# 5. THE DECLARATION OF SURPLUS REAL PROPERTY - 159 FORWARD AVENUE, BULLMAN STREET AT HINCHEY AVENUE AND 2040 ARROWSMITH DRIVE, AND THE DELEGATED AUTHORITY TO TRANSFER THESE SURPLUS REAL PROPERTIES FOR THE DEVELOPMENT OF AFFORDABLE HOUSING

DÉCLARATION DE BIENS IMMOBILIERS EXCÉDENTAIRES - 159, AVENUE FORWARD, RUE BULLMAN À LA HAUTEUR DE L'AVENUE HINCHEY, ET 2040, PROMENADE ARROWSMITH ET LE POUVOIR DÉLÉGUÉ DE TRANSFÉRER CES BIENS IMMOBILIERS EXCÉDENTAIRES POUR LE DEVELOPMENT DE LOGEMENTS ABORDABLES

### **COMMITTEE RECOMMENDATIONS**

That Council approve the following:

- That the viable properties known as 159 Forward Avenue, the road allowance at Bullman Street and Hinchey Avenue and 2040 Arrowsmith Drive, as shown in Documents 1, 2 and 3, be declared surplus to the City's needs and designated for the purpose of affordable housing development; and
- 2. That the Director, Housing Services and the Director, Corporate Real Estate Office be delegated the authority to dispose of the properties identified in Recommendation 1, and shown on Documents 1 to 3, for nominal consideration to housing proponents selected by an Action Ottawa Program Selection Committee and in accordance with the Request for Proposal process approved by Council on April 29, 2015 in Planning Committee Report 5A (<u>ACS2015-COS-CSS-0005</u>) described in this report.

#### **RECOMMANDATIONS DU COMITÉ**

Que le Conseil approuve ce qui suit :

- Que les biens immobiliers viables situés au 159, avenue Forward et au 2040, promenade Arrowsmith ainsi que celui que constitue l'emprise de la rue Bullman à la hauteur de l'avenue Hinchey, comme il est indiqué dans les documents 1, 2 et 3, soient déclarés excédentaires par rapport aux besoins de la Ville et consacrés au development de logements abordables; et
- 2. Que le directeur des Services du logement et le directeur du Bureau des biens immobiliers municipaux soient délégués à aliéner les biens immobiliers énoncés dans la recommandation 1, et illustrés dans les documents 1 à 3, une contrepartie nominale, aux fournisseurs de logements ou promoteurs choisis par un comité de sélection d'Action Ottawa, conformément au processus de demande de propositions approuvé par le Conseil le 29 avril 2015 dans le rapport n° 5A du Comité de l'urbanisme (<u>ACS2015-COS-CSS-0005</u>), qui est décrit dans le présent rapport.

### DOCUMENTATION/DOCUMENTATION

1. Director's report, Housing Services dated 24 May 2019 (ASC2019-CSS-GEN-0007).

Rapport de la Directrice, Services de logement, daté le 24 mai 2019 (ASC2019-CSS-GEN-0007).

29 COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019

# Report to

#### Rapport au:

Finance and Economic Development Committee Comité des finances et du développement économique 4 June 2019 / 4 juin 2019

> and Council et au Conseil 12 June 2019 / 12 juin 2019

> Submitted on May 24, 2019 Soumis le 24 mai 2019

> > Submitted by

## Soumis par:

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Ward: BEACON HILL-CYRVILLE (11) File Number: ASC2019-CSS-GEN-0007 and KITCHISSIPPI (15)

- SUBJECT: The Declaration of Surplus Real Property 159 Forward Avenue, Bullman Street at Hinchey Avenue and 2040 Arrowsmith Drive, and the Delegated Authority to Transfer these Surplus Real Properties for the development of affordable housing.
- OBJET: Déclaration de biens immobiliers excédentaires 159, avenue Forward, rue Bullman à la hauteur de l'avenue Hinchey, et 2040, promenade Arrowsmith et le pouvoir délégué de transférer ces biens

immobiliers excédentaires pour le development de logements abordables.

#### **REPORT RECOMMENDATIONS**

That the Finance and Economic Development Committee recommend Council approve the following:

- That the viable properties known as 159 Forward Avenue, the road allowance at Bullman Street and Hinchey Avenue and 2040 Arrowsmith Drive, as shown in Documents 1, 2 and 3, be declared surplus to the City's needs and designated for the purpose of affordable housing development; and
- 2. That the Director, Housing Services and the Director, Corporate Real Estate Office be delegated the authority to dispose of the properties identified in Recommendation 1, and shown on Documents 1 to 3, for nominal consideration to housing proponents selected by an Action Ottawa Program Selection Committee and in accordance with the Request for Proposal process approved by Council on April 29, 2015 in Planning Committee Report 5A (<u>ACS2015-COS-CSS-0005</u>) described in this report.

#### **RECOMMANDATIONS DU RAPPORT**

Que le Comité des finances et du développement économique recommande au Conseil d'approuver ce qui suit :

- Que les biens immobiliers viables situés au 159, avenue Forward et au 2040, promenade Arrowsmith ainsi que celui que constitue l'emprise de la rue Bullman à la hauteur de l'avenue Hinchey, comme il est indiqué dans les documents 1, 2 et 3, soient déclarés excédentaires par rapport aux besoins de la Ville et consacrés au development de logements abordables; et
- 2. Que le directeur des Services du logement et le directeur du Bureau des biens immobiliers municipaux soient délégués à aliéner les biens immobiliers énoncés dans la recommandation 1, et illustrés dans les documents 1 à 3, une contrepartie nominale, aux fournisseurs de logements ou promoteurs choisis par un comité de sélection d'Action

Ottawa, conformément au processus de demande de propositions approuvé par le Conseil le 29 avril 2015 dans le rapport n° 5A du Comité de l'urbanisme (<u>ACS2015-COS-CSS-0005</u>), qui est décrit dans le présent rapport.

## BACKGROUND

The City's Affordable Housing Land and Funding Policy was approved by Council in 2005 and updated in 2017. The policy states that the City "will provide real property (Land) and funding for affordable housing that achieves the vision and targets established in the Ten-Year Housing and Homelessness Plan, the Official Plan and other Council-approved affordable housing initiatives".

The policy aims to ensure that surplus City-owned land, deemed appropriate for residential development, is considered for the purpose of developing affordable housing and that Housing Services work in collaboration with the City's Corporate Real Estate Office to increase the supply of affordable housing.

Based on this policy direction, Housing Services and the Corporate Real Estate Office identify lands that are:

- 1. suitable for affordable housing;
- 2. can be declared surplus; and
- can be disposed of to housing proponents selected under the City's Action Ottawa Request for Proposal ("RFP") process for the purpose of building affordable housing.

Should Council approve this report, the properties listed herein would be transferred and ready for affordable development over the next one to two years. These sites will be in addition to over 400 units in 10 affordable housing developments currently under construction or near site plan approval.

### DISCUSSION

The City of Ottawa continues to see high demand for rental housing that is affordable to people on low and modest incomes. There are approximately 10,500 people on the Centralized Waiting List (CWL) for subsidized housing with continued pressures on the shelter system, including families in need of affordable rental housing.

### 132 COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019

While there are willing partners in the provision of affordable housing, and funding from upper tier governments, the land for new affordable housing development is often difficult to access and not always readily zoned for development. In particular, surplus government land suitable for ground-oriented units for households with children is in short supply, including land in growth communities where there are often new schools, recreation centres, parks and services.

The three properties that are the subject of this report, are located in Wards 11 (Beacon Hill-Cyrville), and 15 (Kitchissippi). The property at 159 Forward Avenue was also identified in the recent report by the Interdepartmental Task Force on Affordable Housing Near Transit that was approved by Council on April 10, 2019. These properties present an opportunity for the City to ensure that affordable housing is created in a timely manner and to also prepare sites with future development potential in a timely manner. These sites will provide a variety of housing options for families and older adults, as described below.

Staff are recommending that the listed properties be declared surplus by Council and that the Director, Housing Services and the Director, Corporate Real Estate Office be delegated the authority to dispose of the properties for nominal consideration for the purpose of developing affordable housing.

Staff are proposing that the disposal be made to housing proponents selected in accordance with the Council-approved Action Ottawa Request for Proposal Process and that the fair market value of the land be included as a financial contribution towards the project.

### 159 Forward Avenue

The site at 159 Forward Avenue is a City owned property in Ward 15 – Kitchissippi. The property was, until the fall of 2018, the location of an Emergency Family Shelter used by Housing Services. The low-rise building on the property is currently vacant, and the building's condition makes it prohibitive to renovate to current design standards.

The parcel is approximately 0.14 hectares, is zoned Residential Fourth Density R4S [486], and is surrounded by diverse housing stock ranging from single detached dwellings to low-rise apartments. Future development on this site would be in the form of a low-rise apartment building, suitable for households with children as well as singles

#### 133 COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019

and older adults. It is estimated that approximately 30 to 40 units could be built depending on the size of the units.

Staff are recommending that Housing Services release an RFP to identify a Housing Provider to develop the site in 2019/20 and to make an application to Canada Mortgage Housing Corporation's (CMHC's) National Co-Investment fund and/or Rental Construction Financing Initiative in order to leverage the surplus City lands and Capital with CMHC capital funding and/or financing. Funding from the new Ontario Priorities Housing Initiative (OPHI) or Council's \$15M investment in affordable housing may also be allocated to this site, pending Council approval tentatively scheduled for June 2019.

## Bullman Street at Hinchey Avenue

Bullman Street at Hinchey Avenue is an untraveled City road allowance in Ward 15 – Kitchissippi. An application to close the road allowance, in order to create a single development lot, is in progress. The parcel is zoned Residential Fourth Density (R4H) and is surrounded by ground-oriented residential development. Future development on this lot would be small in scale, likely 3 to 4 units, and ground oriented to ensure compatibility with the surrounding dwellings.

Staff are recommending that Housing Services release an RFP to identify a Housing Provider to develop the site in 2019/20 and to allocate funding under the provincial and federal Investment in Affordable Housing for Ontario IAH (2014) Extension Program, or successor program(s), to the successful proponent of the RFP.

## 2040 Arrowsmith Drive (Ward 11)

The property at 2040 Arrowsmith Drive is a City owned parcel of land in Ward 11 – Beacon Hill-Cyrville. The parcel is approximately 0.60 hectares and is zoned Minor Institutional (I1E). Relatively high-density housing on, and around, Arrowsmith Drive and Jasmine Crescent surrounds the parcel. A public library, arena, pool, and seniors' centre are located close-by on Ogilvie Road.

The Gloucester Emergency Food Cupboard and a community garden are located on this property, which is also constrained by a number of easements for underground infrastructure. Staff will work to ensure that the development on the site would maintain the services of the Food Cupboard and look for opportunities to enhance the existing community garden.

### 134 COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019

Recognizing the significant community involvement over the past 5 years in this neighbourhood, staff are recommending that Housing Services, conduct a public consultation exercise in Q3/4 of 2019 with the local community and Ward Councillor prior to releasing an RFP to develop the site.

Following the community consultations and RFP, the successful housing proponent(s) will make an application to Canada Mortgage Housing Corporation's (CMHC's) National Co-Investment fund in order to leverage the surplus City lands with CMHC capital funding and/or financing.

## **Next Steps**

It is recommended that these properties be used for new affordable housing and that providers for the sites be selected through the 2015 Council-approved Action Ottawa RFP process conducted by Housing Services. City incentives, capital funding and other contributions, in addition to the fair market value of the land, will be registered on title for each property when projects are selected, approved and properties transferred. The capital requirements for new construction resulting from the RFP will be identified in the City's 2019 Affordable Housing Capital Plan and include funding from the IAH 2014 Extension Program and the Ontario Priorities Housing Initiative. CMHC's National Co-Investment Fund, and other funding opportunities under the federal National Housing Strategy are subject to approval from CMHC for each individual application.

A separate report pertaining to the 2019 Affordable Housing Capital Plan including the subject properties, is tentatively scheduled for Planning Committee on June 14, 2019 and will include a request for additional capital funding authority from Council.

## **RURAL IMPLICATIONS**

There are no rural implications.

# CONSULTATION

In accordance with the Disposal of Real Property Policy, approved by City Council on November 14, 2001, the availability of the properties was circulated to all City Departments, to determine if the lands should be retained for a City mandated program.

### 135 COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019

Housing Services indicated an interest in retaining these properties for affordable housing requirements.

The subject properties were circulated to the utility companies. There are a number of plants and easements in place, or required for Bullman Street and 159 Forward Avenue. Similarly, both internal departments and external utility companies identified the need to protect rights-of-way and easements on 2040 Arrowsmith Drive. All required easements and protected rights-of-way will have to be established via survey and respected with the proposed disposal.

## COMMENTS BY THE WARD COUNCILLOR(S)

The Ward Councillors are aware of the recommendations in this report.

## ADVISORY COMMITTEE(S) COMMENTS

N/A

## LEGAL IMPLICATIONS

There are no legal impediments to implementing the report recommendations. The declaration of surplus real property and the conveyance process being proposed are in keeping with the Council-approved Disposal of Real Property Policy, the Action Ottawa Program, as well as the Affordable Housing Land and Funding Policy.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications, associated with the recommendations of the report.

## ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications, associated with the recommendations of the report.

## FINANCIAL IMPLICATIONS

There are no financial implications associated with the report recommendations.

Staff are proposing that the fair market value of the properties be included as a contribution such that the City will essentially receive affordable housing in consideration of the value.

## ACCESSIBILITY IMPACTS

Visitable and accessible dwelling units are a requirement under the Ontario Building Code and the City's Action Ottawa program. Any RFP associated with the lands discussed in this report will include requirements for visitable and/or accessible units.

## **ENVIRONMENTAL IMPLICATIONS**

Phase I and II Environmental Site Assessments are currently underway and any remediation costs will be incorporated into development budgets for funding and financing.

Housing Services will release the parcels, for future development, through a Request for Proposals (RFP) process. Respondents to Housing Services' RFPs are scored on objectives that includes the energy efficiency and sustainability features of their proposed developments.

## **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with the recommendations of the report.

## **TERM OF COUNCIL PRIORITIES**

The recommendations of this report support the 2014-2018 Strategic Priority: Healthy and Caring Communities (HC). The recommendations will specifically enhance the City's ability to develop new affordable housing; thereby, supporting Priority HC3: Create new affordable housing options.

### SUPPORTING DOCUMENTATION

Document 1–159 Forward Avenue Location Map (immediately follows the report)

- Document 2 Bullman Street at Hinchey Avenue Location Map (immediately follows the report)
- Document 3 2040 Arrowsmith Drive Location Map (immediately follows the report

### 137 COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019

### DISPOSITION

Upon approval by Council, Housing Services will commence RFP and other predevelopment activities on each of the properties

Corporate Real Estate Office and Legal Services will assist with the legal and real property transactions described in this report and secure the value of the properties as a contribution.

### COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019



Document 1 – 159 Forward Avenue Location Map

### COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019



## Document 2 – Bullman Street at Hinchey Avenue Location Map

COMITÉ DES FINANCES ET DU DÉVELOPPEMENT ÉCONOMIQUE RAPPORT 5 LE 12 JUIN 2019



Document 3 – 2040 Arrowsmith Drive Location Map