



**City of Kingston
Report to Council
Report Number 26-053**

To: Mayor and Members of Council
From: Jennifer Campbell, Commissioner, Community Services
Resource Staff: Jayne Hartley, Director, Housing & Social Services
Date of Meeting: April 7 2026
Subject: Social Housing - End of Mortgages and End of Operating Agreements Framework

Council Strategic Plan Alignment:

Theme: 1. Support Housing Affordability

Goal: 1.3 Increase supply of new-build not-for-profit and co-op housing and ensure sustainability and quality of existing stock.

Executive Summary:

Since January 1998, the City has served as the Service Manager for housing and homelessness in the City of Kingston and the County of Frontenac. Under the *Housing Services Act, 2011* (HSA), the City oversees funding and administering social housing programs previously managed by the Province of Ontario and Canada Mortgage and Housing Corporation (CMHC).

Historically, operating agreements with housing providers were tied to mortgage terms set to expire once mortgages were paid off. This framework remained unchanged until March 2022 when the Province amended Ontario Regulation 367/11, introducing a new framework for service agreements to support housing continuity and tenant stability.

Previously, subsidy formulas were standardized across Ontario, with funding typically ending at the housing provider's End-of-Mortgage (EOM). EOM impacts provider viability, affecting their ability to cover operating costs and maintain capital reserves.

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The 2022 amendments now allow Service Managers to negotiate tailored funding arrangements with housing providers to support long-term sustainability post-EOM.

Aligned with the City's 2023-2026 Strategic Plan priority to Support Housing Affordability, this report:

- Summarizes regulatory changes
- Details the mortgage status of local providers
- Outlines staff work to-date
- Proposes next steps for implementing a new service agreement framework

Recommendation:

That Council approve the implementation of the new social housing service agreement framework and associated strategies, initiatives and policy changes as outlined in Exhibit D to Report Number 26-053; and

That the Director of Housing & Social Services be delegated the authority to approve new funding agreements with housing providers and modify the annual payment strategy provided the modification supports the long-term sustainability of the social housing portfolio and does not exceed 2% of the previous benchmark funding awarded to the provider, with said authority to be added to By-Law Number 2025-157, Delegation of Authority By-Law, as part of future amendments.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Jennifer Campbell,
Commissioner, Community
Services**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	
Jenna Morley, City Solicitor	Not required
Ian Semple, Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:**Background**

Between 1970 and 1997, the federal government, through CMHC, supported the development of non-profit social housing across Ontario using a mix of unilateral and cost-shared funding programs. All agreements were tied to mortgage terms.

In 1997, the Province passed the Social Housing Funding Act, initiating the devolution of social housing responsibilities to 47 Service Managers. Effective January 1998, Service Managers began funding the former provincial share of social housing costs. The federal government continues to provide block funding, though this is declining annually and is expected to expire locally in 2029.

The Social Housing Reform Act, 2000 (SHRA) came into effect in January 2001, providing a legislative framework for Service Managers to administer social housing programs. Existing agreements were replaced with new operating agreements under the SHRA, later superseded by the Housing Services Act, 2011 (HSA). These agreements were set to expire at mortgage maturity - referred to as End of Operating Agreements (EOA) for federal providers and EOM for provincial providers.

EOA marks a significant transition point, as it also coincides with the expiry of federal funding. Unlike provincial programs, federal projects have minimal obligations to continue providing rent-geared-to-income (RGI) housing post-EOA.

In 2021, staff presented Report Number HHC-21-003, outlining potential strategies for EOA/EOM transitions. At the time, no changes to the HSA were anticipated.

In March 2022, the Province amended Ontario Regulation 367/11, introducing a new framework that gives housing providers two options at EOM:

1. Enter a new service agreement to continue offering subsidized housing; or
2. Exit the social housing system through a formal exit agreement.

Providers who have reached EOM, but not yet signed a new agreement, remain governed by the HSA rules and funding formulas. Under the new regulations, the Service Manager is only required to fund RGI subsidies, resulting in significant funding changes for both housing providers and the City.

At the June 2024 Housing and Homelessness Advisory Committee meeting, staff presented Report HHC-24-001, which provided an update on the work completed to-date and outlined future planning initiatives that are now being brought forward as part of this report.

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Key Features of the New Service Agreement Framework:

- Continued funding for RGI units;
- Co-development of a 5-year financial plan;
- Minimum 10-year agreement term;
- Alignment with HSA selection and waiting list rules;
- Joint development of dispute resolution processes; and
- Participation in mandatory Housing Services Corporation (HSC) programs (with exemptions).

Exit Agreement Requirements:

- Continued support by housing provider for current RGI households; and
- One of the following: continued operation, redevelopment or reinvestment of sale proceeds into affordable housing.

A third option allows housing projects not currently under the HSA to enter into service agreements, subject to viability assessments and municipal budget approvals.

As Service Manager, the City oversees a portfolio of 2,003 social housing units, including RGI, rent supplement and portable housing benefits. These are operated by 13 non-profit providers and the Kingston & Frontenac Housing Corporation (KFHC). KFHC, as a Local Housing Corporation, is governed separately under a Shareholder agreement with the City and not subject to EOM.

Current Status:

- Since 2020, four provincial providers have reached EOM:
 - Marion Community Homes Corporation (22 RGI units) continues under the previous funding model.
 - Porto Village Non-Profit Homes Inc. (43 RGI units) continues under an interim funding arrangement pending negotiation of a new service agreement.
 - St. Andrew-Thomas Senior Citizens Residence (20 RGI units) continues under an interim funding arrangement pending negotiation of a new service agreement.
 - Loughborough Housing Corporation (28 RGI units) continues under an interim funding arrangement pending negotiation of a new service agreement.
- In 2021, the City entered into a 5-year agreement (expiring 2026) with Dutch Heritage Villa, a former federal provider with 13 RGI units.
- The remaining 9 providers will reach EOA/EOM by 2030 (Exhibit A).

Service Agreement Template

In 2024, the City partnered with 36 Service Managers across Ontario to engage Housing Services Corporation (HSC) in coordinating shared legal services for developing a standardized service agreement template. The selected firm, Borden Ladner Gervais, has expertise in Service Manager agreements.

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The resulting template includes core provisions and optional clauses aligned with the regulatory changes. It has been reviewed by Legal Services and is now ready to be tailored to meet local housing provider needs.

Education and Resources for Housing Providers

City staff continue to host quarterly in-person meetings with the housing providers with EOM a standing item on the agenda and have also offered to attend Board meetings to support discussion on EOM directly with members.

To further support housing provider Board of Directors in planning for EOM, the City developed a comprehensive EOM Readiness Guide (Exhibit B). The guide provides detailed information to help providers prepare for EOM and move forward toward new service agreements under updated regulations.

EOM Financial Analysis

Over the past year, City staff have undertaken several initiatives to assess the financial viability of social housing providers impacted by EOM and to model financial funding scenarios that support long-term sustainability while optimizing municipal investment.

To understand long-term capital needs, the City issued a Request for Proposal for comprehensive Building Condition Assessments (BCAs) across the social housing portfolio. These assessments project capital liabilities over the next 20 years at both the portfolio and provider levels. The data has been integrated into Asset Planner, a web-based capital planning tool tailored for Ontario's social housing sector, developed by Ameresco Inc. and licensed through HSC for City use.

In parallel, the City engaged with HSC to conduct financial modeling for a subset of providers who have reached or are nearing EOM. This modeling included an analysis at base year (EOM), current year (2025) and projections for 5 and 10-years post-EOM.

Operating data was drawn from the most recent Annual Information Returns (AIR) submitted to the City by providers, while capital projections were based on the updated BCA data within Asset Planner. The analyses support the development of tailored service agreements.

Capital and Operating Analysis

As outlined in this report, the City completed BCAs for the non-profit housing sector throughout 2024-2025. The results have been entered into the City's Asset Planner software. Based on the data as collected, there is a significant projected 10-year unfunded capital liability for all 13 non-profit housing providers. This unfunded capital liability is currently estimated at \$65,500,000. This figure is a projection based on general asset lifespan assumptions and may vary depending on regular maintenance practices which can extend asset life cycles. Additionally, potential senior levels of government funding could materially affect the projected liability.

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In addition to the capital analysis above, over the next ten years (2027-2036), all providers will reach EOM for their buildings. As mortgages expire, estimated non-profit housing provider cost savings will total approximately \$11.52 million over that period, assuming City funding continues at current levels with a 2% annual inflationary increase to be aligned with the Canadian Consumer Price Index. When this is considered against the unfunded capital liability, there is a potential in the future to realign the operating savings coming out of EOM to assist in reducing the unfunded capital works. This could see the capital liability reduced to roughly \$54 million.

Both the capital needs and the expected operating savings should be viewed as projections. The level of savings achieved will depend on several factors, including rent increases, ongoing maintenance and repair demands, CPI, staffing costs, and other operational considerations. These long-term forecast projections are subject to change as assumptions and conditions evolve.

This situation is not unique to Kingston and is being identified by many Service Managers across Ontario. Staff will continue to work with the non-profit housing sector as providers develop strategies to address the projected unfunded capital replacement plans. Across the sector, Service Managers and providers are seeking new revenue streams and remaining ready to respond and align to existing and future social housing related funding initiatives.

In the absence of sustained capital investment from senior levels of government, any remaining shortfall could place increasing pressure on the municipal tax base. City staff will continue to monitor capital conditions, funding developments, and related financial risks, and report back to Council as appropriate.

Next Steps

As the City continues to navigate the transition of social housing providers through EOM, the immediate priority is to implement the new service agreement framework introduced through recent provincial regulatory changes. This includes initiating formal negotiations with providers who have reached or are nearing EOM, ensuring continuity of RGI housing and long-term operational stability.

To support provider readiness, the City will continue to attend Board meetings and promote the EOM Readiness Guide which outlines key planning considerations for housing provider Boards.

Financial modeling and capital planning efforts will continue in collaboration with the HSC on the next batch of social housing providers nearing EOM using current AIR and BCA data to inform service agreement terms and provider stability.

These next steps are expected to result in more sustainable housing operations, improved alignment of funding with long-term capital and operating needs tailored specifically to each housing provider, and the preservation and renewal of affordable housing assets across the community ensuring the most effective and responsible use of municipal tax dollars.

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Existing Policy/By-Law

By-Law Number 2003-88 “A By-Law to Authorize the Establishment of a Social Housing Capital Reserve Fund (Purpose – Create a Sustainable Source of Funding For Capital Projects For Local Not-For-Profit Housing Providers)”

Financial Considerations

The approved 2026 operating budget includes funding to support non-profit housing providers (excluding KFHC) as follows:

Funding Source	Amount
Federal	\$432,955
Municipal (Incl. Frontenac County Recovery)	\$1,371,150
Total	\$1,804,105

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Lana Foulds, Director, Financial Services, 613-546-4291 extension 2209

Other City of Kingston Staff Consulted:

Mitchell Grange, Policy Manager, Housing & Social Services

Nicola Reid, Housing Programs Administrator, Housing & Social Services

Christa Walsh, Manager, Financial Planning, Financial Services

Andrew Rodericks, Financial Analyst, Financial Services

Exhibits Attached:

Exhibit Social Housing Mortgage Expiry Dates

Exhibit B City of Kingston – EOM Readiness Guide

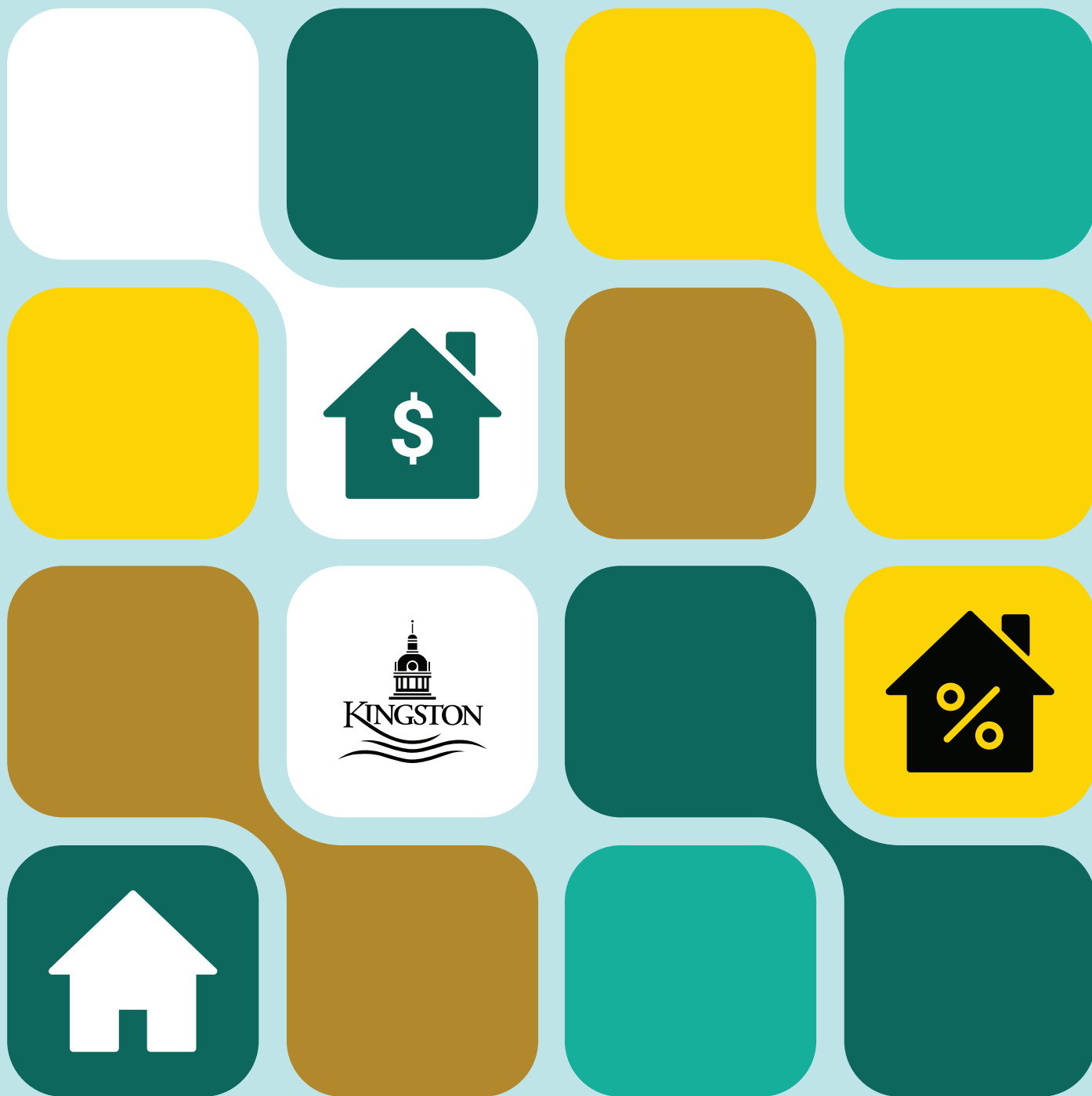
Exhibit C By-Law Number 2003-88 “A By-Law to Authorize the Establishment of a Social Housing Capital Reserve Fund (Purpose – Create a Sustainable Source of Funding For Capital Projects For Local Not-For-Profit Housing Providers)”

Exhibit D Strategies, Initiatives and Policy Framework

Social Housing Mortgage Expiry Dates

Type	Organization	# of RGI Units	Mortgage Expiry Dates	District
Provincial	Kingston Co-operative Homes	8	March 2030	Meadowbrook-Strathcona
	Kingston Home Base Non-Profit Housing	53	August 2029	Kingscourt-Rideau - 29 King's Town - 6 Williamsville - 13 Portsmouth - 5
	Lois Miller Co-operative Homes	21	December 2025	Kingscourt-Rideau
	Porto Village Non-Profit Homes	43	2023	Kingscourt-Rideau
	Royal Canadian Legion Villa	42	January 2028	Williamsville
	St. Andrew-Thomas Senior Citizen Residence	20	2023	Lakeside
	Kaye Healey Homes	35	July 2029	Kingscourt-Rideau - 10 King's Town - 14 Williamsville - 5 Sydenham - 3 Meadowbrook-Strathcona - 3

	Loughborough Housing Corporation	28	December 2025	Outside of municipal boundary
	North Frontenac Non-Profit Housing	18	December 2027	Outside of municipal boundary
	Weller Arms Non-Profit Homes	25	February 2026	Kingscourt-Rideau
	Marion Community Homes	22	2020	Lakeside
Federal	Dutch Heritage	13	2019	Kingscourt-Rideau
Urban Native	Tipi Moza	17	February 2026	Kingscourt-Rideau - 12 King's Town – 1 Williamsville – 1 Meadowbrook- Strathcona - 3
Total RGI		345		



End of Mortgage – Readiness Guide

The content in this guide was developed by York Region and has been modified to address the City of Kingston’s context with permission from York Region.

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1. Introduction

The City of Kingston, as the Service Manager for the City and County of Frontenac, is committed to supporting complete communities that offer a full range of housing options and services to meet the needs of residents at all ages and stages of their lives. Social housing provides essential subsidized and market housing options for households with low and moderate incomes.

Under the *Housing Services Act, 2011* (HSA), the City of Kingston is responsible for funding and administering local social housing systems. Non-profit and co-operative housing providers are essential partners in delivering social housing and supporting local housing needs. The City of Kingston and housing providers have a shared responsibility to provide safe, high-quality housing options for residents now and in the future.

The social housing system is undergoing transformational change as the mortgages of housing providers under Part VII of the HSA come to an end. Housing providers' operational needs are changing; when the mortgage ends, there is no longer a need for a subsidy to cover the mortgage expenses from the City of Kingston. The end of a mortgage represents a significant reduction in operating expenses for housing providers; however, housing providers still have significant capital repair needs that must be addressed through a new funding approach.

This guide includes information to help housing providers prepare for the end of their mortgage and transition to new Service Agreements with the City of Kingston to continue delivering affordable housing options for residents.

2. End of mortgage context

When housing projects were first constructed, housing providers entered into a mortgage and an operating agreement with the Province of Ontario. In the early 2000s, the Province transferred responsibility for the funding and administration of social housing to Service Managers, including the City of Kingston, replacing these agreements with legislation. The Province initially introduced the *Social Housing Reform Act, 2000*, later replaced by the Housing Services Act, 2011 (HSA). The HSA includes a prescribed funding formula tied to housing providers' mortgages and the HSA did not contemplate the operating or funding model after the mortgage ends.

To address this, in July 2020 the Province passed the *Protecting Tenants and Strengthening Community Housing Act, 2020*. This Act introduced changes to the HSA that can positively transform the relationship between Service Managers and Part VII housing providers by establishing new Service Agreements after the mortgage ends. In March 2022, the Province released new regulations (O. Reg 241/22 and 242/11) which set the baseline requirements for new Service Agreements that Service Managers and housing providers must follow.

3. Overview of Service Agreements

3.1 Regulatory requirements

New regulations under the HSA establish baseline rules for Service Agreements, aiming to both address complex rules and increase flexibility to support local needs. Under new regulations, Service Managers can provide funding based on housing providers' individual operational and capital needs, shifting away from a prescribed funding formula.

Baseline rules for Service Agreements include:

- Must have a term of at least 10 years.
- Service Managers must provide funding for rent-geared-to-income (RGI) assistance, equal to the difference between 30% of household's net income and the unit's rent/housing charge.
- Must include a minimum five-year financial plan developed jointly by Service Manager and housing provider to address how:
 - Providers' revenues will meet expenditures, including projected capital expenditures.
 - Unit rents/housing charges in the housing project will be set.
- Service Managers may provide additional funding.
- Must specify a target or range of units that will receive RGI or an alternate form of assistance.
- Must continue to fill RGI units through the Service Manager's subsidized housing wait list based on existing rules.

3.2 Financial plans

A five-year financial plan is a key component of the service agreement. Rather than a set funding formula, funding arrangements will be set through the financial plan developed jointly by the City of Kingston and individual housing providers. This approach provides flexibility to better meet housing providers' individual operational and capital repair needs, without over- or under-funding. Financial plans will help ensure funding will support tenants and members and sustain the asset over the term of the service agreement. The City of Kingston will work to provide the right level of funding based on individual needs and available tax levy budget. Financial plans will consolidate all funding sources and expenditures to demonstrate how the housing provider's total revenues will cover expenses.

Financial plans will also address how unit rents will be set. Financial plans must be reviewed every five years. As a service agreement is developed, housing providers will work with the City of Kingston to jointly develop their financial plan. The City of Kingston is committed to ensuring housing providers are sustainable over the long-term and have appropriate funding to support their operational and capital repair needs.

4. Overview of Exit Agreements

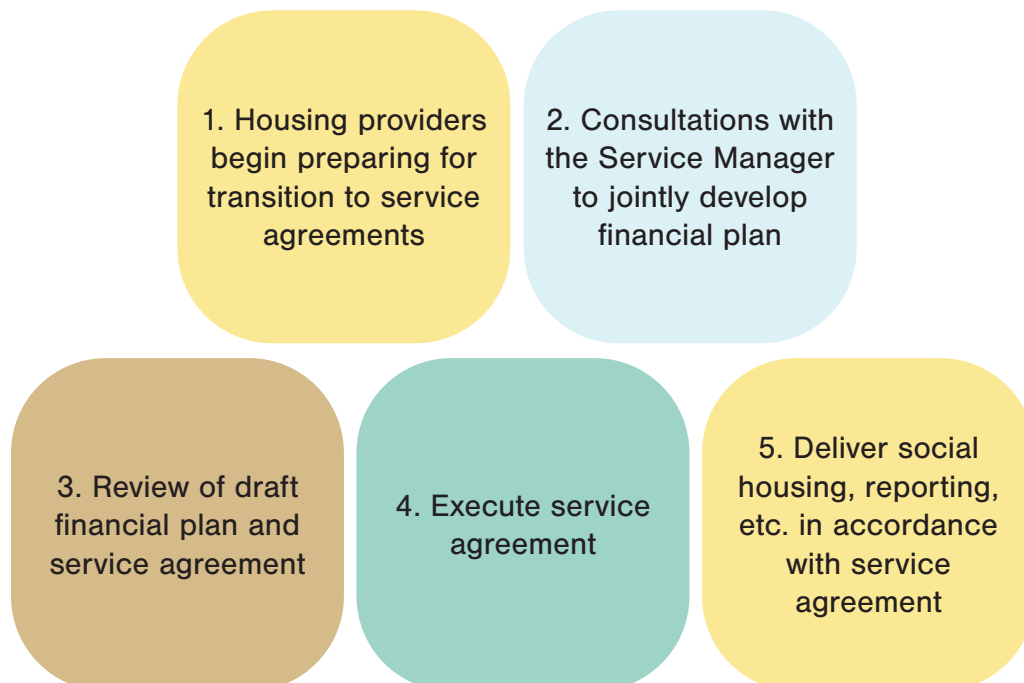
Housing providers may choose to exit the HSA framework once their mortgage expires. Exit Agreements will also be subject to negotiation with and require approval of Service Managers, and must include:

- Ongoing accommodation of households living in the housing project;
- Ongoing delivery of RGI (or other assistance) to households receiving RGI assistance; and
- Either:
 - Ongoing operation of the project by the existing or another housing provider;
 - Redevelopment of the project by the existing or another housing provider; and/or
 - Reinvestment of the sale of the project into affordable housing.

Until an exit agreement is signed, housing providers must continue to follow its rules and reporting requirements under the HSA.

5. Overview of service agreement process

The City of Kingston will work closely with each housing provider who has reached or will be reaching the end of their mortgage to execute a service agreement, which will include a tailored financial plan. An overview of the process to reach a service agreement is outlined below.



6. Preparing for Service Agreements

For the City of Kingston as Service Manager for the City and County of Frontenac, transitioning to Service Agreements means a focus on the sustainability of the overall social housing system and supporting housing providers' individual needs. This includes ensuring effective ongoing operations, strong asset management and long-term financial viability to support residents now and in the future. For housing providers, transitioning to a service agreement presents the opportunity to reflect on the needs and goals of the organization.

It is an opportunity to take stock of what is most important, what is working well or needs additional support and how the City of Kingston can help. To support readiness for transitioning to a service agreement, the City of Kingston encourages housing providers to consider the following:

- Strategic planning, including vision, priorities and short and long-term goals of the organization
- Governance and organizational needs
- Financial sustainability
- Asset management
- Operational needs, including the needs of tenants and members
- Supports and resources needed from the City of Kingston for the above areas

6.1 Strategic planning and visioning

Housing providers have varying needs, goals and objectives for their organization. To ensure Service Agreements support these individual needs, it is critical that housing providers have a strong understanding of their short- and long-term goals.

The system is undergoing transformational change, which will require significant planning. Housing providers are encouraged to have a conversation with the City of Kingston to discuss capital plans. The City of Kingston also commits to continuing to keep housing providers informed of calls for applications for funding.

These questions provide a starting point for housing providers to review or develop their mission and vision to help guide strategic planning and best position themselves for the future.

- What is most important to your organization as a social housing provider?
- What do you see for the future of your organization?
- What are your short- and long-term goals as a social housing provider?

Additional tools, including a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and reflection template, are provided in the Appendices to further support strategic planning.

6.2 Governance and organizational needs

Managing a successful non-profit or co-operative housing corporation requires knowledge in many areas including finance, property management, asset management, tenant and member relations and strategic governance. Boards of Directors (the Board) are responsible for ensuring the organization's resources are properly managed and the housing provider fulfils its responsibilities according to relevant legislation, agreements, Articles of Incorporation or Letters Patent and any established bylaws. In carrying out these duties, the Board is ultimately accountable to the housing provider's stakeholders including its tenants, members, and the City of Kingston in its role as Service Manager.

To move the organization forward through this transformational system change, housing providers are encouraged to consider the skills, knowledge, and competencies necessary to meet their responsibilities. Boards should have a training plan that builds director capacity, clearly defines roles and responsibilities, fosters accountability, and prioritizes areas of concern, as well as a succession strategy to plan for the future.

These questions can help inform organizational planning.

- What is working well with your governance and organizational management, and what might need improvement?
- What skills or knowledge is needed to support the organization now and in the future?
- Does the organization have an effective succession strategy to plan for and fill vacant board positions?

6.3 Financial sustainability

To support financial planning for Service Agreements, Boards should be knowledgeable about the financial position of the organization. This includes operational and capital viability. Operational viability means that providers have enough revenue to cover expenses and set some funds aside for future needs. Capital viability means that reserve funds and planned contributions are available to cover anticipated capital expenses.

The end of a mortgage represents a significant reduction in operating expenses. This means that operational needs may change. It is important for Boards to consider any new pressures that may impact overall financial sustainability. Boards should also have an understanding of the organization's non-profit and tax-exempt status. The organization's non-profit status is based on its Articles of Incorporation or Letters Patent documents and its established mandate as a social housing provider. Changes to incorporation documents or activities may affect the organization's non-profit and tax-exempt status, impacting financial sustainability.

These questions can help inform financial planning.

- Does the current financial position align with the organization's vision and goals?
- Does the organization anticipate any operational pressures?
- Are resources needed to address these pressures?

6.4 Asset management

Creating a capital plan is one of the duties of the housing provider's Board. The capital plan establishes priorities in maintaining and repairing the building, facilities and equipment, and allows Boards to make informed decisions about funding opportunities that may be available. Understanding capital needs means providers can ensure that their valuable asset remains in a good state of repair, and a robust preventative maintenance plan will help extend the lifespan of assets and avoid costly unplanned repairs.

Building Condition Assessments (BCAs) identify the life cycle of building components and provide recommendations for repairs or replacements, as well as estimated costs and timelines. Boards are encouraged to leverage their BCAs and Asset Planner software provided by the City of Kingston to support the capital planning process. Training opportunities to support capital planning can be provided by the City of Kingston. These questions can help inform capital planning.

- Which capital repair needs should be prioritized over the next five years?
- Does the organization have an effective preventative maintenance plan?

6.5 Operational needs

As housing providers transition to Service Agreements, it is important to consider operational needs. This includes property management functions, administration of RGI assistance and market units, implementation of internal policies and processes, supports to tenants and members, and more. Boards must ensure appropriate staffing is in place to complete regular tasks and manage day-to-day operations, as well as establish a monitoring system that evaluates processes and performance. Operational tasks may be completed by internal staff, or through a property management company hired to perform the appropriate duties.

In addition to property management functions, it is also important to consider the needs of tenants and members. This may include considering any additional supports or services needed to help tenants and members have successful tenancies.

These questions can help inform operational planning.

- How are day-to-day operations managed? What is working well and what might need improvement?
- Are any additional programs or services needed to support tenants and members?
- Is the organization meeting or below its RGI target?



7. Next steps

This guide is intended to provide a starting point to help housing providers prepare for the end of their mortgage and transition to Service Agreements.

For housing providers that have reached or will soon be reaching the end of their mortgage over the short-term, the City of Kingston is scheduling 1-on-1 consultations to discuss the provider's vision, goals, priorities, and operational and financial needs. Housing providers are encouraged to reflect on the questions and tools in this guide to prepare for this consultation and inform discussions regarding financial plans.

The City of Kingston is committed to executing Service Agreements and financial plans with housing providers that support their unique operational and capital needs.

8. Contact information

If you have any questions, please contact the following City of Kingston staff:

Mitchell Grange
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Housing Programs Administrator, Housing & Social Services
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613-546-2695 x 4864

Appendix A: SWOT analysis tool

A SWOT Analysis is a helpful tool to consider and evaluate the organization's strengths, weaknesses, opportunities and threats as it prepares for the end of its mortgage and transitions to a service agreement with the City of Kingston. This tool can be completed with consideration to the areas outlined in this guide, as well as any other needs of the organization:

- Strategic planning, including vision, priorities and short and long-term goals of the organization
- Governance and organizational needs, including succession planning
- Financial sustainability and asset management
- Operational needs, including the needs of tenants and members

<p>Strengths What is working well, organizational advantages, key resources and assets, etc.</p>	<p>Weaknesses What can be improved, resource limitations, etc.</p>
<p>Opportunities Ways to apply advantages, support tenants/ members, use of assets, etc.</p>	<p>Threats Areas of risk posing challenges to any aspect of the organization or its assets, etc.</p>

Appendix B: reflection tool

This reflection tool can help identify any gaps and priorities the organization should focus on to support its long-term vision and goals, using the prompting questions outlined in this guide.

<p>Guide Questions</p>	<p>Gaps What gaps exist? What do we need to work on?</p>	<p>Priorities What are our top priorities to address the identified gaps?</p>	<p>Key Actions and Resources What actions will we take to advance the priorities? What resources are needed?</p>	<p>Timelines When might the actions be completed?</p>
<p>Financial Sustainability</p>				
<ul style="list-style-type: none"> • Does the current financial position align with our organization’s vision and goals? • Do we anticipate any operational pressures? • Are resources needed to address these pressures? 				
<p>Asset Management</p>				
<ul style="list-style-type: none"> • Which capital repair needs should be prioritized over the next five years? • Does our organization have an effective preventative maintenance plan? 				
<p>Operational Needs</p>				
<ul style="list-style-type: none"> • How are day-to-day operations managed? What is working well and what might need improvement? • Are any additional programs or services needed to support tenants and members? • Is our organization meeting or below its RGI target? 				

<p align="center">Guide Questions</p>	<p align="center">Gaps What gaps exist? What do we need to work on?</p>	<p align="center">Priorities What are our top priorities to address the identified gaps?</p>	<p align="center">Key Actions and Resources What actions will we take to advance the priorities? What resources are needed?</p>	<p align="center">Timelines When might the actions be completed?</p>
<p align="center">Strategic Planning and Visioning</p>				
<ul style="list-style-type: none"> • What is most important to our organization as a social housing provider? • What do we see for the future of our organization? • What are our short- and long-term goals as a social housing provider? 				
<p align="center">Governance and Organizational Needs</p>				
<ul style="list-style-type: none"> • What is working well with our governance and organizational management, and what might need improvement? • What skills or knowledge is needed to support our organization now and in the future? • Does our organization have an effective succession strategy to plan for and fill vacant Board positions? 				





CITY OF KINGSTON

Ontario

By-Law Number 2003-88

A By-Law To Authorize The Establishment Of A Social Housing Capital Reserve Fund (Purpose – Create A Sustainable Source Of Funding For Capital Projects For Local Not-For-Profit Housing Providers)

Passed: April 15, 2003

As Amended By By-Law Number:

By-Law Number:	Date Passed:
2006-219	September 19, 2006
2012-48	February 21, 2012
2020-126	September 1, 2020

(Office Consolidation)

City Of Kingston By-Law Number 2003-88

A By-Law To Authorize The Establishment Of A Social Housing Capital Reserve Fund (Purpose – Create A Sustainable Source Of Funding For Capital Projects For Local Not-For-Profit Housing Providers)

Passed: April 15, 2003

Whereas Section 163 of the *Municipal Act*, R.S.O. 1990 c. M.45, as amended, authorizes a municipal council to establish a reserve fund for any purpose for which it has authority to expend funds;

And Whereas The Corporation of the City of Kingston has received \$523,000 as a one-time grant from the Federal government, and the funds are clearly mandated for use in the social housing sector;

And Whereas these funds are held temporarily in a Capital Reserve;

And Whereas it is desirable to establish a Capital Reserve Fund for future Social Housing Capital purposes;

Now Therefore the Council of The Corporation of the City of Kingston hereby enacts as follows:

1. A Social Housing Capital Reserve Fund is hereby established and the grant from the Federal government in the amount of \$523,000, is transferred to it.
2. That the Fund be a revolving fund established to support capital requests, for the purpose of completing capital repairs or for the installation of renewable energy systems, by Housing Providers who do not have the necessary resources available to them. Up to 50% of the funding available within the Social Housing Capital Reserve Fund can be provided for affordable housing capital development projects.

(By-law Number 2003-88; 2012-48; 2020-126)

3. Housing provider identified net surplus repayable funds shall be deposited to this reserve fund.

(By-law Number 2003-88; 2012-48)

City Of Kingston By-Law Number 2003-88

- 4. Withdrawals may be made from this reserve fund in the form of an interest free repayable loan or a forgivable loan for capital expenditures for social housing. Repayments to the Reserve Fund under the repayable no interest loan will be in equal monthly installments. The term of the no interest repayable loans can not extend beyond the termination date of the Housing Provider’s operating agreement.

Forgivable loans will be based on a 10 year period and will be reduced by 10% each year with the following condition: If the operating agreement between the City of Kingston and the housing provider expires before 10 years, the balance of the loan becomes due and payable. However, to maintain rent-geared-to-income units in the City’s portfolio, the loan repayment would not be required if the housing provider enters into a rent supplement agreement with the City for their former social housing units, upon the expiration of their operating agreement to cover at least the term of the forgivable loan.

(By-law Number 2003-88; 2006-219; 2012-48)

- 5. All requests for funds must be approved by the Council of the City of Kingston.
- 6. This By-Law shall come into force and take effect on the date of its passing.

Executive Summary

This exhibit summarizes the key strategies, initiatives and policy directions outlined in Report Number 26-053 that support the City's approach to managing the transition of social housing providers through End of Operating Agreements/End-of-Mortgages (EOA/EOM). In response to welcomed amendments to Ontario Regulation 367/11, the City is implementing a new service agreement framework that enables housing providers reaching EOM to either enter into a new service agreement to continue offering rent-geared-to-income (RGI) housing or to exit the social housing system through a formal exit agreement. The strategies, initiatives and policy changes described in this exhibit focus on ensuring continuity of RGI housing, supporting the long-term financial and operational sustainability of housing providers, and aligning municipal investment with evidence-based financial and capital planning. Together, these measures provide the foundation for preserving affordable housing assets, supporting provider stability, and ensuring the effective and responsible use of municipal funding as the City navigates upcoming EOA/EOM transitions.

Strategies:

a. Transition to New Service Agreement Framework

Implement the provincially mandated service agreement framework introduced through amendments to Ontario Regulation 367/11 to ensure continuity of RGI housing post-EOM.

b. Preservation of RGI Housing Post-EOM

Prioritize continuity of RGI housing during and after EOM through negotiated service agreements or exit agreements.

c. Housing Provider Specific, Financially Sustainable Agreements

Use provider specific financial modeling and capital planning to tailor service agreements that align funding with long-term operating and capital needs.

d. Responsible Stewardship of Municipal Investment

Optimize municipal investment through evidence-based funding decisions, long-term asset planning and targeted use of reserve funds.

Initiatives:

a. Negotiation of New Service Agreements

Initiate formal negotiations with housing providers that have reached or are nearing EOM using the standardized service agreement template.

b. Standardized Service Agreement Template

Adopt and tailor the provincially coordinated service agreement template developed by Borden Ladner Gervais, in partnership with Housing Services Corporation and reviewed by Legal Services.

c. Provider Education and Board Readiness Support

Ongoing delivery of quarterly housing provider meetings, Board engagement, and promotion of the EOM Readiness Guide to support informed decision making.

d. Financial Modeling and Capital Planning

Continue financial modeling and capital needs analysis using Annual Information Return data, building condition assessments (BCA) and Asset Planner to inform service agreement terms.

e. Portfolio-Wide BCAs

Continue to complete BCAs on a 5-year cycle and use data to project capital needs across the social housing portfolio.

Policy Framework:

a. Shift in Funding Model Post-EOM

Transition from legacy funding models to a tailored funding approached unique to each housing provider.

b. Service Agreement Versus Exit Agreement Pathways

Recognition of two provincially enabled post-EOM options, entering into a new service agreement or exiting the system through a formal exit agreement with conditions.

c. Eligibility of Non-Housing Services Act Projects

Enable non-HSA housing projects to enter into service agreements subject to financial viability assessments and municipal budget approval.

d. Future Review of the Social Housing Capital Reserve Fund Policy

Monitor reserve usage and return to Council in 2028 with recommendations for potential policy amendments.