

**Subject: Acquisition of 1754 St. Joseph Boulevard for Transitional Housing**

**File Number: ACS2024-2024-SI-HSI-0011**

**Report to Finance and Corporate Services Committee on 2 July 2024**

**and Council on 10 July 2024**

**Submitted on June 20, 2024 by Geraldine Wildman, Director, Housing Solutions and Investment Services, Strategic Initiatives Department**

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**Ward: Orléans West-Innes (2)**

**Objet : Acquisition du 1754, boulevard Saint-Joseph pour des logements de transition**

**Dossier : ACS2024- ACS2024-2024-SI-HSI-0011**

**Rapport au Comité des finances et des services organisationnels le 2 juillet 2024**

**et au Conseil le 10 juillet 2024**

**Soumis le 20 juin 2024 par Geraldine Wildman, Directeur, Bureau des biens immobiliers municipal, Services de la planification, des biens immobiliers et du développement économique**

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**Quartier : Orléans-Ouest-Innes (2)**

## REPORT RECOMMENDATIONS

That the Finance and Corporate Services Committee recommend City Council:

1. **Approve the acquisition as described in the report for the purchase of the fee simple interest in lands and premises known municipally as 1754 St. Joseph Boulevard, shown as Parcel 1 on Document 1 attached being the “St. Joseph Blvd. Lands,” from the Sisters of Charity of Ottawa for \$11 million plus applicable taxes and closing costs (estimated at \$350,000).**
2. **Delegate authority to the Director, Housing Solutions and Investment Services to enter into, conclude, execute, amend, and implement on behalf of the City, the Purchase Agreement for the acquisition of the “St. Joseph Blvd. Lands,” as described in this report.**

## RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil :

1. **Approuver, conformément à ce qui est prévu dans le rapport, l'acquisition en fief simple des terrains ayant pour désignation municipale le 1754, boulevard Saint-Joseph, illustrés comme parcelle 1 dans le document 1 joint, ou les « terrains du boulevard Saint-Joseph », des Sœurs de la Charité d'Ottawa, pour 11 millions de dollars, taxes applicables et frais de clôture en sus (estimé \$350,000).**
2. **Déléguer au directeur, Services des solutions de logement et des investissements le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, l'accord pour l'acquisition des « terrains du boulevard Saint-Joseph », comme le décrit le présent rapport.**

## BACKGROUND

The City of Ottawa is facing unprecedented demands on its single adult shelter system. As of May 2024, the system was serving 55 per cent more clients than in 2023, and 78 per cent more clients than pre-pandemic. In 2023, the City saw a dramatic increase in the number of single newcomers accessing the shelter system, to the extent that newcomer clients now comprise 64 per cent of all single adult shelter clients.

Over 360 single adults are being supported at three temporary sites. Two of those sites are Physical Distancing-Emergency Overflow Centres operating out of City Recreational Facilities. Council has directed that these centres be returned to their intended purposes as soon as possible.

On July 12, 2023, City Council approved the Integrated Transition to Housing Strategy ([ACS2023-CSS-GEN-006](#)), which outlines short-, medium- and long-term initiatives to support the transition of single adults experiencing homelessness to housing, while stabilizing the community shelter system. Initiatives include operationalization of new medium-long term facilities to serve clients experiencing homelessness. On June 26, 2024 Community Services Committee will receive an update on the implementation of the strategy's initiatives.

Over the past three years, the Realty Services Branch has been working closely with Housing and Homelessness Services to identify properties for lease, purchase or development that would provide this opportunity. The team has actively explored over 60 properties, which resulted in the lease of 1 Corkstown Road for a Family Transitional Housing Program and the pending lease of 230 Queen Street as Transitional Housing for up to 130 single adults.

### **Property Description**

Staff were introduced to the property at 1754 St. Joseph Boulevard by a real estate brokerage firm representing the Sisters of Charity, the owners of the property. The property is 26.1 acres and is located on the southeast corner of Forest Valley Drive and St. Joseph Boulevard in the Chapel Hill neighbourhood of Orleans (refer to Document 1 - Property Sketch). This location is served by public transit, with access to shopping, employment, and community and social services.

The centre and southern portions of the site sit atop the Orleans escarpment. This area of the site is relatively level and backs onto residential development fronting Forest Valley Drive. The remainder of the site drops in elevation towards St. Joseph Blvd. The soil composition (clay) in the northern portion of the site is not conducive for development. Due to the escarpment, soil composition, ravine slopes and a watercourse in the north and eastern site boundary, approximately 14 acres is estimated to be non-developable.

The property is zoned I1E – Minor Institutional to permit a range of community uses and institutional accommodations including transitional housing. It is improved with a two-storey vacant convent building and a detached residential dwelling constructed in approximately 1960 and 1965, respectively. The main building contains approximately 70 rooms, semi-private and common bathrooms, private offices, meeting rooms, a commercial kitchen, former chapel / common area and dining space. Overall, the physical and legal characteristics of the property make it well suited for transitional housing.

## **Intended Use**

Transitional Housing is stable, temporary accommodations, which include supports for individuals while they transition to long-term housing. The acquisition would increase permanent system capacity while reducing reliance on Physical Distancing - Emergency Overflow Centres, currently operating out of City-owned recreation facilities. It is estimated that the site can serve approximately 150 clients. Initial clients will be primarily single adult newcomers.

The size and common area of the main building will facilitate the ability to offer sustained onsite social services and programming, resulting in better outcomes for clients and quicker transitions to long-term housing. Over the long-term, staff and partners would explore opportunities to use the facility and surplus developable land to address other systems pressures and opportunities including long-term housing.

## **Purchase Terms and Conditions**

There was no listed price for the property and the broker was accepting offers based on a highest and best use to rezone and develop with residential mixed density uses, maximizing the permitted density on the developable portions of the site.

Redevelopment will require multiple planning applications, including a potential Official Plan amendment, Rezoning and Plan of Subdivision. There are also site-specific policies to redevelop this property. Due to the sensitive clay soils, a specialized assessment must be completed including a geotechnical investigation, slope stability and landslide risk analysis, and erosion assessment. In addition, policy direction is required to determine setback requirements for development in proximity of the escarpment to prevent landslides. Given the requirement to change the land use regulations, and the physical limitations of the site, a market value estimate was based on approximately 12 developable acres with a 5-to-7-year development horizon.

An internal City appraisal and a third-party independent appraisal were completed. The estimated value of the two appraisals ranged from \$10 and \$12 million. The City made an initial offer of \$10 million. It was reported that multiple offers had been received and the Sisters of Charity had indicated a preference to deal with the City.

The Sisters of Charity counter-offered at \$12 million and requested that the City re-evaluate its offer with the understanding that other offers were being considered. Following consultation with Housing & Homelessness Services, a counteroffer at \$11 million was submitted, which was accepted.

Recommendation 1 of this report is to approve the acquisition of the property for \$11

million plus applicable taxes and closing costs (estimated at \$350,000), for transitional housing.

The City's offer was made subject to a set of conditions, which expire October 12, 2024. The conditions are:

- The City to have time to review and satisfy itself with the title to the Lands and all related encumbrances.
- The City to have time to review and satisfy itself with the environmental condition of the Lands. A qualified consultant has been retained by the City to complete Phase One and Two Environmental Site Assessments to ensure that the acquisition of the Property does not pose an environmental liability to the City.
- The City to have time to review and satisfy itself with the condition of the buildings. In that regard, a qualified consultant has been retained by the City to complete a Building Condition Audit, and Designated Substance Review, to estimate the life span of the buildings and systems and determine the repairs, and their costs, required in the short, medium and long term.
- As a requirement of the purchase the City will provide a deposit in the amount of \$275,000 within five business days following Council approval. If the agreement is terminated, the deposit will be returned to the City.

The purchase agreement has been negotiated subject to approval by City Council or its Delegated Authority. To complete the transaction in a timely and efficient manner, Recommendation Two is for Council to delegate authority to the Director, Housing Solutions and Investment Services to execute and conclude the Agreement on behalf of the City.

### **FINANCIAL IMPLICATIONS**

The acquisition will be funded through the Interim Housing Assistance Program (IHAP), which has sufficient funds available. The ongoing operating costs for the facility provide better value and service model than the current Physical Distancing-Emergency Overflow Centre models. A comprehensive transitional housing funding strategy and spending plan for all planned operating will be included in the Housing & Homelessness Services updated Long Range Financial Plan to be presented to Council in Q3 2024 and considered as part of the 2025 City budget process.

### **LEGAL IMPLICATIONS**

There are no legal impediments to implementing the recommendations of this report.

## **WARD COUNCILLOR COMMENTS**

The subject property is in Ward 2 Orléans West-Innes. The Ward Councillor, Laura Dudas, is aware of and supportive of the purchase.

## **CONSULTATION**

This property acquisition is in support of the Integrated Transition to Housing Strategy, approved by Council on July 12, 2023 ([ACS2023-CSS-GEN-006](#)). To shape the recommendations of that Strategy, staff engaged with single adult shelter partners, housing and homelessness sector partners through the Alliance to End Homelessness, the Homelessness Community Advisory Board and the interim Housing and Homelessness Leadership Table, as well as the Ottawa Aboriginal Coalition, and through those working group engaged representatives from over 25 community agencies.

Should the purchase be successful, Housing & Homelessness Services would work with community partners to identify potential supports to be made available onsite and prepare for potential increases in demand on surrounding community services (transit, employment service, etc).

## **ACCESSIBILITY IMPACTS**

Any renovations, retrofits or developments on the site, would be implemented according to the Integrated Accessibility Standards Regulation. 191/11 (IASR) of the Accessibility for Ontarians with Disabilities Act, 2005, (AODA) in addition to following the requirements of the City's Accessibility Design Standards (ADS), where applicable.

The programs and services contemplated for the site will also align to the commitment of the City of Ottawa's [Accessibility Policy](#) and ensure equal treatment to people with disabilities with respect to the use and benefit of City services, programs, goods, facilities and information.

## **ASSET MANAGEMENT IMPLICATIONS**

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program objectives. The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

As discussed within the report, when the City commits to the acquisition of new assets,

consideration must also be given to the City's commitment to fund future operations, maintenance, and renewal costs. It must also account for future depreciation when reviewing long-term financial sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value and lifecycle costing of the acquired assets being taken on by the City. If approved for acquisition, the building at 1754 St. Joseph would be added to the inventory of assets and financial forecasts included under the Community & Social Services Asset Management Plan (AMP).

### **ENVIRONMENTAL IMPLICATIONS**

The Environmental Remediation Unit was tasked with completing in-house environmental screening for the subject lands in accordance with the City's property acquisition policy.

The Agreement is conditional for four months from the date of the City's acceptance to give the City time to review and satisfy itself with the environmental condition of the Lands. In that regard, a qualified Consultant has been retained to complete Phase One and Two Environmental Site Assessments to ensure that the acquisition of the Property does not pose an environmental liability to the City.

### **DELEGATION OF AUTHORITY IMPLICATIONS**

The purchase agreement has been negotiated subject to approval by City Council or its Delegated Authority. To complete the transaction in a timely and efficient manner, Recommendation Two is for Council to delegate authority to the Director, Housing Solutions and Investments to execute and conclude the Agreement on behalf of the City.

### **INDIGENOUS, GENDER AND EQUITY IMPLICATIONS**

The [Ottawa Transitional Housing Program Standards](#), updated and approved by Council in February 2021, govern the operation of Transitional Housing Facilities. Specifically, Section 10.5.5 speaks to Indigenous Policy Considerations, and Section 10.5.4 speaks to LGBTQ2S Residents service requirements.

### **RISK MANAGEMENT IMPLICATIONS**

There are risk implications in the acquisition of this property. These risks have been identified and explained in the report and are being managed by the appropriate staff.

### **RURAL IMPLICATIONS**

There are no rural implications in this report.

## **SUPPORTING DOCUMENTATION**

**Document 1** – Property Sketch

## **DISPOSITION**

Following approval by Council, Legal Services, and Housing Solutions and Investment Services staff will implement the recommendations in this report.



Document 1 - Property Sketch of 1754 St. Joseph Boulevard

