

Executive Summary

There is an ongoing need for affordable housing in the City of Kingston. Over the past decade, the number of low-rent units has declined while the number of households seeking assistance has increased (City of Kingston, 2019). Changes introduced by Bill 108 in 2018 to the Ontario *Planning Act* section 37 allow single and lower tier municipalities to "impose community benefits charges against land to pay for capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies" (Bill 108, 2019).

According to OREG 509/20 under the *Act*, a Community Benefits Charge (CBC) may consist of a financial contribution of up to 4% of land value that can be levied by a municipality when land is developed or redeveloped. This contribution can be used to fund growth related capital costs for community services, such as affordable housing. Alternatively, under Section 37(6) of the *Act*, the municipality may allow the owner of land to provide in-kind contributions. Municipalities electing to use CBCs are required under section 37(9) of the *Planning Act* to produce a Community Benefits Charges Strategy and enact the associated by-law by September 18, 2022 in order to continue using Section 37 without interruption.

The City of Kingston has identified the provision of affordable housing as a focus for this strategy and has tasked a team of Queen's University Urban and Regional Planning students to conduct preliminary research on a series of topics that will aid in the development of Kingston's Community Benefits Charges Strategy. This report presents the team's findings.

Chapter 2 discusses how demand for affordable housing can be generated in part by development or redevelopment in a municipality. Fundamental and emerging concepts about development, affordable housing, land use regulations and development fees are outlined in this chapter to provide an understanding of the guiding principles of the case studies explored in the following chapters. Through opposing arguments to filtering, the relationship between housing supply and demand and affordability is discussed. Next, this chapter explores the relationship between development, affordable housing, land use regulations and municipal development fees (exactions) in North America and ends with a discussion of the barriers to affordable housing development.

Chapter 3 explores how Canadian cities and select American municipalities are projecting affordable housing demand for the coming years and decades.

The methods, models, sources, and assumptions used by municipalities are noted, as well as specific examples of how cities are defining and quantifying affordable housing demand projections. Most Canadian sources rely on census data for their projections, often using low-income and core housing need statistics to delineate affordable housing demand. While each municipality's methods are somewhat unique, results are most often presented as the number of additional low-income households that will join the city between the base year and projection year. Comparable municipalities to Kingston in the United States (Ithaca, NY and Burlington, VT) use several methods and metrics to predict housing need that consider notable subgroups of the population, such as the effect of post-secondary institutions and students on their respective housing markets.

Chapter 4 investigates how other municipalities are attempting to create more affordable housing within their regions. These municipalities include Toronto, Ottawa, Brant/Brantford, York, Guelph, and Vancouver. These municipalities were selected to find Ontario tools which can be applied to Kingston, as well as creative means from outside of the province. To research these municipalities, policy, council, planning, and news documents were analyzed. Additionally, emails were sent to planners within these regions for further information.

In these six case studies, several financial tools to support affordable housing were found. In Toronto and Ottawa, land banking was the primary municipal tool used, whereas, in York and Guelph, financial incentive programs are being used to develop more affordable housing tools. The last two, Brant/Brantford and Vancouver, used intensification along with selling surplus municipal lands and a vacant homes tax, to address housing need. Each of these programs provide opportunity for Kingston to address its own housing needs.

The ten case studies in **Chapter 5** demonstrate creative ways in which municipalities have approached affordable housing through the use of community benefits. Each case study was chosen for its unique context, definition, and approach to obtain community contributions. Municipalities from across North America were selected as case studies with primary focus given to Canadian cities. Each case discusses how development or redevelopment applications have been used to assist in the provision of affordable housing through the contribution of cash, land, or other in-kind contribution.

The community benefits analyzed can inform future plans and policies involving Community Benefits Charges that assist with the provision of affordable housing. Overall, the case studies demonstrated a shift from density bonusing toward

an inclusionary zoning approach. Many Canadian cities attempted to streamline these processes to ensure a steady and stable stream of development. Similarly, American cities identified a range of contributions involving both mandatory and voluntary approaches for affordable housing. Based on the variation, the City of Kingston can assess each approach and identify which is most suitable.

Chapter 6 examines the feedback provided by municipalities regarding their progress of drafting their Community Benefit Charge (CBC) strategy. Municipal planning departments were contacted via email and asked the following questions:

1. What is the current status and progress (if any) of drafting your Community Benefits charges Strategy?
2. What Facilities, Services or Matters are currently being contemplated/included in your CBC Strategy?
3. Are there any challenges that the city is encountering at the moment with drafting their CBC strategy? / Are there any barriers that it will foresee in the near future?

Of the 14 municipalities contacted, 2 responded with feedback. The chapter provides a progress report update for the City of Newmarket with additional information on the methods taken to proceed with the CBC strategy. Some

common themes on progress include hiring a CBC consultant, conducting assessment reports, determining CBC viability and what will be contemplated for inclusion. Chapter 6 concludes with a table summarizing the municipalities contacted and the feedback provided.

Chapter 7 presents three different methodologies for providing estimates regarding the type, location, and quantity of future development that is expected to qualify for CBCs. Twelve CBC eligible zones in Kingston's new draft Zoning By-law permit 10 or more residential units and have a maximum permitted height of 5 storeys or more, or 15 metres or more. These zones are dispersed among the following zone types: Urban Multi-Residential, Commercial, Institutional and Open Space.

Historical permit activity for examples of development and redevelopment meeting the CBC criteria indicate trends that can be applied to forecast future CBC eligible permit activity in the short-, medium-, and long-term. In the first projection scenario, the projected growth rates for dwelling units as indicated by the Watson report are applied to the 36 potentially qualifying projects undertaken in 2020. In the second projection scenario, the number of units forecasted by the Watson report are divided by the average number of units per building as calculated from historical permit activity to estimate the number of potentially qualifying deliveries.

The results of these projection scenarios are given in Table E1.

It was found that despite the large number of parcels within zones that could trigger CBC-eligible applications in Kingston, very few developments are expected to qualify for CBCs in the next 25 years.

Table E1: Forecasted development applications and deliveries that could potentially qualify for Community Benefits Charges under two growth scenarios

Five Year Increments	Growth Scenario #1	Growth Scenario #2
2021 - 2026	45 Applications	6 – 7 Deliveries
2026 – 2031	45 Applications	6 – 7 Deliveries
2031 - 2036	34 Applications	4 – 5 Deliveries
2036 – 2041	30 Applications	4 – 5 Deliveries
2041 - 2046	11 Applications	1 – 2 Deliveries