

<p>6. AFFORDABLE HOUSING LAND AND FUNDING POLICY POLITIQUE SUR LES TERRAINS ET LE FINANCEMENT POUR LES LOGEMENTS ABORDABLES</p>
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COMMITTEE RECOMMENDATION

That Council approve the Affordable Housing Land and Funding Policy, as detailed in Document 1, which is designed to help increase the supply of affordable housing throughout Ottawa.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve la Politique sur les terrains et le financement pour les logements abordables, décrite en détail au document 1, laquelle a pour but d'accroître l'offre de logements abordables à Ottawa.

DOCUMENTATION / DOCUMENTATION

1. Manager Housing Services, dated 4 April 2017 (ACS2017-CCS-GEN-0002)

Rapport de la Gestionnaire Services de logement daté le 4 avril 2017 (ACS2017-CCS-GEN-0002)
2. Extract of draft Minutes, Planning Committee, 11 April 2017.

Extrait de l'ébauche du procès-verbal, Comité de l'urbanisme, le 11 avril 2017

**PLANNING COMMITTEE
REPORT 42
26 APRIL 2017**

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**COMITÉ DE L'URBANISME
RAPPORT 42
LE 26 AVRIL 2017**

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
11 April 2017 / 11 avril 2017**

**and Council
et au Conseil
26 April 2017 / 26 avril 2017**

**Submitted on March 15, 2017
Soumis le 15 mars 2017**

**Submitted by
Soumis par:
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2017-CSS-GEN-0002

SUBJECT: Affordable Housing Land and Funding Policy

**OBJET: Politique sur les terrains et le financement pour les logements
abordables**

REPORT RECOMMENDATIONS

That the Planning Committee recommend Council approve the Affordable Housing Land and Funding Policy, as detailed in Document 1, which is designed to help increase the supply of affordable housing throughout Ottawa.

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil d'approuver la Politique sur les terrains et le financement pour les logements abordables, décrite en détail au document 1, laquelle a pour but d'accroître l'offre de logements abordables à Ottawa.

EXECUTIVE SUMMARY

Assumptions and Analysis

As part of the ongoing management of corporate administrative policies and procedures, the Housing Services Branch (HSB) is required to review and update the Housing First Policy, now referred to as the Affordable Housing Land and Funding Policy (the Policy) to ensure that the content is accurate and in accordance with current Council direction. The Policy was adopted by Council in 2005 to make City surplus land available for the development of affordable housing and to allocate part of the proceeds from the sale of surplus residential land to support the development of new affordable housing. The HSB and Corporate Real Estate Office (CREO) co-ordinate the application of the Policy in instances where there is disposal/sale of land, with support as required from Legal and Financial Services.

Land and revenue resulting from the application of the Policy has been, and continues to be, critical to support the development of new affordable housing. Based on a review by the HSB, consultation with CREO and Corporate Services including the City Treasurer, Legal Services and external stakeholders, this report recommends a number of changes to the existing Policy. The changes enhance opportunities to support the development of affordable housing and focus on simplifying text and clarifying meaning so that the Policy is more easily implemented and understood.

Public Consultation/Input

The HSB held a consultation session on May 16th 2016, that included representatives from both the not-for-profit and private housing sectors to obtain feedback prior to updating the Policy. The Housing System Working Group was also informed of the updates. The updated Policy being proposed was made available to the public, prior to the April 11, 2017 Planning Committee meeting, via the online agenda on Ottawa.ca.

SOMMAIRE

Hypothèse et analyse

Dans le cadre de la gestion continue des politiques et procédures administratives de la Ville, les Services du logement sont chargés de réviser et de mettre à jour la Politique de priorité au logement, maintenant appelée « Politique sur les terrains et le financement pour les logements abordables » (la « Politique »), afin d'assurer son exactitude et sa conformité à l'orientation actuelle du Conseil. La Politique a été adoptée par le Conseil en 2005, dans l'optique de favoriser l'aménagement de logements abordables sur les terrains excédentaires de la Ville et d'utiliser une partie des recettes générées par la vente de terrains résidentiels excédentaires afin de soutenir l'aménagement de ces logements abordables. La Direction des Services de logement et le Bureau des services immobiliers municipaux coordonnent l'application de la Politique dans les projets de vente ou d'aliénation d'un terrain, avec l'aide des Services juridiques et des Services financiers, au besoin.

Les terrains et les recettes issus de l'application de la Politique ont été et sont encore essentiels à l'aménagement de nouveaux logements abordables. Selon un examen de la Direction des Services de logement, et après consultation avec le Bureau des services immobiliers municipaux et de la Direction générale des services organisationnels, y compris de la trésorière municipale, des Services juridiques et d'intervenants externes, sont recommandées dans le présent rapport plusieurs modifications à la version actuelle de la Politique. Ces modifications auront pour effet d'accroître les occasions de favoriser l'aménagement de logements abordables et visent surtout à simplifier et à clarifier la Politique, pour qu'elle soit facile à comprendre et à appliquer.

Consultations publiques et commentaires

La Direction des Services de logement a tenu, le 16 mai 2016, une séance de consultation des représentants des secteurs du logement privé et du logement à but non lucratif, pour connaître leur point de vue avant de mettre à jour la Politique. Le Groupe de travail sur les systèmes de logement a également été informé des modifications. La nouvelle version proposée a été publiée, avant la réunion du Comité de l'urbanisme du 11 avril 2017, dans l'ordre du jour en ligne sur ottawa.ca.

BACKGROUND

The current Policy was adopted by Council in 2005 ([ACS2005-CPS-HOU-0007](#)) to make City surplus land available for the development of affordable housing and to allocate part of the proceeds from the sale of surplus residential land to support the development of new affordable housing. The Policy has played an important part in advancing the development of affordable housing through both the provision of land for new development and as a source of revenue to fund new projects.

The Policy provides direction to staff, primarily in the HSB and CREO, to work collaboratively to leverage real property resources throughout the City in a way that advances and integrates the development of affordable housing, while finding balance with other City initiatives involving real estate transactions. Legal Services is involved when properties are made available for affordable housing and Planning Services is involved when identifying suitable lands through Community Design Plans and other planning processes.

Since 2005 to this date, the Policy has generated \$8.7M in revenue and provided land on seven occasions at a nominal cost to facilitate the development of new affordable housing. Land and revenue from the Housing First Policy is allocated, typically in accordance with the City's Action Ottawa program which combines federal and provincial funding under the Investment in Affordable Housing for Ontario (IAH) Program with capital funding and incentives provided by the City which may include capital grants, contingency funding, relief from development charges, and grants in lieu of building permit and school board charges.

Projects built on City land include the Centretown Citizens Ottawa Corporation's (CCOC's) Beaver Barracks project at 424 Metcalfe Street (254 units), the 16 unit townhouse development by Cumberland Housing Corporation at 260 Tompkins Avenue, and the affordable housing community by Multifaith Housing Initiative (MHI) that is currently under construction at 455 Via Verona Avenue in Barrhaven (98 units).

Land and revenue resulting from the application of the Policy has been, and continues to be critical to support the development of new affordable housing on lands held or purchased by the housing sector. Whether solely under the Action Ottawa program or in combination with the Federal and Provincial Affordable Housing Programs, the City requires a minimum level of funding to support the indirect costs and activities associated with developing new affordable housing.

DISCUSSION

The Policy makes City surplus land available for the development of affordable housing and allocates part of the proceeds from the sale of surplus residential land to support the development of new affordable housing. The purpose of this report is to update the Policy in order to ensure that the content and direction of the Policy is accurate, current and in accordance with Council direction. This update incorporates the recent Council direction given, by way of a motion on January 25th, 2017 ([MOTION NO. 44/4](#)), to HSB staff to conduct a review of all zones that could be included in the update of the Policy. Specifically, the motion directed staff to include a provision for a portion of the sale of City properties that are zoned institutional and will be used for residential purposes to be remitted to the Affordable Housing Reserve Fund, for consideration by Committee and Council, and that these additional funds be used for capital funding. As set out below, the proposed Policy now provides for this.

The proposed changes will simplify and clarify meaning so that the policy is more easily implemented and understood by all. The proposed changes will also expand the lands uses considered under the Policy and thereby increase the potential of land or funding to support the development of new affordable housing.

The proposed changes or features of the Policy can be summarized as follows:

- Change the name of the Policy from “Housing First Policy” to “Affordable Housing Land and Funding Policy” in order to avoid confusion with provincial and federal homelessness programs which use the term “Housing First”
- Reference the Council Approved 10 Year Housing and Homelessness Plan, which replaces the former Housing Strategy
- Simplify the wording in the Policy so that it is more easily understood
- Revise the definition of ‘affordable housing’ to mean rents at or below the Average Market Rents, as established by Canadian Mortgage and Housing Corporation, as this definition is consistently used in the housing sector and therefore is more easily understood by the development community and general public
- Add a definition of ‘lands deemed appropriate for residential development’ to clarify which properties fall under the Policy
- Add a definition of ‘affordable home ownership’
- Include lands zoned institutional in the Policy

A review of lands zoned institutional and sold since 2005 shows that 6 sales were made in approximately 10 years. If the properties had been subject to the Policy when sold,

\$2,222,140.00 (25% of total of the net sales) would have been credited to the Affordable Housing Reserve Fund for the creation of affordable housing. However, it should be noted that the six sales did result in \$1.5M being credited to the Affordable Housing Reserve Fund pursuant to the original Housing First Policy because there were residential uses proposed. Therefore, based on previous sales and revenue projections, the addition of institutional zoned lands to the policy will provide a moderate increase in revenue from projected sales into the future.

The recommended revisions to the Policy will assist with providing an improved strategic framework that will result in the development of more affordable housing.

Since the Policy is interconnected with the City's Disposal of Real Property Policy and Procedures, certain recommended revisions will need to be reflected in the City's Disposal of Real Property Policy and Procedures. HSB and CREO will work collaboratively to make the necessary changes to the Disposal of Real Property Policy and Procedures.

RURAL IMPLICATIONS

The report recommendations will apply equally to the rural areas of the City.

CONSULTATION

The HSB held a consultation session on May 16th 2016, that included representatives from both the not-for-profit and private housing sectors to obtain feedback on the proposed Policy updates. The draft policy was made available to the public, prior to the April 11, 2017 Planning Committee meeting, via the online agenda on Ottawa.ca.

COMMENTS BY THE WARD COUNCILLOR(S)

N/A

ADVISORY COMMITTEE(S) COMMENTS

N/A

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the recommendation in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

ASSET MANAGEMENT IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS

There are no financial implications associated with the report recommendations.

ACCESSIBILITY IMPACTS

Affordable Housing developed with funds collected through the AHLF is required to meet minimum standards for accessibility (barrier free access) and visitable as outlined in Section 6.13 of the City's Accessibility Design Standards and Individual Requests for Proposals that targeted specific accessibility needs.

ENVIRONMENTAL IMPLICATIONS

N/A

TERM OF COUNCIL PRIORITIES

The recommendations in this report are aligned with the 2015-2018 Term of Council Strategic Plan and address Strategic Initiative #40 The 10 Year Housing and Homelessness Plan, under the Strategic Priority of Healthy and Caring Communities, specifically the Strategic Objective HC3: create new affordable housing options; ensuring access to, and availability of, a range of housing options to meet the needs of our vulnerable residents for today and tomorrow.

SUPPORTING DOCUMENTATION

Document 1 – Affordable Housing Land and Funding Policy (*issued previously and held on file*)

DISPOSITION

Refer to Responsibilities Section in Document 1 – Affordable Housing Land and Funding Policy.

HSB will work with CREO to ensure that the Disposal of Real Property Policy and Procedures are updated accordingly to reflect the Policy.