



**City of Kingston  
Report to Council  
Report Number 25-102**

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**To:** Mayor and Members of Council  
**From:** Desirée Kennedy, Chief Financial Officer & City Treasurer  
**Resource Staff:** Lana Foulds, Director, Financial Services  
**Date of Meeting:** March 4, 2025  
**Subject:** Housing-Enabling Water Systems Fund (HEWSF) – Intake 2

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**Council Strategic Plan Alignment:**

Theme: Financial measures/budget

Goal: See above

**Executive Summary:**

On November 1, 2024, the City of Kingston and Utilities Kingston submitted a joint Housing-Enabling Water Systems Fund application to the Ministry of Infrastructure, under Intake 2 of the grant program, to support the asset renewal of core water infrastructure on Princess Street (from Division Street to Albert Street) and on Garrett Street. The project will support the replacement of the combined sewer system with separate wastewater and stormwater infrastructure as well as the replacement of watermain infrastructure due to age and condition. This will enable the potential development of over 4,000 new housing units.

On January 27, 2025, the City received notification that the \$6,994,035 grant request was approved. This successful project will advance Council's strategic priority to plan and implement Disaster Mitigation and Adaptation Fund projects (specifically, combined sewer separation on Princess Street), support the ongoing implementation of the Council-endorsed 20-year sewer separation plan, and support the intensification of the Williamsville Corridor.

The purpose of this report is to obtain approval to enter into a transfer payment agreement with the Minister of Infrastructure. A request for three readings of the bylaw is being recommended to ensure that provincial timelines are met.

March 4, 2024

Page 2 of 5

The municipal budget for this project was included in the 2025 15-year capital plan, projected for 2026-2027. This report includes a recommendation directing staff to include the necessary funds as part of the 2026 municipal capital budget.

**Recommendation:**

**That** the Mayor and Clerk be authorized to enter into the Ontario Transfer Payment Agreement for the Housing-enabling Water Systems Fund: Intake 2 with the Province, in a form acceptable to the Director of Legal Services; and

**That** the by-law attached to Report Number 25-102 as Exhibit A, Housing-Enabling Water Systems Fund: Intake 2, be presented to Council and given three readings on March 4, 2025; and

**That** Council direct staff to incorporate the municipal portion of the total project cost for the Princess and Garrett Street infrastructure project into the 2026 capital budget.

March 4, 2024

Page 3 of 5

**Authorizing Signatures:**

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

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**Desiree Kennedy, Chief  
Financial Officer & City  
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Paige Agnew, Commissioner, Growth & Development Services                      Not required

Jennifer Campbell, Commissioner, Community Services                                      Not required

Neil Carbone, Commissioner, Corporate & Emergency Services                              Not required

David Fell, President & CEO, Utilities Kingston

Ian Semple, Acting Commissioner, Transportation & Infrastructure Services

March 4, 2024

Page 4 of 5

**Options/Discussion:**

The Housing-Enabling Water Systems Fund (HEWSF) is an application-based grant program that aims to protect communities by investing in the repair, rehabilitation and expansion of core water, wastewater, and stormwater projects to promote growth and enable housing. Through two intakes of the program, the Ministry of Infrastructure is providing nearly \$1.3 billion for housing-enabling water infrastructure which will help enable approximately 600,000 new homes across Ontario. Approximately 50% of this funding pool was dedicated to projects in small, rural and northern municipalities.

The first application intake closed on April 19, 2024. Under this first intake, the Province invested \$970 million in 54 water infrastructure projects across 60 municipalities that will help enable the construction of approximately half a million homes. The City was not successful with an application as part of this first intake.

In response to the high demand for funding, the Province launched a second application intake which closed on November 1, 2024. Under the second intake, the Province is investing an additional \$325 million in 23 projects across 26 municipalities to help enable the construction of up to 107,000 new homes.

The City of Kingston and Utilities Kingston submitted a joint Housing-Enabling Water Systems Fund application to the Ministry of Infrastructure, under Intake 2, to support the asset renewal of core utility infrastructure on Princess Street (from Division Street to Albert Street) and on Garrett Street. The project will support the replacement of the combined sewer systems with separate wastewater and stormwater infrastructure and the replacement of water main infrastructure due to age and condition. This project will also redirect the Williamsville-area sewage via a different sanitary servicing path to eliminate a system bottleneck and will enable the potential development of over 4,000 new housing units.

On January 27, 2025, the City received notification that the \$6,994,035 grant application was successful. The joint project was one of the 23 projects approved in the second intake under HEWSF. To be eligible for funding, the project must start no later than September 30, 2025, and must be completed by March 31, 2028.

This project will increase the available capacity for wastewater in the overall sewer system and increase the reliability of core water infrastructure assets to support growth and development pressures in the Williamsville area. The strategic direction taken to proactively remove storm water from sanitary sewers through the elimination of combined sewers is critical to maintaining a balance between accommodating growth and environmental management.

The subject lands are located along a corridor which is intended for intensification in the City's Official Plan. The HEWSF infrastructure funding will enable additional housing development along Princess Street between Division Street and the Bath Road/Concession Street intersection (the Williamsville Main St Corridor).

March 4, 2024

Page 5 of 5

**Transfer Payment Agreement**

The City has commenced the process of executing the Transfer Payment Agreement. Under section A2.2 of the Agreement, the Recipient must represent and warrant that it has:

- (a) the full power and capacity to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement, including passing a municipal by-law authorizing the Recipient to enter into the Agreement.

The report recommendations provide the necessary authority to execute the Transfer Payment Agreement as required.

**Financial Considerations**

The Williamsville core water infrastructure renewal project is a joint project with Utilities Kingston. The design phase of the project was previously approved within the capital budget. The total project, including both municipal and utility components, is projected to cost approximately \$26M. Budget for the utility portion of the total project cost has been included in Utilities Kingston's previously approved two-year capital budget. The municipal portion of the total project cost and related funding will be incorporated into the City's 2026 municipal capital budget.

HEWS funds of \$6,994,036 will be distributed between municipal services - \$4,841,081 and Utilities Kingston - \$2,152,954.

**Contacts:**

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

**Other City of Kingston Staff Consulted:**

Luke Follwell, Director, Engineering Services, Engineering

Troy Beharry, Partnership & Grant Development Manager, Strategy, Innovation & Partnership

**Exhibits Attached:**

Exhibit A – A draft by-law entitled Housing-Enabling Water Systems Fund: Intake 2

# City of Kingston By-Law Number 2025–XX

## *Housing-Enabling Water Systems Fund: Intake 2*

1<sup>st</sup> Reading                      date

2<sup>nd</sup> Reading                     date

3<sup>rd</sup> Reading                     date

Passed                            date

# City of Kingston By-Law Number 2025–XX

## *Housing-Enabling Water Systems Fund: Intake 2*

1. Interpretation	3
2. Administration	5
3. Agreement Execution	5
4. Miscellaneous	6

# City of Kingston By-Law Number 2025–XX

## Housing-Enabling Water Systems Fund: Intake 2

### Whereas:

The *City* is a single-tier municipality incorporated pursuant to an order made under section 25.2 of the *Municipal Act*, R.S.O. 1990, c. M.45.

The powers of a municipality must be exercised by its council (*Municipal Act, 2001*, S.O. 2001, c. 25 (the “***Municipal Act, 2001***”), s. 5 (1)).

Subsection 5 (3) of the *Municipal Act, 2001* provides that a municipal power must be exercised by by-law unless the municipality is specifically authorized to do otherwise.

A by-law under the *Municipal Act, 2001* respecting a matter may require persons to do things respecting the matter.

A single tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public (*Municipal Act, 2001*, s. 10 (1)).

Pursuant to subsection 10 (2) of the *Municipal Act, 2001*, a single-tier municipality may pass by-laws respecting the financial management of the municipality.

A municipality may delegate its powers and duties under the *Municipal Act, 2001* to a person or body subject to the restrictions set out in Part II of the *Municipal Act, 2001* (*Municipal Act, 2001*, s. 23.2 (1)).

Therefore, *council* enacts:

### 1. Interpretation

1.1 This by-law may be cited as the *OTPA - HEWSF: INTAKE 2*

1.2 In this by-law:

“***City***” means The Corporation of the City of Kingston;



## Housing-Enabling Water Systems Fund: Intake 2

“**clerk**” means the *person* appointed by the *City* as clerk and includes the *clerk’s* designate;

“**council**” means the council of the *City*;

“**director**” means the *City’s* director of the Financial Services *Department*, the *Director’s* designate, or, in the event of organizational changes, the director of the successor division or department responsible for the administration of this by-law;

“**HEWSF**” means Housing-Enabling Water Systems Fund

“**law**” means all applicable Acts of Parliament, Acts enacted by the Legislature, and by-laws enacted by *council*, and any regulations, codes, directions, licences, orders, permits or rules made under any of them;

“**Financial Services Department**” means the Financial Services Department or, in the event of organizational changes, the successor division or department responsible for the administration of this by-law;

“**Municipal Act, 2001**” means the *Municipal Act, 2001*, S.O. 2001, c.25;

“**OTPA**” means Ontario Transfer Payment Agreement

“**person**” includes an individual, a corporation, a partnership, and an association;

“**treasurer**” means the *person* appointed by the *City* as treasurer and includes the *treasurer’s* designate;

1.3 For the purposes of interpreting this by-law:

- (a) a reference to any legislation, regulation, or by-law or to a provision thereof includes a reference to any legislation, regulation or by-law enacted, made or passed in substitution thereof or amendment thereof;
- (b) any reference to legislation includes all of the regulations made thereunder;
- (c) “include”, “includes” and “including” indicate that the subsequent list is not exhaustive; and

## Housing-Enabling Water Systems Fund: Intake 2

- (d) “to provide” includes to furnish, to offer, to perform, and to solicit, and “providing” and “provision” have corresponding meanings.

1.4 This by-law will not be interpreted as exempting any *person* from the requirement to comply with any other *City* by-law or federal or provincial legislation. In the event of conflict between the provisions of this by-law and any other *City* by-law, the provision that establishes the higher standard of health, safety and well-being of *persons* and protection of *persons* will apply.

### **2. Administration**

2.1 The *director* is responsible for the administration of this by-law.

2.2 The *director* may approve or prescribe the form of all agreements and other forms for the purpose of this by-law, specify the procedure for the use of the forms and require their use for any purpose of this by-law.

2.3 The *director* may rectify minor administrative oversights in respect of OPTA - HEWSF: Intake 2.

2.4 Where this by-law provides that the *director* may do an act, the *director* may, when doing the act, seek and consider information or documents from any *person*, and may consult with other *City* employees, legal counsel, or other advisors, all as the *director* considers necessary.

2.5 Where this by-law provides that the *director* may do an act, it may be done by a *person* authorized by the *director* to do the act.

### **3. Agreement Execution**

3.1 The Corporation of the City of Kingston enter into an Ontario Transfer Payment Agreement - Housing-Enabling Water Systems Fund: Intake 2 with His Majesty the King in right of Ontario as represented by the Minister of Infrastructure.

3.2 The Mayor and City Clerk are hereby authorized to sign the Ontario Transfer Payment Agreement Housing-Enabling Water Systems Fund: Intake 2 between His Majesty the King in right of Ontario as represented by the Minister of Infrastructure and The Corporation of the City of Kingston.

## Housing-Enabling Water Systems Fund: Intake 2

### 4. Miscellaneous

- 4.1 If a court of competent jurisdiction declares any provision, or any part of a provision, of this by-law to be invalid, or to be of no force and effect, it is the intention of *council* in enacting this by-law that each and every provision of this by-law authorized by law be applied and enforced in accordance with its terms to the extent possible according to law.
- 4.2 This by-law be presented for all three readings.
- 4.3 This by-law will come into force and take effect on the date it is passed.

1 <sup>st</sup> Reading	date
2 <sup>nd</sup> Reading	date
3 <sup>rd</sup> Reading	date
Passed	date

Janet Jaynes  
City Clerk

Bryan Paterson  
Mayor