

City of Kingston Report to Council Report Number 23-063

То:	Mayor and Members of Council	
From:	Paige Agnew, Commissioner, Community Services	
Resource Staff:	Tim Park, Director, Planning Services	
Date of Meeting:	February 21, 2023	
Subject:	2031 Municipal Housing Pledge	

Council Strategic Plan Alignment:

Theme: 2. Increase housing affordability

Goal: 2.1 Pursue development of all types of housing city-wide through intensification and land use policies.

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

Goal: 2.3 Implement tools and incentives to accelerate construction following planning approvals.

Goal: 2.4 Promote secondary suites and tiny homes.

Goal: 2.5 Advocate for funding and increased investments.

Executive Summary:

As detailed in <u>Report Number 23-020</u>, the Province established Municipal Housing Targets for 29 of the largest and fastest-growing municipalities in southern Ontario with a population projected to be over 100,000 by 2031. The intent of the Municipal Housing Targets is to help meet the provincial goal of 1,500,000 new homes by 2031. The targets assigned to municipalities total 1,229,000 new homes, just over 80% of the total provincial goal.

The City of Kingston's Municipal Housing Target is 8,000 new homes by 2031. In a letter to the City from The Honourable Steve Clark, Minister of Municipal Affairs and Housing dated October 25, 2022, the Province requested that the City demonstrate its commitment to accelerating

Page 2 of 5

housing supply by developing a Municipal Housing Pledge to identify the tools and strategies the City intends to use to support and facilitate the construction of 8,000 new homes by 2031. A deadline of March 22, 2023 (extended from the original deadline of March 1, 2023) has been established for the City to provide its Municipal Housing Pledge to the Province.

The City of Kingston is committed to accelerating housing supply and staff have prepared a Municipal Housing Pledge for Council's approval, identifying various strategies and tools that the City will use to help accelerate the construction of new homes in the community and to support the Municipal Housing Target of 8,000 new homes by 2031.

Recommendation:

That Council approve the Municipal Housing Pledge attached as Exhibit B to Report Number 23-063; and

That Council direct the City Clerk to submit Council's resolution and Report Number 23-063 to The Honourable Steve Clark, Minister of Municipal Affairs and Housing before March 22, 2023 to fulfill the Province's request for a Council-approved Municipal Housing Pledge.

Page 3 of 5

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Paige Agnew, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Neil Carbone, Commissioner, Corporate Services

David Fell, President & CEO, Utilities Kingston

Not required

Peter Huigenbos, Commissioner, Business, Environment & Projects

Brad Joyce, Commissioner, Transportation & Public Works

Desirée Kennedy, Chief Financial Officer & City Treasurer

Page 4 of 5

Options/Discussion:

On October 25, 2022, the Province introduced Bill 23, the *More Homes Built Faster Act, 2022*, and started a number of initiatives aimed at increasing the supply of housing in Ontario, as detailed in <u>Report Number 23-020</u>. One of the initiatives was the creation of Municipal Housing Targets for 29 of the largest and fastest-growing municipalities in southern Ontario with a population projected to be over 100,000 by 2031. The intent of the Municipal Housing Target is to help meet the provincial goal of 1,500,000 new homes by 2031. The targets assigned to municipalities total 1,229,000 new homes, just over 80% of the total provincial goal.

In a letter from The Honourable Steve Clark, Minister of Municipal Affairs and Housing to the City of Kingston dated October 25, 2022 (Exhibit A to this Report), the Province has requested that the City demonstrate its commitment to accelerating housing supply by developing a Municipal Housing Pledge to identify the tools and strategies the City intends to use to facilitate the construction of 8,000 new homes in the City of Kingston by 2031. A deadline of March 22, 2023 has been established for the City to provide its Municipal Housing Pledge to the Province.

The City of Kingston is committed to taking actions to help reduce costs and increase the supply of housing using all tools and resources that are available to municipalities. While the City has no tools to require private landowners to build new homes and limited financial resources available to construct new municipally funded affordable housing, staff have drafted a Municipal Housing Pledge (Exhibit B to this Report) for Council's approval which focuses on matters within municipal control, mainly by encouraging new housing construction by reducing municipal barriers and creating incentives.

The actual achievement of the Municipal Housing Target cannot be controlled or compelled by the municipality. So, in addition to addressing matters within municipal control, the Pledge also serves as a "call to action" for all stakeholders to collaborate, innovate and help build new homes in the most cost-effective manner possible.

Existing Policy/By-Law:

Official Plan

Kingston Zoning By-law Number 22-62

City of Kingston Site Plan Control By-law Number 2010-217

City of Kingston Parkland Conveyance By-law Number 2022-145

City of Kingston Fees and Charges By-law Number 2005-10

Notice Provisions:

None

Page 5 of 5

Accessibility Considerations:

None

Financial Considerations:

None

Contacts:

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Other City of Kingston Staff Consulted:

Jenna Morley, Director, Legal Services and City Solicitor

Brandon Forrest, Director, Business, Real Estate & Environment

James Bar, Manager, Development Approvals, Planning Services

John Henderson, Housing and Program Administrator, Housing and Social Services

Meghan Robidoux, Supervisor, Development Approvals, Planning Services

Exhibits Attached:

Exhibit A – Letter to the City from The Honourable Steve Clark, Minister of Municipal Affairs and Housing dated October 25, 2022

Exhibit B - City of Kingston Municipal Housing Pledge

Ministry of Municipal Affairs and Housing

Office of the Minister

777 Bay Street, 17th Floor Toronto ON M7A 2J3 Tel.: 416 585-7000 Ministère des Affaires municipales et du Logement

Bureau du ministre

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234-2022-4625

October 25, 2022

City Clerk City of Kingston 216 Ontario Street Kingston Ontario K7L 2Z3

Subject: Municipal Housing Targets and Municipal Housing Pledges City of Kingston: 8,000

Dear John Bolognone,

Our government is taking bold and transformative action to get 1.5 million homes built over the next 10 years.

To help fulfill this commitment, we have announced and are implementing More Homes Built Faster: Ontario's Housing Supply Action Plan 2022-23. This plan includes a suite of legislative and non-legislative changes across government that will help unlock more housing, streamline development approvals, remove barriers, accelerate planning, and further protect homebuyers and owners.

To support the new action plan, we have introduced the **More Homes Built Faster Act**, **2022**, which, if passed, would ensure that cities, towns, and rural communities grow with a mix of ownership and rental housing types that meet the needs of all Ontarians.

To achieve the goal of building 1.5 million homes, large and fast-growing municipalities, including yours, are being assigned a **Municipal Housing Target**. While municipalities have taken significant steps in increasing their housing supply, Ontario needs an unprecedented amount of housing to meet current demand and that of generations to come. Our government requires a commitment from our municipal partners to do their part in providing housing for future population growth.

To implement the 1.5 million homes target I am asking the City of Kingston to demonstrate its commitment to accelerating housing supply by developing a **Municipal Housing Pledge** and take the necessary steps to facilitate the construction of 8,000 new homes in your community by 2031. I ask that you bring this letter to the attention of your Head of Council so that your municipality is positioned to deliver its pledge to me, the Minister of Municipal Affairs and Housing, by the March 1, 2023, deadline. See the info sheet attached to this letter for information and considerations in developing a Municipal Housing Pledge.

Pledges will provide important information that showcase the strategies and actions that municipalities choose to adopt in order to prioritize and accelerate housing. Our government intends to use your pledges to monitor and track progress so we can continue to play a role in supporting municipalities and removing barriers to housing development.

Our government recognizes the key role that municipalities will play in implementing Municipal Housing Targets through their Municipal Housing Pledges and know that you share the desire to bring more housing to the people of Ontario. We are committed to addressing the policy and implementation barriers you may encounter as you develop your pledges and I encourage you to reach out to Wendy Ren, Executive Lead, Municipal Policy/Program Collaboration, at <u>Wendy.Ren@ontario.ca</u> or 437-995-7094, if you have any questions, comments, or suggestions.

I look forward to working together to increase housing supply for all Ontarians.

Sincerely,

Steve Clark

Steve Clark Minister

Encl.

c: The Honourable Michael Parsa, Associate Minister of Housing Kate Manson-Smith, Deputy Minister Ryan Amato, Chief of Staff, Minister's Office Joshua Paul, Assistant Deputy Minister, Housing Division

Info Sheet: Considerations in Developing Municipal Housing Pledge

The pledge is not intended to be a land-use planning document, and its development should not require external technical expertise. The format and language used in the pledge should be accessible to the general public. The pledge is intended to be approved by municipal councils and should help codify Council's commitment to meeting their municipal housing target.

Municipalities can leverage new and existing policy tools as they develop housing pledges and work towards their housing targets.

Below is a non-exhaustive list of potential strategies and actions that municipalities may include in developing their housing pledges. There may be additional opportunities based on local circumstances and the Province is interested in hearing about those ideas and creative solutions.

- Strategies to encourage and promote gentle intensification to enable and expedite additional residential units in existing residential areas
- Outline ways in which funding under provincial programs, such as the Streamline Development Approval Fund (SDAF) or Municipal Modernization Program (MMP), has been used to streamline existing municipal development approval processes
- Information on municipal development approval timelines and whether municipalities are being appealed for non-decisions
- Identify potential measures where current lack of infrastructure capacity (e.g., water/wastewater servicing) may limit future housing development
- Strategies to use municipal surplus lands
- Commitment to plan for, fund, and approve (where applicable) specific critical municipal infrastructure to support growth and new housing (e.g., water, wastewater, transit etc.), which may include expanded capacity as well as fully new facilities/assets
- Priorities for strategic and site-specific planning decisions to expedite housing in priority areas (e.g., around transit stations and in transit-serviced areas)
- Update zoning by-laws to permit a greater range of housing to be built without the need for costly and lengthy rezoning applications
- Municipalities may also consider existing tools such as the Community Infrastructure and Housing Accelerator, <u>Community Planning Permit System</u>, Major Transit Station Areas, and Protected Major Transit Station Areas.

Below are some of the potential components of a municipal housing pledge. Municipalities are free to choose, alter, or add any new components that seem reasonable. Pledges can be represented in the form of plain text, tables, charts, maps, or a combination of them.

• Municipal Housing Target

- Planned and proposed Municipal Initiatives
- Initiative Owner and Additional Stakeholders
- Context and Description of How Initiative Accelerates Housing
- Number of units per initiative and housing type
- Considerations (Barriers, Implementation, Risks, etc.)
- Potential Mitigation Strategies and Proposal to Accelerate Housing
- Potential Reporting and Monitoring Measures

The deadline for municipalities to submit housing pledges to the Minister of Municipal Affairs and Housing is <u>March 1, 2023</u>.

Municipal housing pledges are intended to be public documents and it's anticipated that municipalities will post them online.

Municipalities can contact Ministry staff with any questions and for clarification.

City of Kingston's Municipal Housing Pledge

The housing crisis has touched all residents in our community, the Province and the Country, with the greatest and most inequitable impact on those populations who have the fewest resources and/or are most vulnerable in society. It is a complex issue that requires a paradigm shift from all stakeholders, including all levels of government, private corporations, non-profits, skilled workers, institutions and every citizen. All stakeholders must work together to bring innovative, collaborative and aggressive solutions forward to increase supply, and decrease both the immediate and long-term costs of new housing.

Throughout the last term of Council, the City's focus on increasing housing affordability as one of the main strategic priorities resulted in a number of positive and innovative housing initiatives with forward momentum on increasing housing supply, but more work needs to be done by all stakeholders to meet the Province's <u>Municipal Housing Target</u> for the City of Kingston of 8,000 new homes by 2031. The current Council will be setting strategic priorities in March of 2023, shortly after the completion of this document. It is expected that the housing crisis will continue to be one of the main strategic priorities guiding the City over the next four years and beyond.

The City of Kingston is committed to taking actions to help reduce costs and increase the supply of housing using all tools and resources that are available to municipalities. As the City has no tools to require private landowners to build new homes, and limited financial resources available to construct new municipally funded affordable housing, this Pledge is focused on matters within municipal control, which mainly focus on encouraging new housing construction by reducing municipal barriers and creating incentives. The actual achievement of the Municipal Housing Target cannot be controlled or compelled by the municipality. So, in addition to addressing matters within municipal control, this Pledge also serves as a "call to action" for all stakeholders to collaborate, innovate and help build new homes in the most cost-effective manner possible. Now is the time to come forward to help build more homes.

This is the City of Kingston's Municipal Housing Pledge to help support and encourage the construction of at least 8,000 new homes by 2031:

Housing Supply and Policy Initiatives

1. Pending and Committed Residential Supply & Units Under Construction

The City undertakes a regular review of the supply of new residential units proposed through *Planning Act* applications. This review identifies the number of units that may eventually be added to the housing market and considers the status of approvals made under the *Planning Act*. Considered in this review are "pending" and "committed" residential units within the City's urban boundary.

Pending units are those that are tied to:

- a plan of subdivision that has yet to receive draft plan approval;
- an Official Plan/zoning by-law amendment that has yet to receive approval; and
- applications appealed to the Ontario Land Tribunal (OLT) and pending a decision from the OLT.

Committed units are those that are tied to:

- an approved draft plan of subdivision;
- a registered plan of subdivision (but only those units for which building permits haven't been issued);
- an approved Official Plan/zoning by-law amendment or minor variance, but no Site Plan Control application submitted yet;
- a Site Plan Control application under review with approved zoning; and
- an approved Site Plan Control application but no building permits issued yet.

Table 1 identifies the total number of pending and committed residential units proposed through *Planning Act* applications as of December 31, 2022. There are a total of 4,371 committed units and 6,959 pending units. These applications could result in 11,330 new homes being added to the Kingston market over time.

Туре	Multi-unit residential	Single detached, semi-detached or rowhouse	Total
Pending Units	4,216 units	846 units	
Appealed to the OLT	1,897 units	0	6,959 units
Committed Units	2,429 units	1,942 units	4,371 units
Total	8,542 units	2,788 units	11,330 units

Table 1 – Pending and Committed Residential Units

Of the 4,371 committed units, there are 1,638 units that have received draft plan of subdivision or zoning by-law amendment approval but haven't yet proceeded to applications for final plan of subdivision or site plan approval and building permits, resulting in delays before the development eventually comes to market. The City has no ability to require developers to accelerate construction within a certain time frame of receiving planning approvals.

Appeals to the OLT have also had an impact on the completion of some of the proposed residential projects. Of the 6,959 pending units, 1,897 units are currently under appeal, representing approximately 27 percent of all pending units.

Table 2 shows that between 2018 and 2022, building permits were issued for 5,009 new residential units, of which multi-unit residential represented approximately 61 percent of the total units. While the 10-year average number of building permits per year was 811 units, over the past five years construction has accelerated in Kingston with a five year average of around 1,000 units per year, including an annual multi-unit residential average of 615 units per year over that same five year period.

Year	Multi-unit residential Building Permits	Single detached, semi-detached or rowhouse Building Permits	Total Units for which Building Permits were issued
2018	227 units	337 units	564 units
2019	672 units	381 units	1,053 units
2020	875 units	533 units	1,408 units
2021	705 units	406 units	1,111 units
2022	595 units	278 units	873 units
Total	3,074 units	1,935 units	5,009 units

Table 2 – Residential Building	n Permits Issue	d Between 2018 and 2022	
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If the average number of building permits of around 1,000 units per year continues for the next eight years, the City should be able to meet the Province's Municipal Housing Target of 8,000 new homes by 2031. This depends on a number of external factors including, but not limited to, the supply of land, interest of property owners in developing housing, availability of servicing infrastructure to support new development, availability of skilled trades, supply chain of construction materials, appeals at the OLT, cost of construction, financing rates, etc.

2. ZBL 22-62 and Additional Residential Units

24 years after the amalgamation of the City of Kingston, 2022 was a momentous year that saw the approval of the new <u>Kingston Zoning By-Law Number 2022-62</u> (ZBL 22-62). In harmonizing, simplifying, and modernizing the zoning provisions, ZBL 22-62 focuses on inclusive and equitable housing opportunities for all residents and all housing needs in our community.

Even before Bill 23, the *More Homes Built Faster Act, 2022*, automatically permitted three residential units on serviced urban lands, ZBL 22-62 permitted the majority of

properties with one or two residential units to be developed with up to three residential units in both the urban and rural areas (subject to requirements). All urban residential lots that are not constrained have automatic permissions for three residential units and, in the majority of the rural residential areas, a simple application allows for three residential units if they can be supported by individual private services.

Additional residential units are a desirable way to achieve the Municipal Housing Target, as they focus development on existing serviced lots with fewer long-term infrastructure and maintenance costs borne by taxpayers. When considering the number of urban residential lots and rural residential lots that are eligible to be developed with additional residential units, this mechanism alone has the ability to accommodate approximately 66,000 new homes, far exceeding the targeted number of housing units, as demonstrated in Table 3.

Table 3 – Potential Additional Residential Units

Unconstrained Lots in an Urban Residential (UR) Zone	30,009 lots
Lots in Hamlet (HAM), Rural (RU), Rural Residential (RUR) and Limited Service Residential (LSR) Zone with Single Detached House	3,386 lots
Potential Additional Residential Units in UR, HAM, RU, RUR, LSR Zones	66,790 units
Existing Additional Residential Units in UR, HAM, RU, RUR, LSR Zones	534 units
Net Potential Additional Residential Units	66,256 units

Over the last five years, on average, the City issued building permits for 73 second/additional residential units annually, detailed in the Table 4.

Year	Additional Residential Unit Building Permits
2018	12
2019	56
2020	117
2021	98
2022	80
Total	363

The uptake and interest in constructing additional residential units has grown. With the ability to build a significant number of new homes in the form of an additional residential unit with limited barriers, the City will be exploring opportunities to educate property owners about this opportunity with the hope of increasing the number of new homes built as an additional residential unit.

3. Pre-Zoned and Up-Zoned Lands

Through the approval of ZBL 22-62, Council pre-zoned some vacant lands. This means that some vacant future subdivision lands are now automatically allowed to be developed with new homes without the need to proceed through a rezoning application. The pre-zoning of these vacant lands removes barriers to housing construction by minimizing uncertainty, future costs and the length of time it takes to start building. As demonstrated in Table 5, a minimum of 1,631 new homes have zoning approval in place to build in these pre-zoned areas (Note: This is an estimated minimum number of required units based on estimated net residential areas. Zoning permissions allow for more units in these areas if the developers take advantage of new, more dense housing forms that are permitted by ZBL 22-62).

Exception Number	Location	Minimum Density (units per net hectare)	Estimated Minimum Units
E21	Woodhaven (low density)	30	1,091 units
E22	Woodhaven (medium density)	37.5	439 units
E37	Jade Avenue area	27	86 units
E66	367 Gore Road	25	15 units
		Total	1,631 units

Table 5 – Estimated Minimum Number of Units in Pre-Zoned Areas

Up-zoning removes municipal barriers by giving automatic increased permissions in the zoning by-law for properties that are already developed and serviced. Up-zoning key areas of the City where a greater level of intensification is appropriate allows for a significant number of new homes to be built in areas that are walkable, close to transit and have a mix of uses that support daily life. This has long-term economic, environmental, and quality of life benefits for the future residents of these developments and the City overall.

Through the work of the Central Kingston Growth Strategy which was approved concurrently with ZBL 22-62, two areas for intensification were up-zoned to accommodate growth in areas that are well located relative to commercial, employment, transportation, and recreation opportunities. The lands that were up-zoned through the Central Kingston Growth Strategy have automatic permissions that could see approximately 4,000 new units built, as demonstrated in Table 6.

Further, the Williamsville Main Street Corridor, which is located along Princess Street between Division Street and Bath Road, has also been the subject of recent studies and up-zoning. This area has seen significant growth in the last 5-10 years and has accommodated a significant amount of the recent higher density residential development in the City. It is estimated that approximately 2,940 new units could be built on remaining underutilized lands in this area without the need for a rezoning, identified in Table 6.

Location	Potential New Units
Central Kingston Growth Strategy Intensification Areas	4,000 units
Williamsville Main Street	2,940 units
Total	6,940 units

Table 6 – Potential New Units in Up-Zoned Areas

Cumulatively, the pre-zoning and up-zoning of these areas in ZBL 22-62 means the zoning by-law is not a barrier to the construction of approximately 8,571 new homes. The City encourages the owners of these properties to take advantage of the zoning permissions and explore ways to build more homes through new partnerships. The City will be exploring opportunities to connect stakeholders with different assets and resources to deliver new homes in pre-zoned and up-zoned areas of the City.

4. The Power of Parking

A 'made in Kingston' solution called the "<u>Power of Parking</u>" transformed the parking approach in ZBL 22-62 by eliminating minimum parking requirements for non-residential uses and reducing minimum parking requirements for residential uses. In addition to supporting alternative transportation options such as car-share, active transportation, and public transit through innovative and interconnected zoning provisions, ZBL 22-62 supports the creation of affordable housing by exempting affordable units from minimum parking requirements, and broadly supports housing affordability through low minimum parking requirements for all other residential units, with a cost-effective cash-in-lieu of parking option for certain types of buildings.

Constructing parking spaces is expensive and parking requirements in a zoning by-law can be significant barriers to fast, cost-effective housing solutions. Reducing the number of parking spaces required for new housing, especially in areas well served by alternative modes of transportation, helps to reduce construction costs (which are often passed directly on to future purchasers or renters) and removes the need for expensive parking studies that delay planning approvals. The City of Kingston has already removed this barrier through the approval of ZBL 22-62 and will continue to monitor the parking framework to ensure it continues to achieve the intended goals over the years to come.

5. Amendments to the Official Plan, Site Plan By-law, Parkland Conveyance By-Law and ZBL 22-62

In response to the *More Homes Built Faster Act, 2022*, the City will be initiating applications to amend the Official Plan, ZBL 22-62, the Site Plan Control By-law and the Parkland Conveyance By-Law to align with the recent updates made to the *Planning Act* (as described in <u>Report Number 23-020</u>).

Through these applications, which are anticipated to be initiated in winter or spring of 2023, staff will also be exploring opportunities to better support housing and remove existing policy barriers to appropriate new housing in the City. A series of amendments will be proposed beyond those required by Provincial legislation to ensure the planning policies support affordable housing and housing innovation, decrease costs and streamline processes where appropriate. Information about this application will be sent to the new <u>Planning Services Listserv</u>. Sign up for the Listserv by filling out the fields and selecting the "Planning Project Updates" option.

6. Supporting Housing through the Municipal Comprehensive Review

Once a decision is made on the Provincial proposal to integrate the Provincial Policy Statement and A Place to Grow into a new province-wide planning policy document, the next Municipal Comprehensive Review (MCR) of the Official Plan will begin.

The MCR will include a significant focus on housing-supportive policies to support housing innovation, increase the overall supply of housing in the right locations and support the construction of affordable housing. In conjunction with the MCR, the City will ensure that necessary revisions are proposed to ZBL 22-62 including the potential to pre-zone or up-zone more areas for new housing construction. Information about the MCR will be sent to the new <u>Planning Services Listserv</u>.

7. Municipal Financial Incentives to Expand Housing Affordability Options Study

The City has retained Watson & Associates Economists Ltd. to undertake a study to explore potential financial incentives to help facilitate and encourage affordable housing in Kingston. This study includes a review of financial tools, including but not limited to, discretionary municipal fee exemptions, discounts or deferrals (such as planning application fees, development charges, parkland dedication fees); land donation or discounting; property tax incentives; capital funding and operating subsidies; community improvement plans; and municipal capital facility agreements and by-laws. The findings and recommendations of the study are anticipated to be presented to Council in the spring of 2023, with implementation to follow.

Municipally Funded Affordable Housing & Surplus Municipal Lands

8. Housing Accelerator

To expedite the development of new housing, City staff have established an interdepartmental housing accelerator team. The purpose of the housing accelerator

team is to advance new housing projects to the shovel-ready stage for the development of market and affordable housing units. The objective is to leverage City resources, including surplus land and staff expertise, to accelerate the development of new housing across the City.

The accelerator enhances and complements the existing work of the City in supporting the development of new housing assets across the housing continuum (i.e. emergency shelter, transitional and supportive housing, affordable rental housing, and affordable/attainable ownership housing).

The first round of accelerator projects focuses only on City-owned sites that may be determined surplus to municipal need and dedicated for housing development. Subsequent phases of the accelerator will also include locations owned by non-profit organizations and possibly sites provided by other levels of government.

9. Municipal Capital Funding Contributions

Since 2012, the City has made annual contributions to the development of new affordable housing units within housing projects developed by private and non-profit organizations. In exchange for capital funding assistance, the developer commits to renting funded units at below-market rates for a minimum 20-year term.

At the current time there are projects in the pre-development and construction phases that have been allocated a total municipal funding commitment of over \$19 million. This funding is in addition to upper-level government allocations made locally and will provide 191 new affordable housing units that will achieve occupancy between now and 2025. In 2022, 61 affordable housing units achieved occupancy that were made possible in part by municipal capital funding contributions.

10. Upper-Level Government Funding

While the City of Kingston continues to make substantive contributions to the development of affordable housing, upper-level government funding is crucial to the creation of new affordable housing units. Like the municipal capital funding program, upper-level government funding programs provide capital funding assistance in exchange for units being rented at below-market rates for a specified period of time. Example programs past and/or present include Investment in Affordable Housing Program, Social Infrastructure Fund, Ontario Priorities Housing Initiative, and programs under the National Housing Strategy including the Co-Investment program and the Rapid Housing Initiative. The City will continue to utilize these funding sources and future program allocations to support the inclusion of affordable housing projects in new developments.

11. Additional Residential Unit Affordable Housing Grant Program

The Additional Residential Unit Affordable Housing Grant Program provides municipal funding assistance to support the creation of new additional residential units that will be rented at a below-market rate. This program provides up to \$15,000 to offset the costs

of creating a suite. Additional residential units are a form of gentle intensification that provide a rental housing format that meets the needs of certain households (e.g. smaller household sizes, live-in caregivers, seniors, etc.).

12. Supportive Housing

Through the design and delivery of homelessness programming it's been identified that there is an undersupply of supportive housing. Supportive housing can range from light levels of support to more intensive, 24-hour supervision. The City continues to work with local housing providers and support services to expand the capacity of the supportive housing system. Most recently, multi-level government funding supported the creation of a 19-bed, congregate living, Indigenous transitional housing centre. Another recent project included the development of 12 supportive housing units for women and women with children. Both projects were made possible by capital funding assistance provided by all three levels of government. The City is currently working to create additional supportive housing capacity utilizing local municipal funding and funding allocated to the City under the federal government's Rapid Housing Initiative.

Streamlining Development Approvals

13. Fee Reductions for Affordable Housing

Development application fees increase the costs of providing new housing units. For affordable housing projects (which are typically constructed with budget-friendly finishes to reduce the overall project costs as much as possible), additional fees represent a larger percentage of overall costs relative to market units and these charges can be a barrier to constructing new affordable units. In accordance with the City's Fees and Charges By-Law, Planning, Engineering and Legal fees are waived for not-for-profit housing providers that submit development proposals which include affordable rental housing units in order to reduce this barrier as much as possible. The fees are also waived for private affordable housing development units at 80% or less of CMHC rental rate. Where a development includes a mix of affordable and market units, the fees are reduced based on the percentage of affordable units in the overall development.

14. Building Internal Staff Capacity

Historically, the City has relied exclusively on peer review services for several key review areas such as urban design studies (including building models and sun shadow impacts), hydrogeological studies, and complex noise studies. Realizing that relying wholly on outside expertise slows down the development review process, which increases costs associated with new housing, the City is making progress by building internal staff capacity for the internal review of reports in several key areas.

As of the fall of 2022, the City was successful in filling a planning vacancy with a skilled urban design professional, allowing staff to review urban design matters internally. This is in addition to a new hire in planning GIS who has advanced digital modeling skills. Together they have been able to model, assess, and develop alternatives to review with clients. This has not only sped up service delivery and decreased peer review costs for applicants, but also enhanced staff's sophistication and confidence in development review and decision making.

Development Engineering staff have collaborated with the noise study peer reviewer on both typical and complex applications where noise considerations are paramount. In order to ensure expedient and sound reviews, and not have service gaps when they are away, all four Development Technologists will be receiving training to review noise studies within the first half of 2023.

Additionally, the review of Environmental Impact Studies, which was previously a service provided by the Cataraqui Region Conservation Authority, is no longer an eligible Conservation Authority service due to changes made through Bill 23. The City recently retained two external peer reviewers to provide these services as a short-term fix while a longer-term solution is sought and implemented.

15. Streamlining the Development Review Process

In winter and spring of 2023, the City will be consulting with various stakeholders and will be implementing changes to the development review process to streamline the process while maintaining the ability for the public to meaningfully participate and comment on proposed applications before recommendations are made for Council's consideration. The changes are intended to mitigate fee refunds to the greatest extent possible, as fee refunds requirements are anticipated to commence on July 1, 2023. It is anticipated that the changes will result in quicker application processing and more appropriately timed public and professional feedback, allowing for new homes to be approved and under construction faster.

16. Servicing Allocation Policy and By-Law

At present, in order to approve a site-specific rezoning application, the applicant must demonstrate that there is adequate servicing capacity in municipal infrastructure to support the development. As demonstrated in the Pending & Committed section, there are over one thousand "committed" units with a time delay between approval and construction (if they are constructed at all). Where these projects are significantly delayed, by the time they are constructed, the servicing capacity information that supported the original zoning approval is significantly out of date.

The City will be exploring the implementation of a servicing allocation policy and/or bylaw which would enable the City to allocate and plan servicing capacity for new developments within a defined period of time. This type of policy/by-law would allow the City more control over the investments in infrastructure upgrades by allocating servicing capacity while servicing information is current and will incentivize timely construction after receipt of development approvals.

A "Call to Action" and Advocacy with Provincial & Federal Governments

17. Collaborating with Housing Stakeholders

The housing crisis is a multi-faceted problem that impacts everyone in our community and requires action from stakeholders across the whole spectrum of private individuals, skilled workers, non-profit organizations, private businesses, institutions and all levels of government. The City of Kingston does not have the tools or resources to build 8,000 new homes by 2031 alone.

This is a "**call to action**" for everyone with an asset, skillset, resource or innovative idea to bring your ideas and projects forward. **Now is the time** to help innovate, collaborate and find new ways of sharing resources that result in the construction of new homes. The City needs your help to meet the Municipal Housing Target of building at least 8,000 new homes in the next 8 years.

18. Acquiring Surplus Provincial and Federal Lands for Housing

The City is interested in acquiring surplus provincial and federal lands that are appropriate for new housing. In the spirit of innovation and collaboration, the City encourages both the Provincial and Federal governments to proactively review landholdings in the City of Kingston and to consider adding more flexibility in the terms and conditions of agreements associated with the disposition of surplus lands. Flexibility should enable the City to re-invest any 'profits' made from market housing established on surplus government lands to go directly to funding more affordable housing projects.

19. Advocating for More Resources and Tools from the Provincial and Federal Governments

Whenever possible and appropriate, the Mayor, Members of Council and City staff will continue to advocate for more changes to Provincial and Federal funding, legislation and policies that would provide the City and other municipalities with more resources and tools to assist with the creation of appropriate new housing, including, but not limited to:

- a) more funding to help accelerate deeply affordable, and supportive housing units;
- b) more flexibility in the funding provided through housing funding programs by expanding eligibility criteria (i.e. longer than 18 months to construct and occupy new major housing projects);
- c) more funding to build necessary infrastructure to support new housing (especially funding necessary to offset development charges deficits);
- d) new Provincial processes to expedite the review of development applications that are circulated to various Provincial ministries;
- e) the establishment of a working group with policy planners from municipalities across Ontario related to the proposal to integrate the Provincial Policy Statement and A Place to Grow into one comprehensive Province-wide policy document. This will help to ensure that municipalities, who apply and implement the Provincial policies, provide practical feedback on the application of the policies;

- f) request detailed information about the anticipated timing of the draft of the new Province-wide policy document and the anticipated approval date, so that City staff can appropriately plan for this in the policy projects that were scheduled to commence in 2023 (including the Municipal Comprehensive Review, which has been delayed due to this Provincial proposal);
- rather than approaching policy and legislative changes in a partial and piecemeal g) fashion, with frequent shifts in direction and yearly amendments to various legislative documents, the City requests that the Province move forward with one final, comprehensive package of amendments. This would provide municipalities with certainty in policy direction and the ability to comprehensively adapt to all changes. With the recent piecemeal approach, a significant amount of staff resources and time has been invested visiting, revisiting and making multiple amendments to various municipal documents. It takes a significant amount of staff time and resources to draft amendments, write staff reports, provide notices, consult with the public and amend municipal policies after every provincial change. Further, the timing of important projects that would create more opportunities for housing have been delayed, as key staff resources have been redeployed to respond to legislative changes including reviewing materials, providing comments and writing reports to Council. Due to the current uncertainty, important policy projects that would create housing-enabling policies have also been delayed until there is more finality and certainty provided by the Province. With the current labour shortage, pressure on planning departments to review development applications guicker, the potential reality of reduced funding for planning departments due to fee refunds, removal of funding for necessary background studies for planning policy projects from development charges and the requirement to provide services that were previously provided by Conservation Authorities. the City does not have the planning staff resources available to invest large amounts of time responding to legislative changes and also bring forward necessary forward-thinking policy projects to streamline the planning process and help increase the supply of housing;
- h) pass a conditional zoning regulation under s. 34(16) of the *Planning Act* prescribing conditions to help streamline development approvals and defer certain costs to a time where there is more certainty in the process;
- through conditional zoning, allow municipalities to establish a "sunset clause" on zoning approvals to compel the construction of new housing within the 2031 timeline;
- j) delete the new fee refund sections of the *Planning Act* or, at the very least, amend them to allow municipalities to "stop the clock" when comments are provided to the applicant and require an applicant to "opt-in" with a request for a fee refund when they submit their application;
- amend the *Planning Act* to allow municipalities to refuse applications for site plan approval if they haven't met the requirements within the short refund timelines, recognizing that site plan approval protects the public by ensuring developments are safe, accessible, functional and sustainable (currently, the language requires municipalities to approve);

- create detailed and forward-thinking guidance documents for municipalities to use when creating an official plan, zoning by-law or development permit system to speed up the process of aligning municipal instruments with Provincial policies and legislation, allowing municipalities to refine as needed to suit local context; and
- m) create a set of technical standards for municipal use when processing technical and functional applications like site plan and subdivision. For example, curb cut profiles, tree planting cross-sections, stormwater management solutions, accessible walkway widths, driveway slopes etc. This would lessen costs to private applicants and streamline municipal processing time while ensuring appropriate functional needs will still be met.

Conclusion

The housing crisis is complex and requires courageous leaders to bring forward innovative approaches to tackle the multifaceted issues contributing to the crisis. While municipalities do not have the tools to require the construction of new homes, the City of Kingston is committed to being a leader in housing policy innovation, finding new ways to support the creation of affordable and supportive housing units, creating new incentives, and accelerating the processing of development applications. The City commits to exploring new ways to encourage a paradigm shift across all sectors, helping to facilitate new partnerships and leading by example with courageous new actions and bold ideas.

When considering the 66,256 potential additional residential units, 1,631 potential new homes in pre-zoned subdivision areas, 6,940 potential new homes in up-zoned areas, 6,959 pending units, 4,371 committed units and 191 affordable housing units funded by municipal capital funding contributions until 2025, the existing opportunities represent over 86,000 units, far exceeding the Municipal Housing Target of 8,000 new units. When the potential number of new units are viewed within the context of the historical five-year average of approximately 1,000 new units per year through building permits, the City expects to meet the target if existing construction volumes continue.

Despite the existing opportunities exceeding the 8,000 unit Target, the City of Kingston is not complacent and does not intend to simply rely on existing opportunities. The City commits to creating new housing opportunities, encouraging the construction of more than 1,000 new homes per year and reducing barriers through the work described in this Pledge.