

**Subject: Ottawa Community Housing Corporation Mortgage Refinancing
2026-2028**

File Number: ACS2025-CSS-GEN-012

Report to Community Services Committee on 23 September 2025

and Council 8 October 2025

**Submitted on September 12, 2025 by Clara Freire, General Manager, Community
and Social Services**

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Ward: Citywide

**Objet : Refinancement hypothécaire 2026-2028 de la Société de logement
communautaire d'Ottawa**

Numéro de dossier : ACS2025-CSS-GEN-012

Rapport présenté au Comité des services communautaires

Rapport soumis le 23 septembre 2025

et au Conseil le 8 octobre 2025

**Soumis le 2025-09-12 par Clara Freire, directrice générale, Services sociaux et
communautaires**

**Personne ressource : Kale Brown, directeur par intérim, Services du logement et
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That the Community Services Committee recommend that Council:

- 1. Delegate the Director of Housing and Homelessness Services, in the capacity as Service Manager, the authority to approve the refinancing of Ottawa Community Housing Corporation (OCHC) projects in the Public Housing portfolio, described in this report, provided the amount to service the debt on the refinanced Public Housing projects does not result in an increase to the current subsidy payable and the outcome is revenue-neutral to the City of Ottawa, as described in this report.**
- 2. Provide the authority for OCHC to secure a lender through Canada Mortgage and Housing Corporation (CMHC) under Mortgage Loan Insurance Select program for the refinancing of Ottawa Community Housing Corporation projects in the Public Housing portfolio, described in this report, provided the amount to service the debt on the refinanced Public Housing projects does not result in an increase to the current subsidy payable and the outcome is revenue-neutral to the City of Ottawa, as described in this report.**
- 3. Delegate the authority to the City's Chief Financial Officer / Treasurer to execute the term of a loan guarantee to the lender, if required.**
- 4. Require Ottawa Community Housing Corporation to redirect up to \$6 million of the annual benchmarked capital reserve funding they receive from the City in 2026 – 2028 to service the debt on the refinanced Public Housing projects described in this report.**
- 5. Require Ottawa Community Housing Corporation to direct proceeds of the mortgage refinancing towards capital repairs of housing projects subject to the Housing Services Act, 2011.**
- 6. Receive for information purposes the update on Ottawa Community Housing Corporation's \$165.6 million loan for capital repair funding from the Canada Mortgage and Housing Corporation Co-Investment Fund.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des services communautaires recommande ce qui suit au Conseil :

- 1. Déléguer au directeur des Services du logement et de la lutte contre l'itinérance, en la capacité de gestionnaire de services, le pouvoir d'approuver le refinancement des projets de la Société de logement communautaire d'Ottawa (SLCO) inscrits au portefeuille du logement public et décrits dans le présent rapport, pourvu que le montant au service de la dette de ce refinancement n'entraîne pas une augmentation de la subvention payable et que le résultat soit sans incidence sur les recettes de la Ville d'Ottawa, comme l'explique le présent rapport; et**
- 2. Autoriser la SLCO à trouver un prêteur par l'intermédiaire du programme APH Select de la Société canadienne d'hypothèques et de logement (SCHL) pour le refinancement de ses projets du portefeuille du logement public décrits dans le présent rapport, pourvu que le montant au service de la dette de ce refinancement n'entraîne pas une augmentation de la subvention payable et que le résultat soit sans incidence sur les recettes de la Ville d'Ottawa, comme l'explique le présent rapport; et**
- 3. Déléguer au chef des finances et trésorier le pouvoir de conclure les modalités d'une garantie de prêt avec le prêteur, si besoin est; et**
- 4. Exiger de la SLCO qu'elle affecte jusqu'à six millions de dollars du financement annuel 2026-2028 qu'elle recevra du fonds de réserve étalonné de la Ville au service de la dette des projets refinancés inscrits au portefeuille du logement public et décrits dans le présent rapport; et**
- 5. Exiger de la SLCO qu'elle consacre le produit du refinancement hypothécaire à la réfection des immobilisations des projets de logement assujettis à la *Loi de 2011 sur les services de logement*; et**
- 6. Prendre acte de la mise à jour sur le prêt de 165,6 millions de dollars du Fonds de co-investissement de la SCHL destiné à la réfection des immobilisations de la SLCO.**

BACKGROUND

Ottawa Community Housing Corporation (OCHC) is Ottawa's largest non-profit housing Corporation with approximately two thirds of the total social housing stock under the administration of the City of Ottawa, as Service Manager. OCHC operates and manages approximately \$3.5 billion in assets. As a non-profit corporation, OCHC is governed by a Board of Directors composed of community volunteers and members of City Council. The City of Ottawa is the sole shareholder of OCHC.

OCHC tenants include some of Ottawa's most vulnerable citizens including families fleeing domestic violence. The quality, security and long-term viability of OCHC housing stock has a direct impact on the quality of life of approximately 32,000 tenants. Over 7,300 households are seniors over 60 years old; almost 6,000 households are tenants who qualify for the Ontario Disability Support Program and Ontario Works Program; and almost 5,800 children, 12 years old and under, live in OCHC communities. The most efficient, effective, and timely way to provide affordable housing to these and all residents of Ottawa is to preserve and maintain the existing social housing stock.

OCHC has approximately 12,377 homes prescribed on the Housing Services Act, 2011 (HSA). These homes are funded according to an operating agreement approved by City Council in 2009 ([ACS2009-COS-HOU-0001](#)). [Ontario Regulation 368/11](#) sets out the list of prescribed projects in Ottawa. OCHC receives ongoing funding as per the operating agreement in three separate programs on the HSA: Program 1 – Public Housing Program 6(a) - Provincial Reformed, and Program 6(c) – Municipal Non-Profit Section 95. The Public Housing portfolio is the oldest in the OCHC stock and represents the largest number of homes.

The OCHC Public Housing portfolio consists of 8,618 homes and represents 55 per cent of OCHC assets at approximately \$2.2 billion. As of December 31, 2024, only \$44.8 million or 2 per cent of its debt was associated with the Public Housing portfolio. The Public Housing portfolio is some of the oldest social housing stock in the province with the buildings being more than 40 years old on average. Each property that is to be remortgaged has been assessed by OCHC and potential lenders as to its long-term viability and value and it has been determined these properties are appropriate for long term refinancing.

OCHC has proactively reviewed and planned for their projected capital needs over the long term and have implemented strategies to sustain operations, address current capital needs, and support further housing development. As part of this ongoing

process, where appropriate, they continue to leverage their assets' equity to finance some of the much-needed capital work.

City Council approved initiatives for OCHC to refinance their mortgages on six (6) previous occasions; March 28, 2012 ([ACS2012-COS-CSS-0005](#)), February 27, 2013 ([ACS2013-COS-CSS-0002](#)), May 28, 2014 ([ACS2014-COS-CSS-0005](#)), June 24, 2015 ([ACS2015-COS-CSS-0011](#)), April 24, 2019 ([ACS2019-CSS-GEN-0005](#)) and October 11, 2023 ([ACS2023-CSS-GEN-012](#)). This has generated approximately \$217 million of funding for capital repair work. The projects refinanced through Council approval were not within the Public Housing portfolio at OCHC.

On December 10, 2014, the City enacted By-law No. 2014-431. The By-law included a comprehensive list of affordable housing properties owned by OCHC and designated these municipal capital housing facilities, exempt from taxes for municipal and school purposes. To implement By-law 2014-431, the City entered into a Municipal Capital Facilities Agreement (MCFA) with OCHC on December 31, 2014.

Pursuant to the 2014 Report ([ACS2014-COS-CSS-0010](#)), OCHC was required to direct the savings from the education portion of the property taxes, generated through the property tax exemption, towards capital repairs to its social/affordable housing stock. In addition to this annual allocation of funds towards capital repairs, the City provides OCHC with annual benchmarked capital reserve funding as part of its Operating Agreement, in a manner consistent with the funding model under the Housing Services Act, 2011, details of which are available in the 2009 Report ([ACS2009-COS-HOU-0001](#)).

On November 25, 2020, City Council ([ACS2020-CSS-GEN-011](#)) granted authority to OCHC to submit a Canada Mortgage and Housing Corporation (CMHC) Co-Investment loan application under the housing repair and renewal stream up to a maximum \$166 million over the 2020-2028 period.

An update on this CMHC Co-Investment loan was provided to Council on May 25, 2022 ([ACS2022-CSS-GEN-009](#)).

DISCUSSION

Depending on the age of the building, 1.5 per cent to 3 per cent of the portfolio value is required to spend annually on capital works and maintenance to maintain and stabilize deferred maintenance at acceptable levels.

Capital Repairs funding is a challenge across the sector and incremental funding will increasingly be required to maintain assets in a state of good repair (SOGR).

Residential construction costs have risen by 60 per cent compared to pre-COVID levels, further widening the gap between capital needs and available funding. Municipalities and other levels of government will need to develop a long-term strategy to secure sustained incremental annual capital funding for the affordable housing sector. Housing and Homelessness Services and OCHC continue to identify funding, leverage assets and pursue opportunities to increase revenue and reduce expenses:

- Since 2013, OCHC and the City developed a refinancing model and implemented the model through Infrastructure Ontario (IO). This has successfully generated \$217 million in funding to support capital repairs for OCHC.
- With the City's support, OCHC secured \$162 million in funding through the Capital Repair Stream of the Canada Mortgage and Housing Corporation's (CMHC) National Housing Co-Investment Fund (NHCF), covering the period from 2021 to 2028.
- Both programs will sunset in 2028.

With the sustained level of the investment over the last decade, there have been visible improvements in OCHC communities as a result of major maintenance, capital repair and energy retrofit programs that have been completed. OCHC has kept its deferred maintenance (approximately \$164 million as of 2024) and the Facility Condition Index (FCI) at an acceptable level.

OCHC is seeking approval to refinance five Public Housing projects outlined in Document 1 between 2026 and 2028. This will generate approximately \$133 million to fund urgent and critical capital repairs within the OCHC portfolio. OCHC will debt service the approximate \$133 million of generated funds from 2026-2028 through redirecting up to \$6 million of existing annual operating subsidy that is required to be transferred into the capital repair reserve funding under the current operating agreement with the City of Ottawa.

Under the current operating agreement, OCHC will be required to transfer approximately \$16.5 million towards the capital repair reserve fund in 2026. The recommendations in this report will allow OCHC to redirect up-to \$6 million of this \$16.5 million to service the refinanced Public Housing projects. Redirecting up-to \$6 million

annually will be revenue neutral to the City as there will be no additional subsidy provided to OCHC to service the loan.

Debt servicing the loan in 2029 and beyond will be addressed through the revised operating agreement between the City and OCHC.

Mortgage refinancing projects within the Public Housing portfolio would provide additional and much needed funding for capital repairs and energy efficiency improvements. Under the proposed refinancing, OCHC would conduct a public procurement to secure a lender that will leverage the [MLI Select](#) program through CMHC for all refinanced sites. The MLI Select program provides significantly better financing options and longer amortization periods compared to other lenders and programs to qualifying projects. The estimated loan term of the mortgage refinancing will be 50 years with an initial term of 10 years.

The lender may require the City to provide a loan guarantee. OCHC is proposing to repurpose up to \$6 million of the annual capital reserve subsidy it receives from the City to cover anticipated loan debt servicing costs. This approach would broaden the permitted use of existing funding to address OCHC's capital repair needs. The guarantee may serve to demonstrate that the City subsidy to OCHC is available to support the loan, or alternatively, the City may opt to make debt service payments directly to the lender, with a corresponding reduction in OCHC's annual capital reserve subsidy. Should the lender require such a loan guarantee, the terms of the guarantee would be subject to review and approval by the City's Chief Financial Officer / Treasurer.

This proposed refinancing would enable the City to uphold its obligations as the Service Manager under the Housing Services Act, 2011 to provide and maintain 16,502 units of rent-geared-to-income housing on an ongoing basis (Rent-Geared-to-Income Service Level Standards). OCHC is responsible to provide 12,272 of these rent-geared-to-income housing units with the balance of the units spread across other housing providers in the City.

Proceeds from the mortgage refinancings will go toward priority repair work at the discretion of OCHC. OCHC will ensure the funds have the maximum positive impact on the aging stock. OCHC, agrees to report on all capital repairs funded through mortgage refinancing as part of their annual information return to the City's Housing Services.

OCHC will continue to work with the City of Ottawa and other levels of government to develop a long-term strategy to secure sustained incremental annual capital funding

starting in 2029 to support the capital and maintenance needs. A report will be provided to City Council in 2026 detailing the overall capital repair need within the social housing portfolio.

Update to CMHC Co-Investment Loan

The CMHC loan is a low-interest rate loan, with the \$165.6 million pre-approved loan funding, \$65 million of which is forgivable in equal portions over the initial 10-year term, accessed and released as required over the 2020-2028 period to support capital work as it is completed. The loan has a 40-year amortization period. The interest rate is set at the 10-year Canada Bond yield plus 30 basis points. At the time of each year's funding tranche release (draw) the interest rate is modelled to increase by an additional 20 basis points. The rate is then set for 10 years, renewable for an additional 10 years and the interest rate is set again. As sole shareholder, the City has an ongoing requirement to fund the Public Housing portfolio under the HSA and operating agreement, and support of the 40-year loan is aligned with those requirements.

OCHC fully executed the credit agreement with CMHC in October 2021. Of the \$165 million loan, OCHC accessed \$69.7 million as of December 31, 2024, and projects to receive approximately \$17 million in 2025 to fund major capital repairs.

FINANCIAL IMPLICATIONS

As part of the existing operating agreement between OCHC and the City, OCHC will be required to transfer approximately \$16.5 million annually towards the capital repair reserve fund. They will redirect up- to \$6 million of this requirement to service refinanced Public Housing projects. As this funding is part of the existing operating agreement, this will be revenue neutral and there will be no additional financial impact to the City. Should the lender require a loan guarantee, the terms of the guarantee would be subject to review and approval by the City's Chief Financial Officer / Treasurer.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the report recommendations.

CONSULTATION

City staff met on several occasions with OCHC staff to review and finalize details and possible implications for the refinancing proposal.

ACCESSIBILITY IMPACTS

The City of Ottawa is committed to ensuring accessibility for persons with disabilities and older adults. While this report is both financial and administrative in nature, it is guided by a legislated accessibility framework that includes the City's Accessibility Policy, the *Accessibility for Ontarians with Disabilities Act, 2005* and the *Integrated Accessibility Standards Regulation, O.Reg. 191/1*. As stated in the report, due to the high number of both persons with disabilities and older adults who reside at OCHC properties, there are numerous positive accessibility impacts associated with refinancing their mortgage, including the surplus of funds generated to finance urgent and critical capital repairs, as well as overall building maintenance, within the OCHC portfolio. These repairs and maintenance work remain essential to tenants with disabilities and older adults to ensure they can remain living safely in their homes with the necessary accessible infrastructure in place to support them throughout their tenancy.

DELEGATION OF AUTHORITY IMPLICATIONS

This report seeks delegated authority for the Director, Housing Services, to approve the refinancing of 2 OCHC properties in 2026, 2 OCHC properties in 2027 and 1 OCHC properties in 2028.

The following existing authorities, as set out under the Delegation of Authority By-law No. 2023-67, will be exercised to implement the report recommendations:

Schedule D: Community and Social Services Department – Section 8 and 9 – Housing Services

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

RISK MANAGEMENT IMPLICATIONS

The primary risk is the inadequate and unstable funding required to sustain capital repairs across the existing OCHC portfolio—particularly the aging properties governed by the Housing Services Act (HSA). Without sufficient investment, the potential loss of HSA-governed homes could jeopardize the City's ability to meet its obligation to ensure that current tenants in Rent-Geared-to-Income (RGI) housing are not displaced without suitable alternative accommodation.

To mitigate the risk, the City of Ottawa, OCHC is working on developing the Community Housing Strategy, which will include a combination of issuance of debt, incremental increase of the capital funding from the City and lobbying various levels of the government to address funding gapping across the sector.

TERM OF COUNCIL PRIORITIES

The recommendations of this report support the 2023-2026 Term of Council Priority, “A city that has affordable housing and is more livable for all.” The City is committed to ensuring that Ottawa residents have access to safe, adequate and affordable housing. The recommendations in this report will specifically support the long-term goal of sustaining existing social housing within our community housing portfolio, while ensuring that residents experience a good quality of life and live in neighbourhoods that are diverse, inclusive, safe, connected, accessible and affordable.

SUPPORTING DOCUMENTATION

Document 1 – Tables 1 to 3: “OCHC 2026 -2028 Mortgage Renewals – Total”

DISPOSITION

Staff will action any direction received as part of consideration of this report.

Document 1

Document 1 OCHC 2026 -2028 Mortgage Renewals – Total

Table 1: OCHC 2026 Mortgage Financing

Site	Estimated Financing Date	Approximate Additional Capital Repair Funds
Clementine	April 1, 2026	\$28 million
Donald	April 1, 2026	\$28 million

Table 2: OCHC 2027 Mortgage Financing

Site	Estimated Financing Date	Approximate Additional Capital Repair Funds
Golden Manor	April 1, 2027	\$26 million
Charlotte	April 1, 2027	\$24 million

Table 3: OCHC 2028 Mortgage Financing

Site	Estimated Financing Date	Approximate Additional Capital Repair Funds
Hampton Court	April 1, 2028	\$27 million