

**Subject: 2024 Affordable Housing Capital Strategy and Update**

**File Number: ACS2024-SI-HSI-0016**

**Report to Joint Planning and Housing Committee and Finance and Corporate  
Services Committee on 6 November 2024**

**and Council 13 November 2024**

**Submitted on October 28, 2024 by Geraldine Wildman, Interim Director, Housing  
Solutions and Investment Services**

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**Ward: Citywide**

**Objet : Stratégie et compte rendu : investissement pour le logement  
abordable 2024**

**Numéro de dossier : ACS2024-SI-HSI-0016**

**Rapport au Comité de la planification et du logement et au Comité des finances et  
des services organisationnels**

**Rapport soumis le 6 novembre 2024**

**et au Conseil le 12 novembre 2024**

**Soumis le 28 octobre 2024 par Geraldine Wildman, Directrice intérimaire, Services  
des solutions de logement et des investissements, Direction générale des  
initiatives stratégiques**

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**Quartier : À l'échelle de la ville**

## **REPORT RECOMMENDATION(S)**

**That the Joint Finance and Corporate Services Committee and Planning and Housing Committee recommend that Council:**

- 1. Delegate authority to the Director, Housing Solutions and Investment Services to allocate the balance of the \$15,000,000 from the 2024 affordable housing capital budget, being \$13,956,051, to support the creation of new affordable housing through conditional capital contributions, contributions in lieu of building permit and school board fees, non-exempt planning fees and accessibility grants, and to provide a contingency fund, subject to the conditional contributions being included in a contribution agreement between the City and each housing provider, and that of the \$13,956,051:**
  - a. Up to \$1,365,416 be allocated to Shepherds of Good Hope (SGH) for the continued development of 48 units at 216 Murray Street;**
  - b. Up to \$1,650,000 be allocated to Centretown Citizens of Ottawa Corporation (CCOC) for the development of 10 new affordable rental units at 171 Armstrong Ave;**
  - c. Up to \$3,000,000 be allocated to Habitat for Humanity to construct affordable homes (ownership) at two properties to be confirmed in a separate report;**
  - d. Up to \$6,000,000 be allocated to Ottawa Community Housing Corporation to contribute towards the construction of approximately 90 affordable rental units at 1770 Heatherington Road**
  - e. any remaining or unallocated funds, to either a contingency budget to support projects that require additional funding, or to cover non-exempt City fees and charges, or to projects on the Non-profit Pre-development Pipeline List in (Document 1) to this report, and to any other projects that receive, or will receive, pre-development funding and that may be added to the Pipeline list in accordance with the selection criteria outlined in this report.**
- 2. Approve that any remaining Ontario Priorities Housing Initiatives (OPHI) funding from the \$600,000 2024-2025 Ontario Renovates budget be allocated by the Director, Housing Solutions and Investment Services to either private households or not-for-profit organizations, removing the cap**

of up to \$300,000 for households and up to \$300,000 for not-for-profit organizations to ensure funds are spent by the required deadline of December 31, 2024, as established by the Province; and that should the City receive 2025-2026 Ontario Priorities Housing Initiative funding, that the Director, Housing Solutions and Investment Services be authorized to allocate up to \$600,000 of the funds towards a continuation of the Ontario Renovates program (without category cap), and that any remaining OPHI funds be allocated, in accordance with OPHI program guidelines, to shovel-ready projects on the Non-profit Pre-development Pipeline List in (Document 1) to this report, and to any other projects that receive, or will receive, pre-development funding and that may be added to the Pipeline List in accordance with the selection criteria outlined in this report.

3. Approve an extension up to March 31, 2025 of the short-term interest-free repayable loan of \$606,075 to the African Caribbean Association of Ottawa (ACAO) that was provided through the 2021 Capital Plan for their project at 881-883 Pinecrest Road and Delegate authority to the Director, Housing Solutions and Investment Services to convert a portion of the short-term loan to a conditional contribution, if required, based on the mortgage eligibility of ACAO.
4. Delegate authority to the Director, Housing Solutions and Investment Services to allocate any additional funding that becomes available in 2024 and 2025, to either a contingency budget to support projects that require additional funding, or to cover non-exempt City fees and charges, or to projects on the Non-profit Pre-development Pipeline (Document 1), and to any other projects that receive, or will receive, pre-development funding and that may be added to the Pipeline list in accordance with the selection criteria outlined in this report.

#### **RECOMMANDATION(S) DU RAPPORT**

Que le Comité des finances et des services organisationnels et le Comité de la planification et du logement recommandent, pendant leur réunion conjointe, ce qui suit au Conseil municipal :

1. Déléguer à la directrice, Services des solutions de logement et des investissements, le pouvoir d'allouer le solde du budget des immobilisations pour le logement abordable de 2024 de 15 000 000 \$, soit

**13 956 051 \$, pour appuyer la création de nouveaux logements abordables par le biais d'ententes de contributions conditionnelles, de contributions en compensation des droits de permis de construire, de redevances imposées par les conseils scolaires, de droits d'aménagement non exemptés et de subventions pour l'accessibilité et pour fournir un budget réservé aux imprévus, sous réserve que lesdites contributions conditionnelles soient incluses dans une entente de contribution entre la Ville et chaque fournisseur de logements, et que de ce montant de 13 956 051 \$ :**

- a. un montant maximal de 1 365 416 \$ soit alloué aux Bergers de l'espoir pour l'aménagement continu de 48 logements au 216, rue Murray;**
- b. un montant maximal de 1 650 000 \$ soit alloué à la Centretown Citizen Ottawa Corporation (CCOC) pour l'aménagement de 10 nouveaux logements locatifs abordables au 171, avenue Armstrong;**
- c. un montant maximal de 3 000 000 \$ soit alloué à Habitat pour l'humanité pour la construction de logements abordables (en propriété) sur deux terrains qui seront confirmés dans un rapport distinct;**
- d. un montant maximal de 6 000 000 \$ soit alloué à la Société de logement communautaire d'Ottawa pour contribuer à la construction d'environ 90 logements locatifs abordables au 1770, chemin Heatherington;**
- e. les fonds restants ou non alloués, soient alloués à un budget réservé aux imprévus afin d'appuyer des projets qui nécessitent un financement supplémentaire, ou pour couvrir les droits et redevances municipaux non exemptés, ou pour appuyer des projets figurant sur la liste des projets à but non lucratif en phase préparatoire jointe au présent rapport (document 1) et tout autre projet qui reçoit ou recevra un financement de pré-aménagement et qui pourrait être ajouté à la liste des projets en phase préparatoire conformément aux critères de sélection énoncés dans le présent rapport.**

- 2. Approuver que tout financement restant provenant du budget de 600 000 \$ du volet Rénovations Ontario 2024-2025 de l'Initiative liée aux priorités de l'Ontario en matière de logement (IPOL) soit alloué par la directrice, Services des solutions de logement et des investissements, soit à des ménages privés, soit à des organismes sans but lucratif, en supprimant le plafond de 300 000 \$ pour les ménages et de 300 000 \$ pour les organismes sans but lucratif afin de s'assurer que les fonds sont dépensés avant la date limite du 31 décembre 2024, comme établi par la Province; et que, si la Ville reçoit un financement de l'Initiative liée aux priorités de l'Ontario en matière de logement 2025-2026, la directrice, Services des solutions de logement et des investissements, soit autorisée à allouer les fonds jusqu'à concurrence de 600 000 \$ à la continuation du volet Rénovations Ontario (sans plafond de catégorie) et que tout fonds restant de l'IPOL soit alloué, conformément aux lignes directrices de l'IPOL, à des projets prêts à démarrer figurant dans la liste des projets à but non lucratif en phase préparatoire (document 1) du présent rapport et à tout autre projet qui reçoit ou recevra un financement de pré-aménagement et qui pourrait être ajouté à la liste des projets en phase préparatoire conformément aux critères de sélection énumérés dans le présent rapport.**
- 3. Approuver une prolongation jusqu'au 31 mars 2025 du prêt remboursable à court terme sans intérêt de 606 075 \$ accordé à l'Association africaine et caraïbénne d'Ottawa au titre du Plan d'immobilisations 2021 pour son projet aux 881 et 883, chemin Pinecrest et déléguer à la directrice, Services des solutions de logement et des investissements, le pouvoir de convertir une partie du prêt à court terme en contribution conditionnelle, au besoin, en fonction de l'admissibilité hypothécaire de l'Association africaine et caraïbénne d'Ottawa.**
- 4. Déléguer à la directrice, Services des solutions de logement et des investissements, le pouvoir d'allouer les fonds qui deviennent disponibles en 2024 et 2025, à un budget pour éventualités afin d'appuyer des projets qui nécessitent un financement supplémentaire, ou pour couvrir les droits et redevances municipaux non exemptés, ou pour appuyer des projets figurant dans la liste des projets à but non lucratif en phase préparatoire (document 1), et à tout autre projet qui reçoit ou recevra un financement de pré-aménagement et qui pourrait être ajouté à la liste des projets en phase**

**préparatoire conformément aux critères de sélection énumérés dans le présent rapport.**

## **EXECUTIVE SUMMARY**

The purpose of this report is to request authority for the Director of Housing Solutions and Investment Services to allocate \$13,956,051 in City capital funding for 2024, as well as any additional funding that may be received through the 2025 City budget and from the provincial and federal governments in 2025, except the fourth tranche of the Housing Accelerator Fund (HAF), to non-profit housing projects listed in Document 1 to this report, as well as to any new projects that meet the criteria for inclusion on the list, as set out in this report. The ability to allocate funds expeditiously aims to maximize new building permits for affordable housing units by the end of 2026 in support of the City's housing supply commitments under the Housing Accelerator Fund and Municipal Housing Pledge.

The 2023-2026 Affordable Housing Capital Strategy and Update (2023-2026 Capital Plan) was approved by Council on September 13, 2023, which outlined a Term of Council affordable housing spending plan and allocated the annual \$15,000,000 City capital allocations for 2024, 2025 and 2026 as set out in the 2021 Housing Services Long Range Financial Plan. Following this, on December 6, 2023, as part of the 2024 City budget, Council approved an additional \$15,000,000 for affordable housing. While the 2023-2026 Capital Plan had provided authority to allocate additional funds to projects in that report's Document 2, many of the projects in Document 2 have now been fully funded through the Housing Accelerator Fund (HAF), and that document did not include some new projects that now require additional funding. As a result, this report recommends the allocation of the remaining funds from the additional \$15,000,000 (totaling \$13,956,051) to a contingency fund for projects currently underway, to new and existing projects requiring more funding, to cover non-exempt City fees and charges, and to a revised "Non-profit Pre-development Pipeline List" in Document 1.

Through the HAF program, the City of Ottawa was awarded up to \$176.3 million, and in April 2024, City Council approved the allocation plan for HAF funding through the Housing Accelerator Fund Use of Funds and Roadmap Report ([ACS2024-PRE-EDP-0035](#)). This spending plan delegated authority to the Director, Housing Services to allocate 90 per cent of what the City receives from all four advances of the HAF towards the Non-Profit Affordable Housing Pipeline Strategy (Initiative 6). Additionally, delegated authority was granted to the Director to allocate 90 per cent of the first three advances,

being up to \$119 million, through conditional capital contributions agreements with housing providers, to be allocated in a manner that best achieved the deliverables of the HAF, taking into consideration the recommended projects identified through the Request for Expressions of Interest issued in January 2024.

## **RÉSUMÉ**

Le présent rapport a pour objet de demander que soit délégué à la directrice des Services des solutions de logement et des investissements le pouvoir d'allouer 13 956 051 \$ provenant des fonds d'immobilisations de la Ville pour 2024, ainsi que tout financement supplémentaire qui pourrait être reçu par l'entremise du budget municipal de 2025 et des gouvernements provincial et fédéral en 2025, à l'exception de la quatrième tranche du Fonds pour accélérer la construction de logements (FACL), aux projets de logement sans but lucratif énumérés dans le document 1 du présent rapport, ainsi qu'à tout nouveau projet qui répond aux critères d'inclusion dans la liste, comme énoncé dans le présent rapport. La capacité d'allouer des fonds rapidement vise à maximiser l'octroi de nouveaux permis de construire pour des logements abordables d'ici la fin de 2026 à l'appui des engagements de la Ville envers l'offre de logements dans le cadre du Fonds pour accélérer la construction de logements et de la garantie municipale du logement.

Le 13 septembre 2023, le Conseil approuvait le rapport intitulé « Stratégie et compte rendu : investissement pour le logement abordable 2023-2026 » (Plan d'immobilisations de 2023-2026), qui décrivait un plan de dépenses pour le logement abordable pour le mandat du Conseil et allouait les fonds d'immobilisations municipaux annuels de 15 000 000 \$ pour 2024, 2025 et 2026, comme indiqué dans le Plan financier à long terme pour les services du logement de 2021. Par la suite, le 6 décembre 2023, dans le cadre du budget municipal de 2024, le Conseil a approuvé un montant supplémentaire de 15 000 000 \$ pour le logement abordable. Bien que le Plan d'immobilisations de 2023-2026 autorisait l'allocation de fonds supplémentaires aux projets figurant dans le document 2 de ce rapport, bon nombre de ces projets ont maintenant été entièrement financés par le FACL, et ce document 2 ne comprenait pas certains nouveaux projets qui nécessitent maintenant un financement supplémentaire. Par conséquent, le présent rapport recommande l'allocation du reste des fonds provenant du montant supplémentaire de 15 000 000 \$ (totalisant 13 956 051 \$) à un fonds de réserve pour les projets en cours, à des projets nouveaux et existants nécessitant plus de financement, pour couvrir les frais et redevances municipaux non exemptés, et à la révision d'une liste des projets à but non lucratif en phase préparatoire dans le document 1.

Dans le cadre du programme du FACL, la Ville d'Ottawa a reçu jusqu'à 176 300 000 \$ et, en avril 2024, le Conseil municipal a approuvé le plan d'allocation du financement du FACL par l'entremise du rapport « Fonds pour accélérer la construction de logements – Utilisation des fonds et feuille de route de la Ville d'Ottawa » ([ACS2024-PRE-EDP-0035](#)). Ce plan de dépenses a donné au directeur, Services du logement, le pouvoir d'allouer 90 % des fonds que la Ville reçoit des quatre avances du FACL à la Stratégie de réserve de logements abordables (initiative 6). En outre, le pouvoir a été délégué au directeur d'allouer, au moyen d'ententes de contributions conditionnelles aux immobilisations conclues avec des fournisseurs de logements, 90 % des trois premières avances, soit au plus 119 000 000 \$, de la manière la plus efficace possible afin de réaliser les livrables du FACL, en tenant compte des projets recommandés dans la demande de déclaration d'intérêt publiée en janvier 2024.

## **BACKGROUND**

This background section presents details on current allocations for affordable housing capital funding approved through the 2023-2026 Affordable Housing Capital Plan, the 2024 City Budget, the Housing Accelerator Fund spending plan, and the Building Faster Fund under the Ontario-Ottawa Agreement. This section also includes a summary of projects that are currently receiving capital funding from various sources.

A more fulsome update on affordable housing projects and initiatives will be provided through several forthcoming reports to Council, including:

- Affordable Housing Community Improvement Plan, Approval of Applications for tax increment equivalent grants report in Q4 2024: Staff anticipate bringing a report regarding the Affordable Housing Community Improvement Plan (CIP) to the Finance and Corporate Services Committee and Council to recommend approval of several Tax Increment Equivalent Grant (TIEG) applications that would exceed 2 million dollars in tax grants and lead to 454 new affordable units.
- Report on the feasibility of creating an acquisition fund program in Q4 2024: This report is being prepared in response to a Direction to Staff by Councillor Plante. The report provides a review of acquisition fund programs in Canada and identifies the benefits and costs of an acquisition fund program in Ottawa. The analysis considers the financial implications of capital repair costs related to the acquisition of older building stock and the level of affordability that is sustainable and discusses the need for a mixed portfolio approach to achieve financial feasibility. This report also identifies priority areas for acquisition should the City



establish an acquisition fund.

- Updated Long-Range Financial Plan in Q4 2024: The Housing and Homelessness Long Range Financial Plan (LRFP) will present an update on the six remaining years of the 10-Year Housing and Homelessness Plan (2025 – 2030). The review considers the property tax-supported operating and capital requirements for the delivery of housing programs and services over the period. This report will focus on the funding that is required to meet current service levels (Maintain), support select strategic outcomes (Growth) of the 10 Year Housing and Homelessness Plan (10 Year Plan) and recommend strategies to adequately fund the targets in the 10-Year Plan.
- Update on the Housing Accelerator Fund Action Plan in Q1 2025: The City is required to report to CMHC through prescribed reporting forms on the annual progress of the HAF action plan, issued building permits, and use of HAF funding by January 20 of each year, starting in 2025. A copy of the submitted progress reports, including any CMHC comments or feedback, will be provided to Council through an information previously distributed memorandum shortly thereafter.

### **Current Snapshot of Units Completed and Underway**

The 10-Year Housing and Homelessness Plan (2020 to 2030) sets a target to deliver 500 new affordable and supportive housing units per year. Since 2020, pandemic-related increases in construction costs and interest rate escalations have meant that these targets, based on units completed each year, have not been met in any year since the 10-Year plan's inception.

<b>Year</b>	<b>Units Completed</b>
2020	19
2021	222
2022	64
2023	106
2024 (to end of October)	393
<b>Total</b>	<b>804</b>

However, recent investments by all three levels of government have contributed to more units being funded, despite cost escalations of nearly 50% over the past four years. As of October 2024, 1227 new affordable and supportive units were funded and were under construction, with anticipated completion dates shown in the table below.

<b>Anticipated Completion Year</b>	<b>Units to be Completed</b>
2024 (Nov, Dec only)	0
2025	185
2026	433
2027	609
<b>Total</b>	<b>1227</b>

**2023-2026 Affordable Housing Capital Strategy and Update**

The 2023-2026 Affordable Housing Capital Strategy and Update ([ACS2023-CSS-GEN-011](#)) was approved by Council on September 13, 2023. It outlines a Term of Council strategy to further the objectives of the 10-Year Housing and Homelessness Plan by allocating funding to the construction of new affordable housing, while stabilizing existing projects that are currently under construction. The report’s spending plan recommendations provide financial support towards affordable units targeting both low- and moderate-income individuals and households, supportive housing units, and accessible units for Ottawa residents. The report provided recommendations to allocate anticipated capital funding for 2023 - 2026, including the annual \$15,000,000 City capital contributions for each of those years, as well as any additional or remaining funds to specific projects identified in the report and listed in its Document 2.

For additional background, the 2023-2026 Affordable Housing Capital Strategy includes a summary of the 10-Year Housing and Homelessness Plan 2020-2030, the Housing Services Long-Range Financial Plan, the City’s Housing Pledge and Action Ottawa. It also includes an overview of the current housing and homelessness context, including relevant data, challenges within the construction industry and the impacts of interest rate changes.

Council’s approval of the 2023-2026 AHCS authorized the allocation of funding to the

following projects:

<b>Project Address and Ward</b>	<b>Proponent</b>	<b># of units</b>	<b>Client Group</b>	<b>Status</b>
715 Mikinak (13 - Rideau-Rockcliffe)	OCHC	271	Mixed	Completed
1 Dunbar Court (9 - Knoxdale-Merivale)	Nepean Housing	31	Mixed	Under construction Estimated completion: Q1 2025
56 Capilano (9 - Knoxdale-Merivale)	Salus	54	Supportive for Older Adults	Under construction Estimated completion: Q4 2025
881-883 Pinecrest Road (7 – Bay)	African Caribbean Association of Ottawa	2	Black-led Families	Completed
818 Gladstone Ave (Rochester Heights Phase 2) (14 – Somerset)	OCHC	273	Mixed	Under construction Estimated completion: Q4 2026
887 Kirkwood Avenue (Ward 16 – River)	Ottawa Community Land Trust	6	Preserving market affordable units	Completed
665 Albert Street (Ward 14 – Somerset)	Multifaith Housing Initiative	133	Mixed	Under construction Estimated completion: Q4 2027
216 Murray Street (12 - Rideau-Vanier)	Shepherds of Good Hope	48	Supportive	Under construction Estimated completion: Q1 2025
44 Eccles Street (14 – Somerset)	Cornerstone Housing for Women	46	Supportive for women and gender diverse individuals	Completed
254 and 256 St-Denis Street (12 - Rideau-Vanier)	Gignul Non-Profit Housing	12	Indigenous peoples	Completed

289 Carling Avenue (17 – Capital)	John Howard Society	40	Supportive for individuals who are or have experienced homeless	Completed
464 Lisgar Street (14 – Somerset)	John Howard Society	29	Supportive for women experiencing homelessness, with a focus on women who identify as Indigenous	Completed
1245 Kilborn Place (18 – Alta Vista)	City acquisition	TBD	TBD	Ongoing
Ontario Renovates (OPHI)	Various	27	Older adults and persons with disabilities	Ongoing
<b>Total Units</b>		<b>972+</b>		

**Ontario Renovates**

The 2024-2025 Ontario Renovates funding under the Ontario Priorities Housing Initiative (OPHI) has so far resulted in 27 households being financially supported to cover the cost of accessibility modifications and essential repairs. Funds for 2024-2025 have not yet been fully allocated, and staff anticipate additional projects being funded. Staff are not currently aware of additional OPHI funds for the 2025-2026 fiscal year. However, should additional OPHI funds be received, the recommendations of this report will authorize the Director, Housing Solutions and Investment Services to allocate the funds to projects on the pipeline list, and to allocate OPHI funds to continue the Ontario Renovates program in 2025.

**Approval of City Budget 2024**

On December 6, 2023, [City Council approved](#) a one-time contribution of \$6.2 million to be added to the draft \$23.8 million capital affordable housing budget for 2024, to double the approved Housing Services Long-Range Financial Plan annual investment from \$15,000,000 to \$30,000,000. As \$15,000,000 in City capital funding for 2024 had been

approved for allocation through the 2023-2026 Capital Plan report, \$13,956,051 remains to be allocated, and is the subject of this report.

**City of Ottawa’s Housing Accelerator Fund – Affordable Housing Initiatives**

On December 21, 2023, the City entered into a contribution agreement with the Canada Mortgage and Housing Corporation (CMHC) to access up to \$176.3 million through the federal Housing Accelerator Fund (HAF) program. The agreement requires the issuance of 37,586 building permits by December 2026, of which 2,067 permits must be affordable housing units. To deliver these housing targets, Council approved the allocation plan for HAF funding on April 3, 2024, through the Housing Accelerator Fund Use of Funds and Roadmap Report ([ACS2024-PRE-EDP-0035](#)). This spending plan directs 90 per cent of HAF funds (\$158.7 million) towards the Affordable Housing Pipeline Strategy, which is projected to deliver permits for a total of 1,270 affordable units. Other HAF-initiatives such as the Municipal Land Strategy and the Affordable Housing Community Improvement Plan will also support this affordable housing target.

The goal of the Affordable Housing Pipeline Strategy is two-fold: reduce the backlog of affordable and supportive housing projects prepared to proceed, but-for capital funding availability; and improve the process used to manage and advance affordable and supportive housing projects in the development pipeline. Phase One of this initiative is complete and focused on putting HAF funds to immediate use. In May 2024, 13 projects were recommended for pre-development and capital funding, with projects summarized in the table below. Phase Two, to improve existing processes, is currently underway and focuses on addressing gaps and barriers to getting non-profit affordable housing projects shovel-ready and investment-ready.

**Projects Recommended for HAF Pre-development and Capital Construction Funding**

<b>Project Address (Ward)</b>	<b>Proponent</b>	<b># of units</b>	<b>Client Group</b>	<b>Status (as of September 2024)</b>
212-216 Carruthers Avenue (15 – Kitchissippi)	CCOC	10	Mixed	Pre-development Estimated completion: Q4 2025
1 Finch Private (3405 Uplands Drive) (16 – River)	OCHC	45	Mixed	Pre-development Estimated completion: Q3 2026

933 Gladstone (Village) Avenue Phase 1 (14 – Somerset)	OCHC	336	Mixed	Under construction Estimated completion: Q3 2027
2040 Arrowsmith Drive (11 – Beacon Hill-Cyrville)	Wigwamen Incorporated	50	Indigenous Older Adults	Pre-development Estimated completion: Q4 2027
Ward 10	Interval House of Ottawa	10	Women	Pre-development Estimated completion: Q4 2025
2865 Riverside Drive (16 – River)	St Patrick's Home of Ottawa	67	Older Adults	Pre-development Estimated completion: Q4 2026
881 Broadview Avenue (7 – Bay)	Tamir Foundation	51	Supportive for individuals with disabilities	Pre-development
58 Capilano Drive (9 – Knoxdale-Merivale)	Ottawa Salus	4	Supportive	Pre-development
5581 Doctor Leach Drive (21 – Rideau-Jock)	Rideau Non-profit Housing	38	Older Adults	Pre-development
1360 Ogilvie Road (11 – Beacon Hill-Cyrville)	Better Living Co-op	37	Mixed	Pre-development
200-201 Beausoleil Drive (12 - Rideau-Vanier)	OCHC	159	Mixed	Pre-development
214-216 Somerset Street East (12 - Rideau-Vanier)	OCHC	23	Supportive	Pre-development
1083 Merivale Road (16 – River)	Shepherds of Good Hope	56	Supportive	Pre-development
<b>Total Units</b>		<b>886</b>		

Initiative 5 of the HAF Action Plan is “Accelerate Disposal and Preparation of City-Owned Lands for Housing,” also called the Municipal Land Strategy. Through this

project, staff are currently working to identify city-owned lands that may be appropriately rezoned, declared surplus and transferred to not-for-profit housing providers for affordable housing. This initiative has a target of a total of 90 building permits for affordable housing on city-owned lands in 2025 and an additional 40 in 2026, creating a total of 130 affordable housing units on city-owned lands by the end of 2026. It is anticipated that these projects will be supported by City capital, by provincial Building Faster Funds, as well as by a portion of the remaining 10% of the HAF funding intended for delivery of HAF initiatives, excluding the Pipeline Strategy.

### **Building Faster Fund**

As a result of meeting eighty percent of Provincial housing targets for 2023, the City of Ottawa was eligible to receive \$37.5 million from the Building Faster Fund (BFF). On August 13, 2024, the City of Ottawa’s BFF investment plan was approved by the province. The approved investment plan allocated funds to several affordable housing projects, as summarized in the table below and outlined in a [memorandum to City Council](#) on September 5, 2024.

### **Building Faster Fund Investment Plan**

<b>Project Address (Ward)</b>	<b>Proponent</b>	<b># of units</b>	<b>Client Group</b>	<b>Status</b>
1770 Heatherington Road (10 – Gloucester-Southgate)	City of Ottawa	158	Various - TBD	Pre-development
2262 Braeside Avenue (18 – Alta Vista)	Ellwood House of Ottawa	38	Older Adults	Pre-development; anticipate construction starting Q1 2025
Ontario-Ottawa Agreement attainable modular home ownership	Various	TBD	TBD	Pre-development
2060 Lanthier Drive (19 – Orleans South-Navan)	TBD	TBD	TBD	Pre-development (project will

				include affordable housing units as part of overall development)
<b>Total Units</b>		<b>196+</b>		

**DISCUSSION**

The purpose of this report is to request authority to allocate the additional \$13,956,051 in City capital funding for 2024 that was approved through the 2024 Budget but not previously allocated through the 2023-2026 Capital Plan report. The 2023-2026 Capital Plan authorized the allocation of additional or remaining funds to projects in Document 2 of that report. However, many of these projects have since been funded through HAF and new projects have emerged which require funding but were not anticipated at the time of the report and were not included in Document 2.

The objective of allocating this funding is to offer additional financial support to housing providers, accelerate affordable housing projects that are currently in the pipeline, and maximize the number of building permits for new affordable housing units by the end of 2026. The objective to maximize the number of building permits issued is in support of housing supply commitments under both the Housing Accelerator Fund and the Municipal Housing Pledge. The City is eligible to receive future funding through both programs where building permit targets are met.

This report recommends the allocation of \$13,956,051 in capital funding to a contingency fund for existing projects requiring more funding, to cover non-exempt City fees and charges and to a revised pipeline project list in Document 1 of this report. To ensure stability for housing projects currently underway and new priority projects, staff recommend that the current balance of \$13,956,051 in the capital budget for 2024 be allocated as follows:

**1 (a) Up to \$1,365,416 be allocated to Shepherds of Good Hope (SGH) for the continued development of 48 affordable units at 216 Murray Street;**

The project at 216 Murray Street is currently under construction by the Shepherds of Good Hope (SHG), with an anticipated completion date of February 2025. It will provide 48 new units of supportive housing. Staff recommend providing an additional \$1,365,416 for this project to assist in reducing the equity contribution from SHG, which



will allow SGH to re-invest resources for the operations of other supportive housing projects, further stabilizing their portfolio and adding to the financial sustainability of their key supportive housing projects.

**1 (b) Up to \$1,650,000 be allocated to Centretown Citizens Ottawa Corporation (CCOC) for the development of 10 units at 171 Armstrong Ave;**

Through the Housing Accelerator Fund (HAF) Request for Expressions of Interest 2024 (REOI), the City of Ottawa received a proposal from CCOC to construct 10 affordable units at 171 Armstrong. There are currently thirteen (13) uninhabitable units on the site which will result in no net new units, where the number of new units constructed is one of the REOI's key requirements to be eligible for HAF funding. As an alternative, staff are seeking authority to allocate \$1,650,000 from City capital to construct the proposed 10 affordable units at this site.

The total project cost is just over \$6.4 million, of which approximately \$3.1 million is funded through grants and loans from CMHC and the Federation of Canadian Municipalities (FCM), and \$175,000 has been provided as pre-development funding from the City. The proponent intends to contribute \$1.5 million in equity in the form of land towards the project, leaving a required City investment of \$1.65 million in 2024 to cover construction costs as well as non-exempt development charges and permit fees.

CCOC intends to maintain deeply affordable rents for a minimum of 50 years, with 6 units at the CMHC Average Market Rent (AMR), 2 units at or below 70% AMR, and 2 RGI units with rent supplements.

**1 (c) Up to \$3,000,000 be allocated to Habitat for Humanity to pilot affordable home ownership modular projects at two properties to be confirmed in a separate report;**

As part of the [Ontario-Ottawa Agreement](#), signed on March 22, 2024, the City of Ottawa has committed to identifying and leading the development of two ready surplus municipal sites for modular affordable home ownership by the end of 2025. In order to meet this obligation, the City has been working to identify two suitable sites and a housing provider that can deliver modular affordable home ownership units through the Municipal Land Strategy. The two City-owned sites to be ultimately selected will be confirmed in a separate report to City Council in Q1 2025, declaring the lands surplus and requesting approval for their disposal.

Through the Province of Ontario's Building Faster Fund, the City will allocate \$3,000,000 in funding to this project. However, additional capital funding is needed to support the project through construction. As a result, this recommendation will allocate \$3,000,000 of City capital funding to support the development of these two City-owned properties and ensure the City can meet its obligation to the Province.

**1 (d) Up to \$6,000,000 be allocated to OCHC to contribute towards the construction of approximately 90 units at 1770 Heatherington Road;**

The City-owned lands at 1770 Heatherington Road have been reserved for affordable housing development through the Building Better Revitalized Neighbourhoods (BBRN) initiative in 2018. The Strategic Housing Projects Branch is leading the predevelopment process to subdivide the lands to allow the construction of approximately 158 new affordable housing units, a new local road and city park.

In partnership with Ottawa Community Housing Corporation, two apartment blocks are planned to be developed first, which will deliver approximately 90 affordable units. This recommendation to allocate \$6,000,000 in municipal funding towards 1770 Heatherington will be added to the \$12,000,000 allocated recently through the Building Faster Fund approved investment plan. The total capital contribution of up to \$18,000,000 is expected to cover the capital costs to deliver two affordable rental buildings totaling 90 units.

- 2 That any remaining Ontario Priorities Housing Initiatives funding from the \$600,000 2024-2025 Ontario Renovates budget be allocated by the Director, Housing Solutions and Investment Services to either private households or not-for-profit organizations, removing the cap of up to \$300,000 for households and up to \$300,000 for not-for-profit organizations to ensure funds are spent by the required deadline of December 31, 2024, as established by the Province; and that should the City receive 2025-2026 Ontario Priorities Housing Initiative funding, that the Director, Housing Solutions and Investment Services be authorized to allocate up to \$600,000 of the funds towards a continuation of the Ontario Renovates program (without category cap), and that any remaining OPHI funds be allocated, in accordance with OPHI program guidelines, to shovel-ready projects on the Non-profit Pre-development Pipeline List in Document 1 to this report, and to any other projects that receive, or will receive, pre-development funding and which may be added to the Pipeline List in accordance with the selection criteria outlined in this report.

funds have resulted in 27 low-to-moderate income households being financially supported to cover the cost of accessibility modifications and essential repairs. The \$300,000 allocated for not-for-profit housing providers has been fully distributed and staff have additional applications from not-for-profit landlords, while funds remain in the \$300,000 allocation for private households with no current additional applications. If 90% of the funding is not used by December 31, 2024 and the remaining 10% by January 31, 2025, the funds will be returned to the Province. As a result, staff recommend flexibility to allocate and make available the remaining funding previously set aside for private households to both private households and non-profit landlords, to ensure that all funding can be used to support Ottawa households before the provincial spending deadline.

While it is not yet confirmed whether additional OPHI funding will be provided in 2025-2026, the recommendation ensures that, should such funds become available, they can quickly be allocated to pipeline projects and for the purpose of continuing the Ontario Renovates program.

- 3. That an extension be provided up to March 31, 2024 of the short-term interest-free repayable loan of \$606,075 to the African Caribbean Association of Ottawa (ACAO) that was provided through the 2021 Capital Plan for their project at 881-883 Pinecrest Road and Delegate authority to the Director, Housing Solutions and Investment Services to convert a portion of the short-term loan into a conditional contribution, if required, based on the mortgage eligibility of ACAO.**

In 2019, Council approved repayable short-term loan contributions whereby the City provided funds to affordable housing projects under development to bridge the gap between construction and long-term financing ([ACS2019-CSS-GEN-0008](#)). In 2021, ACAO was selected for funding through the Black-led Family Rental Housing RFP, which was intended to target Black-led organizations to build capacity in the not-for-profit housing sector. ACAO's proposal to acquire and operate two family-sized affordable rental units at 881 and 883 Pinecrest Road was accepted, and ACAO received a short-term loan of \$606,075 as well as \$350,000 in grants.

The 2023-2026 Affordable Housing Capital Strategy and Update extended this short-term loan by eight months, which was set to expire in April 2024. Since then, staff have been working with ACAO to fulfill the reporting conditions as per the contribution agreement, including the repayment of \$606,075 short-term loan.

Being a relatively new organization with limited assets, ACAO has experienced difficulties in securing a mortgage that would allow them to repay the short term loan. To date, ACAO has explored funding options to secure long-term financing, and has determined that the property does not qualify for financial assistance through Canadian Mortgage and Housing Corporation (CMHC) or Infrastructure Ontario (IO), Scotia Bank, TD Bank, or VanCity Community Investment Bank.

Currently, ACAO has not fulfilled reporting requirements and repayment of loans as per the contribution agreement with the City. Given the challenges ACAO has faced in securing financing and in submitting the required reporting, staff intend to provide ACAO until March 31, 2025 to submit their 2023 financial statements and provide proof of an approved mortgage, which may not be in the full amount of the repayable loan. Upon receipt of both documents, staff will explore the possibility of converting a portion of the short-term loan into a conditional contribution. If the required documents are not provided by March 31, 2025, staff will begin exploring the need to declare ACAO in default of their agreement, and to exercise the option to acquire and transfer the units to an alternate non-profit housing provider with appropriate experience in managing affordable units.

**4 Delegate authority to the Director, Housing Solutions and Investment Services to allocate any additional funding that becomes available in 2024 and 2025, to either a contingency budget to support projects that require additional funding, or to cover non-exempt City fees and charges, or to projects on the Non-profit Pre-development Pipeline list in Document 1 of this report, and to any other projects that receive, or will receive, pre-development funding and which may be added to the Pipeline list in accordance with the selection criteria outlined in this report.**

The 2023-2026 Affordable Housing Capital Strategy and Update provided delegated authority to allocate funding to projects in Document 1 – Municipal Funding Pressures for Projects Underway and Document 2 – Priority Projects for Funding.

Many of the projects in Documents 1 and 2 have now been fully funded through HAF or other sources of funding. However, delegated authority was not provided to allocate funding to an additional list of projects in the development pipeline identified in Document 4 of that report. In addition, new projects are continually emerging as housing providers and their partners propose new opportunities to develop affordable housing, and the approval of the 2023-2026 Capital Strategy did not provide authority to allocate capital to these new projects.

In 2019, Housing Solutions and Investment Services (previously Housing Services) began allocating capital funding to not-for-profit housing providers to undertake pre-development activities, allowing them to advance housing proposals through the planning approvals process. This pre-development funding helps to establish a pipeline of shovel-ready affordable housing developments that are also investment-ready when funding becomes available from all levels of government.

A number of projects are already receiving, or have been recommended to receive pre-development funding through City capital, HAF funding and other sources. These include: Rideau Non-Profit Housing at 5581 Doctor Leach Drive, Tamir at 881 Broadview Avenue, Ottawa Salus at 58 Capilano Drive, OCHC at 200-201 Beausoleil Drive and 214-216 Somerset Street East, Better Living Residential Co-operative at 1360 Ogilvie Road and Shepherds of Good Hope at 1083 Merivale Road. As these projects move through the pre-development phase, they may require additional unanticipated funding to complete design, approvals and permitting work so that they are shovel-ready, and investment-ready for any new source of funding from other levels of government.

An updated “Non-profit Predevelopment Pipeline Projects List” has been provided as Document 1 of this report, which compiles the current list of ongoing projects that may require funding in the near-term. Authority to allocate funding to these projects is being recommended as an update to the authority provided through the 2023-2026 Affordable Housing Capital Strategy report. The pipeline list contains projects that have received City pre-development funding, as well as sites that housing providers are exploring for affordable or supportive housing development. The allocation of funding to projects in Document 1 will be in accordance with Action Ottawa guidelines, which include evaluation criteria such as, the proponent being or forming a partnership with a not-for-profit housing provider; the project serving one of the City’s priority client groups; the housing provider selecting tenants from one of the City’s approved wait lists; the housing provider entering into an agreement to provide affordable housing units for a minimum of 20 years; and the project demonstrating the potential for long-term financial sustainability. Development of a more rigorous list of criteria for inclusion on the pipeline list and a more detailed pre-development process is currently underway as part of a HAF initiative, being the Non-Profit Affordable Housing Pipeline Strategy.

In addition, staff note that new projects often emerge which are time-sensitive to take advantage of funding, land acquisition or other opportunities, and staff require the ability to respond with funding where projects meet the Action Ottawa guidelines described above. As a result, authority to add new projects to Document 1 and allocate pre-

development funds will support the City’s goals to accelerate and maximize building permits for new affordable housing units by the end of 2026.

Funds may also be required to support existing projects that may be experiencing project cost escalations or unforeseen additional costs; to allow not-for-profit providers to reduce their equity contributions and re-invest equity in additional projects or deeper affordability; or to cover non-exempt City fees and charges.

At times, projects require additional funds to cover unforeseen cost escalations or additional costs. These can arise from changes in market conditions, changes in funding circumstances, evolving program needs or iterative revisions as part of the normal course of project planning and design. Where this need arises, staff work with housing providers to ensure that all costs are reasonable and to reduce additional costs where possible. Opportunities to secure funding from other levels of government to cover any shortfalls are always explored and encouraged where possible.

The City generally provides funding to not-for-profit providers to cover non-exempt City fees and charges, including but not limited to Committee of Adjustment fees, Permit fees and Education Development Charges. This ensures there is a municipal contribution for all capital projects that receive multi-lateral funding support from other sources including HAF or OPHI funds. This municipal support allows providers to focus their spending on maximizing affordability for the greatest number of units and aligns with the City’s mandate to support High Social Impact Projects.

Two projects are proposed at this time to receive municipal funding to cover non-exempt fees in 2024. These projects are at 1 Finch Avenue / 3405 Uplands Drive (OCHC) and 2865 Riverside Drive (St. Patrick’s Home of Ottawa), and Council approval is required to allocate the noted funds towards non-exempt fees. Additional projects may be identified in the future which will require funding to cover City fees and charges.

<b>Provider - Project</b>	<b>Allocation towards non-exempt fees (estimate)</b>
OCHC – 1 Finch Private (3405 Uplands Drive)	\$264,075
St. Patrick’s Home – 2865 Riverside Drive	\$233,323
<b>Total</b>	<b>\$497,398</b>

## **FINANCIAL IMPLICATIONS**

The financial implications are described in the recommendations, there are no additional funds being requested.

## **LEGAL IMPLICATIONS**

There are no legal impediments to the implementation of the report recommendations.

## **COMMENTS BY THE WARD COUNCILLOR(S)**

This is a City-wide report.

## **ADVISORY COMMITTEE(S) COMMENTS**

N/A

## **CONSULTATION**

Housing Solutions and Investment Services staff consulted internally and with external stakeholders on the targets and outcomes that were included in the 2023-2026 Affordable Housing Capital Strategy and Update. This report provides the resulting update.

Housing Solutions and Investments Services staff continue to engage with affordable and supportive housing not-for-profit partners on an ongoing basis.

## **ACCESSIBILITY IMPACTS**

Visitable and accessible dwelling units are a requirement under the Ontario Building Code, Canada Mortgage Housing Corporation National Housing Strategy programs, provincial funding programs and the City's Action Ottawa program.

The majority of projects being supported by the City are also funded through the CMHC Affordable Housing Fund, which requires applicants to ensure that (1) a minimum of 20% of dwelling units meet accessibility standards and common areas are "barrier-free", or (2) the entire project (common areas and dwelling units) has full universal design. Applications that exceed these minimum requirements are prioritized for funding. Due to this requirement, the majority of projects funded by the City meet or exceed these accessibility targets.

Furthermore, the 10-Year Housing and Homelessness Plan aims for 10 per cent of all new affordable units to be accessible.

## **ASSET MANAGEMENT IMPLICATIONS**

N/A

## **CLIMATE IMPLICATIONS**

The majority of projects being supported by the City are also funded through the CMHC Affordable Housing Fund, which requires applicants to demonstrate that their project(s) are highly energy efficient. Project must be designed to achieve a minimum 25% decrease in energy consumption and Greenhouse Gas (GHG) emissions outlined in the requirements of the 2015 National Energy Code for Buildings (NECB) or the 2015 National Building Code (NBC) (“base case”), or a 15% decrease relative to the 2017 National Energy Code for Buildings. Applications that exceed these minimum requirements are prioritized for funding. Due to this requirement, the majority of projects funded by the City meet or exceed these energy targets.

## **DELEGATION OF AUTHORITY IMPLICATIONS**

The following existing authorities, as set out under the Delegation of Authority By-law No. 2024-265, will be exercised to implement the report recommendations:

- Schedule B: Finance and Corporate Services Department
- Schedule L: Strategic Initiatives Department

The exercise of delegated authority shall be reported to the appropriate Standing Committee at least once in each calendar year.

## **ECONOMIC IMPLICATIONS**

The allocation of capital funding to new affordable and supportive housing developments results in the creation of new construction jobs and supports the local construction industry.

## **ENVIRONMENTAL IMPLICATIONS**

There are no direct environmental implications anticipated from this report.

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

### **Indigenous Policy Considerations**



Current capital funding is supporting the development of Indigenous-specific housing and affordable housing projects that will prioritize Indigenous people experiencing homelessness. These developments include 715 Mikinak Road, 216 Murray Street, 494 Lisgar Street, 254 and 256 St-Denis Street and 2040 Arrowsmith Drive.

The 10-Year Housing and Homelessness Plan and previous funding commitments and allocations identified in the Term of Council Spending Plan further assist in addressing the shortfall of Indigenous-specific housing in Ottawa and recognize the need for tailored solutions to address Indigenous housing and homelessness.

### **Gender and Equity Implications**

A portion of the affordable and supportive housing units currently under construction and supported by capital funding outlined in this report are targeted to women experiencing or at risk of homelessness, such as 44 Eccles Street and 216 Murray Street.

### **RISK MANAGEMENT IMPLICATIONS**

As part of a comprehensive risk management strategy, staff will monitor expenditures closely and take the necessary proactive steps to ensure the financial viability of projects and maximize the use of available funds to avoid any loss in funding.

### **RURAL IMPLICATIONS**

N/A

### **TECHNOLOGY IMPLICATIONS**

N/A

### **TERM OF COUNCIL PRIORITIES**

This report directly supports the 2023-2026 Term of Council priority to create a city that has affordable housing and is more livable for all by allocating funding to increase affordable housing options across the city to ensure residents have access to safe, adequate, and affordable housing.

### **SUPPORTING DOCUMENTATION**

Document 1 – Pipeline of Projects in Pre-Development

## **DISPOSITION**

The allocations will advance the objectives of the 10-Year Housing and Homelessness Plan 2020-2030 by creating affordable housing and rental affordability for residents.

Housing Solutions and Investments Services staff, in consultation with other departments, will action the recommendations.

*\*Note: A Minor correction was made to this report further to the City Clerk's Delegated Authority, as set out in Schedule C, Section 8 of Delegation of Authority By-Law 2024-265 to correct the extension date in Recommendation 3, from 2024 to 2025.*

## Document 1

### Pipeline of Projects in Pre-Development

<b>Project</b>	<b>Ward</b>	<b># of units</b>	<b>Recommended Pre-development funding allocation</b>
881 Broadview Avenue – Tamir Foundation	7 – Bay	51	\$475,000 (2024)
8 Withrow Avenue – Julian of Norwich	8 – College	65	\$200,000 (2020)
58 Capilano – Ottawa Salus	9 – Knoxdale-Merivale	4	\$130,000 (2024)
1360 Ogilvie Road – Better Living Co-op	11 – Beacon Hill-Cyrville	37	\$100,000 (2024)
200-201 Beausoleil Drive – OCHC	12 – Rideau-Vanier	159	\$2,680,665 (2024)
214-216 Somerset Street East – OCHC	12 – Rideau-Vanier	23	\$644,910 (2024)
1083 Merivale Road – Shepherds of Good Hope	16 – River	56	\$457,000 (2024)
5581 Doctor Leach Drive – Rideau Non-profit Housing	21 – Rideau-Jock	38	\$356,400 (2024)
3380 Jockvale Road Phase 2 – OCHC	3 – Barrhaven West	20	n/a
30 Cleary – Ontario Aboriginal Housing Services	7 – Bay	66	n/a
844 Hare Ave – L'Arche Ottawa	7 – Bay	1	n/a
282 Dupuis – CYPCC	12 – Rideau-Vanier	45	n/a

610 Donald Street – ACB Resource Centre	13 – Rideau-Rockcliffe	17	n/a
240 Presland – CCOC	13 – Rideau-Rockcliffe	72	n/a
Gladstone Village Ph2 - OCHC	14 – Somerset	250	n/a
Rochester Heights Ph3 – OCHC	14 – Somerset	200	n/a
25 Molenaar Private – Dovercourt Co-op	15 – Kitchissippi	15	n/a
287-293 Loretta Avenue South – CCOC	15 – Kitchissippi	43	n/a
2895 Riverside Drive – Youth Services Bureau	16 – River	24	n/a
816 Bank St – Maama Watali	17 – Capital	14	n/a
574 Bank Street – City of Ottawa/OCHC	17 – Capital	20	n/a
1750 Russell Rd – Perley Rideau	18 – Alta Vista	75	n/a
1 Hammill Court – Nepean Housing	8 - College	30	n/a
Acquisition – Ottawa Community Land Trust	TBD	Varied	n/a
Acquisition – DeafBlind Ontario Foundation	TBD	5	n/a
<b>Total Units</b>		<b>1330+</b>	