

**Report to  
Rapport au**

**Finance and Economic Development Committee / Comité des finances et du  
développement économique  
April 2, 2019 / 2 avril 2019**

**and Council / et au Conseil  
April 10, 2019 / 10 avril 2019**

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**Ward:** CITY WIDE / À L'ÉCHELLE DE  
LA VILLE

**File Number:** ACS2019-PIE-GEN-0001

**SUBJECT:** Interdepartmental Task Force on Affordable Housing Near Transit  
Stations

**OBJET:** Groupe de travail mixte sur les logements abordables près des  
stations de transport en commun

### **REPORT RECOMMENDATIONS**

**That the Finance and Economic Development Committee recommend to Council:**

- 1. Receive the report from the Interdepartmental Task Force on Affordable Housing**
- 2. Direct staff to retain the City owned lands identified as having Short Term Development Attributes, as noted in Document 1, for development as affordable housing projects, notwithstanding the Disposal of Real Property Policy.**
- 3. Direct Staff to investigate the possible acquisition of the publicly-owned land suitable for affordable housing opportunities and report back to Council.**
- 4. Direct Staff to prepare an implementation strategy for the best candidate sites and report back for Council's consideration.**

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité des finances et du développement économique recommande au Conseil de :**

- 1. prendre acte du rapport du groupe de travail mixte sur les logements abordables;**
- 2. demander au personnel de réserver les biens-fonds appartenant à la Ville qui répondent aux critères d'aménagement à court terme décrits dans le document 1 pour les projets de logements abordables, nonobstant la Politique sur l'aliénation des biens immobiliers;**
- 3. demander au personnel d'évaluer la possibilité d'acquérir les biens-fonds publics propices aux projets de logement abordable et d'en rendre compte au Conseil;**
- 4. demander au personnel d'établir une stratégie de mise en œuvre concernant les meilleurs sites candidats, et d'en rendre compte au Conseil.**

## **EXECUTIVE SUMMARY**

In May 2018 Council directed staff to form an Interdepartmental Working Group to explore opportunities for affordable housing in and around transit stations. The working group, chaired by the General Manager of Planning, Infrastructure and Economic Development (PIED), consists of representatives from PIED as well as Transportation Services, Corporate Services (Real Estate Office) and Community and Social Services (Housing Services). The group worked to identify an inventory of future development opportunities within close proximity of stations on Lines 1 and 2 of the Light Rail Transit network (in its full extent to Stage 2).

The review focused on property owned by the three levels of government and government agencies. In addition, the working group considered privately held sites, adjacent to public lands either where synergies could exist for a potential land assembly, or where the City has a future acquisition agreement.

A total of 20 sites were identified that have potential for affordable housing development opportunities involving public lands. The sites were then evaluated against a set of criteria, established by the working group, and classified into 3 categories:

- Short-Term Opportunities (five-seven years)

- Medium-Term Opportunities (seven-15 years)
- Long-Term Opportunities (+15 years)

Staff are seeking Council's direction to retain the City lands identified as having short-term development attributes for development as affordable housing projects. In addition, staff are seeking additional direction to examine possible acquisition strategies for the federal lands with short-term development attributes and to investigate affordable housing opportunities on these sites. Each of the identified short-term sites will require further study to create a viable concept community or building plans, mix of housing types and tenures, and recommendations for funding and financing. The short-term sites will also be considered in the current refresh of the 10 Year Housing and Homelessness Plan and any future capital funding strategies and programs for affordable housing.

Staff are recommending that the Interdepartmental Working Group should reconvene every two years to review the medium and longer-term sites to see if their status has changed and if they should be reclassified as short-term opportunities.

As a further step, Policy Planning staff are recommending that the Official Plan review, that is currently underway, incorporate a more systematic approach to determining linkages between affordable housing opportunities (both in terms of location and building types) in relation to the City's transit systems. This review and the prioritization of sites described in this report will allow the City to facilitate the development of a mix of affordable housing typologies in transit-oriented communities.

## **RÉSUMÉ**

En mai 2018, le Conseil a demandé au personnel de former un groupe de travail mixte afin d'explorer la possibilité d'aménager des logements abordables près des stations de transport en commun. Présidé par le directeur général, Services de la planification, de l'infrastructure et du développement économique (DGPIDE) le groupe de travail est formé de représentants de la DGPIDE, de la Direction générale des transports, de la Direction générale des services organisationnels (Bureau des biens immobiliers municipaux) et de la Direction générale des services sociaux et communautaires (Services du logement). Il s'est affairé à inventorier les sites présentant un potentiel d'aménagement à proximité des stations des lignes 1 et 2 du réseau de train léger (complètement déployées à l'Étape 2).

L'examen portait sur les propriétés appartenant aux trois ordres de gouvernement ainsi qu'aux organismes gouvernementaux. Le groupe de travail a aussi tenu compte des terrains privés qui pourraient faire l'objet de remembrement des terres ou d'un accord d'acquisition future et qui sont situés à proximité de terrains publics.

Au total, 20 sites présentaient un potentiel d'aménagement de logements abordables pour des terrains publics. Ceux-ci ont été évalués à partir d'un ensemble de critères établis par le groupe de travail, puis classés dans trois catégories :

- Possibilité à court terme (de 5 à 7 ans);
- Possibilité à moyen terme (de 7 à 15 ans);
- Possibilité à long terme (plus de 15 ans).

Le personnel attend une directive du Conseil pour réserver les biens-fonds appartenant à la Ville qui répondent aux critères d'aménagement à court terme pour un projet de logements abordables. Il souhaite aussi obtenir une directive pour étudier les stratégies visant à acquérir les biens-fonds appartenant au gouvernement fédéral qui répondent aussi à ces critères. Les sites qui présentent une possibilité à court terme devront faire l'objet d'une analyse approfondie pour veiller à ce que les plans du secteur et des bâtiments soient viables et que l'offre soit diversifiée quant aux types d'habitation et d'occupation; des recommandations sur le financement devront ensuite être formulées. Les sites classés dans la catégorie à court terme seront aussi pris en compte dans le cadre de l'examen du Plan décennal de logement et de lutte contre l'itinérance et d'éventuels stratégies et programmes de financement des immobilisations pour du logement abordable.

Le personnel recommande que le groupe de travail se réunisse tous les deux ans pour faire un suivi des sites présentant une possibilité à moyen ou long terme et vérifier s'ils peuvent maintenant être classés dans la catégorie à court terme.

Par ailleurs, le personnel de la Direction des politiques et de la planification recommande que l'examen en cours du Plan officiel systématiser l'établissement de liens entre les différentes possibilités d'aménagement de logements abordables (emplacement et type de bâtiment) et le réseau de transport en commun de la Ville. Cet examen, et l'établissement d'un ordre prioritaire pour les sites décrits dans le présent rapport, permettront à la Ville de favoriser une diversité de types de logements abordables dans les quartiers axés sur le transport en commun.

## **BACKGROUND**

On May 9, 2018, Council directed staff as follows:

“That staff in Transportation Services, Housing Services, Corporate Real Estate, and Planning, Infrastructure and Economic Development be directed to initiate the creation of a working group to explore and steward opportunities for implementing tools and resources to ensure affordable and attainable housing in close proximity (600m) to current and future Light Rail Transit (LRT) and Bus Rapid Transit (BRT) stations. This can include existing and proposed initiatives such as funding models, policy tools, and both City and privately lead initiatives.”

An interdepartmental working group was formed, as per the direction given by Council. The working group, chaired by the General Manager of Planning, Infrastructure and Economic Development (PIED), consists of representatives from PIED as well as Transportation Services, Corporate Services (Real Estate Office) and Community and Social Services (Housing Services).

The Council Direction to explore affordable housing in close proximity to current and future LRT and BRT is a multi-phased task. The working group determined that the first step to deliver on this objective was to ascertain if there are development opportunities that fall within the 600-meter catchment, where the City may have an ability to steward opportunities. Funding models and policy tools to deliver on affordable housing objectives in the short, medium and long term will be explored once the sites are identified, should Council support the recommendations of this report.

## **DISCUSSION**

### **Summary of Methodology:**

The working group met seven times since its initial meeting on June 12, 2018. The group worked to identify an inventory of future development opportunities within close proximity of stations on Lines 1 and 2 of the O-Train network (in its full extent to Stage 2). The review focused on property owned by the three levels of government and government agencies. In addition, the working group considered privately held sites, adjacent to public lands, either where synergies could exist for a potential a land assembly, or where the City has a future acquisition agreement.

A total of 20 sites were identified by the working group which constitute the inventory of affordable housing development opportunities involving public lands. The sites were

then evaluated through the mandates of each City department. The key factors considered in the evaluation were:

- Availability of land (clear title, easements or future obligations);
- Environmental conditions of the land and suitability for development;
- Existing Zoning and Official Plan designations and the potential for rezoning/re-designation if necessary;
- Proximity to a variety of accessible services, employment and supports for residents; and,
- The potential for an affordable housing development project to act as a catalyst for, or to be a supportive element of, the regeneration of an area or neighbourhood.

The intent of the evaluation is to analyze the attributes of each site and determine a time frame for development. The development timeframes were defined as:

- Short-Term Opportunities (5-7 years): the site is, or will be, City-owned, available after the completion of LRT construction and has few barriers for redevelopment. Such sites represent the highest potential from a planning and city-building perspective, notably where they are also locations associated with other significant municipal or privately-initiated development initiatives that could provide opportunities for partnerships and leveraging of resources.
- Medium-Term Opportunities (7-15 years): the site has temporary encumbrances or certain factors that increase the cost, or extend the timeframe, of redevelopment, making it less suitable as a short-term priority, or has planning designations that require revision before a suitable form of development is possible, or where negotiations with another public landowner are required to compile a viable parcel to develop.
- Long-Term Opportunities (+15 years): the site has significant legal encumbrances or environmental constraints, is in a location that has not yet achieved the urban maturity, market demand, or context required to sustain a development project, or needs rationalization with adjacent lands to create a coherent redevelopment opportunity.

Through a consensus process, the working group attributed a development horizon to each property in the inventory. The result of the analysis is presented in Document 1-Affordable Housing Opportunities.

### **Review of Candidate Sites**

The review of federally owned lands in the vicinity of LRT and BRT stations identified six potential sites in areas where upcoming or anticipated planning exercises are contemplated. The City has no legislative powers to acquire these properties as the federal government is a higher authority. Typically, surplus federal properties are offered for sale based on market value terms and conditions as per Treasury Board policy. The City is limited in its ability to react to federal offerings as there is no annual budget identified to fund an acquisition, nor a dedicated acquisition reserve fund. The lack of an identified budget limits the ability of the City to proactively seek out opportunities in both the public and private sectors.

A future development plan is anticipated on five federal sites (Sites 6, 7, 10, 16 and 17). We note that site 16, at 1430 Riverside Drive near Hurdman Station, represents an assembly with City lands. On the federal sites, City staff will engage through the planning process with either Public Service Procurement Canada (PSPC), the National Capital Commission (NCC), Canada Lands Development Corporation (CLDC) and/or Canada Mortgage Housing Corporation (CMHC). The opportunity to express the City's affordable housing objectives can be articulated at this point in the development review process and there may be further opportunities for acquisition of such lands through CMHC's Federal Land Initiative (FLI) under the National Housing Strategy.

PSPC and CLDC have recently made a concerted effort to place sites with strong affordable housing attributes in the hands of the City or agencies capable of delivering affordable housing. The linkages between PSPC and CLDC and the City are strong. A recent example of this in real time is the acquisition of 933 Gladstone Avenue by Ottawa Community Housing Corporation (OCHC) from the federal government using Canada Lands Corporation as the disposal agent. This 7.8-acre site is at a future rail station on Gladstone Avenue and is under a planning process to create a mixed-use community with rent geared to income, subsidized, and private sector units. The adjacent federal land to the north at 1010 Somerset Street West (Site 1) could be identified as surplus to federal needs and sold in the near future.

The City participates in a circulation process of federal surplus sites pending a disposal. City staff have already articulated a municipal need to PSPC in advance of the disposal



process of Site 1 given the synergy with 933 Gladstone Avenue. A significant part of this site could be used for recreational purposes as part of the larger community development plan including Plouffe Park. In anticipation of a potential City acquisition, funds have been identified in the Cash in Lieu of Parkland Account for Ward 14.

Provincial Ministries with custodial obligations for real property, and the local school boards, are required under provincial disposal guidelines to circulate surplus properties to the City. In an effort to be proactive, City staff have developed regular contacts with the Asset Managers of the various local school boards and provincial ministries such as the Ministry of Transportation (MTO) and Infrastructure Ontario (IO). The purpose is to identify in advance sites in close proximity to transit that could be acquired for municipal purposes including affordable housing initiatives.

After a review of provincial land holdings one site is identified (Site 11) as having good development attributes given its proximity to both a future rail station and adjacency to land owned by OCHC (Foster Farm Community). Though this site has not been declared surplus, City staff entered into acquisition discussions with MTO. The feedback is positive towards a municipal acquisition and consequently this site is included in the inventory though no budget has been identified for this land acquisition.

At this time, the school boards have not proposed disposal of any surplus properties that would meet the evaluation criteria. As with other public properties, the City has no dedicated annual budget nor a reserve fund to acquire them should they become available in the future.

The internal review identified 11 sites owned by the City and one site where the City holds an option to purchase at the end of its lease. These sites all have a varying degree of development potential and represent a mix of properties within the corporate inventory being both in operation, surplus, or remnant parcels of larger properties to be acquired for the LRT/BRT.

The working group also noted a potential assembly of four small City owned parcels and an adjacent privately held property. This assembly on St Joseph Boulevard in Orleans (Site 14) is included in the inventory as the sole public/private potential development site. The private land component is currently listed for sale.

In summary, while there are certain federal and provincial sites that are good candidate sites included in this inventory, generally, City-owned sites remain a better short-term potential for use as affordable housing projects, since the City would not require funds for land acquisition.

### **Ranking of Candidate Sites with Development Potential:**

The working group determined that the first step to delivering on the Council Direction is to ascertain what sites fall within the LRT/BRT catchment area where the City may have an ability to steward affordable housing. The working group came to the conclusion that:

- Seven sites (Document 1 – Sites 5, 6, 10, 11, 12, 14, 17) are categorized as long-term and will evolve as nearby development intensifies, assets age, and with changes in service delivery of City programs. The Bob MacQuarrie Recreation Centre on Youville Drive (Index 12) is an example of a long-term development opportunity.
- Seven sites (Document 1 – Sites 3, 4, 8, 9, 13,15, 16) are categorized as medium-term opportunities. These properties are somewhat more challenging in forecasting the timing of development. Staff will monitor their development attributes on a regular basis. Changes in market conditions (availability of land) as well as in City program delivery may impact the development horizon. The development of the 100 Constellation (Site 9) is representative of a medium-term development opportunity.
- Six sites (Document 1 – Sites 1, 2, 7, 18,19, 20) are considered to have attributes supporting affordable housing development during the next two terms of Council (2018-2026). Of these sites two are federally owned and four are under control by the City. Council should prioritize these properties given they can be developed based on current and anticipated housing programs and funding opportunities.

### **Next Steps:**

As the first step, staff are seeking Council's direction to retain the City lands identified as having short -term development attributes in Document 1 for development as affordable housing projects, notwithstanding the Disposal of Real Property Policy.

In addition, Council should direct staff to examine a possible acquisition strategy for the federal lands (Sites 1 and 7) with short term development attributes and investigate affordable housing opportunities on these sites.

Staff recommend that the Interdepartmental Working Group should reconvene every two years to review the medium and longer-term sites to see if their status has changed and if they should be reclassified as short-term opportunities. Should a significant

change of circumstance happen in advance of a two-year review, the working group could reconvene at any time to reconsider a site on those lists.

The next steps for the working group will be for Housing Services, of the Community and Social Services Department, with the support of the interdepartmental working group, to prepare an implementation strategy considering such factors as:

- the potential acquisition, or control over, the non-City owned sites;
- affordable housing groups capable of partnering with the City to deliver housing on each site;
- affordable housing strategies programs and incentives to be consider by Council under the refresh of the 10 Year Housing and Homelessness Plan;
- alignment with City, provincial and federal programs and priorities under the National Housing Strategy;
- models for funding and financing of construction and operations involving public and not-for profit agencies as well as the private sector; and
- a timeline for implementation.

Each of the identified short-term sites will require further study to create a viable concept community or building plans, mix of housing types and tenures, and recommendations for funding and financing. Housing Services will report back for Council's consideration on the implementation strategy for the most opportune sites.

As a further step, Policy Planning staff recommend that the Official Plan review incorporate a more systematic approach to determining linkages between affordable housing opportunities (both in terms of location and building types) in relation to the transit system, and to investigate in particular a catchment area located within 10 bus stops of frequent bus routes that feed into O-Train stations, in order to further broaden the opportunities.

## **RURAL IMPLICATIONS**

There are no rural implications as there are no LRT stations of the Stage 1 or Stage 2 stations on the Confederation or Trillium Lines located in the Rural Area.

## **CONSULTATION**

Informal consultation was conducted with external affordable housing stakeholders on the methodologies of the working group and to gather input for the selection criteria. Housing Services will further consult with not for profit and private sector stakeholders on the contents of this report through the mid-point review of the 10 Year Housing and Homelessness Plan.

## **COMMENTS BY THE WARD COUNCILLORS**

This is a city-wide report – not applicable.

## **LEGAL IMPLICATIONS**

There are no legal impediments to receiving the report. Should Council decide to approve any or all of the recommendations, there are no legal impediments to doing so.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications of this report.

## **ASSET MANAGEMENT IMPLICATIONS**

If the recommendations of this report are adopted, City-owned lands will be retained until an affordable housing project can be developed. This means on-going property management responsibilities until the time of development, and perhaps longer if the City ultimately retains title to the land.

## **FINANCIAL IMPLICATIONS**

There are no immediate financial implications with the approval of this report. Should Council select to develop these lands for affordable housing, funding from all three levels of government (City, provincial, and federal) will be required as well as financing from public or private financial institutions will be required and determined on a site by site basis. However, if the land being considered for development was purchased with transit funds, e.g. Stage 1 & 2 LRT, there will be additional financing considerations as the City must adhere to the various policies, by-laws and agreements that dictate the use of transit funds. The determination of appropriate financing will need to be considered for each of these properties on a case by case basis as each report is brought to Council in order to determine the appropriate Council approval required to support allocation of costs according to source of tax, rate and levy supported funds.

## **ACCESSIBILITY IMPACTS**

The recommendations of this report have no immediate implications on accessibility.

**ENVIRONMENTAL IMPLICATIONS**

The recommendations of this report have no immediate environmental implications.

**TERM OF COUNCIL PRIORITIES**

The recommendations of this report support the following 2015-2018 Term of Council Priorities

- H3 – Create new and affordable housing options
- T3 – Integrate the rapid transit and transit priority network into the community

**SUPPORTING DOCUMENTATION**

Document 1 Affordable Housing Opportunities

**DISPOSITION**

CREO under direction of CSS to retain lands identified in this report until such time as an affordable housing project(s) is available and has been considered by Council

CREO to pursue the potential acquisition of available public lands considered to have affordable housing attributes and report back to council as to the acquisition business terms

Housing Services of CSSD to prepare a subsequent report to community and protective services committee to outline strategies to bring sites forward for development of the preferred candidate sites in conjunction with the update to the 10-year housing and homelessness plan.