



**City of Kingston
Report to Council
Report Number 15-009**

To:	Mayor and Members of Council
From:	Lanie Hurdle, Commissioner, Community Services
Resource Staff:	Sheldon Laidman, Director, Housing & Social Services
Date of Meeting:	December 16, 2014
Subject:	Capital Investment in Affordable Housing Program – Abbeyfield Houses Society of Kingston – Funding Termination

Executive Summary:

Council Report Number 12-370 dated November 20, 2012, approved the allocation of \$300,000 to Abbeyfield Houses Society of Kingston (Abbeyfield) from the Municipal Affordable Housing Capital Investment Program. The funding was intended to create two affordable seniors' supportive living residences within a 16 suite project to be developed at 247 Portsmouth Avenue. In accordance with municipal procedures, a Municipal Contribution Agreement was executed between the City and Abbeyfield outlining the provision of the funding and the terms and conditions of the agreement.

The Abbeyfield Board of Directors has formally communicated to City Staff that the project will not be going forward. The termination of the project relates to the proponent not being able to raise sufficient equity to secure financing to support the construction value of the project. To-date, no municipal funding had been advanced to Abbeyfield.

In order to formally terminate the Municipal Contribution Agreement, the execution of a Termination Agreement and passing of a repeal by-law is required. The \$300,000 previously allocated to Abbeyfield will be reallocated to the Affordable Housing Capital Investment Program for future projects.

Recommendation:

That Council approve the by-law attached as Exhibit A, "A By-Law to Repeal By-Law 2012-180, being a By-Law to Terminate the Municipal Contribution Agreement with Abbeyfield Houses Society of Kingston" to Report Number 15-009; and

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That Council authorize the Commissioner, Community Services, or her delegate to review and approve, for execution by the Mayor and Clerk, all documents and agreements related to the termination of the Municipal Contribution Agreement entered into with Abbeyfield Houses Society of Kingston as required and to the satisfaction of the Director of Legal Services; and

That Council authorize the Mayor and Clerk to execute all document and agreements related to the termination of the funding as outlined in this report as approved by the Commissioner, Community Services, or her delegate.

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER
Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER
Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

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| Cynthia Beach, Corporate & Strategic Initiatives | Not required |
| Denis Leger, Transportation, Facilities & Emergency Services | Not required |
| Jim Keech, President and CEO, Utilities Kingston | Not required |
| Desiree Kennedy, Chief Financial Officer & City Treasurer | |

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Options/Discussion:**Background**

Abbeyfield Houses Society of Kingston (Abbeyfield) is a non-profit organization which has been acting locally to develop a 16 unit supported living seniors' residence at 247 Portsmouth Avenue. To assist in the provision of affordable housing units within the project, City Council had approved a capital contribution of \$300,000 within Council Report Number 12-370 dated November 20, 2012. The capital contribution was provided to create two affordable housing units which would include affordable rental rates and meal services, amongst other supports and amenities. A Municipal Contribution Agreement was entered into with Abbeyfield in April 2013. In addition, required Zoning By-Law Amendments were approved at Council's December 4, 2012 meeting.

Since that time, Abbeyfield made City Staff aware that the organization was having difficulty raising sufficient equity to secure appropriate financing for the project despite the City's financial contribution. In accordance with the Municipal Contribution Agreement, City Staff and Abbeyfield engaged in discussions to explore options to address the funding shortfall which was a substantial amount in relation to the total project costs. Subsequent to these discussions the Abbeyfield Board of Directors notified City staff that the project would not be going forward. Throughout this process, no municipal funding had been advanced to the proponent.

To the mutual agreement of City staff and the Abbeyfield Board of Directors, and as directed by the City's Legal Services Department, a Termination Agreement has been duly signed by representatives of the Abbeyfield Board of Directors. Since funding was never advanced to the proponent, no repayment provisions are proposed. The recommendation of this report will enable the Mayor and Clerk to sign and fully execute the Termination Agreement which will render the Municipal Contribution Agreement and the funding allocation provided for therein, null and void. The proposed draft by-law will repeal By-Law Number 2012-180 which was required to formally extend funding to the project.

The full \$300,000 will remain within the Affordable Housing Capital Investment Program fund and will be disbursed, as appropriate, to future projects.

Existing Policy/By-Law:

In order to formally terminate the funding allocation, the passing of the attached by-law will repeal By-Law Number 2012-180 "A By-Law To Permit Council To Enter Into A Municipal Contribution Agreement With Abbeyfield Houses Society Of Kingston For The Provision Of Affordable Housing Units At 247 Portsmouth Avenue, In Kingston".

The project funding was provided through the City's Affordable Housing Capital Investment Program. The program's objective is to provide capital funding to support the provision of new affordable housing units in the City.

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The full \$300,000 which was to be allocated to Abbeyfield will be disbursed to future projects funded through the Affordable Housing Capital Investment Program.

Contacts:

Lanie Hurdle, Commissioner, Community Services 613-546-4291 extension 1231

Sheldon Laidman, Director, Housing and Social Services 613-546-4291 extension 4957

Other City of Kingston Staff Consulted:

Lee Campbell, Manager, Housing and Social Services Department

John Henderson, Housing Programs Administrator, Housing and Social Services Department

Alan McLeod, Senior Legal Counsel, Legal Services Department

Exhibits Attached:

Exhibit A A By-Law to Repeal By-Law Number 2012-180, being a By-Law to Terminate the Municipal Contribution Agreement with Abbeyfield Houses Society of Kingston

By-Law Number 2015-XXX

A By-Law to Repeal By-Law Number 2012-180, being a By-Law to Terminate the Municipal Contribution Agreement with Abbeyfield Houses Society of Kingston

Passed: Meeting date, 2014

Whereas on December 4, 2012 the Council of the Corporation of the City of Kingston enacted By-Law Number 2012-180 being A By-Law To Permit Council To Enter Into A Municipal Contribution Agreement With Abbeyfield Houses Society Of Kingston For The Provision Of Affordable Housing Units At 247 Portsmouth Avenue, In Kingston; and

Whereas the Abbeyfield Houses Society of Kingston Board of Directors notified City Staff that the affordable housing project, for which municipal funding was awarded, would not be going forward.

Therefore be it resolved that the Council of the Corporation of the City of Kingston hereby enacts as follows:

1. That By-Law Number 2012-180 being A By-Law To Permit Council To Enter Into A Municipal Contribution Agreement With Abbeyfield Houses Society Of Kingston For The Provision Of Affordable Housing Units At 247 Portsmouth Avenue, In Kingston be hereby repealed.
2. This By-Law shall come into force and take effect on the date of its passing.

Given all Three Readings and Passed: Month XX, 2014

John Bolognone
City Clerk

Bryan Paterson
Mayor