

Subject: Affordable Housing Community Improvement Plan – Applications for Tax Increment Equivalent Grants (TIEGs) Report

File Number: ACS2025-SI-HSI-0016

**Report to Finance and Corporate Services Committee on 2 September 2025
and Council 10 September 2025**

Submitted on August 21, 2025 by Lily Xu, Interim Director, Housing Solutions and Investment Services

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Ward: Citywide

Objet: Plan d'améliorations communautaires pour le logement abordable – Rapport sur les demandes au titre de la subvention proportionnelle à la hausse des impôts fonciers (SPHIF)

Dossier : ACS2025-SI-HSI-0016

**Rapport présenté au Comité des finances et des services organisationnels
le 2 septembre 2025**

et au Conseil le 10 septembre 2025

Soumis le 21 août 2025 par Lily Xu, Directrice par intérim, Services des solutions de logement et des investissements

Personne ressource : Cynthia Jacques, Gestionnaire, Direction des projets stratégiques de logement

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That Finance and Corporate Services Committee recommend that Council:

- 1. Approve the application submitted by Taggart (City Centre) Ltd. for the property at 299 City Centre Avenue, for the Tax Increment Equivalent Grant (TIEG) under the Affordable Housing Community Improvement Plan (CIP), for a total grant of approximately \$6,660,000, in the form of annual grants between \$6,000 and \$8,000 per affordable unit per year, or 50 per cent of the incremental increase in the municipal portion of property taxes, whichever is less, for a period of 20 years, subject to the establishment of, and in accordance with, the terms and conditions of an Affordable Housing CIP Agreement, and extend the deadline to obtain an Occupancy Permit post-approval from four years to five years;**
- 2. Approve the application submitted by Bayview Wateridge Inc., for the property at 375 Codd's Road, for the Tax Increment Equivalent Grant (TIEG) under the Affordable Housing Community Improvement Plan (CIP), for a total grant of approximately \$2,640,000, in the form of annual grants between \$6,000 and \$8,000 per affordable unit per year, or 50 per cent of the incremental increase in the municipal portion of property taxes, whichever is less, for a period of 20 years, subject to the establishment of, and in accordance with, the terms and conditions of an Affordable Housing CIP Agreement;**
- 3. Delegate authority to the Interim Director of Housing Solutions and Investment Services to execute Affordable Housing CIP Agreements establishing the terms and conditions governing the payment of the Affordable Housing TIEG with the owners and/or beneficial owners for the noted properties at:**
 - i. 299 City Centre Avenue (Ward 14. Somerset)**
 - ii. 375 Codd's Road (Ward 13. Rideau – Rockcliffe)****with such agreements being to the satisfaction of the City Solicitor and the Chief Financial Officer;**
- 4. Delegate authority to the Interim Director of Housing Solutions and Investment Services to make minor adjustments to the Council-approved number of units and associated TIEG, within the 50 per cent tax increment cap, prior to the execution of the Affordable Housing CIP Agreement.**

RECOMMANDATIONS DU RAPPORT

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

- 1. D'approuver la demande présentée par Taggart (City Centre) Ltd. pour la propriété située au 299, avenue City Centre, en vue d'obtenir une subvention proportionnelle à la hausse des impôts fonciers (SPHIF) dans le cadre du Plan d'améliorations communautaires (PAC) pour le logement abordable, pour une subvention totale d'environ 6 660 000 \$, sous forme de subventions annuelles comprises entre 6 000 \$ et 8 000 \$ par logement abordable, ou 50 % de la hausse incrémentielle des taxes dans la tranche municipale de l'impôt foncier, le moins des deux étant retenu, pour une période de 20 ans, sous réserve de la conclusion d'une entente de subvention du PAC pour le logement abordable et conformément à ses modalités, et de prolonger de quatre à cinq ans l'échéance pour obtenir une post-approbation du permis d'occupation;**
- 2. D'approuver la demande présentée par Bayview Wateridge Inc. pour la propriété située au 375, chemin Codd, en vue d'obtenir une subvention proportionnelle à la hausse des impôts fonciers (SPHIF) dans le cadre du Plan d'améliorations communautaires (PAC) pour le logement abordable, pour une subvention totale d'environ 2 640 000 \$, sous forme de subventions annuelles comprises entre 6 000 \$ et 8 000 \$ par logement abordable, ou 50 % de la hausse incrémentielle des taxes dans la tranche municipale de l'impôt foncier, le moins des deux étant retenu, pour une période de 20 ans, sous réserve de la conclusion d'une entente de subvention du PAC pour le logement abordable et conformément à ses modalités;**
- 3. De déléguer à la directrice par intérim des Services de solutions de logement et des investissements le pouvoir de signer des accords du PAC pour le logement abordable, lesquels établiront les modalités de paiement de la SPHIF pour le logement abordable avec les propriétaires et/ou les propriétaires bénéficiaires pour les propriétés en question situées au :**
 - i. 299, avenue City Centre (quartier 14 - Somerset)**
 - ii. 375, chemin Codd (quartier 13 - Rideau–Rockcliffe)**

ces accords devant être jugés satisfaisants par l'avocat général et le chef des finances;

- 4. De déléguer à la directrice par intérim des Services des solutions de logement et des investissements le pouvoir d'apporter des ajustements mineurs au nombre de logements et à la SPHIF connexe approuvés par le Conseil, à l'intérieur du plafond de 50 % de la majoration de la taxe foncière, avant la signature de l'accord du PAC pour le logement abordable.**

EXECUTIVE SUMMARY

This report seeks Council approval for two Affordable Housing Community Improvement Plan (CIP) applications, requesting Tax Increment Equivalent Grants (TIEGs) totaling approximately \$9.3 million over 20 years, or a present value of \$5.7 million. These grants will support 73 new affordable rental units across two developments: 299 City Centre Avenue and 375 Codd's Road. Each application exceeds the \$2 million threshold for delegated authority and requires Council approval.

The report also seeks delegated authority to the Director of Housing Solutions and Investments to execute CIP agreements, to be registered on title, and to make minor adjustments to approved CIP applications prior to the execution of such agreements.

The affordable units will provide rents at average market rent (AMR) or lower as defined by the Canada Mortgage and Housing Corporation (CMHC) for the Ottawa portion of the Ottawa-Gatineau Census Metropolitan Area, for the entire rental housing stock, based on building form and unit type. On average, Ottawa AMRs are 32 per cent lower than listed rents for developments built after 2000, with the gap widening further for newly constructed units. Affordable units will also be dispersed throughout the developments and have equal access to communal amenities. The TIEGs are determined based on level of affordability and are the lesser of \$6,000 to \$8,000 per unit or 50 per cent of the project's municipal tax uplift.

The subject applications seek to stack the CIP with federal CMHC financing programs. Staff have reviewed the applications to confirm that they provide incremental value to merit such stacking, such as: providing a greater depth and/or duration of affordability than CMHC requires; enabling larger family-sized affordable units; and in some cases, facilitating partnerships with the non-profit sector for the management of affordable units.

Approval of these two applications is consistent with the intent of the Council approved Affordable Housing CIP program, aligns with Council's priorities, assists in achieving the

City's Official Plan and 10-Year Plan targets, and increases affordable rental options in communities near amenities and transit.

It is also important to note the New Affordable Housing Tax Class report being concurrently considered at Committee and Council. The tax class report is recommending adoption of a new property tax subclass which allows municipalities to offer property tax discounts of up to 35 per cent for eligible affordable rental housing units. The adoption of a new subclass is required for the Municipal Property Assessment Corporation (MPAC) to assess qualifying properties, which will support the City's analysis of the value of a new Affordable Rental Housing property tax subclass discount, the associated tax implications, and impacts to existing municipal affordable housing incentives.

As the Affordable Housing CIP is an active Housing Accelerator Fund (HAF) initiative and plays a key role in advancing the City's affordable housing targets, the intent is for the CIP program to continue while due diligence is conducted on the proposed tax subclass. If the City determines that a discount rate through the new tax subclass offers added value, the Affordable Housing CIP program and associated agreements would be amended to complement the new initiative. This may include provisions for stacking with City incentives and restructuring the TIEG to ensure the total value of incentives remains consistent, amongst other considerations. Finance staff will aim to bring forward an analysis of the value of a new Affordable Rental Housing property tax subclass and a recommendation on the appropriate discount in April 2026, as part of the tax policy process.

RÉSUMÉ

Le présent rapport vise à obtenir l'approbation du Conseil pour deux demandes dans le cadre du Plan d'améliorations communautaires (PAC) pour le logement abordable, en vue d'obtenir des subventions proportionnelles à la hausse des impôts fonciers (SPHIF) totalisant environ 9,3 M\$ pour une période de 20 ans, ou une valeur actuelle de 5,7 M\$. Ces subventions soutiendront 73 nouveaux logements locatifs abordables dans deux projets situés au 299, avenue City Centre et au 375, chemin Codd. Chaque demande dépasse le seuil de 2 M\$ pour la délégation de pouvoirs et doit être approuvée par le Conseil.

Le rapport demande également de déléguer à la directrice des Services de logement et des investissements le pouvoir de signer des accords du PAC, qui seront enregistrés sur le titre de propriété, et d'apporter des ajustements mineurs aux demandes dans le cadre du PAC approuvées avant la signature de telles ententes.

Les logements abordables auront des loyers à hauteur du loyer médian du marché (LMM) ou inférieur à celui-ci, comme le définit la Société canadienne d'hypothèques et de logement (SCHL), pour la partie d'Ottawa de la région métropolitaine de recensement (RMR) d'Ottawa-Gatineau, pour la totalité du parc de logements locatifs, en fonction de la forme de construction et du type de logement. En moyenne, les LMM d'Ottawa sont 32 % inférieurs à ceux affichés pour des projets de logements construits après 2000, l'écart s'accroissant pour les logements nouvellement construits. Les logements abordables seront également distribués entre tous les projets et auront un accès égal aux commodités communes. Les SPHIF sont déterminées en fonction du niveau d'abordabilité et sont de 6 000 \$ à 8 000 \$ par logement ou 50 % du relèvement de l'impôt municipal du projet, selon la moindre de ces valeurs.

Les demandes en objet visent à ajouter le PAC aux programmes de financement fédéraux de la SCHL. Le personnel a examiné les demandes pour confirmer qu'elles apportent une valeur additionnelle au mérite d'un tel ajout, par exemple en approfondissant et/ou en allongeant l'abordabilité que la SCHL exige; en permettant d'avoir des logements abordables pour des familles plus nombreuses; et, dans certains cas, en facilitant les partenariats avec le secteur sans but lucratif pour la gestion des logements abordables.

L'approbation de ces deux demandes est conforme à l'intention du programme du PAC pour le logement abordable approuvé par le Conseil, cadre avec les priorités du Conseil, aide à atteindre les cibles du Plan officiel et du Plan décennal de la Ville, et augmente les options locatives abordables dans des communautés à proximité des services et du transport en commun.

C'est aussi important de noter le rapport sur la nouvelle catégorie de l'impôt foncier pour les logements abordables actuellement examiné par le Comité et le Conseil. Le rapport sur la catégorie de l'impôt foncier recommande l'adoption d'une nouvelle sous-catégorie de l'impôt foncier qui permet aux municipalités d'accorder jusqu'à 35 % de réductions de taxes foncières pour les logements locatifs abordables admissibles. L'adoption d'une nouvelle sous-catégorie est nécessaire pour que la Société d'évaluation foncière des municipalités (MPAC) évalue les propriétés admissibles, ce qui soutiendra l'analyse par la Ville des avantages d'une réduction pour la sous-catégorie de l'impôt foncier pour les nouveaux logements locatifs abordables, les implications fiscales associées et les incidences sur les mesures incitatives municipales existantes en matière de logements abordables.

Comme le PAC pour le logement abordable est une initiative active du Fonds pour

accélérer la construction de logements (FACL) et joue un rôle essentiel pour promouvoir les cibles de logements abordables de la Ville, l'intention est que le programme du PAC se poursuive pendant l'examen préalable de la sous-catégorie de l'impôt foncier proposée. Si la Ville détermine qu'un tarif réduit par le biais de la nouvelle sous-catégorie de l'impôt foncier procure une valeur ajoutée, le programme du PAC pour le logement abordable et les ententes connexes seraient modifiés pour compléter la nouvelle initiative. Cela peut inclure des dispositions pour l'ajouter aux mesures incitatives de la Ville et restructurer la SPHIF afin d'assurer que la valeur totale des mesures incitatives reste constante, entre autres considérations. Le personnel des Finances vise à présenter une analyse des avantages d'une nouvelle sous-catégorie de l'impôt foncier pour les logements locatifs abordables et une recommandation sur la réduction appropriée en avril 2026, dans le cadre du processus d'imposition foncière.

BACKGROUND

The Affordable Housing Community Improvement Plan (CIP) was approved by Council on April 17, 2024 ([ACS2024-CSS-GEN-003](#)), and amended on October 16, 2024 ([ACS2024-SI-HSI-0022](#)). Following this amendment, the first round of CIP applications was approved by Council on December 3, 2024 ([ACS2024-SI-HIS-0015](#)), resulting in 415 affordable units within six new developments.

The goal of the Affordable Housing CIP is to increase the supply of affordable housing in Ottawa by providing grants through its Tax Increment Equivalent Grant (TIEG) program. The TIEG reduces the financial barriers to developing affordable rental housing units by reimbursing up to 50 per cent of the municipal portion of the property tax uplift created between the pre-development and post-development states. The total grant available for a project is dependent on the number of affordable units and their level of affordability.

TIEGs must not exceed 50 per cent of the municipal portion of the property tax uplift and are provided as follows:

- \$6,000 per unit for rents between 100% and 91% Average Market Rent (AMR);
- \$7,000 per unit for rents between 90% and 81% AMR; and
- \$8,000 per unit for rents at 80% AMR or lower.

Table 1: 2024 CMHC Average Market Rents (AMRs)

Apartment Building			
Unit Type	100% AMR	90% AMR	80% AMR
Studio	\$1,253	\$1,128	\$1,002
1-bedroom	\$1,522	\$1,370	\$1,218
2-bedrooms	\$1,880	\$1,692	\$1,504
3+ bedrooms	\$2,191	\$1,972	\$1,753

Source: 2024 CMHC Rental Market Data Report (Ottawa)

Applications are reviewed by the Strategic Housing Projects Branch to confirm eligibility requirements, as outlined in Document 6. For applications wherein the total grant value is less than \$2 million over the 20-year duration, approval authority is delegated to the Director of Housing Solutions and Investment Services. For applications wherein the total grant value is more than \$2 million over the 20-year duration, Council approval is required.

Once an application is approved, the applicant will have up to four years to obtain an occupancy permit for the affordable units, after which approval for the CIP TIEG program will automatically lapse and a new application will be required, subject to the program continuing to be in place and any program rules in effect at that time. While applications automatically lapse after 4 years, the City reserves the right to extend the period on a case-by-case basis, at the discretion of the City's approval authority. The City will only pay the annual tax grant after all terms and conditions specified in the registered legal agreement between the City and the applicant have been met.

Lastly, the New Affordable Housing Tax Class report being concurrently considered at Committee and Council is recommending adoption of a new property tax subclass. This new tax subclass would allow municipalities to offer property tax discounts of up to 35 per cent for eligible affordable rental housing units. The adoption of a new subclass is required for MPAC to assess qualifying properties, which will support the City's analysis of the value of a new Affordable Rental Housing property tax subclass discount, the associated tax implications, and impacts to existing municipal affordable housing property tax incentives (e.g. Municipal Capital Facilities and Affordable Housing CIP By-laws).

As the Affordable Housing CIP is an active Housing Accelerator Fund (HAF) initiative and plays a key role in advancing the City's affordable housing targets, the intent is for the CIP program to continue while due diligence is conducted on the proposed tax subclass.

If the City determines that a discount rate through the new tax subclass offers added value, the Affordable Housing CIP program and associated agreements would be amended to complement the new initiative. This may include provisions for stacking with City incentives and restructuring the TIEG to ensure the total value of incentives remains consistent, amongst other considerations. Finance staff will aim to bring forward an analysis of the value of a new Affordable Rental Housing property tax subclass and a recommendation on the appropriate discount in April 2026, as part of the tax policy process.

DISCUSSION

The purpose of this report is to seek approval for two Affordable Housing CIP applications for the properties located at 299 City Centre Avenue and 375 Codd's Road. Each application results in over \$2 million in tax increment equivalent grants over a 20-year period, thereby exceeding staff's delegated authority to approve the applications.

The two applications will deliver up to 73 affordable units, providing rents at AMR or lower, with rents permitted to increase only by the provincial guideline amount during tenancies. The total TIEG for the two applications is estimated to be up to \$465,000 per year, amounting to approximately \$9,300,000 over the 20-year affordability term. Assuming a discount rate of 5.95 per cent, the present value of the estimated total TIEG is approximately \$5.7 million for both applications being considered. Comparatively, the required upfront City investment to support the delivery of 73 non-profit affordable housing units through the City's existing Action Ottawa program averages \$18.3 million (non-profit developments generally maintain mixed affordability in perpetuity).

Incremental Value

During the development of the Affordable Housing CIP, staff determined significant value for money by demonstrating that the TIEG program reduced total and upfront equity requirements, administrative costs, and timelines for the delivery of affordable units relative to the City's primary affordable housing funding program Action Ottawa.

Since the CIP program launch, staff have been actively monitoring applications and have noted that applicants are utilizing the CMHC Apartment Construction Loan Program (ACLP), and Mortgage Loan Insurance (MLI) Select for project financing. Staff have met with CMHC to better understand their programs and have confirmed that combining them with the CIP TIEG results in incremental value in project outcomes.

Incremental value from stacking the TIEG program includes supporting the advancement

of projects with affordable units to construction, by enabling applicants to achieve one or more of the following:

1. Enhance the competitiveness of Ottawa-based projects to access and leverage federal dollars and incentives for housing development (e.g. preferential fixed interest rates, extended amortization periods, and loan insurance) as CMHC prioritizes applications with support from other levels of government (e.g. municipal contribution commitments)
2. Increase loan capacity as TIEGs function as an operational grant for projects
3. Provide affordable units in larger market developments, unlocking access to high-value, transit-oriented sites
4. Disperse affordable units throughout a building, with access to the same communal amenities

Applicants for this round of recommended approvals demonstrated additional incremental value in project outcomes through one or more of the following:

1. Exceeding minimum depth and duration of affordability requirements of CMHC programs
2. Including large family sized units as affordable
3. Selecting households from the City of Ottawa's Affordable Housing Waitlist for units at or below 80 per cent of AMR
4. Facilitating partnerships between the private and non-profit sector for the delivery and management of affordable units, bringing more groups to the table to address the housing affordability crisis

The next section of the report will further detail these benefits for each application being recommended for approval.

Recommendation 1 - Approve the application submitted by Taggart (City Centre) Ltd.

Site location: 299 City Centre Avenue, Ottawa, ON K1R 1C6

Ward: 14. Somerset

The site is located in Centretown West, directly adjacent to Somerset Street, and within a

500-metre walking distance to the Bayview light-rail transit station serviced by Lines 1 and 2. There are several amenities in close proximity, including the Plant Recreation Centre, Plouffe Park, and retail options in City Centre and along Somerset. The proposed development is a 16-storey residential apartment building containing 248 rental units and amenities such as a lounge, games room, theater, parcel room, and pet wash station. A building permit application has been submitted for the development. The project will offer up to 51 affordable units rented between 73 and 100 per cent of AMR. Accordingly, the TIEG program will provide grants between \$6,000 and \$8,000 per unit for a total not exceeding 50 per cent of the municipal portion of the tax uplift.

Unit Type	Total Units	CIP TIEG Affordable Units	Affordability Level (% AMR)	TIEG per Unit per Year
Studio	37	6 (16%)	100%	\$6,000
1-bedroom	132	20 (15%)	100%	\$6,000
2-bedrooms	77	23 (30%)	85%	\$7,000
3-bedrooms	2	2 (100%)	73%	\$8,000
Total	248	51 (21%)		

This application surpasses CIP program minimum requirements by providing more than 15 per cent of all units—and each unit type—as affordable, including at affordability levels well below AMR, supporting inclusive development. Based on the proposed affordability level and number of units, but subject to the tax increment cap of 50 per cent, the estimated annual and total TIEG for the 20-year period is \$333,000 and \$6,660,000, respectively. Documents 4 and 5 provide detailed calculations and the estimated tax increment.

The development is seeking financing through the CMHC ACLP, which includes affordability requirements. The proposed development at 299 City Centre provides incremental value when stacking with the CIP TIEG by achieving a greater depth of affordability relative to CMHC ACLP conditional approval letter requirements, extending the affordability period from 10 years required by CMHC ACLP to 21 years, including family-sized (2-bedroom and 3-bedroom) units as affordable, and selecting households from the City's Affordable Housing Waitlist for units at or below 80 per cent of AMR. Taggart is also planning to partner with non-profit housing providers to support the lease-

up of the proposed affordable units. To facilitate comparison, the table below outlines the CMHC ACLP and CIP TIEG agreement requirements for the development, alongside market rents for context.

Type of Units	ACLP Conditional Approval Letter Affordability Requirement ⁱ	CIP TIEG Agreement Affordability Requirement		Market Rent
		Units	Rent ⁱ	
Studio	74 units (any type) – max. \$1,605	6	\$1,253 (100% AMR)	\$1,836
1-bedroom		20	\$1,522 (100% AMR)	\$2,372
2-bedrooms		23	\$1,605 (85% AMR)	\$2,703
3-bedrooms		2	\$1,605 (73% AMR)	\$3,978
Units subject to program	74	51		

ⁱ Rents for the 2024 calendar year and are subject to change based on year of occupancy

Additionally, Taggart (City Centre) Ltd. has requested an extension of up to five years to obtain an occupancy permit rather than the stipulated four years. The intent of the four years maximum in the CIP is to ensure timely delivery of affordable units and to avoid committing funds to a project that is not proceeding to construction. However, staff recognize the request for an extension is to provide Taggart more time to secure their ACLP agreement with CMHC before commencing construction. Staff are satisfied that a one-year extension will ensure the leveraging of federal dollars and the impacts of the delay on occupancy of the units will be minimal.

Recommendation 2 - Approve the application submitted by Bayview Wateridge Inc.

Site location: 375 Codd's Road, Ottawa, ON K1K 5C2

Ward: 13. Rideau-Rockcliffe

The site is located in Wateridge Village, within 500-metre walking distance to a transit stop that services bus routes 17 and 25. The Wateridge neighbourhood includes parks and greenspace, and plans for numerous mixed-use buildings with retail and commercial space. The development is a 6-storey residential apartment building containing 119 rental units and amenities such as a gym, party room, and pet wash station. Construction is currently underway. The project will offer up to 22 affordable units, rented at 100 per cent of AMR. Accordingly, the TIEG program will provide grants of \$6,000 per unit for a total not exceeding 50 per cent of the municipal portion of the tax uplift.

Unit Type	Total Units	CIP TIEG Affordable Units	Affordability Level (% AMR)	TIEG per Unit per Year
Studio	34	8 (24%)	100%	\$6,000
1-bedroom	64	10 (16%)	100%	\$6,000
2-bedrooms	21	4 (19%)	100%	\$6,000
Total	119	22 (18%)		

This application surpasses CIP program minimum requirements by providing more than 15 per cent of all units—and each unit type—as affordable, supporting inclusive development. Based on the proposed affordability level and number of units, but subject to the tax increment cap of 50 per cent, the estimated annual and total TIEG for the 20-year period is \$132,000 and \$2,640,000, respectively. Documents 4 and 5 provide detailed calculations and the estimated tax increment.

The development is seeking financing through the CMHC ACLP, which also includes affordability requirements. The proposed development at 375 Codd's Road provides incremental value when stacking with the CIP TIEG by achieving a greater depth of affordability relative to their CMHC ACLP agreement requirements, extending the affordability period from 10 years required by CMHC ACLP to 21 years, and including family-sized (2-bedroom) units as affordable. To facilitate comparison, the table below outlines the CMHC ACLP and CIP TIEG agreement requirements for the development, alongside market rents for context.

Type of Units	ACLP Agreement Affordability ⁱ Requirement ⁱⁱ	CIP TIEG Agreement Affordability Requirement		Market Rents
		Units	Rent ⁱⁱ	
Studio	25 units (any type) – max. \$2,247 11 units (any type) – max. \$3,210	8	\$1,253 (100% AMR)	\$1,745
1-bedroom		10	\$1,522 (100% AMR)	\$2,187
2-bedrooms		4	\$1,880 (100% AMR)	\$2,841
Units subject to program	36	22		

ⁱ Maximum rents subject to affordability requirements of former CMHC Rental Construction Financing Initiative (RCFI) program. CMHC ACLP (formerly RCFI) affordability requirements are more restrictive

ⁱⁱ Rents for the 2024 calendar year and are subject to change based on year of occupancy

Recommendation 3 - Delegate authority to the Director of Housing Solutions and Investment Services to execute Affordable Housing CIP Agreements

This report is seeking delegated authority from Council for the Director of Housing Solutions and Investments to execute agreements for Council approved CIP TIEG applications. The City will only pay the annual TIEG after all terms and conditions specified in the registered legal agreement between the City and the applicant have been met.

Recommendation 4 - Delegated authority to the Director of Housing Solutions and Investment Services to make minor adjustments to the Council-approved number of units and associated TIEG

This report is seeking delegated authority from Council for the Director of Housing Solutions and Investments to make minor adjustments, if needed, to the number of affordable units and associated TIEGs for approved CIP applications, consistent with the Council approved amended Affordable Housing Community Improvement Plan and By-law (October 2024), prior to entering a CIP agreement. This authority is requested in cases where a post-development appraisal—conducted closer to occupancy—shows a higher or lower value

than the applicant's third-party appraisal provided for the CIP application submission. Lower appraisals result in lower property tax uplifts which can cap the amount of TIEG available.

Staff note that property tax uplift estimates used in TIEG calculations are preliminary, as MPAC does not assess actual post-development uplift until after occupancy. Additionally, MPAC is currently assessing properties across Ontario based on 2016 market values, and a reassessment has not yet been announced. Tax rates are calculated using the assessment values provided by MPAC. When a reassessment occurs, tax rates will be adjusted based on the updated values, and the uplift should remain the same but will need to be reviewed.

This recommendation would provide staff the flexibility to adjust CIP commitments on a case-by-case basis, as required, within the limit of the 50 per cent of the municipal portion of the tax uplift. Notwithstanding, if an applicant wishes to increase their number of affordable units and request of TIEGs for a Council-approved application, the application would require subsequent approval from Council.

CONCLUSION

Staff recommend approval of the CIP TIEG applications, which are consistent with the intent of the Council-approved Affordable Housing CIP program. Staff have confirmed that these applications result in incremental value in project outcomes when combining the CIP TIEG with CMHC programs. Approval of the two applications will increase the stock of affordable rental housing in Ottawa by 73 units, providing diverse rental options for moderate- to low-income households in communities near amenities and transit. Finally, the projects will assist with achieving the City's Official Plan and 10-Year Plan targets.

Regarding the New Affordable Housing Tax Class, staff will continue to work closely with Finance to conduct a detailed analysis of the value of a discounted rate, the associated tax implications, and impacts to existing municipal affordable housing incentives including the Affordable Housing CIP. Staff will also identify any gaps in existing affordable housing incentives that the new subclass could assist in supporting the delivery and retention of affordable housing. This analysis will inform a recommendation on an appropriate discount rate and any associated tax shifting, which will be presented as part of the 2026 annual tax policy report tabled by the Tax Billing and Assessment Branch.

FINANCIAL IMPLICATIONS

The estimated total grant for the two applications under the Affordable Housing Community Improvement Plan Program is \$9,300,000. The estimate is based off the lesser of \$6,000-\$8,000 per affordable unit per year, or 50% of the incremental increase

in the municipal portion of taxes, over a 20-year period. Actual grant payments take place over a 20-year period and will be calculated after all terms and conditions between the City and the applicant have been met. Actual payments of the grant will be reviewed post development to confirm the actual municipal tax benefit of the development to calculate the actual payments to the developer. Budget authority requirements will be brought forward through the annual budget process in the anticipated year(s) of payout and funded through the incremental municipal taxes generated.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report

COMMENTS BY THE WARD COUNCILLOR(S)

The Councillors representing the wards in which applications are located have been notified of the respective applications.

Councillor Troster

The Councillor is aware of the report's recommendation and is supportive of the effort to bring affordable family-sized apartments to Somerset Ward.

ADVISORY COMMITTEE(S) COMMENTS

There were no Advisory Committees that would have provided comments related to this report.

CONSULTATION

Public consultation occurred throughout the development of the Affordable Housing CIP program (2022-2024). As this report relates to the implementation of the Council-approved program, as amended, no formal consultation was required or conducted. Public notification was conducted in accordance with procedures for an item to be presented before Finance and Corporate Services Committee agenda.

ACCESSIBILITY IMPACTS

The Affordable Housing CIP does not have any specific accessibility requirements. Projects must meet the accessibility requirements set out in the Building Code.

ASSET MANAGEMENT IMPLICATIONS

There are no direct Asset Management Implications to the City's linear assets resulting from recommendations of this report.

CLIMATE IMPLICATIONS

There are no climate implications associated with this report.

DELEGATION OF AUTHORITY IMPLICATIONS

The report seeks delegated authority to the Director of Housing Solutions and Investments to execute CIP agreements, to be registered on title, as well as to make minor adjustments to approved CIP applications prior to the execution of such agreements.

ECONOMIC IMPLICATIONS

There are no economic implications associated with this report.

ENVIRONMENTAL IMPLICATIONS

There are no anticipated environmental implications.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

There are no anticipated Indigenous, gender and equity implications.

RURAL IMPLICATIONS

There are no anticipated rural implications.

TECHNOLOGY IMPLICATIONS

There are no anticipated technology implications.

TERM OF COUNCIL PRIORITIES

[2023-2026 Term of Council Priorities:](#)

These projects address the following Term of Council Priorities:

- A city that has affordable housing and is more liveable for all.

SUPPORTING DOCUMENTATION

Document 1: 299 City Centre Avenue Location Map and Project Rendering

Document 2: 375 Codd's Road Location Map and Project Rendering

Document 3: Table of Affordability Level, Unit Type and Maximum Potential TIEGs

Document 4: Table of Pre and Post Municipal Taxes, Estimated Tax Uplift and TIEGs

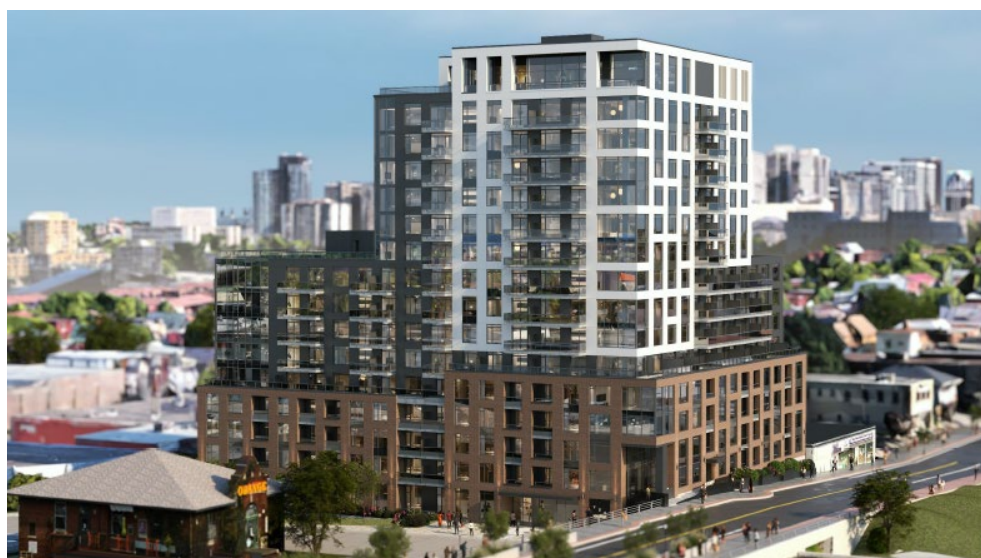
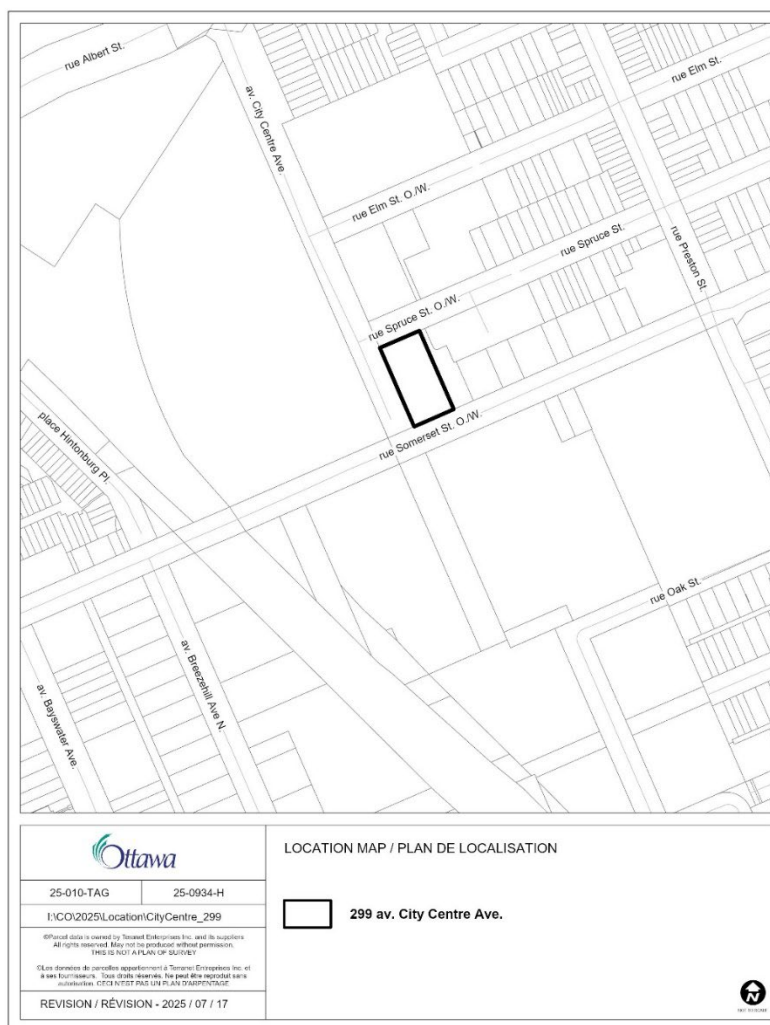
Document 5: TIEG Program Eligibility Requirements

DISPOSITION

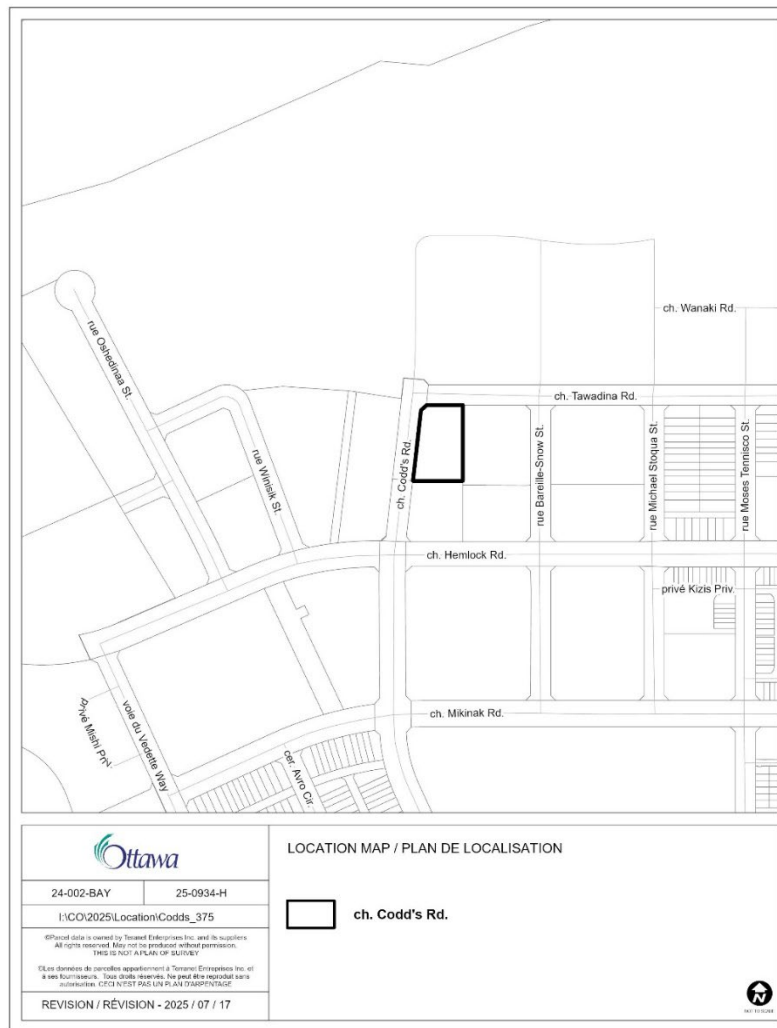
Housing Solutions and Investment Services will undertake the statutory notification process.

Housing Solutions and Investment Services staff will execute agreements and monitor projects' compliance with the terms and conditions of the executed agreements. In partnership with Finance and Corporate Services, Housing Solutions and Investment Services will coordinate payments of TIEGs.

Document 1 – 299 City Centre Avenue Location Map and Project Rendering



Document 2 – 375 Codd's Road Location Map and Project Rendering



Document 3 – Table of Affordability Level, Unit Type and Maximum Potential TIEGs

Project Address	Affordability Levels (AMR)	TIEG/Unit	Studio	1-bed	2-bed	3-bed	TIEG/Year	Estimated total TIEG cap over 20-year term
299 City Centre Ave	100%	\$6,000	6	20			\$156,000	
	85%	\$7,000			23		\$161,000	
	73%	\$8,000				2	\$16,000	
Total							\$333,000	\$6.66M
375 Codd's Rd	100%	\$6,000	8	10	4		\$132,000	\$2.64M
TOTAL			14	30	27	2	\$465,000	\$9.30M
73 affordable units								

Document 4 – Table of Pre and Post Municipal Taxes, Estimated Tax Uplift and TIEGs

Project Address	Pre-Development Municipal Tax Portion	Estimated Post-Development Municipal Tax Portion	Estimated Municipal Portion of Tax Uplift	Estimated 50% of Municipal Portion of Tax Uplift	TIEG/Year (total grant for all affordable units)	Estimated total TIEG over 20-year Term
299 City Centre Ave	\$18,382	\$887,917	\$869,535	\$434,768	\$333,000	\$6.66M
375 Codd's Rd	\$39,405	\$304,356	\$264,951	\$132,476	\$132,000	\$2.64M
Total					\$465,000	\$9.30M

Document 5 – TIEG Program Eligibility Requirements

- The Project must be located within the boundaries of the City of Ottawa.
- The Project must have a minimum of five affordable rental units.
- The Project must provide a minimum of 15 per cent of the total number of units in the development as affordable.
- The Project must provide a minimum of 15 per cent of each unit type in the development as affordable.
- The Project must only include Affordable Housing Units that have not been previously incentivized by the City.
- The Project must provide Affordable Housing Units that will be rented at or below the city-wide average market rent.
- The Project must provide Affordable Housing Units for a minimum of 20 years.
- The Project must contain Affordable Housing Units that are modest in size relative to industry norms, have access to the same amenities as market units, and dispersed throughout the building.
- The Project must contain Affordable Housing Units that are continuously occupied (with the exception of vacancies for up to 2 months to accommodate a change in tenancy or in extraordinary circumstances, at the discretion of the City's approval authority).
- The Project must provide Affordable Housing Units to households at arm's length to the owner, shareholders, or directors of the owner.
- The Project must select households from the City of Ottawa's Below Mark Rent waitlist for Affordable Housing Units at or below 80 per cent of AMR.
- The Project must select households where unit rent represents no less than 20% of gross household income for Affordable Housing Units between AMR and 81 per cent of AMR.