



**Joint Finance and Corporate Services Committee and Planning and Housing
Committee**

Minutes

Meeting #: 2
Date: Wednesday, November 6, 2024
Time: 11:30 am
Location: Andrew S. Haydon Hall, 110 Laurier Avenue West, and by electronic participation

Present: Chair: Mayor Mark Sutcliffe, Chair: Councillor Jeff Leiper, Vice-Chair: Councillor Catherine Kitts, Vice-Chair: Councillor Glen Gower, Councillor Riley Brockington, Councillor Cathy Curry, Councillor George Darouze, Councillor Laura Dudas, Councillor Laine Johnson, Councillor Theresa Kavanagh, Councillor Clarke Kelly, Councillor Rawlson King, Councillor Matt Luloff, Councillor Wilson Lo, Councillor Shawn Menard, Councillor Tim Tierney, Councillor Ariel Troster

1. Notices and meeting information for meeting participants and the public
Notices and meeting information are attached to the agenda and minutes, including: availability of simultaneous interpretation and accessibility accommodations; *in camera* meeting procedures; information items not subject to discussion; personal information disclaimer for correspondents and public speakers; notices regarding minutes; and hybrid participation details.
Accessible formats and communication supports are available, upon request.
Except where otherwise indicated, reports requiring Council consideration will be presented to Council on Wednesday, November 13, 2024, in Joint Finance and Corporate Services and Planning and Housing Committee Report 2.

The deadline to register by phone to speak or submit written comments or visual presentations is 4 pm on Tuesday, November 5, 2024, and the deadline to register to speak by email is 8:30 am on Wednesday, November 6, 2024.

These “Summary Minutes” indicate the disposition of items and actions taken at the meeting. This document does not include all of the text that will be included in the full Minutes, such as the record of written and oral submissions. Recorded votes and dissents contained in the Summary Minutes are draft until the full Minutes of the meeting are confirmed by the Committee. The draft of the full Minutes (for confirmation) will be published with the agenda for the next regular Committee meeting and, once confirmed, will replace this document.

2. Declarations of Interest

No Declarations of Interest were filed.

3. Confirmation of Minutes

3.1 FCSC-PHC Minutes 1 – November 2 and 3, 2023

Carried

4. Strategic Initiatives Department

4.1 2024 Affordable Housing Capital Strategy and Update

File No. ACS2024-SI-HSI-0016 - Citywide

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.**

Carried

5. Finance and Corporate Services Department

5.1 Vacant Unit Tax Program - Update on Year One Data and Improvements

File No. ACS2024-FCS-REV-0006 - Citywide

Mr. Cyril Rogers, General Manager and Chief Financial Officer, Finance and Corporate Services Department (FCSD); Mr. Joseph Muhuni, Deputy City Treasurer, Revenue FCSD; and Mr. Lance Nowak, Program Manager, Revenue Support, FCSD, provided an overview of the report and answered questions from the Committee. A copy of the slide presentation is filed with the Office of the City Clerk.

Committee heard from the following public delegation:

- Cheryl Parrott, Hintonburg Community Association*
- John Dickie, Chair, Eastern Ontario Landlord Organization*

[* Individuals / groups marked with an asterisk above either provided comments in writing or by e-mail; all submissions are held on file with the City Clerk.]

The following written submissions were received by, and are filed with, the Office of the City Clerk, and distributed to Committee Members:

- Email dated November 5, 2024 from Wendy and Ryan Willbond
- Email dated November 5, 2024 from Tova Barré

Following discussion and questions of staff, the Committee carried the report recommendations as amended by Motion No. FCSC-PHC 2024-02-01, 02 and 04 on a division of 15 Yeas to 2 Nays. Councillors dissented on Program Changes within the report. Councillors M. Luloff, C. Kelly and G. Darouze dissented on recommendation 1 entitled "Program Eligibility" and Councillors M. Luloff, C. Kelly, G. Darouze and W. Lo dissented on recommendation 3 entitled "Vacant Unit Tax Rate".

The following direction was also accepted by staff:

Direction to staff (Councillor T. Tierney)

That staff to report back as part of the 2025 Draft Operating and Capital Budgets at Finance and Corporate Services Committee on December 3, 2024, and provide a breakdown of the back of the tax bill to illustrate the total taxes collected in comparison to the total taxes retained by the municipality with details of the individual amounts remitted to other authorities.

Report Recommendation(s)

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

- 1. Receive an update on the Vacant Unit Tax program.**
- 2. Approve enhancements to the program and by-law as outlined in this report.**

For (15): M. Sutcliffe, J. Leiper, C. Kitts, G. Gower, C. Curry, G. Darouze, L. Johnson, T. Kavanagh, C. Kelly, R. King, M. Luloff, W. Lo, S. Menard, T. Tierney, and A. Troster

Against (2): R. Brockington, and L. Dudas

Motion No. FCSC-PHC 2024-02-01

Moved by G. Darouze

WHEREAS on March 23, 2022, Ottawa City Council approved the implementation of a residential Vacant Unit Tax (VUT) program through the Residential Vacant Unit Tax report; and

WHEREAS since it's implementation, Council has provided direction to make improvements to the VUT in response to concerns that have been raised by residents, leading to this Joint Committee's consideration of the report entitled Vacant Unit Tax Program – Update on Year One Data and Improvements (ACS2024-FCS-REV-0006); and

WHEREAS the report being considered today recommends the addition of four different property codes as eligible property codes, identified as codes 244, 245, 261, and 262; and

WHEREAS each of these property codes capture properties that are either managed forest properties, or have a portion being farmed; and

WHEREAS the City's 2023-2026 Strategic Plan has four strategic priorities, one of which is "a city that is green and resilient"; and

WHEREAS Ottawa has a vast agricultural and farming community which produce invaluable goods for both the local, provincial, and larger worldwide economies; and

WHEREAS during a time of concern regarding the potential impacts of climate change, as well as the impacts of food insecurity that are routinely mentioned in the City, it does not make sense to potentially impose additional taxes on properties that contribute positively in both areas;

THEREFORE BE IT RESOLVED that the Joint Committee recommend that Council amend the report by deleting the following property codes from Table 6, such that they not be recommended as eligible property codes in the Vacant Unit Tax By-law:

- A. Property Code 244 (Managed forest property, residence not on water)**

B. **Property Code 245 (Managed forest property, residence on water)**

C. **Property Code 262 (Land owned by a farmer improved with a non-farm residence with a portion being farmed)**

Carried

Motion No. FCSC-PHC 2024-02-02

Moved by G. Darouze

WHEREAS one of the recommendations within staff report Vacant Unit Tax Program – Update on Year One Data and Improvements (ACS2024-FCS-REV-0006) propose a rural exemption for residential dwellings such as century homes, recreational hunt camps, or structures that are significantly damaged and not capable of being used for housing; and

WHEREAS one of the requirements for a property to qualify for this exemption is that the dwelling must be on a property with at least five acres; and

WHEREAS there are likely residences in the rural area that could possibly qualify for this exemption based on the identified types of residences, but may not qualify based on the acreage element described in the report;

THEREFORE BE IT RESOLVED that the “Rural Property Exemption” piece of the report be amended to allow property owners of rural residential century homes, recreational hunt camps, or structures significantly damaged and not capable of being used for housing to apply under the following criteria:

1. **The structure must be on a property with at least three acres**
2. **The structure must be on a property in a rural zone**
3. **The structure must be uninhabitable as determined by the City**
4. **An appeal must have been filed with MPAC**

Carried

Motion No. FCSC-PHC 2024-02-03

Moved by W. Lo

WHEREAS the Vacant Unit Tax (VUT) was approved by City Council on March 23, 2022; and

WHEREAS Section 3 of the VUT By-law includes a suite of exemptions to ensure property owners with valid reasons for their eligible property/properties to be vacant for more than 184 days are not unfairly taxed; and

WHEREAS those exemptions are rigid and only recognise situations that produce official documentation like certificates, agreements, orders, and permits, among others, ignoring the dynamic realities of home ownership or being a small landlord; and

WHEREAS there are various other equally valid circumstances for a property to be vacant for more than 184 days, such as the new exemptions proposed by report ACS2024-FCS-REV-0006, Vacant Unit Tax Program – Update on Year One Data and Improvements; and

WHEREAS the additional one per cent in property taxes from the VUT has placed significant financial strain on homeowners, and

WHEREAS the changes to the VUT in the staff report is an indicator of its nascency and need for fine-tuning, thereby recognising many homeowners may have been unfairly caught by the tax; and

THEREFORE BE IT RESOLVED THAT staff be directed to review rejected Vacant Unit Tax appeals from the 2023 and 2024 declaration years, and retroactively apply the new exemptions noted in report ACS2024-FCS-REV-0006; and

BE IT FURTHER RESOLVED THAT property tax accounts with retroactively accepted appeals under the new exemptions be credited the amount in VUT paid in those two declaration years towards future property tax bill(s), minus a cost recovery administrative fee, and

BE IT FURTHER RESOLVED THAT a special reserve account be created and funded by the proceeds from the 2024 VUT declaration year for the purposes of the retroactive appeals process and property tax credits; and

BE IT FURTHER RESOLVED THAT staff report back by memo or IPD at the following milestones:

- Upon completion of the retroactive review process of rejected appeals from the 2023 and 2024 declaration years,
- When all credited amounts are issued to accounts associated with a retroactively accepted appeal, and
- Upon the closure of the special reserve account.

For (6): R. Brockington, G. Darouze, L. Dudas, C. Kelly, M. Luloff, and W. Lo

Against (11): M. Sutcliffe, J. Leiper, C. Kitts, G. Gower, C. Curry, L. Johnson, T. Kavanagh, R. King, S. Menard, T. Tierney, and A. Troster

Lost (6 to 11)

Motion No. FCSC-PHC 2024-02-04

Moved by S. Menard

WHEREAS the top Term of Council Priority this term of Council is affordable housing; and,

WHEREAS the Vacant Unit Tax (VUT) generates revenues for our capital budget for affordable housing; and,

WHEREAS the VUT also incentivises the return of vacant rental units to the market; and,

WHEREAS the VUT only applies to the residential property class, which is limited to properties with less than 7 dwelling units; and,

WHEREAS the VUT is not applicable to the multi-residential property class, which includes properties with 7 dwelling units or more; and,

WHEREAS the VUT should not unfairly target small landlords, who are more likely to be members of the Ottawa community, and to be making less profit as a landlord than the owners of large multi-residential buildings; and,

WHEREAS the Province should therefore allow municipalities to apply the VUT to a property class that is characterized by large corporate landlords who can most afford to pay; and,

WHEREAS such an expansion of the VUT's applicability would see more revenues generated for affordable housing in Ottawa,

disincentivize vacancy in large buildings, and create greater fairness between large and small landlords;

THEREFORE BE IT RESOLVED THAT, on behalf of City Council and the City of Ottawa, the Mayor write to the Premier and to the Minister of Municipal Affairs and Housing to request that the Vacant Unit Taxation power be expanded to the multi-residential property class.

Carried

5.2 Housing Services Long Range Financial Plan 2025-2030 Update

File No. ACS2024-FCS-FIN-0011 - City-wide

Mr. Cyril Rogers, General Manager and Chief Financial Officer, Finance and Corporate Services Department (FCSD); Ms. Isabelle Jasmin, Deputy City Treasurer, Corporate Finance, FCSD and Mr. Derek McMaster, Manager, Collaborative Planning & Projects, Finance and Corporate Services Department FCSD, provided an overview of the report and answered questions from the Committee. A copy of the slide presentation is filed with the Office of the City Clerk.

Also present and responded to questions were the following:

- Ms. Debbie Stewart, General Manager, Strategic Initiatives

Committee heard from the following public delegation:

- Mike Bulthuis, Executive Director, Ottawa Community Land Trust
- Meg McCallum, Alliance to End Homelessness Ottawa
- Steve Pomeroy *

[Individuals / groups, as marked above, either provided comments (*) in writing or by e-mail and are held on file with the Office of the City Clerk.]

Following discussion and questions of staff, the Committee carried the report recommendations as presented with Councillor Darouze dissenting on recommendations 2 and 6 and Councillor Lo dissenting on recommendation 8.

Report Recommendation(s)

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

1. **That the annual contribution from taxation for affordable housing continue to be increased by \$1 million annually for the next six years (2025 to 2030) to increase the affordable housing annual base budget capital contribution from \$9 million to \$15 million by 2030, within Council's approved tax target.**
2. **Continue to allocate the net proceeds from the Vacant Unit Tax to the City's Housing Reserve.**
3. **Stop increasing the Development Charge Exemption Charge budget by \$500 thousand annually because exemptions for affordable housing (including Transit DCs) are now mandatory under provincial law (Bill 23).**
4. **Ensure the City's Housing Reserve maintain a positive balance and if it goes into deficit, repay the negative balance within one to three years from the capital contribution, unless other sources are available.**
5. **Direct staff to continue efforts to secure additional capital funding from the federal and provincial governments estimated at \$342.8 million over the next six years to support new affordable and supportive housing units.**
6. **Direct staff to explore the feasibility of the City offering debt financing, as an alternative to direct equity contributions to support service providers in launching affordable housing projects and that the debt servicing would be temporarily covered by the city's Affordable Housing annual budget until service providers can use rent revenue to cover these costs**
7. **Direct staff to continue to pursue permanent stable operating funding from the federal and provincial governments estimated at \$13.7 million annually over the next six years to provide up to 1,300 new housing subsidies annually.**
8. **Direct staff to advocate for the continuation of existing provincial and federal programs to secure \$75 million annually from 2027-2030 to support new supportive and transitional housing, enhanced support services, and increase emergency shelter funding.**

Carried

6. Adjournment

Next Meeting:

to be determined.

The meeting adjourned at 3:23 pm.

Committee
Coordinator

Chair, Finance and
Corporate Services
Committee

Chair, Planning and
Housing Committee