristics, zoning issues, neighbourhood concerns, or environmental issues.

Public policy must be used to help make housing more affordable in Kingston. When it comes to policy for encouraging new supply, economic feasibility analyses are a critical input to creating good policy. Under Ontario’s current regulatory regime, Bill 108’s new Community Planning Permit System could be used as a tool in strategic locations, utilizing economic feasibility analyses, to design clear, predictable, but flexible incentives and requirements to encourage the building of housing, especially affordable and “missing middle” housing.

Consider implementing a Community Improvement Plan to encourage affordable housing development and/or set aside a portion of property taxes from new market rentals, comparable to that of past brownfields programs, to pay for affordable housing.

A Community Improvement Plan is a tool under the Planning Act. It allows the City to designate a specific area and then to direct funds and policy initiatives towards a specific goal, such as developing affordable housing. Section 9.8 of the Official Plan gives Council discretion to create a community improvement plan to address an identified community need within the Community Improvement Area (which, according to Schedule 10 of the Official Plan is basically that bounded by the Urban Boundary) in a specific area which conforms to at least one of the 18 criteria stated in section 9.8.5. It has been used in the past to redevelop Kingston’s polluted brownfield sites. For brownfields, 80% of the increase over existing municipal property taxes is rebated to the developer, over a maximum funding period of ten years, in order to pay for contaminated site rehabilitation. One of our ideas is that the same portion of municipal taxes could be rebated to a developer in exchange for the benefit of building affordable housing.

The second idea applies to cases where only market housing is built. Since the City has some capacity to pay for brownfields rehabilitation by foregoing part of the future tax revenue from market housing, it could consider foregoing revenue, using the Brownfields program as a model, and putting the same portion of municipal taxes in an Affordable Housing Fund. Subject to a financial analysis by the City Treasurer, each time a new market residential project of a certain size (perhaps five or more units) is added to the assessment rolls, funding will accrue to affordable housing for a period of ten years.

As an order of magnitude calculation to illustrate the concept: a new building with 140 units creates new tax revenue of about $400k per year. The municipal portion is 60%, or $240k. The City would then move 80% of the municipal portion, $192k to the affordable housing fund, or $1.92M over ten years. The City needs roughly $100k to subsidize one affordable unit so that, in this rough example, 20 affordable could be subsidized. This is not going to create all the affordable housing we need, but it is a way to set up a steady, planned source of funding, which is neither an incentive nor a disincentive to build market housing, doesn’t involve reducing funding for other activities, and doesn’t depend on ad hoc Council votes.

Examine options to incentivize the creation of smaller units, including micro and bachelor units, to meet demand.

The median living area of newly built condominiums has been going down in Ontario and British Columbia for the last 20 years. Micro-units have been growing in popularity in central locations of big cities in North America. These smaller units are less expensive with overall rent about 20-30% lower. On the other hand, rent per square foot is higher, which is appealing for the landlord. We also note that single, middle-aged, adult households in core housing need form one of the largest demographic groups struggling with affordability.

In Kingston, many City fees are on a per unit basis, which can increase costs for buildings with smaller (but more) units. An adjustment to the fee structure within the development charges by-law to help encourage micro units and bachelor units, without penalizing the building for current market demand, could help increase supply, especially when and if the demand seen in other cities like Fredericton, Victoria and large cities comes to Kingston. There may also need to be adjustments to official plan density thresholds as density is calculated as the...
number of dwellings per unit area. There may be issues with the long term economic viability of micro units and so ultimately a private investor will have to make an assessment based on the housing market.

Anticipate the federal and provincial government’s new Canada-Ontario Housing Benefit and aim to expand the existing portable housing benefit program while creating the quantity of new affordable and missing-middle housing necessary for the effectiveness of the benefit program.

City Council recently made permanent its portable housing benefit program, a subsidy to the household, as part of an existing obligation to provide 2003 rent-geared-to-income (RGI) units. It is an alternative to an RGI subsidy attached to the housing unit. We heard from many stakeholders about the benefits of this program. It is a market-based tool because it gives people choices, including the ability to move, and some ability to choose neighbours. It reduces stigma and encourages mixed income neighbourhoods by attaching the subsidy to people instead of to dwellings or buildings.

Portable housing benefits only work well in two situations: first, in the case of urgent short term housing need (e.g. sudden homelessness, survivors of violence or trafficking); or second, when there is slack in the housing market. If the second condition is not fulfilled, the general use of portable housing benefits will increase demand without increasing supply. That would contribute to rent inflation. As stated clearly by the Association of Municipalities of Ontario’s August 2019 report, “portable housing benefits only work well in places with higher vacancy rates and ample supply of affordable, purpose-built rental.”

The portable housing benefit pilot program, which was made permanent by City Council in 2019, should not contribute significantly to rent inflation because the number (2003) of subsidized households is unchanged. However, we know an expansion of the portable housing benefit is coming in spring 2020. The federal and Ontario governments have just reached agreement on eight years of shared funding ($1.4 billion total) for the Canada-Ontario Housing Benefit. This expansion will not be effective in Kingston if we do not supply enough new affordable or modest, middle-market housing. The private sector can build immensely more housing units than public agencies and that capacity is needed to provide the supply that will check rent inflation. Recent research which painstakingly documented migration chains of tenants showed how building market-rate housing can free up housing for low-income households, albeit with no indication of whether the resulting rents were affordable or not. However, an expanded portable housing benefit could secure that affordability for many households. Coupled with significant new supply of middle-market or affordable units this initiative has the potential to significantly improve Kingston’s housing situation.
Quantitative Knowledge

OF THE HOUSING MARKET AND
THE QUANTITY OF HOUSING

Summary of recommendations:

- Plan to reach and sustain a rental vacancy rate of 3-4%.
- Specific responses should be made to demand in specific housing sectors as detailed in the Watson & Associates report.
- Regular reports should be made to Council on the projected vacancy rate for different primary rental housing sectors, along with household growth and the development pipeline, to inform action by Council and community stakeholders. City staff should report data to Council at least annually on housing starts, affordable housing and other indicators, for accountability and to help stay on course towards housing goals and identify emerging gaps.
- The City should research how demolitions and renovations affect our affordable housing stock.
- As it is required in the next Official Plan review, the City should consider the amount of land available for a diverse range of housing and explore expanding the urban boundary in certain areas of the City where existing infrastructure and servicing capacity exists, such as Highway 2 between CFB Kingston and Ravensview and Highway 15 up to the 401. An urban boundary expansion should be considered with the intent of establishing residential density to make the extension of public transit to these areas economical, and of building an appropriate percentage of affordable housing.

At a rental vacancy rate of 3-4%, inflation-adjusted rents in Canadian cities have been observed to be stable. Over the last ten years Kingston vacancy rates have been significantly lower than this level and rents have similarly outpaced wages. A 3-4% vacancy rate should be reached in different housing sectors (income levels, household sizes, ages, geographies and possible living supports), not just overall. For example, we know that single middle-aged adults is one of the largest groups in core housing need, so bachelor apartments might be an important sector to target for a 3-4% vacancy rate.

Specific responses should be made to demand in specific housing sectors as detailed in the Watson & Associates report.

The report by Watson & Associates analyzes the future demand for rental housing in Kingston. For the purposes of informing future actions by Council, it is worth noting the following points in the report:

1. The number of affordable units which need to be added annually, about 100, is about equivalent to building one 1316 Princess Street project per year. This is in addition to the existing affordability gap.
2. In-migration of younger seniors and empty-nesters (age 55-74) is one sector driving demand. Many of them opt for larger, two-bedroom apartments. Older seniors (age 75+) prefer smaller units with access to transit.
3. A growing share of the market is young working families (age 25-44) seeking affordable housing with more than one bedroom.
4. A higher density of dwellings, to accommodate continued post-secondary enrolment growth, is needed in neighbourhoods with proximity to Queen’s University and St. Lawrence College.

5. Anticipated growth in Kingston east of the Cataraqui is far ahead of the number of units in the development pipeline. This pressure may increase with the completion of the new bridge.

6. Kingston has been relying on the secondary rental market (homes built to be owned rather than rented) to satisfy growth in demand. The primary and secondary rental markets are now about the same size in Kingston, which is unusual for a city. It needs to increase supply in the primary rental market. Rental housing development activity will need to be double what it was in the past five years in order to meet demand in the next five years.

The Task Force is wary of the assumption that the completion of each rental unit simply increases the number of vacancies by one unit. First of all we note that the 2019 increase in rental supply, as reported by CMHC, is all from one large building. The building has no vacancy as of Q1 2020 showing that the rental market is dynamic. New households may form over time because of the affordability gap and pent-up demand. The consultant’s report concerns future rental market demand growth and does not address current shortfalls.

Regular reports should be made to Council on the vacancy rate for different primary rental housing sectors, along with household growth and the development pipeline, to inform action by Council and community stakeholders.
City staff should report data to Council at least annually on housing starts, affordable housing and other indicators, for accountability and to help stay on course towards housing goals and identify emerging gaps.

Because the City can track the pipeline of development applications, and because construction takes about two years, it is possible to have some forewarning of housing supply tightness, to which community stakeholders may wish to adjust their plans.

The City does report to Council annually on vacancy rate, construction trends and population trends to Council. There is also an annual housing and homelessness scorecard reported to the community. Information provided to Council on housing affordability could include, across different types of housing, the number of households in core housing need, the number of affordable units built, and the number of affordable units converted to market rents. All of this annual information would help inform the Housing Working Group which we have proposed in this report.

The 2017 revision of Kingston’s Official Plan eliminated the Municipal Housing Statement from Section 3, Land Use Designations and Policy. This research pieces from 20-30 years ago, funded by the province, allowed their plans.

The City should research how demolitions and renovations affect our affordable housing stock.

The concern of the Task Force is that the City understand the impact of demolitions and renovations of affordable housing stock, know what it is being replaced with, and how that affects affordable housing stock in Kingston overall. In a city where there is a limited amount of new land, demolitions and renovations will, in the long term, play a part in increasing the quality and quantity of our housing stock. In a tight housing market, however, some lower-income residents are immediately left without acceptable housing options when they involuntarily vacate a unit. There is no luxury to think about the long term. We received a number of comments in our community survey mentioning pressure to allow for renovation.

Our recommendation is motivated by the fact that renovations can increase turnover when the tenant leaves involuntarily but we don’t have good data to tell us what fraction of turnover is from renovations. The 2019 CMHC rental housing report states that the turnover rate for rentals in Kingston was 17.4%, the fourth highest in Ontario, albeit a decrease from 23.1% in 2018. Since rent controls do not apply at turnover, CMHC noted that new tenants and those tenants moving units would be expected to face higher rents. Considering the fact that newly constructed rental housing in Kingston is observed to fill up quickly and have long waiting lists, it’s easy to see why there is a profit in renovating units beyond the usual and necessary improvements when a unit is vacated voluntarily. However, from the tenant affordability point of view, it would be better that the market add new, additional supply rather than upgrade older, less expensive housing which is already occupied.

The City currently does not track the number of bedrooms nor the rate of rent for demolished units but could look at what other communities are doing to track this information.

Empty Houses

Related to the issue of renovations is the question of whether there is a significant number of housing units held empty for investment purposes. The Task Force tried to look at the number of vacant housing units by looking at water accounts at Utilities Kingston. UK found that, as of December 2019, there were 236 residential water meters where there has been no consumption of water for six months continuously. There were no accounts disconnected due to non-payment within this group. However, it includes units undergoing long term renovations as well as those unoccupied for other reasons. The number should be compared to the approximately 35,000 residential water accounts in the City.

The motivation for examining this data is that Vancouver and Burnaby, British Columbia used this technique to look see how many residential units were empty and possibly being held as investment properties. In Vancouver, in 2017, it was believed that perhaps 8% of dwellings across the city were empty at the time of the 2016 census. After the introduction of an empty house tax, they found that 1.3% of the properties in Vancouver had to pay that tax.

In Kingston because only 236 residential accounts did not use water for any reason, we do not see evidence that the number of houses being held empty for the purpose of investment is significant. As noted in the introduction, Kingston has traditionally been a City where the price to rent ratio has been low indicating that demand comes from people seeking housing rather than investment. It may be worth revisiting the price to rent ratio for Kingston as the last update was in 2015.

As it is required in the next Official Plan review, the City should consider the amount of land available for a diverse range of housing and explore expanding the urban boundary in certain areas of the City where existing infrastructure and servicing capacity exists, such as Highway 2 between CFB Kingston and Ravensview and Highway 15 up to the 401. An urban boundary expansion should be considered with the intent of establishing residential density to make the extension of public transit to these areas economical, and of building an appropriate percentage of affordable housing.

While there is a need to maintain the urban boundary in order to manage greenhouse gas emissions, traffic congestion and to
Quality and Sustainability

Summary of recommendations:

• Appropriate capital resources and best management practices should be applied to upgrade and sustain the quality of existing and new housing stock.

While the terms of reference for the Task Force were focused on the supply of housing, we received numerous public comments and informal communications about poor housing quality. The data on the affordability gap, discussed in the introduction, imply that some households have compromised in order to be sheltered and experience the housing shortage as living in poor quality housing. A proactive effort to maintain certain quality standards in community housing and privately owned affordable housing is needed for decent living standards and for sustainability. Currently the City does not have the ability to inspect units without a property standards violation report from a tenant. We also heard from potential landlords who were interested in providing housing or building affordable housing, but were concerned about potential tenant management issues.

The cost of any effort to build new affordable housing should be compared with the cost of maintaining existing affordable housing. The recent Association of Municipalities of Ontario report underlines this connection to housing supply with the statement, “Deferred maintenance must be dealt with to ensure that community housing remains viable. Maintaining the existing community housing portfolio is the most efficient and cost-effective way to immediately provide affordable housing to those in need. It is critical that units remain in good condition.”

Maintaining quality standards will help minimize any ‘stigma’ and support the mixed income neighbourhoods which are a feature of sustainable, healthy cities. One tenant we talked to, who recently switched from a market-rent to rent-geared-to-income apartment in a high-rise, expressed appreciation for being able to live in a mixed-income building. The City should continue to ensure that new buildings with affordable housing are dispersed throughout the community so that no one neighbourhood is contributing inequitably. Projects at 645 Brock Street and, less recently, at 233 Queen Mary Road may serve as examples.

As a way to encourage more rental units to come on to the market, the City may wish to consider devoting some resources to support tenants and landlords with property standards issues, with the aim of reducing turnover of units, and reducing the chance of experiencing lengthy, landlord-tenant tribunal processes.

While rental licensing can be used by the City to enforce certain property standards (as opposed to the current complaint driven process) there would be added costs. The Task Force has not done a cost-benefit analysis on that policy, or how it would affect affordability, as it is not directly tied to our mandate regarding the supply of housing. We leave the question for the City to resolve.

promote active transportation, it seems that, to some extent, Kingston’s suburbs do not end at the urban boundary and suburban sprawl is being transferred to nearby municipalities. From the 2016 census, fully 31% of employees in Kingston commute from outside Kingston and that is up from 28% in 2001. There is also plenty of anecdotal evidence corroborating this. For example, residence data of CF members posted to CFB Kingston are recorded and related to this is that the new bridge across the Cataraqui River, “will expand access to the area”, and may increase demand for housing in Kingston East. When it comes to supplying affordable or “missing middle” housing, the cost of land is an important factor. Density can reduce the cost of housing, but other things being equal, newer land is less costly than densifying old land with its land assembly, demolition, neighbourhood impact and other costs. We note that, in the Kingston’s Official Plan, for newer areas, namely, Kingston Provincial Campus, Cataraqui North and Cataraqui West it is already the case that at least 25 percent of the approved residential units are to be for affordable housing. We hope that this recommendation, with its reference to transit and affordable housing, suggests a suitable compromise between different needs.
The City of Kingston is situated on traditional Anishinaabe and Haudenosaunee territory.

The Mayor’s Task Force on Housing thanks the Mayor and Council for the opportunity to work on an area of public policy which touches so many aspects of life in Kingston. We would like to thank all members of the public and stakeholders who took the time and effort to provide information and suggestions. Thanks also to the City of Kingston staff, especially those who spent a significant amount of time at our meetings and working behind the scenes with the Task Force: our clerk, Derek Ochej; our staff liaison, Ruth Noordegraaf; our communications liaison, Robert Hosier; (then interim) CAO Lanie Hurdle; and all the staff behind them.

Acknowledgements

Appendices

Appendix A: Public Engagement Data
Appendix B: Stakeholders’ formal contributions to the Task Force
Appendix C: Rental Housing Market Analysis report
Appendix D: Rental Market Housing Development Viability Analysis report
Endnotes

1. For example, the 2012 Task Force on Development, the 2011 City of Kingston and County of Frontenac Municipal Housing Strategy, the preliminary 10 year Housing and Homelessness mid-point review, the 2019 Council Strategic Priorities Implementation Plan, and the Population, Housing and Employment Growth Forecast, 2016 to 2046.

2. These are available online at https://drive.google.com/open?id=1KK1XokKXSuTuNC2LHG7WhIDz5K0uH38e


5. supra note 3

6. According to City Council’s strategic priorities, a minimum of 90 affordable units was planned for 1316 Princess Street.

7. supra note 4

8. Input from Martha’s Table and Kingston Community Living.

9. Building middle-market housing can increase affordability through “filtering” as lower-priced housing occupants move to more expensive units and as new houses depreciate and become cheaper over time.

10. Meaning housing that is affordable when it is built, not affordable housing which is made available by the effect of “filtering”.

11. We recognize that for projects to receive financing there has to be market demand for the proposed units and amenities and that, currently, there is market demand for a certain amount of space and parking.

12. This could be defined as modest housing which can be afforded by median income households.

13. Fixing the Housing Affordability Crisis, Municipal Recommendations for Housing in Ontario, Association of Municipalities of Ontario, 14 August 2019

14. A press release accompanying a submission to the Kingston Mayor’s Task Force on Housing by Home Base Housing as well as in a submission to this Task Force by the Social Planning Council and District.

15. This number, reported in the 2018 Canada Mortgage and Housing Corporation Rental Market Report for the Kingston Census Metropolitan Area, is the purpose-built rental vacancy rate. Purpose built rentals are buildings which have been designed and built for long-term rentals. It is only part of the rental housing market.

16. Rental Market Report, Kingston CMA, Canada Mortgage and Housing Corporation, January 2020. We thank CMHC Senior Analyst, Olga Golozub, for answering countless questions on housing data in a timely and enthusiastic manner during the year of our work.

17. The 1.9% vacancy rate does not seem to be reflected in the operations of larger landlords. Instead, the CMHC data tables indicate that extra vacant rental units seem to be from smaller landlords and 20-49 unit buildings in Zone 4: west of Little Cataract Creek, north of the pre-amalgamation city limits, and east of the Cataract River. We have used the CMHC Housing Portal and gone through the Primary Rental Market reports, census tract by census tract, to find that increase of rental market supply, as reported by the CMHC in 2019, is almost all from one building, the 184 units at 1000 Old Mill Road. This building, as of January 2020, has zero vacancy projected out the end of 1Q 2020.

18. When combined with the 7.9% annual increase in rents in 2019, as reported by CMHC, it is hard to draw a picture of relief in the rental housing market.

19. Watson & Associates, Rental Housing Market Analysis for the Mayor’s Task Force on Housing. We thank the Williamsville Neighbourhood Association for asking this question in their written submission.


21. 10-Year Municipal Housing and Homelessness Plan for the City of Kingston and County of Frontenac – Five-Year Review, Environmental Scan and Needs Assessment, Acacia Consulting & Research and Focus Consulting Inc., September 2019

22. ibid, Figure 21

23. Statistics Canada defines a household to be in ‘core housing need’ if it is not able to find local median rent housing which is, (i) not in need of major repairs; (ii) has enough bedrooms according to the National Occupancy Standard requirements; and (iii) costs less than 30% of the household’s before-tax income. Purely student households are excluded from this definition.

24. While the CMHC defines affordable rent for a household as 30% of household income, fixed grants for affordable housing units have customarily required supplying renting units at or below a certain percentage, typically 80%, of local median rent. Not basing the required rent on tenant income in this way allows cash flow to be estimated in order to obtain project financing.


26. We heard from one person that as a prospective tenant they try not to disclose that they receive disability payments even though, for housing, that is a protected ground under the Ontario Human Rights Code.

27. Kingston Coalition Against Poverty submission to the Mayor’s Task Force on Housing, August 2019

28. Very roughly, the Kingston Community Legal Clinic has about 50 intakes a year, where people have been served with an N12 notice, and roughly half result in applications to the Landlord and Tenant Board. John Done, executive director, Kingston Community Legal Clinic, private communication.

29. By contrast there doesn’t seem to be a problem with housing for the medical school.

31. Recently headlines such the Economist’s Jan. 16, 2020 leader, “Home ownership is the West’s biggest economic-policy mistake”, and those generated by CMHC President, Evan Siddall’s Dec. 9, 2019 speech to a Toronto housing conference where he said, “we need to call out the glorification of homeownership for the regressive canard that it is”, have stoked mainstream interest in questioning house ownership.


33. http://karea.ca/statistics/2-

34. Statistics Canada. Table 34-10-0133-01 Canada Mortgage and Housing Corporation, average rents for areas with a population of 10,000 and over

35. To be precise, the average, fixed sample rent for all bedroom types in the Kingston Census Metropolitan Area increased by 7.9% between 2018 and 2019. An examination of the underlying data tables shows that the rent increase occurred across a majority of market segments. https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/rental-market-report-data-tables

36. Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted

37. Statistics Canada. Table 18-10-0135-01 Building construction price indexes, by type of building

38. City of Kingston, City Council Meeting Number 2019-10 Minutes, March 5, 2019


41. https://ero.ontario.ca/notice/019-0279


43. ibid.

44. We thank Kingston Frontenac Housing Corporation for providing the documentation.

45. he City of Kingston, on the other hand, currently borrowed money at a rate of 3% or so and is interested in providing services while balancing its budget over time, not in finding the highest investment returns. It is interesting to note that 3% is not too far from the internal rate of return of this 100% affordable housing project. According to the appraisal, the expected annual market income is $0.18 million. Dividing by Kingston’s approximate cost to build, this is a crude calculation, but it illustrates the point. Note that in actuality, all of this does not even include the recent enormous appreciation in Kingston real estate values which accrued to the owner.


48. 10-Year Municipal Housing and Homelessness Plan for the City of Kingston and County of Frontenac – Five-Year Review, Environmental Scan and Needs Assessment, Acacia Consulting & Research and Focus Consulting Inc., September 2019


50. Mast, E., “The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market”, Upjohn Institute working paper 19-307, July 2019. We thank Professor Huw Lloyd-Ellis, Department of Economics, Queen’s University for drawing our attention to this.

51. An important caveat is that this research looks only at the quantity of housing available and not the pricing (i.e. whether it is affordable). As an example, rent control means that rental housing prices change when people move.


54. supra note 4

55. For example, we heard from the St. Vincent de Paul society who had a special opportunity because of a generous donor, and sought help with their plans to move to another site and expand.


57. These were implemented on December 17, 2019. See City of Kingston Report to Council 20-025.

58. 41 affordable rent, 20 RGI, and 26 market rent units

59. We thank certain groups for approaching the Task Force as well as the Social Planning Council of Kingston and District for the opportunity to hear from some of them at their Housing Forum.

60. We heard from groups, whose primary competency is not developing housing, who encountered some hurdles when they went through the development process. It seems like this might be a partial explanation, in addition to capacity issues at the City as discussed elsewhere in this report.

61. National Housing Strategy, placetocalhome.ca

62. Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing) since January, 2017.


64. Kingston City Council has approved up to $50k per project for early stage work.

65. For the 7 Wright Crescent and 1752 Bath Road projects.

66. This is often referred to by its location in Section 37 of Ontario’s Planning Act.

67. While a number of people mentioned this, we thank Patricia Streich, a housing researcher, for taking the time to write extensive input on this point.

69. From the community survey it was suggested that abandoned buildings with tax owing could be used for affordable housing. We checked with the City tax department and there is legal procedure for disposal of such properties, usually involving a creditor claim. This does not appear to be a significant source of below market price land for affordable housing.

70. For example the Kingston Provincial Campus, provincial crown land which has not been purchased yet, has a secondary plan. Section 10F.3.4.1 provides that, “At least 25 percent of the approved residential units shall be for affordable housing”.


72. One area of crown land, the Kingston Provincial Campus, already has a secondary plan and has been zoned.

73. City of Kingston, Information Report to Arts, Recreation and Community Policies Committee, Report No. ARCP-10-036. We thank Julia Bryan for point this out to us.

74. For AMHS-KFLA, see City of Kingston Informational Report to Council 19-169.

75. We thank Mr. Ed Peterson of the Tiny Homes Association for the information he provided to the Task Force.

76. We thank a community member for sending a story about the successful Cass Tiny Homes Community in Detroit, MI. This is a good example to note. However, that community was able to obtain extremely cheap land in the wake of severe economic conditions in Detroit after the great recession. It is not clear whether such a project translates well to Kingston.

77. 3-4% is the vacancy rate at which, empirically, in Canada, inflation-adjusted rates are stable.

78. see endnote 77

79. It is possible such a group might have anticipated the low 2018 purpose built rental vacancy rate, given available data on construction starts and post-secondary enrollment plans, and taken some action.


81. Home Base Housing, in their written submission, said, “The working poor, singles and families have been pushed out of the ability to rent homes and apartments by post-secondary students who are paying $700-$1150 per bedroom plus utilities.”

82. For example, this is explicit in the written submission to the Task Force from Queen’s University and the Queen’s Campus Master Plan, March 2014, Chapter three, planning principle 5.4 which commits Queen’s to, “Partner with the City to create a diversity of housing opportunities that minimize strain on stable residential neighbourhoods”. We thank a community member for drawing our attention to this.


Currently wood frame construction in Ontario is allowed up to six stores. Above that, more expensive concrete and steel construction is required. Higher wood frame buildings are still relatively new to Kingston. There are some issues to deal with such as noise transmission and labour intensity during winter construction. A well-known example of innovation in the use of wood construction is the Brock Commons student residence at U.B.C., which, at 18 storeys is the world’s tallest wood building. It is believed that the federal government intends to increase the maximum allowed height of wood frame buildings across Canada.

For example, the City of Victoria, B.C.’s Housing Strategy Phase Two contains this idea: “Explore the use of city-owned sites for temporary modular housing and streamline development processes so they can be operational as soon as possible.” The Victoria Housing Strategy 2015-2025, Phase Two: 2019-2022, City of Victoria, 2019.

An extraordinary action on December 23, 2019 by the LPAT to rescind its own decision in Case No. PL1707714 has some bearing. That action was taken because, “the Tribunal failed to undertake a proper assessment of the entirety of the OP … Such a failure amounts to an error of law”, and later on in that letter to Counsel, LPAT Associate Chair Marie Hubbard wrote, “… these policies considerations were not adequately weighed or balanced in the evaluation of the OPA and ZBA. Examples include: … the promotion of housing supply – 400 rental housing units are proposed in a City with a low vacancy rate.”


Winnie Peters, Executive Director, Tipi Moza, private communication.

Action 1.10 Indigenous Cultural Proficiency

As part of action 2.2 Expand and Preserve Affordable Housing Supply

 supra note 37.

City of Kingston, Information Report to Council, Report Number 20-047

Interim-CAO Lanie Hurdle explained that the job title of “senior planner” encompasses a range of experience and that is why we refer to “highly experienced planners” rather than “senior planners”

For example, Statistics Canada’s Building Construction Price Index for residential building in Ottawa is up 10% in the last two years, over twice the rate of inflation: Statistics Canada. Table 18-10-0135-01 Building construction price indexes, by type of building.

Including three departed staff members whom we talked to in the course of doing research for this report.

The North King’s Town Secondary Plan and the Central Kingston Growth Strategy, Council’s Strategic Plan, 2019-2022, gives completion dates of 2019 and 2019/2020 respectively for these secondary plans, and 2021 for the zoning bylaw consolidation.

While the Task Force was doing its work in 2019, there were external consultants working on secondary plans.

Continuing on from an earlier action to relieve the chief planner from responsibility for managing crossing guards!

For example, this report names malls which have attracted residential development in the Toronto area: www.thestar.com/news/gta/2019/07/25/one-stop-shops-toronto-malls-luring-condo-builders-for-mixed-use-developments.html

Appendix 3, Mayor’s Task Force on Community Housing, Final Report, City of Burnaby, July 17, 2019.

According to the consultant’s report on rental housing economics (note 4), many Ontario retail landlords are looking to take advantage of this fact.

Kingston Centre is zoned District Commercial. Medium and High density residential uses are permitted, according to 3.4.D.8 in the Official Plan. It would seem that all the locational criteria required for high density residential, in section 3.3.C.3, are satisfied. According to 3.4.D.9, which addresses the Kingston Centre specifically, the intent of that area already explicitly includes high density residential buildings. No O.P. amendment would be required to develop residential units, though a site plan control review with its public consultation will be required. Also worth noting is that if retail development is intended for the Kingston Centre, there has to be a market justification study and impact assessment to protect existing retail all the way down Princess Street. Building residential on that site would avoid such considerations since residential enhances other retail locations and doesn’t compete with them.

This idea was also mentioned in a response our community survey.

See, for example, Northdale in Review: Assessing 5-Years of Change, Final Project Report, Neighbourhood Anatomy Group, April 2019; see also numerous online press reports chronicking the history of this project.

The missing middle is housing of a scale between single-detached houses and apartment buildings. They tend to be more economical and meet a demand for city living with active transportation, but have not been built very much in the last 50 years.

Fixing the Housing Affordability Crisis, Municipal Recommendations for Housing in Ontario, Association of Municipalities of Ontario, p. 17, 14 August 2019.

130. Kingston’s Strategic Plan, 2019-2022, Increase Housing Affordability, Item 3. As of September 2019, the City’s website states that, “Staff are working on a new policy for obtaining peer reviews, which may include a ‘roster based’ approach that has been championed by other municipalities.” https://www.cityofkingston.ca/apps/councilpriorities/


133. For context, in Census Metropolitan Areas (of which Greater Kingston is one), 63% of listings were entire-home listings and the average number of active daily listings was 128,000.

134. supra note 4

135. The consultant’s report used discounted cash flows over a ten year horizon. It is possible to get a higher return by using a longer time horizon but that is at the cost of accepting more risk.

136. These criteria are based on research in U.S. cities looking into what kinds of inclusionary housing program designs have worked and what have not, Separating Fact from Fiction to Design Effective Inclusionary Housing Programs, Lisa Sturtevant, Center for Housing Policy, National Housing Conference, May 2016.

137. www150.statcan.gc.ca/n1/daily-quotidien/190503/cg-b006-eng.htm

138. Rethinking the Tower, Innovations for Housing Attainability in Toronto, Ryerson City Building Institute, 2019.

139. The Student-Community Relations Coordinator at Queen’s said that single, post-graduate students struggling with housing affordability would benefit. This group is also willing to live further away from our post-secondary campuses.

140. supra note 95

141. supra note 96

142. supra note 94

144. for example at the Social Planning Council of Kingston and District Housing Action Forum, May 2019.


147. Mast, E., “The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market”, Upjohn Institute working paper 19-307, July 2019. This recent piece of work looked at data from U.S. cities and estimated how many households would, within five years, move out of below-median (45 - 70) and lowest-quintile (17 - 39) income areas when 100 market-rent units were built, without a conclusion about the affordability of the units what these households migrated into.


149. ibid. We thank RBC Economics for permission to reproduce the figure from their report.

150. Drilling down like this may only be possible every five years with the release of census data. It is not data that the City staff should be expected to provide.

151. While the Rental Housing Market Anlaysis report does not identify bachelor apartments as a unit type where demand will increase, if there aren’t more bachelor units available then filtering, or portable housing benefits will not be effective in helping single middle-aged adults in core housing need.

152. supra note 14

153. Note our discussion, later on in this section, about the urban boundary in Kingston East.

154. It is anticipated that 2020 building completions will be at or above this level.

155. supra note 12

156. supra note 13

157. As an example, we were told that, more and more, graduate students have been getting together to rent instead of living individually. That process could reverse itself with more purpose built student rentals. We were also told that undergraduates could, for example, rent houses in groups of 3-4 instead of 5-6 in response to new supply.

158. The data quality from CMHC for individual zones in the Kingston CMA is not good enough to conclude that turnover is concentrated in any particular area except to say that turnover was less in Zone 4 (west of Little Cataraqui river, east of the Cataraqui river, and south of the old city limits) and less in larger buildings with 100+ units. For example, 1000 Old Mill Road had zero vacancy in January 2020.

159. For example, The Westen on Gardiner’s Road had 1000 households on its waiting list. Building Kingston’s Future was one group that posed this question.

160. We are indebted to Carl Dooher, Manager – Measurement & Communications, Utilities Kingston and his team for analyzing the data.

161. Upjohn Institute working paper 19-307, July 2019. This recent piece of work looked at data from U.S. cities and estimated how many households would, within five years, move out of below-median (45 - 70) and lowest-quintile (17 - 39) income areas when 100 market-rent units were built, without a conclusion about the affordability of the units what these households migrated into.

162. supra note 27.


164. We thank CFB Kingston base commander, Col. Kirk Gallinger, for providing maps and other detailed information.

167. There are factors such as maintenance, upkeep, architectural interest, landscaping. For example the Kingston Coalition Against Poverty went door-to-door and reported to us that, “no matter where surveying took place, residents reported that maintenance staff did not fix problems in a timely manner, including some potentially serious concerns.”

168. Kingston Frontenac Housing Corporation told us that one of their challenges is aging buildings and finding capital funding for asset replacement.

169. Fixing the Housing Affordability Crisis, Municipal Recommendations for Housing in Ontario, Association of Municipalities of Ontario, 14 August 2019

170. The Toronto Regent Park redevelopment’s strategy for financial and social sustainability relied on mixed-income housing.