



**CITY OF KINGSTON**  
**REPORT TO COUNCIL**

**Report No.: 11-204**

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**TO:** Mayor and Members of Council  
**FROM:** Lanie Hurdle, Commissioner, Community Services  
**RESOURCE STAFF:** Lee Campbell, Acting Housing Manager, Housing Department  
**DATE OF MEETING:** August 16, 2011  
**SUBJECT:** Kingston & Frontenac Housing Corporation Request for Loan for Verona Septic System Replacement

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**EXECUTIVE SUMMARY:**

The purpose of this report is to obtain Council approval to lend Kingston & Frontenac Housing Corporation up to \$200,000 from the Social Housing Capital Reserve Fund in accordance with By-Law No. 2006-219, a By-Law to amend By-Law No. 2003-88, "A By-Law to authorize the establishment of a Social Housing Capital Reserve Fund". This fund is made of federal funding that the City received as the Service Manager for both City of Kingston and County of Frontenac social housing portfolio. The purpose of the Fund is to support capital requests from social housing providers who do not have the necessary resources to pay for unplanned expenditures.

One of the buildings administered by Kingston & Frontenac Housing Corporation is a 28-unit social housing building located at 6094 Carlton Drive, Hwy 38, Verona, in the Township of South Frontenac. In April, 2011 the Kingston & Frontenac Housing Corporation (K&FHC) requested a loan from the Social Housing Capital Reserve Funds for the unplanned septic system replacement at Verona. Although Kingston & Frontenac Housing Corporation does have a capital reserve fund of its own, this reserve fund is funded by the City of Kingston and therefore is not applicable to Verona which is located in the County of Frontenac. The capital funding for Verona comes from the County of Frontenac and in 2011 only \$25,000 was budgeted which is not sufficient to cover this unforeseen cost.

**RECOMMENDATION:**

**THAT** Council approves the loan in the amount up to \$200,000 from the Social Housing Capital Reserve Fund to Kingston & Frontenac Housing Corporation for capital costs relating to the septic system replacement in Verona; the terms of said loan agreement will be approved by the City Solicitor.

**AUTHORIZING SIGNATURES:**

_____ Lanie Hurdle, Commissioner
_____ Gerard Hunt, Chief Administrative Officer

**CONSULTATION WITH THE FOLLOWING COMMISSIONERS:**

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

***(N/R indicates consultation not required)***

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**OPTIONS/DISCUSSION:**

The Social Housing Capital Reserve Fund is a revolving fund established by By-Law No. 2006-219, a By-Law to amend By-Law No. 2003-88, "A By-Law to authorize the establishment of a Social Housing Capital Reserve Fund". The purpose of this Fund is to support capital requests from social housing providers who do not have the necessary resources to pay for unplanned expenditures while maintaining a sufficient capital reserve for planned expenditures. This reserve fund is made up of federal funding that was provided to the City of Kingston, acting as Service Manager at time of devolution, for social housing providers within the City of Kingston and the County of Frontenac. As per the City's current By-Law, loans to housing providers are interest free. The unallocated balance in the City of Kingston Social Housing Capital Reserve Fund was \$1,046,210 as of May 31, 2011.

Kingston & Frontenac Housing Corporation (K&FHC), social housing provider covering both the City of Kingston and the County of Frontenac, is requesting a loan from the Social Housing Capital Reserve Fund to cover unplanned capital costs to pay for the immediate replacement of the septic system at 6094 Carlton Drive in Verona. K&FHC is currently completing its ten (10) year capital plan based on recently completed building condition assessment and therefore, the replacement cost of the septic system was not included in current capital budget. \$25,000 per year has been the average capital cost in the past for 6094 Carlton Drive in Verona.

Under the guidelines of the Social Housing Capital Reserve Fund, all requests for funding from this Fund, must be approved by The Departmental Evaluation Committee (DEC) and then submitted to Council for final approval. The DEC is composed of City staff from Community and Family Services and the Housing departments as well as County representation. It reviewed the request at its June 15<sup>th</sup> meeting and recommends approval of this loan.

K&FHC will be required to sign a repayment agreement with the City of Kingston in a form satisfactory with the Legal Services Division of the City of Kingston. Loan repayments will be deducted from K&FHC's monthly subsidy payments and will be repaid in equal payments of \$12,500 over the next sixteen years. KFHC operates under a shareholder agreement with the City of Kingston and the City is the sole shareholder. There is no operating agreement or expiry date for which 6094 Carlton Drive, Verona, will cease to provide social housing, and as such, this repayment term aligns with By-Law No. 2006-219, a By-Law to amend By-Law No. 2003-88, "A By-Law to authorize the establishment of a Social Housing Capital Reserve Fund".

**EXISTING POLICY/BY LAW:**

By-Law No. 2006-219, a By-Law to amend By-Law No. 2003-88, "A By-Law to authorize the establishment of a Social Housing Capital Reserve Fund".

**NOTICE PROVISIONS:**

No notice requirements

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**ACCESSIBILITY CONSIDERATIONS:**

This report is available in alternative formats upon request, including translation to French.

**FINANCIAL CONSIDERATIONS:**

The unallocated balance in the Social Housing Capital Reserve Fund is \$1,046,210. Expected recovery of the \$200,000 is \$12,500 per year for sixteen years.

**CONTACTS:**

Lee Campbell, Acting Housing Manager, Housing Department (x4916)

Katie Clarke, Financial Analyst, Housing Department (x4857)

**OTHER CITY OF KINGSTON STAFF CONSULTED:**

Alan McLeod, Senior Legal Advisor

Departmental Evaluation Committee members:

Rob Rowe, Housing Programs Administrator, Housing Department

Mary McIntyre, Housing Programs Administrator, Housing Department

Laura Austin, Supervisor, Childcare and Homemaking Programs

Patrick MacLean, Ontario Works Supervisor

Susan Beckel, Deputy Clerk, County of Frontenac

**COUNTY OF FRONTENAC STAFF CONSULTED:**

Marian VanBruinessen, Treasurer, County of Frontenac

Susan Beckel, Deputy Clerk, County of Frontenac

**EXHIBITS ATTACHED:**

None