

## **Document 1**

### **Affordable Housing Land and Funding Policy**

Approved By: City Council

Category: General Administration

Approval Date: July 13, 2005

Effective Date: July 13, 2005

Revision Approved By: City Council

Revision Date: April XX, 2017

#### **Review Date:**

#### **Policy Statement**

The City of Ottawa 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.

#### **Purpose**

The purpose of this policy is to ensure:

- That surplus City-owned Land deemed appropriate for residential development (LDARD) is considered for the purpose of developing affordable housing;
- That the Housing Services Branch (HSB) works in collaboration with the City's Corporate Real Estate Office to provide real property resources throughout the City to increase the supply of affordable housing;
- That surplus Land is made available equitably throughout the City for the purpose of affordable housing, in accordance with the Official Plan's strategy for building livable communities;
- That opportunities for affordable housing are made available in new communities, close to transit and in significant growth areas;
- That Land designated for affordable housing is transferred in accordance with this policy and the Disposal of Real Property Policy to housing providers selected under the City's Action Ottawa Request for Proposal (RFP) process; and
- That City departments work in a coordinated manner to achieve the affordable housing targets established by Council.

## **Application**

This policy applies, in conjunction with the Disposal of Real Property Policy, where Land is disposed of by the City of Ottawa, unless otherwise waived, in whole or in part, by Council.

The City's Corporate Real Estate Office shall apply this policy when undertaking City land development initiatives or disposals of surplus City-owned Lands.

This policy applies to all City of Ottawa employees, and any agents or assigns, authorized to:

- dispose of Land on behalf of the City; and
- develop City-owned Land, including the development of affordable and supportive housing projects and programs funded, either in whole or in part, by the City of Ottawa.

## **Policy Requirements**

### 1. General

- 1.1. Identify and make available suitable surplus City-owned Land, as identified by the HSB and the City's Corporate Real Estate Office, to the community for the provision of long-term affordable housing.
- 1.2. When City-owned Land is sold, ensure that 25 per cent of any housing development on that land meets the definition of affordable housing or where affordable housing is not provided, ensure that 25 percent of the City's Net Proceeds be transferred to the Affordable Housing Reserve Fund to fund the development of new affordable housing elsewhere.
- 1.3. Where non-viable surplus residential and institutional City Land is sold ensure that 25 per cent of the City's Net Proceeds be transferred to the Affordable Housing Reserve Fund to fund the development of new affordable housing elsewhere.
- 1.4. Maximize and explore opportunities to integrate affordable housing in the development and/or redevelopment of City-owned Land that has the potential for co-location of civic, institutional and residential uses.
- 1.5. Funds generated under this policy shall be transferred to the Affordable Housing Reserve Fund to fund the development of new affordable housing. The funding may be used for capital grants, studies, purchasing land, or any other use as directed by Council.

### 2. Value

- 2.1. Surplus City-owned Land that is designated for the purpose of affordable housing development may be disposed of or leased to housing providers either:
  - a) at less than market value, with Council authority and where Council, in its opinion, determines that it is in the best interests of the City to do so; or
  - b) at current market value.
- 2.2. Surplus City-owned Land that is designated for the purpose of affordable housing development may be disposed of or leased to housing providers either:
  - a) at less than market value, with Council authority and where Council, in its opinion, determines that it is in the best interests of the City to do so; or
  - b) at current market value.
- 2.3. The staff recommendation as to whether the Land should be disposed of or leased at market value or less than market value shall be based on the proposed development, the development cost per unit, the housing provider's mandate, the proposed affordability rate, the value of the Land and any other factors staff deems relevant in the process.
- 2.4. Where deemed appropriate, a housing provider may receive a grant contribution, or loan to off-set the whole or a portion of the costs of the Land. Unless authority has previously been delegated by Council, such grant or contribution shall be subject to a recommendation by staff and approval by the Finance and Economic Development Committee or any successor Committee and forward to Council or dealt with as part of the capital budget process.
3. Surplus Federal Real Property for Homelessness Initiative (SFRPHI)
  - 3.1. The Disposal of Real Property Policy does not apply to SFRPHI Land.
  - 3.2. Land that is transferred to the City from the SFRPHI or under any successor or future initiative may be transferred to housing providers for an amount equal to that which was paid by the City of Her Majesty the Queen in Right of Canada, without further approval as to the disposal or its value.

### **Responsibilities**

**The City's Corporate Real Estate Office** will identify potential surplus City-owned Lands and dispose of such Land in accordance with the Disposal of Real Property Policy.

**The City's Corporate Real Estate Office** will apply this policy when undertaking City Land development initiatives or disposals of surplus City-owned Lands.

**HSB** will work in collaboration with the City's Corporate Real Estate Office to identify and have declared surplus City-owned Lands that can accommodate and are appropriate for new affordable housing projects.

**HSB** will co-coordinate funding from different levels of government and facilitate the development of surplus City-owned Lands designated for affordable housing.

**HSB** will ensure that incentives generated under this policy are leveraged with other programs, such as the SFRPHI, the Investment in Affordable Housing (IAH) for Ontario Program and any successor or future programs intended to fund or support the development of affordable housing.

### **Monitoring/Contraventions**

All reports to Council, including delegated authority reports, involving the sale of City owned LDARD shall include a statement regarding compliance with this policy.

The results of this policy shall be monitored and reported on annually by the HSB to Community and Protective Services Committee as part of the Ten Year Housing and Homelessness Plan annual update.

### **References**

[Disposal of Real Property Policy and Procedures](#)

### **Legislative and Administrative Authorities**

[City of Ottawa Official Plan](#)

[City of Ottawa 10 Year Housing and Homelessness Plan](#)

### **Definitions**

**Affordable Housing** – Rental housing where rents are at or below the Average Market Rent (AMR), as established by the CMHC in their annual market survey.

**Affordable Home Ownership** – Home ownership housing where the monthly carrying cost of a home is affordable to a household at or below the City of Ottawa's 40<sup>th</sup> income percentile.

**Action Ottawa** – A program that combines different City incentives with funding from the provincial and federal governments to assist the private and non-profit sectors in building new affordable rental housing for households with moderate to low incomes. Action Ottawa bundles, through a Request for Proposal (RFP), Council approved fee relief, capital grants, and in some cases, City-owned Land.

**Investment in Affordable Housing (IAH) for Ontario** – provides federal and provincial funding for the creation of affordable housing in Ontario. The IAH program is divided into two funding streams with five optional components, three of which are capital programs (Rental Housing, Homeownership Assistance, and Ontario Renovates) and two are operating components (Rent Supplements and Housing Allowances)

**Net Proceeds** – the sale price of the surplus property less all costs to complete the sale, such as transfer taxes, signage, and other applicable fees.

**Land deemed appropriate for residential development (LDARD)** – properties whose existing or proposed zoning allows for residential uses. These zones include:

- All residential zones (R),
- Village and rural residential zones (RR, RU, VM, V1 – V3),
- Mixed use/commercial zones (TM, AM, GM, MC and TD), and
- Institutional zones (I1 and I2)

**Surplus Federal Real Property for Homelessness Initiative (SFRPHI)** – a funding stream of the Homelessness Partnering Strategy (HPS), which is a community-based program aimed at preventing and reducing homelessness by providing direct support and funding to designated communities across Canada. It makes surplus federal real properties available to eligible recipients for projects to help prevent and reduce homelessness

### **Keyword Search**

Affordable Housing

Disposal

Funding

Grants

Homelessness

Land

Real Property

Rental Housing

Social Housing

Surplus Land

### **Enquiries**

For more information on this policy, contact:

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**Appendices**

N/A