Subject: Municipal Land Strategy – Surplus Land Declaration and Authority to Transfer City-Owned Lands for Affordable Housing

File Number: ACS2025-SI-HSI-0010

Report to Finance and Corporate Services Committee on 1 April 2025 and Council 16 April 2025

Submitted on February 26, 2025 by Geraldine Wildman, Interim Director, Housing Solutions and Investment Services, Strategic Initiatives Department

Contact Person: Peter Radke, Manager, Realty Initiatives and Development

612-580-2424 ext. 12551, peter.radke@ottawa.ca

Ward: Orléans West-Innes (2), Stittsville (6), Knoxdale-Merivale (9), Gloucester-Southgate (10), Somerset (14), Kitchissippi (15), Capital (17)

Objet : Stratégie foncière municipale – Déclaration de terrains excédentaires et pouvoir de transférer les terrains municipaux excédentaires pour y aménager des logements abordables

Numéro de dossier : ACS2025-SI-HSI-0010

Rapport présenté au Comité des finances et des services organisationnels

Rapport soumis le 1er avril 2025

et au Conseil le 16 avril 2025

Soumis le 2025-02-26 par Geraldine Wildman, directeur par intérim, Solutions de logement et Investissements

Personne ressource : Peter Radke, Gestionnaire, Initiatives immobiliere et développement, La Direction générale des initiatives stratégiques

613-580-2424 ext. 12551, peter.radke@ottawa.ca

Quartier: Orléans-Ouest-Innes (2), Stittsville (6), Knoxdale-Merivale (9), Gloucester-Southgate (10), Somerset (14), Kitchissippi (15), Capitale (17)

#### REPORT RECOMMENDATION(S)

**That the Finance and Corporate Services Committee:** 

- 1. Declare as surplus to City needs, the following properties,
  - a) 40 Beechcliffe Street, shown on Document 1;
  - b) Portions of 1770 Heatherington Road, shown on Document 2;
  - c) 687 Somerset Street West, shown on Document 3;
  - d) 2548 Cléroux Crescent, shown on Document 4;
  - e) 185 Hawthorne Avenue, shown on Document 5; and
  - f) Land abutting 287 Loretta Avenue South, shown on Document 6.

That the Finance and Corporate Services Committee recommend that Council:

- 2. Authorize the transfer of 2 Pretty Street, previously declared surplus and transferred to Build Ottawa, and shown on Document 7, subject to existing easements and any easements that may be required, from Build Ottawa back to the City of Ottawa.
- 3. Waive Section 1.2 of the City's Disposal of Real Property Policy pertaining to the disposal of real property at current market value, Section 2.3 pertaining to the public marketing of <u>viable</u> properties and part of Section 4.1 pertaining to the requirement for two appraisals for the following properties:
  - a) 40 Beechcliffe Street;
  - b) Portions of 1770 Heatherington Road;
  - c) 687 Somerset Street West;
  - d) 2548 Cléroux Crescent;
  - e) 185 Hawthorne Avenue;
  - f) 2 Pretty Street; and
  - g) 261A Hinchey Avenue, previously declared surplus and shown on Document 8.
- 4. For the land abutting 287 Loretta Avenue South, waive Section 1.2 of the City's Disposal of Real Property Policy pertaining to the disposal of real property at current market value, Section 2.4 pertaining to providing notice

- of disposal of <u>non-viable</u> property to abutting landowners, and part of Section 3.2 pertaining to disposal at market value.
- 5. Delegate authority to the Director, Housing Solutions and Investment Services, to enter into, conclude, execute, amend, and implement on behalf of the City, the required agreements for the sale of the properties referenced in Recommendations 1 to 4 to a not-for-profit affordable housing provider or a not-for-profit housing provider in partnership with a private developer, selected in accordance with the process set out in this report, for the purpose of affordable housing development and for nominal consideration.
  - A. Should a not-for-profit affordable housing provider or not-for-profit housing provider in partnership with a private developer not be secured for these properties, approve the disposal of the surplus lands in accordance with the Disposal of Real Property Policy or transfer to Build Ottawa for disposal in accordance with the Build Ottawa Disposal of Real Property Policy.
- 6. Approve that \$4 million of the total \$16 million received through the Building Faster Fund for 1770 Heatherington Road be allocated by the Director, Housing Solutions and Investment Services, to Ottawa Community Housing Corporation (OCHC) for the purpose of constructing a public road, as shown on Document 9, as further detailed in this report.

#### RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels :

- 1. Déclare excédentaires pour les besoins de la Ville les propriétés suivantes :
  - a) 40, rue Beechcliffe (voir le document 1);
  - b) portions du 1770, chemin Heatherington (voir le document 2);
  - c) 687, rue Somerset Ouest (voir le document 3);
  - d) 2548, croissant Cléroux (voir le document 4);
  - e) 185, avenue Hawthorne (voir le document 5);
  - f) terrain attenant au 287, avenue Loretta Sud (voir le document 6).

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

- 2. Autorise le transfert de la propriété du 2, rue Pretty, précédemment désignée excédentaire et transférée à Bâtir Ottawa (voir le document 7), sous réserve de toute servitude existante et requise, de Bâtir Ottawa à la Ville d'Ottawa.
- 3. Lève l'exigence de l'article 1.2 de la Politique sur l'aliénation des biens immobiliers de la Ville, qui porte sur l'aliénation de biens immobiliers à la valeur marchande actuelle, l'exigence de l'article 2.3 de la Politique, qui porte sur l'offre au public des biens immobiliers viables, et celle de l'article 4.1, qui porte sur l'estimation des propriétés suivantes :
  - a) 40, rue Beechcliffe;
  - b) portions du 1770, chemin Heatherington;
  - c) 687, rue Somerset Ouest;
  - d) 2548, croissant Cléroux;
  - e) 185, avenue Hawthorne;
  - f) 2, rue Pretty;
  - g) 261A, avenue Hinchey, précédemment désignée excédentaire comme mentionné dans le document 8.
- 4. Pour le terrain attenant au 287, avenue Loretta Sud, renoncer à l'article 1.2 de la Politique sur l'aliénation des biens immobiliers de la Ville en ce qui concerne l'aliénation des biens immobiliers à leur valeur marchande actuelle, à l'article 2.4 concernant l'avis d'aliénation de biens non viables aux propriétaires fonciers voisins, et une partie de la section 3.2 concernant l'aliénation à la valeur marchande.
- 5. Déléguer au directeur, Services des solutions de logement et des investissements, le pouvoir de conclure, signer, modifier et mettre en œuvre, au nom de la Ville, les ententes nécessaires à la vente des propriétés mentionnées aux recommandations 1 à 4 à un fournisseur de logements abordables sans but lucratif ou à un fournisseur de logements sans but lucratif en partenariat avec un promoteur privé, choisi conformément au processus énoncé dans le présent rapport, aux fins de la

construction de logements abordables et moyennant une contrepartie symbolique.

- A. Si un fournisseur de logements abordables sans but lucratif ou un fournisseur de logements sans but lucratif en partenariat avec un promoteur privé ne possède aucune protection pour ces propriétés, approuver l'aliénation des terrains excédentaires conformément à la Politique sur l'aliénation des biens immobiliers ou la transférer à Bâtir Ottawa pour procéder à l'aliénation conformément à sa Politique sur l'aliénation des biens immobiliers.
- 6. Approuver que 4 millions de dollars sur la somme totale de 16 millions de dollars reçue dans le cadre du Fonds pour l'accélération de la construction pour le 1770, chemin Heatherington soient attribués par le directeur, Solutions de logement et Investissement, à la Société de logement communautaire d'Ottawa (SLCO) aux fins de la construction d'une voie publique, comme indiqué dans le document 9 et tel que précisé dans le présent rapport.

#### **EXECUTIVE SUMMARY**

This report includes recommendations to facilitate the development of affordable housing on eight City-owned properties. It recommends declaring six City-owned properties as surplus to municipal needs so they can be used to develop affordable housing. The additional two properties have previously been declared surplus.

To facilitate development, the report further recommends the waiver of certain sections of the City's Disposal of Real Property Policy to permit these sites to be transferred to not-for-profit housing partners at nominal cost and to transfer some of the subject sites directly to specific not-for-profit housing providers through sole sourcing.

All properties were identified through the City's Municipal Land Strategy, which prioritizes surplus City-owned land for non-profit affordable or attainable housing projects. The sites have all been circulated internally and comments indicated that all of them are ideal for affordable housing with no need to retain them for a City-mandated purpose.

Approval of this report will provide opportunities for new affordable units, including a range of unit sizes, types and tenures. Such an action will support the City's goals to increase the supply of housing options, as committed to through the <a href="10-Year Housing">10-Year Housing</a> and Homelessness Plan 2020-2030, the <a href="2031 Municipal Housing Pledge">2031 Municipal Housing Pledge</a>, the <a href="201theolim">Ontario-Ottawa Agreement</a>, the <a href="Building Faster Fund Investment Plan">Building Faster Fund Investment Plan</a> and the City's <a href="Housing Accelerator Fund">Housing Housing</a> Accelerator Fund (HAF) Action Plan.

This report also aligns with the goals expressed in the recent <u>Housing Process motion</u> brought forward by the Mayor and carried by Council on January 29, 2025.

#### RÉSUMÉ

Ce rapport comprend des recommandations visant à faciliter l'aménagement de logements abordables sur huit propriétés appartenant à la Ville. Il recommande de déclarer six propriétés appartenant à la Ville excédentaires aux besoins municipaux afin de les mettre à disposition pour la construction de logements abordables. Les deux autres propriétés ont déjà été désignées excédentaires.

Pour faciliter l'aménagement, le rapport recommande également de déroger à certaines dispositions de la Politique sur l'aliénation des biens immobiliers de la Ville, afin de permettre le transfert de ces propriétés à des partenaires du secteur du logement sans but lucratif à coût symbolique, ainsi que le transfert direct de certaines de ces propriétés à certains fournisseurs du secteur du logement sans but lucratif par l'entremise d'un

processus d'attribution sans appel d'offre.

Toutes les propriétés ont été déterminées dans le cadre de la Stratégie foncière municipale, qui accorde la priorité aux terrains excédentaires de Ville pour des projets de logement abordables ou réalisables sans but lucratif. Les propriétés ont été examinées à l'interne et les commentaires confirment qu'elles conviennent toutes à des projets de logement abordable, sans qu'il soit nécessaire de les conserver à des fins municipales prescrites.

L'approbation de ce rapport permettra la construction de nouveaux logements abordables de tailles et de types variés, destinés à différentes durées d'occupation. Une telle mesure appuiera les objectifs de la Ville visant à accroître l'offre d'options de logement, conformément à l'engagement adopté dans le cadre du <u>Plan décennal de logement et de lutte contre l'itinérance (2020-2030)</u>, de la <u>Garantie municipale du logement 2031</u>, de l'<u>Accord Ontario-Ottawa</u>, du <u>Fonds pour l'accélération de la construction</u> et du <u>Fonds pour accélérer la construction de logements (FACL)</u> de la Ville.

Ce rapport cadre également avec les objectifs exprimés dans la récente motion sur le processus de logement présentée par le maire et adoptée par le Conseil le 29 janvier 2025.

#### **BACKGROUND**

## **Update on the Municipal Land Strategy**

Since early 2024, staff have been working on the Municipal Land Strategy, a <u>Housing Accelerator Fund (HAF)</u> initiative to accelerate the preparation and disposal of Cityowned lands for housing. As part of this initiative, staff are undertaking the following key tasks:

- Using formalized evaluation criteria to identify City-owned lands that are most appropriate for affordable housing. The criteria focus on identifying sites that are appropriate for residential development and have excellent access to transit and a range of services and amenities;
- Reviewing the City's inventory of viable and available lands to identify sites that are suitable for housing, including market and affordable housing;
- Undertaking due diligence on sites that have been identified as appropriate for housing, including reviewing existing planning permissions, serviceability,

- geotechnical studies, environmental site assessments, analysis of development constraints;
- Proactively aligning zoning permissions with the City's Official Plan and to enhance developability of the sites for missing middle housing. A rezoning application for 1770 Heatherington Road was approved by Council on September 18, 2024 (<u>ACS2024-PDB-PS-0038</u>) and rezoning was approved for 40 Beechcliffe Street, 2 Pretty Street, 185 Hawthorne Avenue, 261A Hinchey Avenue and 2548 Cléroux Crescent on November 13, 2024 (<u>ACS2024-PDB-PSX-0038</u>).
- Advancing pre-development activities to meet Provincial obligations under the
   Ontario-Ottawa Agreement and the <u>Building Faster Fund Investment Plan</u> to
   provide City-owned surplus sites for modular attainable homeownership;
- Preparing a Request for Proposals process to select not-for-profit housing providers to develop four City-owned sites in this report (2 Pretty Street, 185 Hawthorne Avenue, 261A Hinchey Avenue and 2548 Cléroux Crescent);
- Recommending additional City properties (2575 Reaneyhill Way, 3131 Jockvale Road and 7010 Parkway Road) as appropriate for residential or other suitable development, but not suitable for affordable housing, due to location, development constraints, or the level of investment required to develop. This supports the Municipal Land Strategy, as this strategy is intended to accelerate the development of both affordable and market housing. Finance and Corporate Services Committee approved the surplus declaration and disposal of these properties on Feb 4, 2025 (ACS 2025-SI-HIS-0003). These properties will be sold for market housing by Build Ottawa and any revenue generated from sales will be subject to the City's Affordable Housing Land and Funding Policy to provide 25 per cent of the net proceeds of each sale to fund the development of affordable housing elsewhere in the City.

## **Disposal of Real Property Policy**

The City's <u>Disposal of Real Property Policy</u> was approved by Council in 2001 and updated in 2018. This policy is intended to ensure transparent and accountable processes are followed and that land disposals are undertaken in a manner that maximizes social, economic, environmental, and cultural return to the City. The policy sets out that, unless authorized by Council, surplus lands must be disposed of at current market value (Section 1.2), yet Council may authorize the disposal of land at less than

market value if it is in the best interest of the City to do so (Section 1.3).

Additional requirements for the disposal of real property include:

- The real property must be declared surplus to current or future program or operational requirements of the City (Section 2.1);
- At least one appraisal of the real property must be obtained (Section 2.2) and two appraisals must be obtained if the property value exceeds one million dollars (Section 4.1); and
- Notice of the disposal of viable real property must be provided to the public to solicit offers (no sole sourcing) (Section 2.3) and notice of the disposal of non-viable property must be provided to abutting landowners (Section 2.4).

## Affordable Housing Land and Funding Policy

The City's <u>Affordable Housing Land and Funding Policy</u> was approved by Council in 2005 and updated in 2017. The policy states that the City "will provide real property (Land) and funding for affordable housing that achieves the vision and targets established in the Ten-Year Housing and Homelessness Plan, the Official Plan and other Council-approved affordable housing initiatives." The policy aims to ensure that surplus City-owned land deemed appropriate for residential development is considered for the purpose of developing affordable housing and that Housing Solutions and Investment Services (HSIS) works to increase the supply of affordable housing.

## Parkland Acquisition and Funding Through Property Disposal Policy

The <u>Parkland Acquisition and Funding Through Property Disposal Policy</u>, approved by City Council on July 6, 2022, requires that a portion of the net proceeds from the sale of City lands be directed towards the development of municipal parkland and recreation facilities to meet the targets of the Parks and Recreation Facilities Master Plan (2021).

The policy applies to the sale of surplus City owned land that, at the time of disposal is not zoned as parkland, considered municipal parkland, or used as a parks and recreation facility.

#### **Commitments for Attainable and Affordable Housing**

In keeping with the City's housing commitments, including the <u>2031 Municipal Housing</u> <u>Pledge</u>, the <u>Ontario-Ottawa Agreement</u>, the <u>Building Faster Fund Investment Plan</u>, and the City's <u>Housing Accelerator Fund (HAF)</u>, and the sites identified in this report have the potential to deliver affordable or attainable housing. While affordable housing is defined through the City's Official Plan and the 10-Year Housing and Homelessness Plan, attainable housing refers to a modular attainable homeownership model, as defined by the Province in Section 4.1 of the Development Charges Act.

The City has committed to delivering two modular attainable homeownership projects as part of the Ontario-Ottawa Agreement. As per Provincial requirements, the City is supporting the project through the provision of municipal land and funding, earmarked through the Building Faster Fund.

#### DISCUSSION

## **Description of Sites and Surroundings**

### 40 Beechcliffe Street

Located in Ward 9 – Knoxdale-Merivale, 40 Beechcliffe Street (shown in Document 1) is an undeveloped property in a low-density neighbourhood west of Woodroffe Avenue. It may be accessed via Beechcliffe Street and has a pedestrian pathway located at the south corner of the property, which connects the neighbourhood to the intersection of Woodroffe Avenue and Knoxdale Road. This property is adjacent to lands intended for the Barrhaven LRT extension from Baseline Station to Barrhaven Town Centre, for which the Environmental Assessment was approved by Council on November 25, 2020. 40 Beechcliffe Street is adjacent to the conceptual Knoxdale Station and, as such, any future development will consider noise mitigation, station connectivity and mitigation of any impediments to the construction and access of this station.

The property is designated in the Official Plan as Outer Urban Transect and Evolving Neighborhood and was zoned R4M [2995] through a zoning by-law amendment approved by Council in November 2024.

#### 1770 Heatherington Road

Located in Ward 10 – Gloucester-Southgate, 1770 Heatherington Road (shown in Document 2) is an undeveloped property that was formerly used as a municipal works

yard from the mid-1960s to 2012. The City of Ottawa has been working on a revitalization strategy for this site since the Building Better Revitalized Neighbourhoods (BBRN) strategic initiative in 2018.

The property is located on the west side of Heatherington Road, south of the intersection of Walkley and Heatherington Road. It abuts the rear portion of the Ministry of Transportation Driver Examination Centre located on Walkley Road. Heatherington Park is located to the southwest, and the site surrounds a City-owned block that is occupied by the Boys and Girls Club of Ottawa Clubhouse, which is used as a recreational and athletic facility.

As part of development of the site, a new public road will be constructed on the property (shown in Document 9).

The property is designated in the Official Plan as Neighbourhood in the Outer Urban Transect. A portion of the property was rezoned to R4M [2982] and another portion rezoned to O1 through an amendment approved by Council in September 2024.

#### 687 Somerset Street West

Located in Ward 14 – Somerset, 687 Somerset Street West (shown in Document 3) has been used as a surface parking lot since the City of Ottawa acquired it in the 1991. It is located on the northeast corner of the intersection at Somerset Street West and Cambridge Street and there is a small gathering space in the southeast corner of the site.

The property is designated in the Official Plan as Minor Corridor in the Downtown Core Transect. A portion of the property is zoned R4UB [159] and another portion is zoned TM1 [112] H(16).

## 2548 Cléroux Crescent

Located in Ward 2 – Orleans West-Innes, 2548 Cléroux Crescent shown in Document 4) is an undeveloped property in a low-density neighbourhood north of the Blackburn Hamlet Bypass at Navan Road. It is accessed by Cléroux Crescent and was formerly occupied by a residential dwelling which has been removed.

The property is designated in the Official Plan as Outer Urban Transect and Neighbourhood and was zoned R4M [2998] through a zoning by-law amendment approved by Council in November 2024.

#### 185 Hawthorne Avenue

Located in Ward 17 - Capital, 185 Hawthorne Avenue (shown in Document 5) is an undeveloped property in a low-rise area of the Old Ottawa East neighbourhood. It is currently used as an informal green space and is located immediately south of provincial Highway 417 and approximately 300 metres east of Main Street. This site is contaminated from previous uses on the property and would be remediated as part of redevelopment.

The property is designated in the Official Plan as Neighbourhood in the Inner Urban Transect and was zoned R4UB [2997] through a zoning by-law amendment approved by Council in November 2024.

## Land abutting 287 Loretta Avenue South

Located in Ward 15 - Kitchissippi, the parcel of land abutting 287 Loretta Avenue South (shown on Document 6) is a small landlocked parcel owned by the City of Ottawa. It is 67 square metres in size and is surrounded by properties under private ownership. On its own, the parcel is not viable for development but could contribute to the viability of an adjacent parcel if consolidated.

The property is designated in the Official Plan as Hub in the Downtown Core Transect and is zoned R5B H(18).

#### 2 Pretty Street

Located in Ward 6 – Stittsville, 2 Pretty Street (shown on Document 7) contains an existing building that was formerly used as a community centre as well as a playground. The site is located just west of Stittsville Main Street and is a corner through lot with frontage on Pretty Street, Orville Street and Meach Private.

The property is designated in the Official Plan as Neighbourhood in the Suburban Transect in Schedule B3 and was zoned R4M [2994] through a zoning by-law amendment approved by Council in November 2024.

This property has previously been declared surplus and approved for transfer to the former Ottawa Community Lands Development Corporation (OCLDC), now Build Ottawa, on September 13, 2023 (<u>ACS2023-PRE-CRO-0018</u>).

## 261A Hinchey Avenue

Located in Ward 15 – Kitchissippi, 261A Hinchey Avenue (shown in Document 8) is currently an open road allowance located at the end of Bullman Street where it intersects with Hinchey Avenue. The property is currently undeveloped and is used to access parking by the adjacent neighbours. The site is south of Scott Street and the surrounding area is primarily low-rise residential with a mix of detached dwellings and some low-rise apartments.

The property is designated in the Official Plan as Neighbourhood in the Inner Urban Transect and was zoned R4UB [2996] through a zoning by-law amendment approved by Council in November 2024.

This property has previously been declared surplus to municipal needs, approved by Council on June 12, 2019 (ASC2019-CSS-GEN-0007). An application to close the road allowance, in order to create a single development lot, is in progress.

#### **Recommendation 1: Lands to be Declared Surplus**

The following properties are recommended for surplus declaration through this report: 40 Beechcliffe Street, portions of 1770 Heatherington Road, 687 Somerset Street West, 2548 Cléroux Crescent, 185 Hawthorne Avenue and land abutting 287 Loretta Avenue South.

All of these properties have been circulated internally for staff review and comment. In addition, staff provided comments on the rezoning applications approved in September 2024 for 1770 Heatherington Road and in November 2024 for 40 Beechcliffe Street, 2548 Cléroux Crescent and 185 Hawthorne Avenue. Comments for all sites have indicated that there is no City need to retain the subject properties for a City-mandated purpose.

Where necessary, comments will be incorporated into agreements of purchase or sale, development approvals or contribution agreements with not-for-profit housing providers to ensure that feedback is addressed. In all cases, any required easements will be addressed.

Key comments to be addressed include the following:

- 40 Beechcliffe Street: Portions of the property that are required for the LRT right-of-way and where existing underground services cross the site are being excluded from the recommended disposal and will remain in City ownership. Site and building design will address the proximity to a future LRT station, including the required construction staging area, while also preserving opportunities for connectivity from the Beechcliffe Street neighbourhood to the future station.
- 687 Somerset Street West: The development process will involve engagement with the local Business Improvement Association and community, as the site is currently used for community events. Site design and disposal of the lands will also consider the future design of the existing gathering space on the site and will address an existing lease for electric vehicle charging stations.
- 2548 Cléroux Crescent: A multi-use pathway is planned to connect the Navan Road and Blackburn Bypass intersection with the Blackburn Hamlet neighbourhood. An initial design drawing located the pathway on this property; however, staff have created an alternative route that will allow for this connection on other City owned lands at this intersection, avoiding the need to use the subject property. Site design will also address appropriate setbacks from the slope on the southern edge of the property.
- 185 Hawthorne Avenue: Council directed staff to include a requirement in a future RFP for this site that the successful proponent would retain as many trees as possible or develop a replanting plan and provide a publicly accessible greenspace on the site. Staff were also directed to maintain the existing curbside parking capacity wherever possible.

The properties at 2 Pretty Street and 261A Hinchey Avenue have already been declared surplus. Relevant comments are the following:

 261A Hinchey Avenue: Site design will address continued access to rear yard parking for the adjacent properties, as they previously had legal access to parking via the former road allowance.

## Recommendation 2: Transfer of 2 Pretty Street from Build Ottawa to City of Ottawa

The property at 2 Pretty Street was declared surplus and its transfer to what was then the Ottawa Community Lands Development Corporation (now Build Ottawa) was approved by Council on September 13, 2023 (ACS2023-PRE-CRO-0018). At the time,

the intention was to market the site for sale for housing development. However, with shifting focus on making City-owned lands available for affordable housing, the sale was paused. Through the Municipal Land Strategy, this site was identified as being appropriate for development by a not-for-profit affordable housing provider.

Staff recommend, therefore, that the site is transferred back to the City of Ottawa so that it can be further transferred for a nominal fee to an affordable housing provider through a Request for Proposal (RFP) process consistent with Action Ottawa to support the City's targets for new affordable housing.

## Recommendation 3 and 4: Waiving Disposal Policies

For the viable properties (40 Beechcliffe Street, portions of 1770 Heatherington Road, 687 Somerset Street West, 2548 Cléroux Crescent, 185 Hawthorne Avenue, 2 Pretty Street and 261A Hinchey Avenue), it is recommended that the following sections of the Disposal of Real Property Policy are waived:

- Section 1.2. Subject to Section 1.3, real property shall be disposed of at current Market Value.
- Section 2.3. Notice of the proposed Viable Real Property Disposal shall be provided to the public to solicit offers as detailed in the Disposal of Real Property Procedures. Sole sourcing is not permitted for Viable Real Property.
- Part of Section 4.1. Two (2) Appraisals of the Real Property shall be obtained if the value of the Real Property exceeds one million dollars (\$1,000,000).

For the non-viable property (land abutting 287 Loretta Avenue South), it is recommended that the following sections of the Disposal of Real Property Policy are waived:

- Section 1.2. Subject to Section 1.3, real property shall be disposed of at current Market Value.
- Section 2.4. Notice of the proposed Non-Viable Real Property Disposal shall be provided to the abutting landowners as detailed in the Disposal of Real Property Procedures.
- Part of Section 3.2. Non-Viable Real Property shall be declared surplus by the Director, HSIS provided that...the Disposal of the Non-Viable Real Property is at Market Value.

Contributions of land at nominal value are critical to project viability for affordable and attainable housing projects, and all of these projects are expected to provide housing options to Ottawa residents that would not otherwise be available on the open market. The land value is considered to be an equity contribution on the part of the City, supporting the overall feasibility of each project and enhancing applications for additional funding and financing to the Canada Mortgage and Housing Corporation. As all of these properties are being transferred at a nominal fee, staff recommend that the requirement for two appraisals where land value is over \$1 million can be waived.

Each of the subject sites will be transferred for a nominal fee and no revenue will be generated, therefore, the Parkland Acquisition and Funding Through Property Disposal Policy will not apply. In the case of 1770 Heatherington Road, 3,237 square metres of land has been zoned Open Space and will be dedicated as parkland, satisfying the need for parkland dedication across the entirety of the site. For each of the other sites, the City's Parkland Dedication By-Law 2022-280 will apply.

## **Recommendation 5: Disposal of Subject Properties**

Selecting specific housing providers is the recommended process for developing affordable housing at 40 Beechcliffe Street, 687 Somerset Street West and the land abutting 287 Loretta Avenue South, based on one or more of the following criteria:

- The need to fulfill the obligations of the Ontario-Ottawa Agreement and the Building Faster Fund Investment Plan. The City is obligated through these agreements to provide two development-ready City-owned sites for modular attainable homeownership in 2025.
- The opportunity to transfer to a housing provider where the provider already owns or acquires a property adjacent to a City-owned site and where additional development potential can be achieved through consolidation. By contributing City lands to make a larger development parcel, projects can achieve additional efficiencies and density, further adding to the supply of affordable housing and achieving better value for money.
- The need to select a housing provider based on the ability to deliver building permits and housing starts in 2025 or 2026, in support of HAF and Municipal Housing Pledge targets and to fulfill BFF obligations. This will prioritize providers who already have secured sources of funding or advanced development concepts through a pre-development process.

For 1770 Heatherington Road, it is recommended that the two parcels shown on Document 10 be transferred to OCHC to build affordable housing. On November 13, 2024, Council approved (ACS2024-SI-HIS-0016) the allocation of \$6 million of municipal funding to OCHC to construct two buildings on this site, in addition to \$16 million allocated through the BFF Investment Plan for site servicing, road construction and development at 1770 Heatherington Road.

For the remaining portion of 1770 Heatherington Road and the properties at 2 Pretty Street, 2548 Cléroux Crescent, 185 Hawthorne Avenue and 261A Hinchey Avenue, a competitive process(es) will be undertaken to select a housing provider(s). Eligible proponents will be limited to not-for-profit affordable housing providers or partnerships between a private developer and a not-for-profit to maximize the depth and length of affordability on these sites.

For these properties, a housing provider will be selected by an Action Ottawa Program Selection Committee in accordance with an RFP process or processes, anticipated to be launched in 2025 for the purpose of affordable housing development. Housing providers will be selected based on transparent and consistent evaluation criteria that will include: experience developing and/or operating a similar form of housing; proposed depth and length of affordability; value for money; access to additional sources of funding or financing; and/or commitment to housing tenants from the City's Centralized Wait List.

In the event that a partnership between a private developer and a not-for-profit is selected as the successful proponent through an RFP, further approval to designate the property as a municipal capital housing facility will be brought to Council if required.

Many of the subject properties in this report are small and have irregular property shapes, and some require additional investment such as remediation or demolition of an existing structure. While every effort is being made to identify and select suitable not-for-profit housing providers, it is possible that none will have the capacity, ability to finance or interest in developing these properties for their program or client needs. In this event, staff recommend the flexibility to market the sites through Build Ottawa to secure a private sector purchaser who would build housing on the lands. In such cases, the City of Ottawa or Build Ottawa Disposal of Real Property Policies would apply, and the property would be subject to the Affordable Housing Land and Funding policy, where either: proponents will be required to include a proportion of affordable housing units in the development; or 25 per cent of the net proceeds from the sale would be

transferred to the Affordable Housing Reserve Fund to build affordable housing elsewhere in the City.

## Recommendation 6: Construction of the Public Road at 1770 Heatherington Road

Through the Building Faster Fund Investment Plan, a total of \$16 million was committed to support site servicing, road construction and development of affordable housing at 1770 Heatherington Road. On November 13, 2024, Council (ACS2024-SI-HSI-0016) allocated \$6 million of municipal funding in addition to \$12 million of the BFF funds to the construction of affordable housing on the site.

This report seeks delegated authority for the Director, Housing Solutions and Investment Services, to allocate the remaining \$4 million of the BFF funds to construct a new public road (shown in Document 9) that is required to facilitate the construction of additional affordable housing on the site.

As OCHC has been selected to build the first two buildings on the site and will be working on-site, staff recommend that OCHC is sole sourced to manage construction of the road for efficiency. OCHC, as the developer, will build the road on behalf of the City, in the same manner that any new road is built within a subdivision across the city. OCHC will tender the project as required to comply with applicable procurement policies and processes including those required under the Building Faster Fund.

#### FINANCIAL IMPLICATIONS

If an agreement is reached with a not-for-profit affordable housing provider, the properties will be sold at a nominal amount and the City will be forgoing potential revenues.

If an agreement is not reached with a not-for-profit affordable housing provider, the properties would be sold at market value. If sold at market value, the Affordable Housing Land and Funding Policy and the Parkland Acquisition and Funding Through Disposal Policy are both applicable on the sales, with potential revenues allocated to the City Wide Capital Reserve, the Housing Reserve, and the Parkland Reserve.

#### **LEGAL IMPLICATIONS**

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

## COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Laura Dudas, Ward 2 - Orléans West-Innes, is aware of the report.

Councillor Glen Gower, Ward 6 – Stittsville, is aware of the report.

Councillor Sean Devine, Ward 9 - Knoxdale-Merivale, is aware of the report.

Councillor Jessica Bradley, Ward 10 – Gloucester-Southgate: I'm supportive of advancing affordable housing solutions on this property and look forward to seeing how this transfer can provide much needed housing opportunities for our residents.

Councillor Ariel Troster, Ward 14 – Somerset: I'm pleased to see the city moving forward with supporting critical housing projects, and even more pleased to see the plans to use land in Ward 14 for this purpose. I look forward to continuing to collaborate with staff, community partners, and neighbours old and new to bring this project to life.

Councillor Jeff Leiper, Ward 15 – Kitchissippi: The Councillor would like to express his support for the City's continued efforts to get land into the hands of our non-profit partners for development.

Councillor Shawn Menard, Ward 17 – Capital: Currently, the lot at 185 Hawthorne is well-loved greenspace in the Old Ottawa East neighbourhood. As part of the potential disposal of this land for affordable housing, our office has been working with city staff to ensure that a portion of the site is retained as publicly accessible greenspace and that should the property be sold, it ends up with a not-for-profit housing provider, as originally intended and communicated to the community.

#### CONSULTATION

Staff in Housing Solutions and Investment Services (HSIS) have circulated all of the subject properties internally for comment. In all cases, the properties were identified as ideal for affordable housing and not required for municipally-mandated uses.

Zoning By-Law Amendment applications were approved for 1770 Heatherington Road in September 2024 and 40 Beechcliffe Street, 2 Pretty Street, 185 Hawthorne Avenue, 2548 Cléroux Crescent and 261A Hinchey Street in November 2024. These sites were all rezoned to align with the Official Plan and allow for missing middle housing forms. These processes were subject to public notification and a legislated public meeting.

With respect to 1770 Heatherington Road, a revitalization strategy has been in process since the Building Better Revitalized Neighbourhoods (BBRN) initiative in 2018. This was based on a two-stage consultation process in 2017 including residents, service

providers, and businesses in the area. Over 800 responses were received through the process prioritizing youth-focused community space and affordable housing for the subject site.

Comments related to the development of these sites will be addressed through agreements of purchase and sale, development approvals or contribution agreements with the future owners of these sites.

## **ACCESSIBILITY IMPACTS**

All actions that arise from the future development of the subject sites will adhere to the *Integrated Accessibility Standards Regulation* of the *Accessibility for Ontarians with Disabilities Act*, 2005 (AODA) and the *Ontario Building Code* as required. Additionally, as per its Accessibility Policy, the City of Ottawa is committed to providing equal treatment to people with disabilities with respect to the use and benefit of City services, programs and goods in a manner that respects their dignity and that is equitable in relation to the broader public.

The City recognizes the importance of providing affordable accessible housing options to people with disabilities. It is the intent of the City to provide a minimum of 10% of the units in each affordable housing project as barrier-free affordable dwelling units. Additionally, as per the Ontario Human Rights Code, landlords are required to provide accessibility-related accommodations for their tenants, unless to do so would cause undue hardship.

#### ASSET MANAGEMENT IMPLICATIONS

There are no Asset Management Implications resulting from recommendations of this report.

#### **CLIMATE IMPLICATIONS**

All of these subject sites are currently predominantly undeveloped, with the exception of the former community centre at 2 Pretty Street. Though they will be developed in the future, the anticipated compact development results in efficient use of land. The proximity of the sites to transit, amenities and services will provide active transportation options that can mitigate carbon emissions from vehicles. Future development will also consider adequate stormwater management and maintain greenspaces where appropriate or required.

#### **DELEGATION OF AUTHORITY IMPLICATIONS**

This report recommends delegation of authority to the Director, Housing Solutions and Investment Services, to enter into the required agreements to transfer the subject properties to selected housing providers. Delegation of authority is recommended to accelerate disposal and development of these properties, to support achievement of building permit and housing start targets. Selected housing providers work closely with HSIS staff to ensure that projects are feasible and cost effective and enter into Contribution Agreements with the City to ensure that projects are delivered as intended.

#### **ECONOMIC IMPLICATIONS**

The development of these eight sites for affordable housing will support jobs and economic development within the construction industry.

#### **ENVIRONMENTAL IMPLICATIONS**

Most of the properties contain trees and will require either a Tree Conservation Report or Tree Information Report in support of development applications or building permits to determine the need for tree removal permits under the City's Tree Protection By-law. Landscape plans will be required for projects subject to site plan control, plans of subdivision, or plans of condominium. Landscape plans may be required for further applications for Zoning By-law Amendments or Official Plan Amendments.

#### INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

The City will prioritize the transfer of these lands to not-for-profit affordable housing provider(s) with the mandate to provide affordable or attainable housing to client groups meeting established eligibility criteria. The successful proponents will enter into an agreement with the City of Ottawa to provide the units within a specified timeframe and level of affordability. The recommendations of this report support equity by ensuring that the cost of housing at these locations can be provided at an affordable or attainable rate.

#### RISK MANAGEMENT IMPLICATIONS

Affordable and attainable housing projects are assessed by HSIS staff for their financial viability and value for money. For all projects where a City contribution is provided (including the transfer of land at a nominal rate), the proponent enters into a Contribution Agreement with the City, which appropriately manages risk to the City.

#### **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

#### **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with this report.

#### TERM OF COUNCIL PRIORITIES

The disposal of these eight properties for affordable and attainable housing directly supports the 2023-2026 Term of Council Priority for: A city that has affordable housing and is more liveable for all.

## SUPPORTING DOCUMENTATION

Document 1 – Location Map of 40 Beechcliffe Street

Document 2 – Location Map of portions of 1770 Heatherington Road

Document 3 – Location Map of 687 Somerset Street West

Document 4 - Location Map of 2548 Cléroux Crescent

Document 5 – location Map of 185 Hawthorne Avenue

Document 6 – Location Map of land abutting 287 Loretta Avenue South

Document 7 – Location Map of 2 Pretty Street

Document 8 – Location Map of 261A Hinchey Avenue

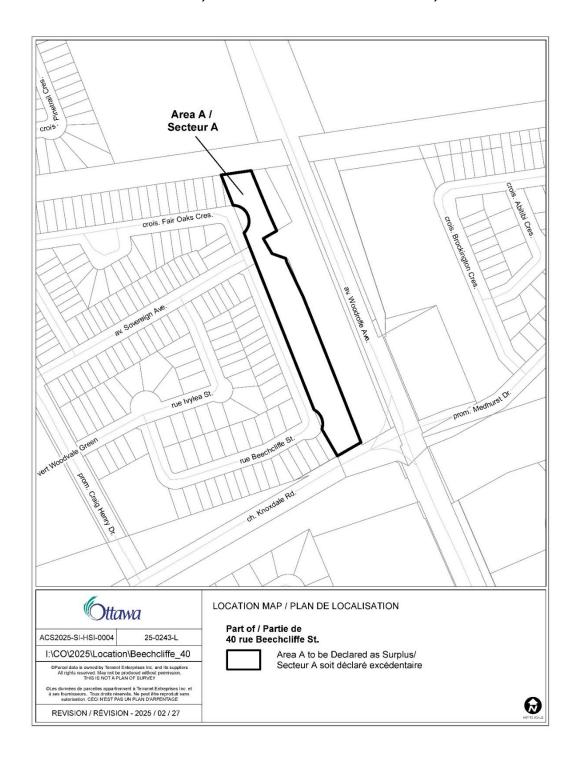
Document 9 – Location Map of the future public road for 1770 Heatherington Road

Document 10 – Plan 4R-36674 indicating Parts 1 and 2 to be transferred to OCHC

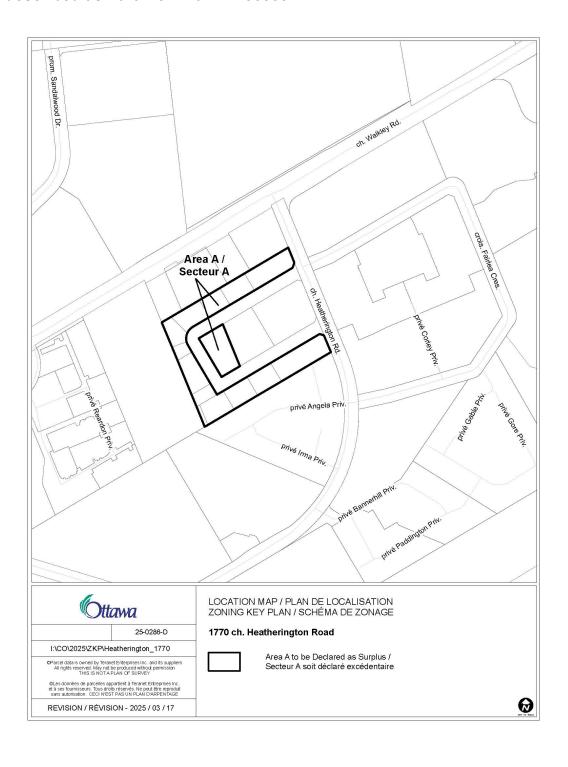
#### **DISPOSITION**

Following Council approval, Legal Services will work with HSIS to dispose of the properties.

Document 1 – Location Map of 40 Beechcliffe Street, legally described as CON 2 RF PT LOT 31 AND PLAN;4M468 LOT 16 BLKS 39 44 TO;47 AND 50



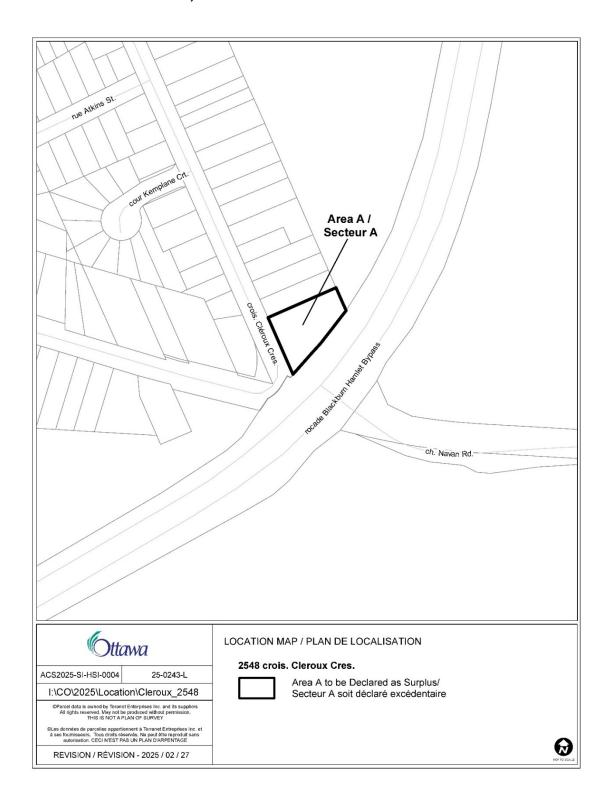
Document 2 – Location Map of portions of 1770 Heatherington Road, legally described as Part of Lot A, Concession 4, Rideau Front, Gloucester, also described as Part 1 on Plan 4R-36580



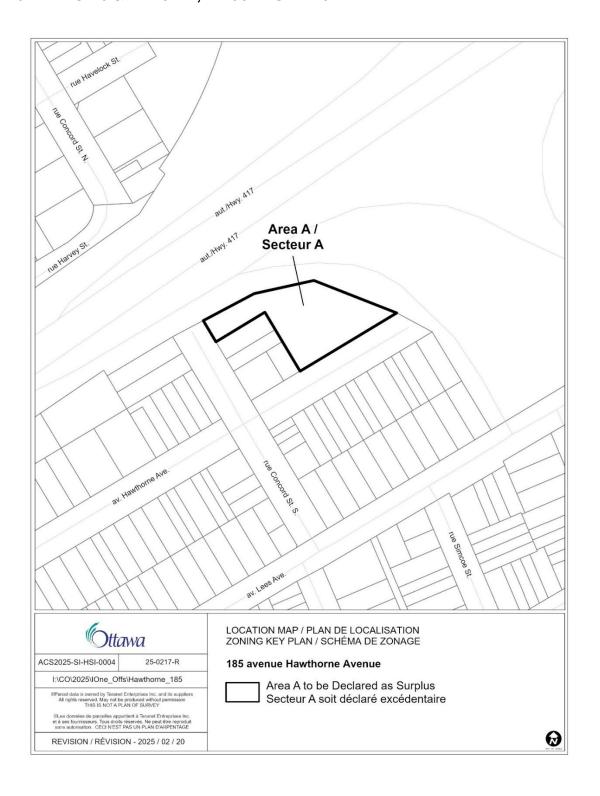
# Document 3 – Location Map of 687 Somerset Street West, legally described as PLAN 3459 LOTS 47- 48; CAMBRIDGE E



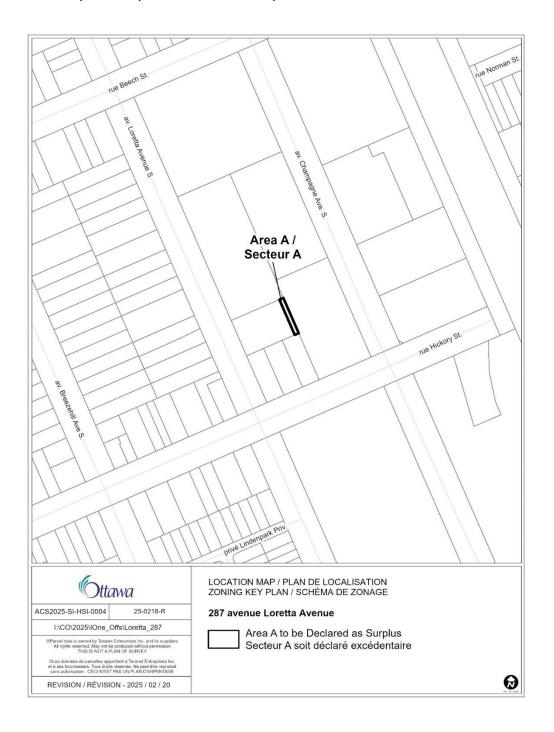
Document 4 - Location Map of 2548 Cléroux Crescent, legally described as CON 3 of PT LOT 10 RP4R7940; Parts 1 to 3



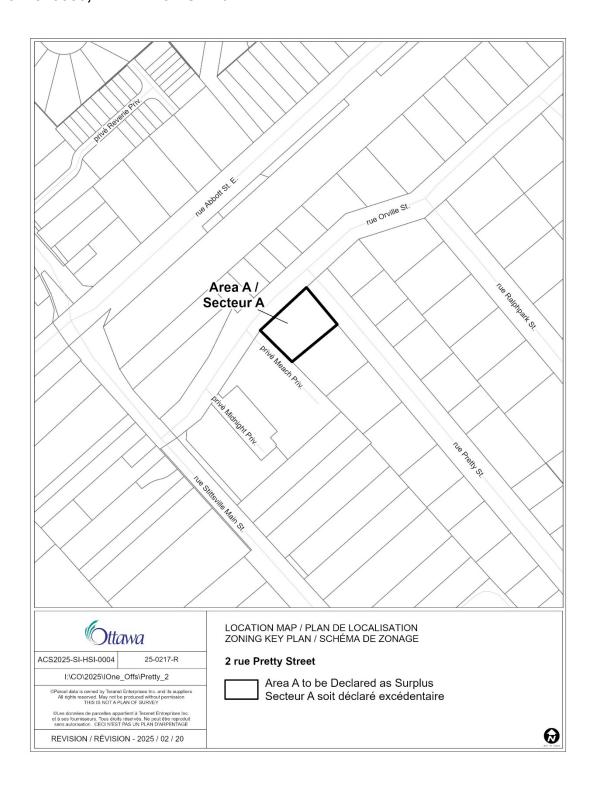
# Document 5 – Location Map of 185 Hawthorne Avenue, legally described as PLAN 161 PT LOT 6 & 12-15 RP;4R298 PTS 14-16



Document 6 – Location Map of land abutting 287 Loretta Avenue South, legally described as PT LANE, PL 131037, AS CLOSED BY ORDER CR227792, LYING S OF THE ELY EXT OF THE NLY LIMIT OF LOT 52, PL 131037 TO THE CENTER LINE OF THE LANE AND N OF THE ELY EXT OF THE NLY LIMIT OF LT 51, PL 131037 TO THE CENTER LINE OF THE LANE; S/T THE RIGHTS OF OWNERS OF ADJOINING PARCELS, IF ANY, UNDER N522346; OTTAWA/NEPEAN



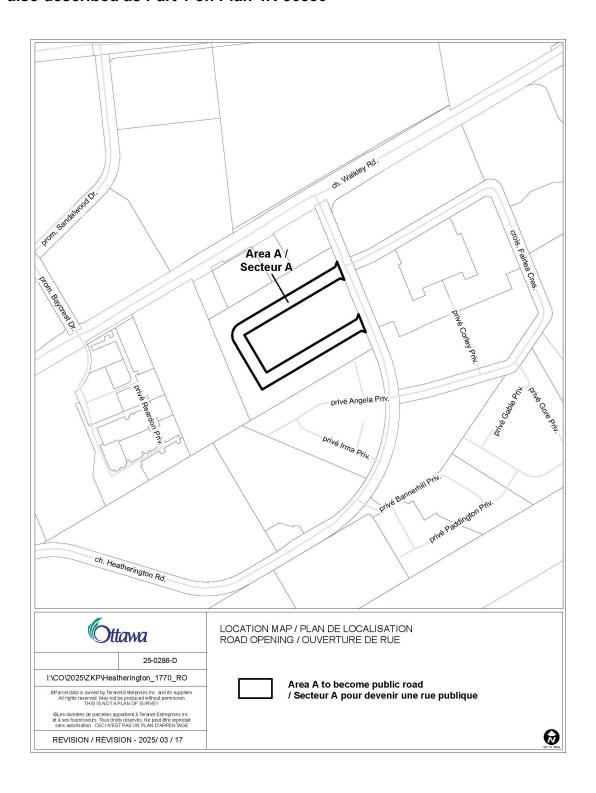
# Document 7 – Location Map of 2 Pretty Street, legally described as all of PIN 044520080, PLAN 745 LOT 10



Document 8 – Location Map of 261A Hinchey Avenue, legally described as PT BULLMAN ST, PL 88291, LYING E OF HINCHEY AV (FORMERLY FOREST AV), PL 88291; OTTAWA/NEPEAN



Document 9 – Location Map of the future public road for 1770 Heatherington Road, legally described as Part of Lot A, Concession 4, Rideau Front, Gloucester, also described as Part 1 on Plan 4R-36580



## Document 10 - Plan 4R-36674 indicating Parts 1 and 2 to be transferred to OCHC

