

**Subject: Affordable Housing Property Tax Relief – Municipal Housing Facility
By-law**

File Number: ACS2025-CSS-GEN-018

**Report to Finance and Corporate Services Committee on 3 November 2025
and Council 12 November 2025**

**Submitted on October 23, 2025 by Clara Freire, General Manager Community &
Social Services**

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Ward: Citywide

**Objet : Allègement d'impôt foncier pour les logements abordables –
Règlement sur les immobilisations domiciliaires municipales**

Numéro de dossier : ACS2025-CSS-GEN-018

Rapport présenté au Comité des finances et des services organisationnels

Rapport soumis le 3 novembre 2025

et au Conseil le 12 novembre 2025

**Soumis le 2025-10-23 par Clara Freire, Directrice générale – Services sociaux et
communautaires**

**Personne ressource : Kale Brown, Directeur, Services du logement et de la lutte
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That the Finance and Corporate Services Committee recommend that Council:

- 1. Designate the properties listed in Document 1 as municipal capital housing facilities as permitted under Section 110 of the *Municipal Act, 2001* and as defined in section 2(1)18 of Ontario Regulation 603/06, as amended.**
- 2. Implement this designation by entering into a Municipal Capital Facilities Agreement (MCFA) (Document 10) between the City of Ottawa and the identified housing providers for the designated properties and enact the associated by-laws (Documents 2-9).**
- 3. Authorize the Director of Housing & Homelessness Services and the Director of Housing Solutions & Investment Services, individually, to conclude and execute all necessary agreements as described in this report.**
- 4. Delegate authority to the Director of Housing & Homelessness Services and the Director of Housing Solutions & Investment Services, individually, to amend the MCFA and submit the necessary by-law amendments for enactment or to repeal the necessary by-law per the usual administrative by-law process without the need for a report when additional housing units become eligible under the current capital contribution agreement or rent supplement agreement, are added to the rent supplement agreement or when properties no longer meet the eligibility requirements.**

RECOMMANDATION(S) DU RAPPORT

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

- 1. désigner les biens listés dans le document 1 comme immobilisations domiciliaires municipales, comme le permet l'article 110 de la *Loi de 2001 sur les municipalités* et comme le définit l'article 2(1)18 du *Règlement de l'Ontario 603/06*, dans sa version modifiée;**
- 2. officialiser cette désignation par la conclusion d'un accord relatif aux immobilisations municipales (document 10) entre la Ville d'Ottawa et les fournisseurs de logements retenus pour les biens désignés, et adopter les règlements municipaux connexes (documents 2 à 9);**
- 3. autoriser le directeur des Services du logement et de la lutte contre l'itinérance et la directrice des Services des solutions de logement et des investissements, individuellement, à conclure et à mettre en œuvre tous les accords nécessaires, comme le décrit le présent rapport;**

- 4. déléguer au directeur des Services du logement et de la lutte contre l'itinérance et à la directrice des Services des solutions de logement et des investissements, individuellement, les pouvoirs de modifier l'accord relatif aux immobilisations municipales et de soumettre les modifications des règlements municipaux nécessaires pour que la mise en vigueur ou abroger le règlement municipal nécessaire conformément au processus administratif habituel, sans qu'il soit nécessaire de produire un rapport quand des logements supplémentaires deviennent admissibles en vertu de l'accord de contribution pour les infrastructures ou de l'accord de supplément au loyer, ou sont ajoutés à ce dernier, ou que des biens ne répondent plus aux critères d'admissibilité.**

EXECUTIVE SUMMARY

In July 2024, Council approved By-law 2024-320, updating the definition of “affordable housing” for the purposes of Municipal Capital Facilities Agreements (MCFAs) and associated property tax exemptions. This update expanded eligibility while embedding stronger affordability protections and reinvestment requirements for affordable housing providers.

Following outreach and an eligibility review, staff have identified an initial list of 16 properties with eight non-profit and co-operative housing providers that meet the new criteria. This report seeks Council's approval to designate these properties as municipal capital housing facilities, exempting the eligible units from municipal property taxes.

The total annual property tax savings for these housing providers is estimated to be \$533,715 and will be retroactive to January 1, 2025. The municipal portion of the estimated annual tax exemption for this first group is \$469,859. As required by By-law 2024-320, providers must reinvest tax savings into capital repairs, development of new affordable housing units, or improving affordability for existing units.

Consultation was undertaken with eligible housing providers through targeted outreach, self-assessment submissions, and documentation review. Internal consultation occurred with Finance, Legal Services, and Community Housing teams to confirm eligibility, financial impacts, and compliance requirements.

RÉSUMÉ

En juillet 2024, le Conseil a approuvé le Règlement 2024-320, qui modifie la définition de « logement abordable » aux fins des accords relatifs aux immobilisations municipales et des exemptions d'impôt foncier connexes. Cette modification a assoupli les critères d'admissibilité tout en intégrant de meilleures protections de l'abordabilité et des exigences de réinvestissement plus strictes pour les fournisseurs de logements abordables.

Après un travail de sensibilisation et un examen de l'admissibilité, le personnel a établi une première liste de 16 biens appartenant à huit fournisseurs de logements à but non lucratif et coopératives d'habitation, qui remplissent les nouveaux critères. Le présent rapport demande au Conseil d'approuver la désignation de ces biens comme immobilisations domiciliaires municipales, ce qui exemptera les logements admissibles des impôts fonciers municipaux.

Les économies annuelles totales en impôts fonciers pour ces fournisseurs de logements sont estimées à 533 715 \$ et seront rétroactives au 1^{er} janvier 2025. La portion municipale de cette exemption fiscale estimative accordée au premier groupe en question est de 469 859 \$. Comme l'exige le Règlement 2024-320, les fournisseurs doivent réinvestir de telles économies dans la réfection des immobilisations, la construction de nouveaux logements abordables ou l'amélioration de l'abordabilité de logements existants.

Une consultation a été entreprise auprès de fournisseurs de logement admissibles au moyen d'une démarche de sensibilisation ciblée, de la soumission d'autoévaluations et de la révision de la documentation. Une consultation interne a été menée auprès des équipes Finances, Services juridiques et Logement communautaire afin de confirmer l'admissibilité, les répercussions financières et les exigences de conformité.

BACKGROUND

In May 2023, the Planning and Housing Committee directed staff to “advise on the costs and other implications associated with forgiving property taxes for non-profit housing providers”. Staff proceeded to conduct an analysis of the financial impact to the City and determined the overall impact to be low. Property taxes are among the largest operating costs for community and affordable housing providers, and the benefits of eliminating all or part of these costs far outweigh the financial impact on the City.

On July 10, 2024, Council approved report [ACS2024-FCS-REV-0003](#), adopting the revised *Municipal Housing Facilities By-law* (2024-320) and updating the eligibility definition for affordable housing under MCFAs. The by-law allows for property tax exemptions for qualifying non-profit and co-operative housing providers whose units meet affordability and tenant selection criteria, who have an established funding or rent supplement agreement with the City, and who do not qualify under the *Assessment Act, 1990*.

This report represents the first implementation of that revised by-law.

DISCUSSION

Under By-law 2024-320, to qualify for MCFA designation, housing units must meet all the following criteria:

- Are not eligible for a property tax exemption under the Section 3 of Assessment Act 1990; and
- Are owned and/or operated by a registered non-profit or co operative organization organized; and
- Are rented at a monthly occupancy cost at or below the Average Market Rent (AMR), by unit type for any calendar year, as determined in the annual survey of City-wide rents for the prior calendar year published by the Canada Mortgage and Housing Corporation (CMHC). If the Canada Mortgage and Housing Corporation does not publish an annual survey of City-wide AMR for the prior calendar year, the City-wide AMR for the calendar year shall be determined by the Director of Housing Solutions and Investment Services and those affordable housing units are continuously occupied (with the exception of vacancies for brief periods to accommodate a change in tenancy); and
- Are constructed pursuant to an affordable housing capital contribution agreement with the City since 2001 for the delivery and/or operation of the affordable housing units or have a rent supplement agreement with the City in good standing for the affordable housing units proposed; and
- House individuals from the City's Centralized Waiting List (CWL), Below-Market Rent (BMR) waitlist, or other similar approved wait lists in the affordable housing units at initial occupancy and upon turnover.

Staff have compiled the initial list recommended for MCFA exemption that includes 16 properties—seven of which are eligible for a full exemption, and 9 that qualify for a partial exemption based on the number of eligible units within each community. These 16 properties represent a total of eight housing providers. The estimated loss in property tax revenue for the City resulting from these exemptions is \$469,859.

The initiative supports Council’s strategic priority “*A city that has affordable housing and is more liveable for all*” and aligns with the City of Ottawa’s 10-Year Housing and Homelessness Plan by providing financial relief to housing providers, reducing operating pressures, and ensuring savings are reinvested to preserve existing affordable housing. These exemptions help safeguard long-term affordability, prevent the erosion of the current housing stock, and strengthen the overall sustainability of the sector. Future reports will bring forward additional properties as they are identified and confirmed eligible through the ongoing outreach and assessment process.

FINANCIAL IMPLICATIONS

The full property tax relief provided to the 16 properties in the report is \$533,715 annually. \$469,859 is the cost of the municipal portion of the tax relief while the remaining \$63,856 in education taxes has no financial impact on the City.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the report recommendations.

CONSULTATION

External: Staff conducted targeted outreach to affordable non-profit and co-operative housing providers identified as likely to qualify. Interested providers completed a self-assessment package and submitted supporting documentation, which staff reviewed to confirm eligibility.

Internal: Finance, Legal Services, and Community Housing teams consulted to verify financial impacts, legal compliance, and monitoring processes.

ACCESSIBILITY IMPACTS

The City of Ottawa is committed to ensuring accessibility for persons with disabilities and older adults. All actions resulting from the approval of this report will meet both Provincial and Municipal accessibility regulations and policies, including the *Integrated*

Accessibility Standards Regulation O.Reg. 191/11 under the Accessibility for Ontarians with Disabilities Act (2005).

Due to the intersectionality of persons with disabilities and those requiring access to affordable housing, the requirement as outlined in By-law 2024-320 in which providers must reinvest tax savings into capital repairs, development of new affordable housing units, or improving affordability of existing units will have direct positive impacts for persons with disabilities. This is due to upgrades to existing facilities, or the development of new affordable housing units would be required to meet current accessibility standards.

In addition, affordable housing units designated under the MCFA remain accessible to the WEL/BMR list, including those requiring accessible units.

DELEGATION OF AUTHORITY IMPLICATIONS

Approval of this report will delegate to the Directors authority to execute and amend agreements without returning to Council when properties no longer meet eligibility, in line with administrative efficiency principles.

ECONOMIC IMPLICATIONS

The recommendations in this report will have a positive indirect economic impact by improving the long-term financial viability of affordable non-profit and co-operative housing providers.

By reducing operating costs through municipal property tax exemptions, providers will be able to reinvest in capital repairs, preservation of existing units, and potential creation of new affordable housing supply.

These investments support neighbourhood stability, sustain construction and maintenance-related employment, and help retain affordable rental options in the housing market, which can contribute to workforce stability and economic diversity in Ottawa.

While the primary objective is social benefit, the economic spin-off includes reduced displacement costs, enhanced local spending by providers, and maintained or improved asset value of affordable housing stock.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

The recommendations in this report support the City's equity and inclusion objectives by addressing systemic barriers to housing for equity-deserving groups, including

Indigenous peoples, women-led households, seniors, persons with disabilities, and racialized communities.

Key implications include:

- Improved housing affordability for vulnerable populations who are overrepresented on the Centralized Waiting List (CWL) and Below-Market Rent (BMR) list. These include individuals experiencing or at risk of homelessness, many of whom identify as Indigenous, racialized, or gender diverse.
- Affordable non-profit and co-operative providers often serve a disproportionately high number of equity-deserving residents. Supporting their financial viability through property tax relief helps preserve this affordable housing stock and ensures continued access to safe, stable, and culturally appropriate housing.
- The requirement that exempt units be occupied via CWL, BMR, or similar equitable access mechanisms helps maintain a transparent, income-tested, and inclusive system for prioritizing those in greatest housing need.
- The reinvestment of tax savings into improved affordability or capital repairs may reduce barriers for persons with physical disabilities or support unit upgrades that align with universal design principles.

Indigenous considerations:

Although this report is not specific to Indigenous housing projects, it is likely that Indigenous tenants live in the properties impacted by this report. The City recognizes the importance of reconciliation and ongoing engagement with Indigenous housing providers and communities to better address the unique needs and rights of Indigenous peoples in accessing housing.

RISK MANAGEMENT IMPLICATIONS

Overall risk associated with the report's recommendations is very low. The recommendations apply clear, Council-approved eligibility criteria and are anchored in existing and new agreements with affordable housing providers. Annual compliance reviews will confirm ongoing eligibility, and staff may amend or revoke a designation if a provider no longer meets the by-law's requirements.

RURAL IMPLICATIONS

While the majority of properties recommended for property tax exemption are located in urban Ottawa, at least one property (e.g., 2980 Colonial Rd in Sarsfield, under Cumberland Housing Corporation) is situated in a rural ward. As such:

- The initiative supports the retention and sustainability of affordable housing in rural communities, where the availability of non-profit and co-operative housing is limited.
- Rural housing providers facing aging infrastructure and rising operating costs may benefit from the same financial relief mechanisms as their urban counterparts, helping maintain rural population stability.
- Improved housing affordability in rural areas may also support the local workforce and reduce displacement or migration to urban areas due to housing cost pressures.

Future phases of implementation may identify additional rural properties eligible under By-law 2024-320, extending further benefit to rural housing preservation.

TERM OF COUNCIL PRIORITIES

This report directly supports the following 2023–2026 Term of Council Priority: *“A city that has affordable housing and is more liveable for all”*

The recommendations advance this strategic priority by:

- Improving affordability and stability for low- and moderate-income households by supporting the long-term sustainability of existing affordable rental housing stock.
- Providing financial relief to non-profit and co-operative housing providers through property tax exemptions, allowing them to reinvest savings into critical capital repairs, unit upgrades, and new affordable housing development.
- Strengthening tenant access to affordable housing by requiring that exempted units be allocated through centralized and transparent waitlist systems (e.g., CWL, BMR).
- Fostering equitable outcomes by prioritizing affordable housing stock that supports vulnerable residents, including seniors, newcomers, and individuals at risk of homelessness.

- Reinforcing the City's leadership role in preserving and enabling affordable housing as part of a more inclusive, livable community.

While the primary alignment is with the affordable housing priority, the initiative may also contribute indirectly to other Council priorities, including:

- A city that is green and resilient, by enabling housing providers to invest in capital upgrades that may include energy efficiency retrofits or sustainable infrastructure.
- A city with a diversified and prosperous economy, by protecting affordable rental options for workers and contributing to neighbourhood economic stability.

SUPPORTING DOCUMENTATION

Document 1: List of Proposed Eligible Properties

Document 2: By-Law under 2024-320 – Rideau Non-Profit Housing Inc.

Document 3: By-Law under 2024-320 – The Chinese Community (Ottawa) Building Corporation (1990)

Document 4: By-Law under 2024-320 – Ottawa Community Land Trust

Document 5: By-Law under 2024-320 – Unity Non-Profit Housing Corporation Ottawa

Document 6: By-Law under 2024-320 – Blue Heron Co-operative Homes Inc.

Document 7: By-Law under 2024-320 – Nepean Housing Corporation

Document 8: By-Law under 2024-320 – Cumberland Housing Corporation

Document 9: By-Law under 2024-320 – African Canadian Association of Ottawa

Document 10: Municipal Capital Facilities Agreement Template

DISPOSITION

Housing & Homelessness Services and Housing Solutions & Investment Services, individually, to finalize and execute agreements with eligible providers.

City Council to enact associated by-laws.

City Clerks Office to notify MPAC and School Boards of exemptions.

Finance Department to adjust property tax roll accordingly.