

Subject: Build Canada Homes Partnership

File Number: ACS2026-SI-SPO-0002

**Report to Special Joint Meeting of the Finance and Corporate Services Committee
and the Planning and Housing Committee on 10 April 2026**

and Council 22 April 2026

**Submitted on March 30, 2026 by Debbie Stewart, General Manager Strategic
Initiatives Department**

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Ward: Citywide

Objet : Partenariat avec Maisons Canada

Numéro de dossier : ACS2026-SI-SPO-0002

**Rapport présenté au Réunion extraordinaire conjointe du Comité des finances et
des services organisationnels et du Comité de la planification et du logement le
10 avril 2026**

et au Conseil le 22 avril 2026

**Soumis le 30 mars 2026 par [Debbie Stewart, Directrice générale, Direction
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

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

- 1. Approve the partnership with Build Canada Homes as described in this report.**
 - a. Delegate authority to the General Manager, Strategic Initiatives, to carry out the intent of the foregoing approval including, but not limited to, the negotiation, execution and delivery of such other agreements, documents, instruments, acts and items as are required or deemed necessary or desirable to give full effect to the terms of this report.**
 - b. Direct the General Manager of Planning, Development and Building Services to implement the tailored approval process and permitting process established for projects developed by BCH as part of the partnership, as outlined in this report.**
 - c. Approve an exemption to the definition of 'affordable housing' for the purpose of Municipal Housing Facilities designations and associated property tax exemptions for projects undertaken as part of the partnership as described in this report.**
 - d. Approve an exemption to the Municipal Housing Facility provider requirements under the Municipal Housing Facility By-law for projects undertaken as part of the partnership as described in this report.**
 - e. Delegate authority to the Director, Housing Solutions, Real Estate and Investment Services, to conclude negotiations with Build Canada Homes on projects to be supported through the partnership from among the shortlist of projects provided in Document 1.**
- 2. Approve the City contribution of up to \$250 million, through the following actions:**
 - a. Exempt Development Charges for all units developed by BCH as part of the partnership; and**

- i. **Direct Staff to incorporate a discretionary development charge exemption for the sites included in the partnership, applicable only to development types above and beyond the statutory discount for rental housing development and statutory exemptions for affordable and attainable residential units and non-profit housing developments, under the City-wide Development Charge By-law 2024-218, Section 7.**
- b. **Exempt projects developed by BCH as part of the partnership from the collection of Community Benefits Charges By-law No 2022-307**
- c. **Waive the collection of Cash-in-Lieu of Parkland charges under Bylaw 2022-280 (Parkland Dedication) for projects developed by BCH as part of the partnership**
- d. **Waive the collection of building permit fees for projects developed by BCH as part of the partnership, as outlined in this report**
- e. **Eliminate the collection of planning fees as a result of the tailored approval process for projects developed by BCH as part of the partnership, as outlined in this report**
- f. **Grant a property tax exemption for a period of 75 years for the units designated as a Municipal Housing Facility developed by BCH as part of the Partnership to support long term affordability of homes, as further described in this report.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels et le Comité de la planification et du logement recommandent, pendant leur réunion conjointe, ce qui suit au Conseil municipal :

1. **Approuver le partenariat avec Maisons Canada comme décrit dans le présent rapport.**
 - a. **Déléguer à la directrice générale de la Direction générale des initiatives stratégiques le pouvoir de mettre en œuvre l’approbation susmentionnée, y compris, mais sans s’y limiter, la négociation, la signature et la remise de tous autres accords, documents, instruments, actes et éléments requis ou jugés nécessaires ou**

souhaitables pour donner pleinement effet aux dispositions du présent rapport.

- b. Enjoindre à la directrice générale de la Direction générale des services de la planification, de l'aménagement et du bâtiment d'instaurer un processus d'approbation et un processus de délivrance de permis sur mesure, établis pour les projets aménagés par Maisons Canada dans le cadre du partenariat, comme décrit dans le présent rapport.**
 - c. Approuver une exemption à la définition de « logement abordable » aux fins des désignations des ensembles domiciliaires municipaux et des exemptions d'impôt foncier connexes pour les projets entrepris dans le cadre du partenariat comme cela est décrit dans le présent rapport.**
 - d. Approuver une exemption aux exigences s'appliquant aux fournisseurs d'ensembles domiciliaires municipaux en vertu du Règlement municipal sur les ensembles domiciliaires pour les projets entrepris dans le cadre du partenariat comme décrit dans le présent rapport.**
 - e. Déléguer à la directrice, Services des solutions de logement, de l'immobilier et des investissements le pouvoir de mener des négociations avec Maisons Canada sur des projets appelés à être soutenus dans le cadre du partenariat à partir de la liste de projets présélectionnés fournis dans le document 1.**
- 2. Approuver la contribution de la Ville pouvant atteindre 250 millions de dollars en prenant les mesures suivantes :**
- a. Exempter des redevances d'aménagement pour tous les logements aménagés par Maisons Canada dans le cadre du partenariat;**
 - i. Demander au personnel d'incorporer une exemption de redevances d'aménagement discrétionnaire pour les sites inclus dans le partenariat, qui s'appliquerait uniquement aux types d'aménagement dépassant la réduction prévue par la loi pour l'aménagement de logements locatifs et les exemptions prévues par la loi pour les logements résidentiels et les aménagements domiciliaires sans but lucratif abordables et**

accessibles, en vertu de l'article 7 du Règlement de la Ville d'Ottawa relatif à l'imposition de redevances d'aménagement (no 2024-218).

- b. Exempter les projets aménagés par Maisons Canada, dans le cadre du partenariat, de la perception de redevances pour avantages communautaires en vertu du Règlement municipal sur les redevances pour avantages communautaires (no 2022-307).**
- c. Supprimer la perception des frais relatifs aux terrains à vocation de parc en vertu du Règlement no 2022-280 (terrains réservés à la création de parcs) pour les projets aménagés par Maisons Canada, dans le cadre du partenariat.**
- d. Supprimer la perception des frais de permis de construire pour les projets aménagés par Maisons Canada dans le cadre du partenariat, comme décrit dans le présent rapport.**
- e. Supprimer la perception des redevances d'aménagement liées au processus d'approbation sur mesure applicable pour les projets aménagés par Maisons Canada dans le cadre du partenariat, comme décrit dans le présent rapport.**
- f. Accorder une exemption d'impôt foncier pour une période de 75 ans pour les logements désignés comme des ensembles domiciliaires municipaux aménagés par Maisons Canada dans le cadre du partenariat visant à garantir l'abordabilité à long terme des logements, comme décrit plus en détail dans le présent rapport.**

EXECUTIVE SUMMARY

On December 8, 2025, Prime Minister Carney and Mayor Sutcliffe jointly announced a new partnership between the City of Ottawa and the Government of Canada, through Build Canada Homes, to significantly accelerate the construction of mixed-income housing in Ottawa, including both affordable and supportive housing units.

The proposed Build Canada Homes partnership will build on the actions the City has taken through the Housing Acceleration Plan and Affordable Housing Capital Strategy to fundamentally overhaul the City's approach to housing. The partnership is another

example of the City using every tool within its municipal power to drive transformational change and clear the way for new homes, including deeply affordable homes, to be constructed in the short term.

A partnership with the federal government is especially impactful during periods of economic uncertainty and constrained housing markets when private residential development has historically slowed or stopped altogether as financing tightens, costs rise, and risk tolerances decline. By advancing projects that are less sensitive to short-term market fluctuations, the Public Sector can help stabilize housing supply, spur construction activity, preserve skilled trades capacity, maintain demand across local supply chains, and prevent deeper supply shortfalls that would otherwise exacerbate affordability challenges once economic conditions improve.

The partnership

The proposed BCH partnership includes a joint investment of up to \$400 million to create a pipeline to build up to 3,000 new mixed-income and affordable homes.

Participation in the partnership benefits the City's by:

- Positioning Ottawa as a lead partner in the federal government's new housing delivery model
- Keeping housing construction moving when the private market is slowing
- Securing long-term affordability through mixed-income communities

The partnership includes:

- 1) 2,000 units to be constructed on surplus federal lands (Build Canada Home Projects)**

The BCH model is designed to promote a full range of mixed-income homes within a single development. Recognizing the financial challenges of delivering housing that is affordable to low- and very low-income households, this approach relies on a broad mix of rent levels, enabling cross-subsidization across the project to support deeper affordability. Beyond financial considerations, mixed-income developments advance social inclusion and improved life outcomes, while also supporting economic productivity by providing housing options that are affordable to a diverse workforce.

Both orders of government are combining tools and incentives to support development of these 2,000 mixed income homes on federal sites, including setting targets to ensure

overall viability of the projects and sustainability of affordable rents over the long term. The mix of units also ensures the availability of units across income levels and includes deeply affordable options for low- and very low-income households, not usually achievable without additional rent supplements.

Affordability definitions and thresholds:

The partnership uses two distinct definitions of affordable housing, reflecting different policy frameworks of the two organizations. These two definitions differ in methodology while each remaining valid within its respective context. Projects advanced through this partnership must meet affordability standards aligned with BCH's affordability thresholds and the City's definition of affordable housing.

One definition is based on Build Canada Homes, which sets affordable rent limits using area median income per household size (i.e., 1-person, 2-person households, etc.) targeting moderate income households and below, with households not paying more than 30 per cent of gross income for an appropriately sized unit. The other follows the City of Ottawa's approach, which targets households in the 1st through 6th income deciles, and establishes maximum rents based on households not paying more than 30 per cent of gross income for housing. The practical impact of the different methodologies is that the BCH approach sets higher maximum rents, especially for larger units (3 and 4 bedroom) at the moderate-income level and for small units (studio and one-bedroom) at the lowest income level. More details about the thresholds and definitions are included in the report.

The City worked with BCH to clarify how each definition would apply to the partnership and how they would work together and is outlined in the targets included below.

Unit targets:

- 1200 – 1400 of these units are considered market units
- 600 – 800 (minimum 30 per cent, with a target of 40 per cent) are considered affordable under BCH's definition of affordability.
 - 300 – 400 (a minimum of 50 per cent of the above units) will be affordable under the City's new definition of affordability
- Up to 200 units (approx. 10 percent of all units) will be deeply affordable to ensure housing availability for low and very low-income households under BCH's definition.

Specific affordability requirements for each project will be tailored to the unique attributes of each individual project to ensure project viability, with affordability guaranteed by the Federal government for 99-years.

How the partnership contributes to sustainable affordable housing:

Cross subsidization across affordable and market units will help with financial viability, but affordable rents at the levels targeted will not allow projects to breakeven without further government intervention.

Creating sustainable affordable housing involves the cost of building (land, construction materials and techniques, financing, soft costs) and operating the projects. Under the partnership, both levels of government are coming to the table with tools and incentives that impact these components and ultimately improve conditions for viability of housing projects and sustainability of affordable and deeply affordable rents over the long term (99 years).

Cost of building:

The total estimated cost to build is approximately \$1 billion - \$1.2 billion. BCH will make a significant contribution through surplus federal lands, low-cost financing, and capital. They will also require more modern and cost-effective building techniques and include Buy Canadian provisions that will benefit the development sector and economy.

The levers available to the municipality to reduce the cost of building and improve the overall viability of the BCH projects are to reduce development costs, soft costs and improve time to occupancy.

The City is proposing an estimated \$65 million contribution to the projects comprised of:

- Exempting Development Charges and Community Benefits Charges
- Waiving Cash-in-lieu of Parkland and Building Permit Fees
- Eliminating planning fees and introducing tailored approval and permitting processes that reduce soft costs related to development and streamlined processes to build more affordable housing faster.

Cost of operating:

For affordable housing, long-term affordability is maintained by ensuring projects remain financially viable throughout operations. This is achieved, in part, by keeping operating costs low.

The City is proposing to contribute to the reduction of overall operating costs for the 600 – 800 affordable units by waiving Property Taxes for 75 years, at an estimated cost of \$2,900 per unit per year, for a total estimated contribution from property taxes, including education taxes of between \$135 million and \$180 million over 75 years.

The total value of the City's contribution to reduce development costs and operating costs is estimated to be \$200 million to \$245 million and shall not exceed \$250 million over 75 years.

2) 1,000 units from the City's Affordable Housing pipeline

In addition to the above, BCH would contribute up to \$150 million in capital contribution and low-interest financing to enable a further 1,000 affordable and supportive housing units in the City's Affordable Housing pipeline. The specific breakdown of loan and capital contributions will be determined on a project-by-project basis and based on the needs and capacity of the individual projects.

In addition to what the City already contributes towards projects in the pipeline, City staff will support the identification, assessment and allocation of BCH funding based on what the project needs to reach viability and sustainability over the long term and work collaboratively with BCH to move these projects forward.

3) Economic and housing development sector objectives of the partnership

Through the partnership, both parties also intend to generate long-term, predictable demand for Canadian factory-built housing, allowing the industry to scale and the time and cost of home construction to decrease. The partners will also apply applicable Buy Canadian procurement policies that will prioritize Canadian lumber and other Canadian materials.

SYNTHÈSE ADMINISTRATIVE

Le premier ministre Carney et le maire Sutcliffe ont annoncé conjointement le 8 décembre 2025 un nouveau partenariat entre la Ville d'Ottawa et le gouvernement du Canada par le biais de Maisons Canada afin d'accélérer significativement la construction de logements pour les ménages à revenus mixtes à Ottawa, incluant des logements abordables et avec services de soutien.

Le partenariat proposé avec Maisons Canada tirera parti des mesures que la Ville a prises par le biais du Plan d'accélération de la création de logements et de la Stratégie d'investissement pour le logement abordable pour repenser fondamentalement l'approche de la Ville à l'égard du logement. Ce partenariat est un autre exemple montrant que la Ville prend tous les moyens en son pouvoir pour mener des changements transformationnels et dégager la voie afin que de nouveaux logements, notamment des logements très abordables, puissent être construits à court terme.

Un partenariat avec le gouvernement fédéral s'avère particulièrement efficace en période d'incertitude économique et dans un marché du logement soumis à des contraintes, alors que l'aménagement résidentiel privé a historiquement ralenti ou carrément cessé à mesure que le financement se resserrait, que les coûts grimpaient et que la tolérance au risque baissait. Le secteur public peut, en avançant des projets qui sont moins sensibles aux fluctuations du marché à court terme, aider à stabiliser l'offre de logements, à stimuler l'activité de construction, à préserver la capacité des métiers qualifiés, à maintenir la demande dans toutes les chaînes d'approvisionnement locales et à éviter des pénuries d'offres plus profondes qui exacerberaient sinon les défis de l'approvisionnement une fois que les conditions économiques s'améliorent.

Le partenariat

Le partenariat proposé avec Maisons Canada inclut un investissement conjoint pouvant atteindre 400 millions de dollars pour créer une réserve en vue de construire jusqu'à 3 000 nouveaux logements abordables et pour les ménages à revenus mixtes.

La participation à ce partenariat apporte à la Ville les avantages suivants :

- Positionner Ottawa en tant que partenaire principal dans le nouveau modèle de prestation de logements du gouvernement fédéral

- Maintenir la dynamique de la construction de logements alors que le marché privé ralentit
- Garantir l'abordabilité à long terme grâce à des communautés à revenus mixtes

Ce partenariat comprend :

1) Construction de 2 000 logements sur des terrains fédéraux excédentaires (projets avec Maisons Canada)

Le modèle de Maisons Canada est conçu pour favoriser la création d'une gamme complète de logements destinés aux ménages à revenus mixtes au sein d'un même aménagement. Reconnaisant les défis financiers liés à la construction de logements abordables pour les ménages à faibles et très faibles revenus, cette approche repose sur un large éventail de niveaux de loyers, permettant ainsi un interfinancement au sein du projet afin d'améliorer l'abordabilité du logement. Au-delà des considérations financières, les projets immobiliers destinés à des personnes aux revenus variés favorisent l'inclusion sociale et améliorent les conditions de vie, tout en soutenant la productivité économique en proposant des options de logements abordables à une main-d'œuvre diversifiée.

Les deux paliers de gouvernement combinent des outils et des programmes incitatifs pour soutenir la construction de ces 2 000 logements destinés aux ménages à revenus mixtes sur des terrains fédéraux, notamment en fixant des objectifs visant à garantir la viabilité globale des projets et le maintien de loyers abordables à long terme. Cette variété de logements garantit également la disponibilité des logements pour tous les niveaux de revenus et comprend des options très abordables pour les ménages à faibles et très faibles revenus, ce qui n'est généralement pas possible sans d'autres suppléments de loyers.

Définitions et seuils d'abordabilité :

Ce partenariat utilise deux définitions distinctes du logement abordable qui reflètent les différentes structures-cadres des politiques des deux organismes. Ces deux définitions diffèrent par leur méthodologie tout en restant valables dans leur contexte respectif. Les projets présentés dans le cadre de ce partenariat doivent donc répondre aux normes d'abordabilité correspondant aux seuils d'abordabilité de Maisons Canada et à la définition que donne la Ville des logements abordables.

Une définition s'appuie sur le programme Maisons Canada qui fixe des plafonds de loyer abordable en fonction du revenu médian de la région par taille de ménage (c'est-à-dire les ménages d'une personne ou de deux personnes, etc.) et qui s'adresse aux ménages à revenus moyens ou inférieurs, ces derniers ne devant pas consacrer plus de 30 % de leur revenu brut au loyer d'un logement dont la taille est appropriée. L'autre suit l'approche de la Ville d'Ottawa qui cible les ménages appartenant du premier au sixième décile de revenus, et fixe des loyers maximaux en partant du principe que les ménages ne doivent pas consacrer plus de 30 % de leur revenu brut au logement. L'impact pratique de ces différentes méthodes est que l'approche de Maisons Canada fixe des loyers maximaux plus élevés, en particulier pour les logements plus vastes (3 et 4 chambres) et pour les petits logements (studios et 1 chambre) aux niveaux de revenus les plus bas. De plus amples renseignements sur les seuils et les définitions se trouvent dans le rapport.

La Ville a collaboré avec Maisons Canada afin de préciser comment chaque définition s'appliquerait au partenariat et comment les deux parties travailleraient ensemble; ces éléments sont exposés dans les objectifs présentés ci-dessous.

Cibles de logements :

- Entre 1 200 et 1 400 de ces logements sont considérés comme des logements au prix du marché
- 600 à 800 logements (minimum 30 %, avec un objectif de 40 %) sont considérés comme abordables selon la définition de l'abordabilité de Maisons Canada.
 - 300 à 400 logements (soit au moins 50 % des logements susmentionnés) seront considérés comme abordables selon la nouvelle définition de l'abordabilité adoptée par la Ville
- Jusqu'à 200 logements (soit environ 10 % du total) seront proposés à des loyers très abordables afin de garantir l'accès au logement aux ménages à faibles et très faibles revenus, selon la définition de Maisons Canada.

Les critères d'abordabilité spécifiques pour chaque projet seront adaptés aux attributs propres à chaque projet afin d'en assurer la viabilité et la réussite continue, l'abordabilité étant garantie par le gouvernement fédéral pour 99 ans.

Comment ce partenariat contribue à la création de logements abordables et durable :

L'interfinancement entre les logements abordables et les logements au prix du marché contribuera à la viabilité financière, mais les loyers abordables fixés aux niveaux visés ne permettront pas aux projets d'atteindre le seuil de rentabilité sans autre intervention du gouvernement.

La création de logements abordables et durables implique des coûts liés à la construction (terrain, matériaux et techniques de construction, financement, coûts incorporels) ainsi qu'à l'exploitation des projets. Dans le cadre de ce partenariat, les deux ordres de gouvernement mettent en œuvre des outils et des mesures incitatives qui agissent sur ces éléments et, à terme, améliorent les conditions de viabilité des projets de logement ainsi que le maintien de loyers très abordables à long terme (99 ans).

Coût de construction :

Le coût total de la construction est estimé à environ 1 milliard de dollars. Maisons Canada contribuera de manière significative grâce à des terrains fédéraux excédentaires, au financement à faible coût et aux dépenses en immobilisations. Ils nécessiteront également des techniques de construction plus modernes et plus rentables et comporteront des dispositions « Achetez canadien » qui profiteront au secteur de l'aménagement et à l'économie.

Les moyens dont dispose la municipalité pour réduire les coûts de construction et améliorer la viabilité globale des projets de Maisons Canada consistent à réduire les coûts d'aménagement et les coûts incorporels, ainsi qu'à raccourcir les délais de mise sur le marché.

La Ville propose d'apporter une contribution estimée à 65 millions de dollars à ces projets, qui comprend :

- L'exemption des redevances d'aménagement et des redevances pour avantages communautaires
- L'exonération du règlement financier des frais relatifs aux terrains à vocation de parc et des frais de permis de construire

- L'élimination des frais de planification et la mise en place de processus d'approbation et d'autorisations adaptés, qui réduisent les coûts incorporels liés au développement et simplifient les processus afin de bâtir plus rapidement des logements plus abordables

Coûts d'exploitation :

Pour les logements abordables, l'accessibilité financière à long terme est garantie en veillant à ce que les projets demeurent viables financièrement tout au long de leur exploitation. Cela s'explique, en partie, par le fait que les coûts d'exploitation sont maintenus à un niveau bas.

La Ville propose de contribuer à la réduction des coûts d'exploitation globaux des 600 à 800 logements abordables en exonérant ces derniers de l'impôt foncier pendant 75 ans, pour un coût estimé à 2 900 dollars par logement et par an, soit une contribution totale estimée entre 135 et 180 millions de dollars sur 75 ans.

La valeur totale de la contribution de la Ville visant à réduire les coûts d'aménagement et d'exploitation est estimée entre 200 et 245 millions de dollars et ne dépassera pas 250 millions de dollars sur une période de 75 ans.

1 000 logements issus de la réserve de logements abordables de la Ville

En plus de ce qui précède, Maisons Canada contribuerait jusqu'à 150 millions de dollars en capital et en financement à faible taux d'intérêt afin de soutenir la réalisation d'environ 1 000 logements abordables et avec services de soutien dans le cadre du portefeuille de logements abordables de la Ville. La répartition précise entre prêts et contributions en capital sera déterminée au cas par cas, en fonction des besoins et de la capacité de chaque projet.

Outre la contribution que la Ville apporte déjà aux projets en gestation, le personnel municipal apportera son soutien à l'identification, à l'évaluation et à l'attribution des fonds de Maisons Canada en fonction des besoins du projet pour assurer sa viabilité et sa pérennité à long terme, et travaillera en collaboration avec Maisons Canada pour faire avancer ces projets.

Objectifs du partenariat dans le secteur du développement économique et du logement

Grâce à ce partenariat, les deux parties entendent également créer une demande prévisible et durable pour les logements canadiens construits en usine, ce qui permettra au secteur de se développer et de réduire les délais et les coûts de construction des logements. Les partenaires appliqueront également les politiques d'approvisionnement « Achetez canadien » en vigueur, qui donneront la priorité au bois d'œuvre canadien et aux autres matériaux d'origine canadienne.

BACKGROUND

On December 8, 2025, Prime Minister Carney and Mayor Sutcliffe jointly announced a new partnership between the City of Ottawa and the Government of Canada through Build Canada Homes to significantly accelerate the construction of affordable housing in Ottawa.

Launched on September 14, 2025, [Build Canada Homes](#) (BCH) is a new federal agency with a mandate to scale the supply of affordable housing. It aims to leverage public land, flexible financial tools, and modern construction methods to accelerate the delivery of affordable housing, prioritizing shovel ready projects and long-term affordability.

As outlined in the [Build Canada Homes Partnership memo](#) provided to Members of Council on December 11, 2025, the BCH partnership would include a joint investment of up to \$400 million and create a pipeline to build up to 3,000 mixed-income and affordable homes in Ottawa in a coordinated, portfolio-based approach, combining federal resources with municipal knowledge to get housing built quickly. The proposed partnership is the first of its kind in Canada, giving the City of Ottawa the opportunity to be a leader in affordable housing acceleration.

Current Housing Situation in Ottawa

As noted in the [Housing Innovation Taskforce and Housing Acceleration Plan](#), housing affordability has declined significantly, for homeownership and rental. This is due to a persistent imbalance between undersupply and increasing demand for housing, made worse by the high costs of building homes. Secondly, for many households, the gap between the cost of housing and what they can afford has widened to the point where their housing situation is precarious, driving up the need for Affordable Housing.

The Canada Mortgage and Housing Corporation (CMHC) estimates that to restore 2019

affordability levels in the market, housing starts need to be doubled. Without a substantial increase in new housing units—across all types and income levels—the structural imbalance between supply and demand is expected to worsen, contributing to continued upward pressure on home prices and rental rates.

[CMHC reported](#) high land prices, escalating construction and labour costs, rising borrowing costs, and fees associated with the municipal approvals process continue to limit the financial viability of new housing development. These pressures contributed to a 32.5 per cent decline in housing starts between 2022 and 2024, bringing activity to its lowest level since 2016. Conditions began to improve in 2025, when Ottawa saw a 38 per cent year over year increase in annual housing starts, part of a national uptick driven by strong rental construction and record December activity. The most recent CMHC housing starts data (February 2026) indicates that housing starts in Ottawa increased by 14 per cent compared to February 2025. On a year-to-date basis, total housing starts in Ottawa were three per cent higher than in the same period in 2025.

CMHC's 2026 Housing Market Outlook forecasts that Ottawa's pace of housing starts will slow in 2026 after a strong year in 2025 and is expected to remain slow through 2027–2028. This forecast reflects current market conditions that are increasing developer caution— slower population growth (including fewer international students), a large volume of units already under construction (particularly rental), elevated construction costs, and broader economic and trade uncertainty. Together, these factors are expected to soften rents (less competition for units) and weaken project viability, leading developers to delay or scale back new projects. Recognizing that these conditions may further constrain near term supply, sustained effort is needed to support housing supply growth and housing affordability.

Affordable Housing Development

As noted in the [Housing Services Long Range Financial Plan 2025-2030 Update](#), the total development cost of a new affordable unit in Ottawa has now reached \$540,000–\$600,000, driving a substantial rise in the equity funding required to make projects viable.

Since affordable rents must be set well below market rates, affordable housing projects generate limited operating income, which in turn restricts the amount of debt they can carry. As a result, only a portion of total development costs can be financed, and the remaining balance must be funded through non-repayable capital contributions.

Approved by Council in April 2024, the [Affordable Housing Pipeline Strategy](#)

accelerates the delivery of new non-profit affordable and supportive housing projects across Ottawa by providing essential capital funding for projects ready to begin construction, and pre-development funding for projects progressing to building permit issuance. This pipeline approach ensures both immediate housing delivery and a continuous, stable supply of non-profit projects, enabling the City to advance housing targets under the 10-Year Housing and Homelessness Plan. The typical city administered capital supplement from all funding sources (municipal, provincial, federal) that the City administers ranges from \$200,000 to \$350,000 per affordable unit, totaling \$105.5 million this Term of Council.

Deep affordability for very low-income households is typically only achievable through rent supplements, limiting the capacity of non-profit providers to serve lower-income households. As a result, the inclusion of deeply affordable units that do not rely on rent supplements, as is proposed under the BCH partnership, is a highly favourable outcome, as this level of affordability is not normally achievable under standard conditions.

Role of the Public Sector in Periods of Economic Uncertainty

The Public Sector is uniquely positioned to act counter-cyclically to the private sector during periods of economic uncertainty. During these periods, private residential development has historically slowed or stopped altogether as financing tightens, costs rise, and risk tolerances decline. By continuing to invest when markets pull back, Public Sector development can stabilize housing supply and prevent short-term downturns from becoming long-term structural shortages.

By advancing projects that are less sensitive to short-term market fluctuations, the Public Sector can help stabilize construction activity, preserve skilled trades capacity, maintain demand across local supply chains, and prevent deeper supply shortfalls that would otherwise exacerbate affordability challenges once economic conditions improve.

Non-market and purpose-built affordable housing is particularly well-suited to public leadership during economic downturns. Because these projects are not driven primarily by short-term return on investment, they can proceed even when borrowing costs or market rents discourage private development.

When higher orders of government intervene to support housing delivery during periods of economic stress, municipal readiness and cooperation are key determinants of whether these interventions translate into timely, on-the-ground housing supply.

By maintaining continuity in housing delivery, the Public Sector can help create a more resilient housing system—one that can better withstand economic cycles while consistently meeting the needs of residents.

The Housing Acceleration Plan

Approved by Council on October 8, 2025, the Housing Acceleration Plan is a comprehensive approach to address the housing crisis, tailor-made to address the specific challenges facing the city.

The Acceleration Plan was structured to deliver on five key objectives, targeted to areas where the City has the greatest control and influence:

- 1) Simplifying the regulatory environment and expediting approvals processes
- 2) Evolving City culture to be housing development friendly
- 3) Introducing more flexibility in fees and charges
- 4) Consolidating and strengthening capacity for Affordable Housing development
- 5) Unlocking urban intensification and Transit Oriented Development

The Acceleration Plan included 53 Actions aligned to these five objectives and designed to work together as part of a cohesive strategy. Collectively, they aim to accelerate all forms of housing development, with a particular focus on affordable and urban options.

The recommendations outlined in this report align with, and build on, those approved as part of the Acceleration Plan.

Build Canada Homes

In the September 14, 2025 [news release](#), the Federal Government launched Build Canada Homes, a new federal housing agency designed to significantly increase the supply of affordable housing across Canada. The initiative responds to the ongoing housing affordability crisis by centralizing federal efforts to build affordable, deeply affordable, and supportive housing at scale.

As outlined in the official launch, BCH will work with the private sector, provinces, territories, municipalities, and Indigenous communities to build affordable housing at scale and at speed. This includes leveraging federal lands, offering flexible financial incentives, and streamlining project approvals so builders can focus on construction

rather than administrative hurdles.

As noted in the Housing Acceleration Plan, affordable housing development is increasingly constrained by high construction costs, interest rates, and tariffs, compounded by a lack of long-term, reliable funding and financing for both new builds and ongoing operations. Non-profit ownership offers relative affordability over time, but the sector struggles to produce new housing at the scale and speed required. BCH aims to address these obstacles through the deployment of capital, establishing steady demand, leveraging private sector development efficiency and by harnessing modern construction technologies - such as factory-built, modular, and mass timber methods - to build homes faster, more sustainably, and year-round. These innovations are intended to reduce timelines and costs while boosting productivity in the housing sector and are aligned with the actions outlined in the Housing Acceleration Plan.

DISCUSSION

City of Ottawa / Build Canada Homes Partnership

December 8, 2025, Prime Minister Carney and Mayor Sutcliffe jointly announced a new partnership between the City of Ottawa and the Government of Canada through Build Canada Homes to significantly accelerate the construction of mixed-income housing in Ottawa, including both affordable and supportive housing units.

The partnership

The proposed BCH partnership includes a joint investment of up to \$400 million to create a pipeline to build up to 3,000 new mixed-income and affordable homes.

Participation in the partnership benefits the City's by:

- Positioning Ottawa as a lead partner in the federal government's new housing delivery model
- Keeping housing construction moving when the private market is slowing
- Securing long-term affordability through mixed-income communities

The partnership includes:

1. 2,000 units to be constructed on surplus federal lands (Build Canada Home Projects)

The BCH model is designed to promote a full range of mixed-income homes within a single development. Recognizing the financial challenges of delivering housing that is affordable to low- and very low-income households, this approach relies on a broad mix of rent levels, enabling cross-subsidization across the project to support deeper affordability. Beyond financial considerations, mixed-income developments advance social inclusion and improved life outcomes, while also supporting economic productivity by providing housing options that are affordable to a diverse workforce.

To date, BCH has identified 1495 Heron Road and Phase 7 of Wateridge Village as initial sites for development under the partnership. BCH may identify other sites to fulfill obligations in this agreement, sites selected must satisfy the requirement for existing City infrastructure.

Both orders of government are combining tools and incentives to support development of these 2,000 mixed income homes on federal sites, including setting targets to ensure overall viability of the projects and sustainability of affordable rents over the long term. The mix of units also ensures the availability of units across income levels and includes deeply affordable options for low- and very low-income households, not usually achievable without additional rent supplements.

BCH will prioritize the development of three- and four-bedroom family size units, endeavoring to exceed the minimum requirements proposed in the [New Zoning By-law review](#).

Affordability definitions and thresholds

The partnership uses two distinct definitions of affordable housing, reflecting different policy frameworks of the two organizations. These two definitions differ in methodology and policy intent while each remaining valid within its respective context. Projects advanced through this partnership must meet affordability standards aligned with BCH's affordability thresholds and the City's definition of affordable housing.

One definition is based on Build Canada Homes, which sets affordable rent limits using area median income per household size (i.e., 1-person, 2-person households, etc.) targeting moderate income households and below, with households not paying more than 30 per cent of gross income for an appropriately sized unit. The other follows

the City of Ottawa's approach, which targets households in the 1st through 6th income deciles, and establishes maximum rents based on rents based on households not paying more than 30 per cent of gross income for housing and income groups. The practical impact of the different methodologies is that the BCH approach sets higher maximum rents, especially for larger units (3 and 4 bedrooms) and for small units (studio and one-bedroom) at the lowest income levels. More details about the thresholds and definitions are included in this report below.

The City worked with BCH to clarify how each definition would apply to the partnership and how they would work together and this is outlined in the targets included below.

Unit targets:

- 1200 – 1400 of these units are considered market units
- 600 – 800 (minimum 30 per cent, with a target of 40 per cent) are considered affordable under BCH's definition of affordability
 - 300 – 400 (a minimum of 50 per cent of the above units) will be affordable under the City's new definition of affordability
- Up to 200 units (approx. 10 per cent of all units) will be deeply affordable to ensure housing availability for low and very low-income households under BCH's definition.

Specific affordability requirements for each project will be tailored to the unique attributes of each individual project to ensure project viability and ongoing success. Housing developments will be operated by non-profit organizations with affordability guaranteed by the Federal government for 99 years.

How the partnership contributes to sustainable affordable housing:

Creating sustainable affordable housing involves the cost of building (land, construction materials and techniques, financing, soft costs) and operating the projects. Under the partnership, both levels of government are coming to the table with tools and incentives that impact these components and ultimately improve conditions for viability of housing projects and sustainability of affordable and deeply affordable rents over the long term (99 years).

Cost of building:

According to [Altus Group's 2025 Canadian Cost Guide](#), the estimated cost to develop 2,000 housing units is approximately \$1 billion - \$1.2 billion based on the typical per square foot benchmark for multifamily residential projects in urban centres, reflecting an average all in cost of about \$600,000 per unit.

BCH will make a significant contribution through surplus federal lands, low-cost financing, and capital. They will also require more modern and cost-effective building techniques and include Buy Canadian provisions that will benefit the development sector and economy.

The levers available to the municipality to reduce the cost of building and improve the overall viability of the BCH projects are to reduce development costs, soft costs and improve time to market.

The City is proposing an estimated \$65 million contribution to reduce the development costs of the projects comprised of:

- Exempting Development Charges and Community Benefits Charges
- Waiving Cash-in-lieu of Parkland and Building Permit Fees
- Eliminating planning fees and introducing tailored approval and permitting processes that reduce soft costs related to development and streamline processes to build more affordable housing faster

Cost of operating:

For affordable housing, long-term affordability is maintained by ensuring projects remain financially viable throughout operations. This is achieved, in part, by keeping operating costs low.

The City is proposing to contribute to the reduction of overall operating costs for the 600 – 800 affordable units by waiving Property Taxes for 75 years at an estimated cost of \$2,900 per unit per year, for a total estimated contribution from property taxes, including education taxes of between \$135 million and \$180 million over 75 years).

The total value of the City's contribution to reduce development costs and operating costs is estimated to be \$200 million to \$245 million and shall not exceed \$250 million over 75 years.

1000 units from the City's Affordable Housing pipeline

In addition to the above, BCH would contribute up to \$150 million in capital contribution and low-interest financing to close the funding gaps for a further 1,000 affordable and supportive housing units from the City's Affordable Housing pipeline. The specific breakdown of loan and capital contributions will be determined on a project-by-project basis and based on the needs and capacity of the individual projects.

In addition to what the City already contributes towards projects in the pipeline, City staff will support the identification, assessment, and allocation of BCH funding to new and existing projects based on what the project needs to reach viability and sustainability over the long term and work collaboratively with BCH to move these projects forward.

Economic and housing development sector objectives of the partnership

Through the partnership, both parties also intend to generate long-term, predictable demand for Canadian factory-built housing, allowing the industry to scale and the time and cost of home construction to decrease. The partners will also apply applicable Buy Canadian procurement policies that will prioritize Canadian lumber and other Canadian materials.

Recommendation 1

Along with Council's approval of the partnership as outlined in this report, staff are requesting delegation of authority and direction to move forward with finalizing the negotiation of the partnership with BCH and to proceed with actions required to give full effect to the terms of the report.

Recommendation 1 (a) seeks delegation of authority to the General Manager, Strategic Initiatives to carry out the intent of the foregoing approval including, but not limited to, the negotiation, execution and delivery of such other agreements, documents, instruments, acts and items as are required or deemed necessary or desirable to give full effect to the terms of this report.

This includes finalizing the Memorandum of Understanding for the partnership with BCH.

Recommendation 1 (b) seeks direction to the GM of Planning, Development and Building Services to implement the tailored approval process and permitting process established for projects developed by BCH as part of the partnership, as outlined in this report.

The City of Ottawa continues to advance its commitment to becoming the most housing-friendly city in Canada through the implementation of the Housing Acceleration Plan (HAP) and its recommendations. Over the last six months, The City has delivered significant progress to reduce approval timelines through targeted process improvements ([ACS2025-PDB-PS-0074](#)), including the introduction of the completeness-check, streamlined study requirements from 49 to 35 under the revised Development Application Study and Plans (DASP) by-law, and launched renewed guidance for staff to ensure actionable, succinct, timely and clear feedback is provided to applicants. A comprehensive overhaul of the zoning framework has also been completed – creating one of the most modern and enabling zoning systems in the country – to better support gentle density, infill, and transit-oriented growth. Collectively, these initiatives represent the City’s effort to remove unnecessary barriers, improve predictability, and create the conditions needed for new homes to be built more quickly and affordably in the communities where they are most needed while making it easier to see gentle density, infill, and transit supportive development to flourish.

Through the partnership with BCH, the City is prepared to go even further in its support for the creation of truly affordable housing, something increasingly difficult to deliver in today’s market. The partnership reframes how planning and development are typically approached: instead of a traditional model where a developer submits an application and City staff evaluate it, the City and BCH will work together as partners to advance shared objectives. Projects delivered under this partnership will follow a tailored development review process designed to prioritize the rapid construction of housing on federal lands, while still ensuring that the resulting communities are livable, vibrant, and consistent with the City’s environmental and design expectations. This approach focuses on achieving common outcomes quickly, rather than applying every step of the traditional policy framework and reflects a commitment by both parties to collaborate closely to get homes built faster without compromising quality.

Under this partnership, the City (across departments) and BCH (with information and technical support from their delivery partners) will work together in the public interest to advance projects efficiently while preserving consistent standards for infrastructure and public safety. While discussions will consider the full range of elements that contribute to a livable and well-designed community – such as site access, road network impacts, tree retention, landscaping, and public realm design – the City’s technical review will focus specifically on ensuring that proposed solutions do not pose risks to City owned assets, such as roads or services.

The City’s Development Review All Wards (DRAW) team – experienced in reviewing and expediting affordable housing files today– will lead this work and guide federal projects through the planning process with diligence and speed. Acting as the central hub for all cross-departmental City contributors and BCH, DRAW will coordinate essential municipal information such as servicing capacity, planned road modifications, and infrastructure constraints, while also consolidating design, public realm, and livability considerations into clear and consistent review guidance. DRAW will facilitate internal escalation where required to identify solutions and ensure that issues are resolved quickly. To support rapid delivery, the City will bring forward a single comprehensive report to Council that bundles all municipally initiated approvals – including any required Official Plan or Zoning amendments and associated agreements such as easements – into one coordinated package, enabling projects to proceed directly toward building permit issuance once Council approval is obtained.

BCH will not be required to submit an application and associated studies but will provide the equivalent information required to form a municipally initiated planning recommendation for Council. BCH and City staff will jointly complete public consultation to ensure the community understands what is proposed and can provide input before planning decisions are made and site plans are finalized, however it will be completed with a compressed timeline.

In preparation for and during construction, the City will continue to support federal partners by issuing various permits such as road cut, temporary construction encroachment, and other necessary permits related to the City’s Right of Way. Also, the City will issue building permits based on an application and conduct inspections of both building and site works. These inspections ensure that projects comply with the Building Code and that any work affecting municipal infrastructure meets City standards.

Recommendation 1 (c) and 1 (d) are related to exemptions to the definition of affordable housing required under the Municipal Housing Facility By-law to enable the

terms of the partnership.

Recommendation 1 (c) seeks approval of an exemption to the definition of ‘affordable housing’ for the purpose of Municipal Housing Facilities designations and associated property tax exemptions for projects undertaken as part of the partnership as described in this report.

As outlined in the [Affordable Housing Qualification and Property Tax Relief – Municipal Housing Facility By-law](#) report, under sections 110(1) and (6) of the Municipal Act, 2001 and sections 2 and 7 of Ontario Regulation 603/06, municipalities can enact a municipal housing facility by-law and exempt, by way of a Municipal Housing Facility agreement, properties from taxation that meet the definition of “Affordable Housing” under the Municipal Housing Facilities By-law.

The current [Municipal Capital Facilities By-Law](#) is based on Average Market Rent (AMR).

4, (b), (iii) “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);”

Exemptions are required to enable use of the two definitions that will be used under the partnership – the BCH definition and the newly proposed City of Ottawa definition under the [Five-Year Review of the 10 Year Housing and Homelessness Plan](#).

The exemption requested is that any rents that are deemed affordable within the two definitions, and that are above the AMR thresholds in the current Municipal Capital Facility By-Law, will be allowed.

The City’s current definition and the two definitions to be used under the partnership are included as reference below.

City of Ottawa current definition of affordability per the Municipal Housing Facility By-law – Average market rent

	Studio	1 bedroom	2 bedroom	3+ bedroom
Average Market Rent	Up to \$1332	Up to \$1593	Up to 1916	Up to 2090

City of Ottawa’s new definition of affordability

The definition is proposed as: *“the new income-based definition establishes affordability at 30 per cent of household income and seeks to support very low-to-moderate income households with incomes in the first six income deciles.”* This new definition will be brought forward to Council for approval on April 8, 2026 as part of the [Five-Year Review of the 10 Year Housing and Homelessness Plan](#).

2026 City of Ottawa Rents	Amounts
Very low income (Income deciles 1 and 2) Annual household income (2026) - \$37,128	up to \$928.2
Low income (Income deciles 3 and 4) Annual household income (2026) - \$37,128 to \$63,240	\$928 to \$1,581
Moderate income (Income deciles 5 and 6) Annual household income (2026) - \$63,240 to \$92,208	\$1,581 to \$2,305

Build Canada Homes maximum affordable rents under this partnership

2026 BCH Rents	Maximum affordable rent per unit size				
Area median household income	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Very low income (0-25% median income)	\$391	\$491	\$753	\$922	\$1,130
Low-income (26-50% median income)	\$783	\$982	\$1,506	\$1,844	\$2,259
Moderate income (51-75% median income)	\$1,174	\$1,474	\$2,259	\$2,766	\$3,389

Recommendation 1(d) seeks approval of an exemption to the definition of 'affordable housing' for the purpose of Municipal Housing Facilities designations and associated property tax exemptions to align with the partnership definition for projects undertaken as part of the partnership.

In addition to the definition exception, **Recommendation 1(d)** waives the other eligibility criteria outlined in the Municipal Housing Facilities By-law for projects undertaken as part of the partnership, specifically:

- The requirement that the units be constructed pursuant to an affordable housing capital contribution agreement with the City since 2001 or have a rent supplement agreement with the City. The partnership agreement (MOU) is intended to satisfy this requirement.

- That the units house individuals from the City's Centralized Waiting List (CWL), Below-Market Rent (BMR) waitlist, or other similar approved wait lists at initial occupancy and upon turnover.
- Where the projects are not drawing from the waitlists, operators will be required to income test households to ensure that homes are serving intended households.

Recommendation 1(e) seeks delegation of authority to the Director, Housing Solutions, Real Estate and Investment Services, to conclude negotiations with Build Canada Homes on projects to be supported through the partnership from among the shortlist of projects provided in Document 1.

The specific contributions, including the breakdown of capital funding and terms and conditions of financing, would be established on a project-by-project basis based on the unique funding requirements of the individual projects and negotiated with BCH by the Director, Housing Solutions, Real Estate and Investment Services.

The City's Affordable Housing Pipeline of Projects listed in Document 1 of the [2025 Affordable Housing Capital Strategy Update and Report](#) includes 1565 units. Of these, 1114 units have been successfully advanced to being fully funded and are already under or nearing construction. To meet the objective of the partnership to support 1000 non-profit units that can begin construction quickly, provide a range of affordability (including supportive housing units), and deliver units at scale, the City worked with sector partners to identify additional non-profit projects at the early stage of consideration for the City's pipeline. Projects that meet the criteria below will be included in the negotiation with BCH for this partnership.

- Projects already identified in the City's Affordable Housing Pipeline
- Projects that are construction ready within the next 12 months, including several at permit issuance that can begin construction summer 2026
- Projects that allow for a range of affordability, and a balanced mix of affordable and supportive housing among the overall unit count and/or
- Projects that are being delivered by housing providers that have demonstrated experience successfully undertaking recent development projects in Ottawa

Projects had to meet several of these criteria to qualify to be part of the partnership negotiations. Based on these criteria, the City is looking to advance approximately 200

units from the current Affordable Housing Pipeline to progress to construction, as well as over 900 new units to be added to the Pipeline, further advancing the City's progress toward meeting affordable housing development goals.

The final list of BCH-approved projects will be shared with Council via a memo once negotiations have completed.

Recommendation 2: Fee Waivers and Exemptions

To enable these developments and to make the development process simple and cost-effective, the City will streamline approvals and waive fees, charges, and property taxes to make projects viable as outlined in this report.

Recommendation 2 (a): Development charge exemptions

Discretionary development charge exemptions are being proposed for the sites developed by BCH as part of the partnership. The *Development Charges Act (DCA)* provides exemptions for rental housing development discounts, affordable residential units, and non-profit housing developments. The discretionary development charge exemption recommended through this report will apply to the sites developed by BCH and are above the statutory discounts and exemptions. Including the statutory discounts and exemptions, the estimated City contribution for development charge is \$50 million.

Recommendation 2 (b): Community Benefits Charges exemption, 2 (c): Waive Cash-In-Lieu of Parkland, 2 (d): Waive collection of building permit fees and 2 (e) Eliminating the collection of planning fees are waivers and exemptions that will reduce the cost of building and improve the overall viability of the BCH projects by reducing development costs, soft costs and will also improve time to market.

Eliminating the collection of planning fees and waiving building permit fees is estimated to have an associated City contribution of \$15 million, including exemptions currently in place. The estimated revenue loss includes building permit fees, planning fees, Cash in Lieu of Parkland and Community Benefit Charges.

Sites identified to date that include parkland do not require CILP.

Recommendation 2 (f) – Property tax exemption

Exempting the BCH units from property taxes under a Municipal Capital Housing Facility

(MCF) designation for a 75-year period will apply only to those units that meet the expanded Affordable Housing definition and requirements outlined in this report (minimum 600 units and targeting 800 units). The exemption removes these units from the taxable assessment base for the duration of the term and results in the foregoing of future property tax growth, estimated at \$1.56 million to \$2.08 million annually, for a cumulative total of approximately \$117 million to \$156 million in lost tax growth over 75 years. The exemption also eliminates education taxes estimated at \$240 thousand to \$320 thousand annually, for a cumulative total of approximately \$18 million to \$24 million over 75 years. The total estimated contribution from property taxes, including the education taxes, is between \$135 million and \$180 million, less any component that must be paid to the province and is not legislatively exempt.

The provincial government signaled in the year Budget that it would collect education taxes directly. The City will not be responsible for covering any element of property taxes that are not exempt by the province.

The property tax exemption does not apply to the units that do not meet the expanded Affordable Housing definition and requirements. For the units not eligible for the waiver (estimated to be 1200-1400 units), the City will see a gain in future property tax growth for the units estimated at \$3.12 million to \$3.64 million annually, for a cumulative total of approximately \$234 million to \$273 million over the 75 years.

Finally, the exemption also eliminates the existing Payments in Lieu of Taxes (PILTs) generated on the properties selected for development, with the value of the PILTs varying depending on the location and current assessment of each site. Of the sites BCH has proposed 1495 Heron Road has associated PILTs of \$352 thousand dollars.

Implementation and next steps

Collaboration and Implementation table

As contemplated in Action 38 of the Housing Acceleration Plan, an Implementation Table has been established with representation from the City, Build Canada Homes, and the Canadian Lands Company Ltd. The Implementation Table will serve as a structured forum for monitoring progress, resolving bottlenecks, and conducting joint evaluations of project readiness and compliance in delivering the projects contemplated under the partnership. In addition, specific project terms and conditions of financing will be determined through the implementation table.

The Implementation Table will also ensure ongoing collaboration between BCH, Canada Lands Company Limited (CLCL), Public Services and Procurement Canada (PSPC) and the City to support effective planning and development of surplus federal lands in Ottawa. Including sharing information on the pipeline of surplus public properties (federal and municipal) in Ottawa (current and over a 10-year horizon) and engaging in discussions on optimal uses of the properties to support city building priorities.

FINANCIAL IMPLICATIONS

There are significant financial implications associated with the required City contribution through this partnership. The value of the City's contribution is estimated to be between \$200 million and \$245 million and shall not exceed \$250 million.

Statutory and discretionary Development Charge (DC) exemptions are estimated to have a revenue reduction of \$50 million relating to 2000 units on the sites would be developed on surplus federal lands financed by Build Canada Homes. Development Charge exemptions and legislative changes, including Bill 17 deferral of DCs to occupancy, continue to create a DC revenue shortfall. DCs are one-time fees levied by municipalities on new residential and non-residential properties to help pay for a portion of the growth-related capital infrastructure requirements. DC exemptions continue to impact DC reserves required to fund the associated growth-related capital infrastructure. DC Reserves are being monitored and to manage the shortfall the City may adjust the timing of some projects or increase the use of DC-related debt.

The property tax exemptions for the 600-800 units designated as a Municipal Capital Facility for a period of 75 years removes these units from the taxable assessment base for the duration of the term and results in the foregoing of future property tax growth. The foregone future property tax growth revenue is estimated at \$1.56 million to \$2.08 million annually, for a cumulative total of approximately \$117 million to \$156 million in lost tax growth over 75 years. The exemption also eliminates education taxes estimated at \$240 thousand to \$320 thousand annually, for a cumulative total of approximately \$18 million to \$24 million over 75 years. The total estimated contribution from property taxes, including the education taxes, is between \$135 million and \$180 million.

Additionally, there are existing Payments in Lieu of Taxes (PILTs) generated on the properties selected for development, with the value of the PILTs varying depending on the location and current assessment of each site. Of the sites proposed 1495 Heron

Road has associated PILTs, resulting in foregone PILTs revenue of \$352 thousand per year.

Eliminating the collection of planning fees and waiving building permit fees is estimated to have an associated City contribution of \$15 million, including exemptions currently in place. The estimated revenue loss includes Building Code permit fees, Planning Services fees, Cash in Lieu of Parkland and Community Benefit Charges.

In the event that Planning Services and Building Code revenues are inconsistent with past trends and targets are not met, volumes will be reviewed annually, and fees may be adjusted through future budget processes.

LEGAL IMPLICATIONS

The granting of financial assistance to municipal housing projects, including the waiver of property taxes, is permitted in a municipal capital facility agreement pursuant to the *Municipal Act*, section 110.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide report.

ADVISORY COMMITTEE(S) COMMENTS

This section contains any comments or recommendations made by one or more Advisory Committees relating to this report. This section is mandatory if applicable.

CONSULTATION

Housing Solutions and Investments Services/City staff continue to engage with affordable and supportive housing not-for-profit partners on an ongoing basis.

ACCESSIBILITY IMPACTS

All applicable accessibility standards will be adhered to through the implementation of the Build Canada Homes Partnership.

ASSET MANAGEMENT IMPLICATIONS

The asset management team will support the review of projects that fall under this agreement to ensure the proposed solutions do not pose risks to municipal infrastructure or risks to existing and future residents and properties.

CLIMATE IMPLICATIONS

The Build Canada Homes Partnership presents opportunities to advance the City's climate change objectives and align with the policy directions of the Official Plan.

Modular and Prefabricated Construction

Modular and prefabricated construction methods can contribute to reducing the environmental impact of new housing development. Off-site fabrication significantly reduces construction waste, shortens timelines, and limits on-site disruption, thereby lowering associated emissions and improving air quality. These methods also allow for more consistent integration of energy-efficient design, materials, and building systems at the outset, thus precluding the need for costly retrofits in the future.

Sustainable Growth and Intensification

Urban intensification contributes to the City's climate mitigation goals. The Official Plan emphasizes sustainable land use patterns that make efficient use of land, infrastructure, and public services. The Acceleration Plan will reinforce the City's intensification targets through innovative housing solutions within the urban boundary. Concentrating growth in existing serviced areas reduces automobile dependence, increases the viability of transit and active transportation, and lowers per-capita emissions. These outcomes align with the actions recommended in the Energy Evolution Strategy and contribute to cost-effective infrastructure management.

DELEGATION OF AUTHORITY IMPLICATIONS

Updates required to delegation of authority have been outlined within the recommendations of the report. Any subsequent delegation of authority implications will be identified through the implementation period.

ECONOMIC IMPLICATIONS

Advancing the Build Canada Homes Partnership will have positive and measurable economic impacts for Ottawa. Increasing the supply and affordability of housing directly supports talent attraction and retention, which is a strategic priority of the City's Economic Development Strategy and Action Plan. Employers across key sectors have identified housing costs and availability as barriers to recruiting and keeping skilled workers. Addressing these pressures will support long-term growth of these in these sectors, help retain a diverse workforce and strengthen Ottawa's competitiveness relative to other Canadian and North American cities. By stimulating construction activity

during a period of broader economic uncertainty, the Plan will also generate immediate economic benefits through job creation in the building trades and related industries. Moreover, greater housing affordability reduces the risk of displacement and reinforces Ottawa's reputation as a sustainable and inclusive city. Together, these measures will accelerate much needed housing starts, enhance Ottawa's overall economic resilience, and improve the city's investment climate and capacity to innovate.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications resulting from the recommendations in this report.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

There are no anticipated Indigenous, gender and equity implications. Further consideration will be provided for all actions, when being advanced or implemented

Affordable and supportive housing is a key determinant of health. Developments funded by the City support a greater diversity and supply of rental housing city-wide, resulting in improved socio-economic equity and inclusion. Projects led by and/or targeting tenancies for equity deserving groups are prioritized.

RISK MANAGEMENT IMPLICATIONS

As part of a comprehensive risk management strategy, staff will monitor expenditures closely and take the necessary proactive steps to ensure the financial viability of projects and maximize the use of available funds to avoid any loss in funding.

RURAL IMPLICATIONS

This is a city-wide report, there are no specific rural implications anticipated.

TECHNOLOGY IMPLICATIONS

There are no anticipated technology implications.

TERM OF COUNCIL PRIORITIES

This report supports the following Council Strategic Priority: A city that has affordable housing and is more liveable for all. Specifically, the Build Canada Homes Partnership supports the following strategic objective: increase housing supply and support intensification.

SUPPORTING DOCUMENTATION

Document 1 – City’s Project List

DISPOSITION

The Strategic Initiatives Department will work with the Planning, Development and Building Services Department, Legal Services, the Finance and Corporate Services Department to implement Council decisions arising from this report.

Note: A correction was made to this report further to the City Clerk’s Delegated Authority, as set out in Schedule C, Section 9 of Delegation of Authority By-Law 2025-69, to correct some typographical errors.

Document 1 – City’s Project List

Project List	Ward	Proponent	# of Units*	Affordable / Supportive
1.	Ward 12	Ottawa Community Housing	159	Affordable
2.	Ward 3	Ottawa Community Housing	118	Affordable
3.	Ward 11	Not for Profit	39	Affordable
4.	Ward 9	Not for Profit	20 independent living units	Supportive
5.	Ward 13	Not for Profit	64	Affordable
6.	Ward 10	Ottawa Community Housing	90	Affordable
7.	Ward 15	Not for Profit	110	Affordable
8.	Ward 7	Not for Profit-led Partnership	266	Affordable and Supportive
9.	Ward 15	Ottawa Community Housing-led Partnership	158	Supportive
10.	Ward 14	Not for Profit-led Partnership	296	Affordable and Supportive

* Units numbers are preliminary and subject to revision as the projects advance.