

**2. 2021 Affordable Housing Capital Strategy**

**Stratégie d'investissement pour le logement abordable de 2021**

**Committee recommendation**

**That Council approve:**

- 1. That the \$15,000,000 in City capital funds approved by Council in the 2021 City Budget be allocated by the Director, Housing Services to support the creation of new affordable housing through conditional capital contributions, contributions in lieu of building permit and school board fees, non-exempt planning fees and accessibility grants, and to provide a project contingency fund, subject to the conditional contributions being included in a contribution agreement between the City and each housing provider, and that of the \$15,000,000,**
  - a. \$5,877,549 has been allocated based on the authority granted through a Council Motion on November 25, 2020, in support of four Rapid Housing Initiative (RHI) projects and two Social Services Relief Fund (SSRF2) projects;**
  - b. Up to \$5,000,000 be allocated by way of a Request for Proposals for the development of affordable housing at 2040 Arrowsmith Drive, with the requirement that the successful proponent construct, at its cost, a new space for the Gloucester Food Cupboard as an integral part of the development;**
  - c. Up to \$4,000,000 be allocated for the development of affordable housing under the federal Rapid Housing Initiative; and**
  - d. Any remaining funds form part of a project contingency budget further described in Recommendation 3.**
- 2. That the Director, Housing Services be delegated the authority to allocate the Year 3 Ontario Priorities Housing Initiative funding (OPHI**

Rental Housing Component 2021-2022), and that of the available \$4,691,904;

- a. up to \$750,000 be allocated by way of a Request for Proposals for a Black-led family housing pilot project;
  - b. \$2,700,000 to be allocated to Centretown Citizens Ottawa Corporation for their affordable housing project at 147 and 159 Forward in order to add 18 additional units to the project;
  - c. That \$1,000,000 be allocated through Ontario Renovates to support the Housing Blitz as detailed in this report; and
  - d. That any remaining or unallocated funds be used to support the Ontario Renovates Program.
3. That the Director, Housing Services be delegated authority to allocate a \$2,036,000 contingency budget, which is made up of the \$2,036,000 short-term loan repayment by the Catholic Centre for Immigrants for the Welcome House affordable housing project, on an as-needed basis to affordable housing projects that are currently underway and at risk due to price escalation of materials and labour and that of these funds:
- a. Up to \$750,000 be allocated to Shepherds of Good Hope at 765 Montreal Road for additional site related construction costs;
  - b. Up to \$1,240,000 be allocated to John Howard Society at 289 Carling Avenue to offset unforeseen cost overruns; and
  - c. The remaining contingency funds be allocated to other affordable housing projects currently underway, on an as needed basis.
4. That the Director, Housing Services, be delegated authority to reallocate \$7,000,000 from 2020 capital funds from Ottawa Community Housing's (OCHC) Phase 1 Gladstone Village project to OCHC's 715 Mikinak Road project, as detailed in this report;

5. That the Director, Housing Services, be delegated authority to allocate \$166,000 from unspent 2019/2020 pre-development funding to Nepean Housing for their Dunbar Court redevelopment project;
6. That the Director, Housing Services, be delegated authority to allocate up to \$300,000 from the unspent 2019/2020 pre-development funding, following an RFP, to support pre-development work for Indigenous housing projects;
7. That a Request for Proposals be issued in 2021 to seek housing providers who will partner with the City to advance design and funding plans for the provision of family-oriented affordable housing at the City's 1770 Heatherington Road property; and
8. That staff report back to Council in Q4, 2021 to detail the RHI Round 2 projects and funding requirements, and to seek approval of the balance of the 2022 Capital budget.

#### **Recommandation du Comité**

**Que le Conseil approuve :**

1. Que le fonds municipal d'immobilisations de 15 millions de dollars approuvé par le Conseil dans le budget municipal 2021 soit attribué par le directeur des Services du logement afin de financer l'aménagement de nouveaux logements abordables sous forme de contributions conditionnelles aux immobilisations, de contributions en compensation des droits de permis de construire, de redevances imposées par les conseils scolaires, de droits d'aménagement non exemptés et de subventions pour l'accessibilité. De plus, un budget sera réservé aux imprévus du projet, sous réserve que lesdites contributions conditionnelles soient incluses dans un accord de contribution entre la Ville et chaque fournisseur de logements sélectionnés, et que de ce montant de 15 millions de dollars :
  - a. Un montant de 5 877 549 \$ a été alloué en vertu d'un pouvoir accordé par une motion adoptée par le Conseil le 25 novembre 2020, pour financer quatre projets de l'Initiative pour la création

- rapide de logements (ICRL) et deux projets du Fonds de secours pour les services sociaux;**
- b. Un montant maximal de 5 000 000 de dollars soit alloué par la voie d'une demande de propositions pour l'aménagement de logements abordables au 2040, promenade Arrowsmith, et l'on exige que le soumissionnaire retenu construise, à ses frais, un nouvel espace pour le Centre de secours alimentaire de Gloucester comme partie intégrante de ce projet;**
  - c. Un montant maximal de 4 000 000 de dollars soit alloué pour l'aménagement de logements abordables dans le cadre de l'ICRL du gouvernement fédéral;**
  - d. Tous les fonds restants constituent un budget réservé aux imprévus du projet décrit plus en détail dans la recommandation 3.**
- 2. Que le directeur des Services du logement soit autorisé à allouer les fonds de la troisième année de l'Initiative liée aux priorités de l'Ontario en matière de logement (volet logement locatif de l'Initiative pour 2021-2022), et que de ce fonds de 4 691 904 \$ :**
- a. un montant maximal de 750 000 \$ soit alloué par la voie d'une demande de propositions pour un projet pilote de logement pour les familles ayant à leur tête des personnes noires;**
  - b. un montant de 2 700 000 \$ soit alloué à la Centretown Citizen Ottawa Corporation (CCOC) en vue d'ajouter 18 logements à son projet de logements abordables aux 147 et 159, avenue Forward;**
  - c. un fonds d'un million de dollars soit attribué dans le cadre du programme Rénovations Ontario pour soutenir le Blitz pour le logement décrit dans le présent rapport;**
  - d. les fonds restants ou non alloués soient utilisés à l'appui du programme Rénovations Ontario.**
- 3. Que le directeur des Services de logement soit autorisé à réserver un budget de 2 036 000 \$ pour les imprévus, qui consiste en un**

préversement de 2 036 000 \$ pour le projet Maison d'accueil, lequel a été remboursé à la Ville, et qui sera attribué selon les besoins à des projets de logements abordables en cours qui sont compromis en raison de l'indexation des prix des matériaux et de la main-d'œuvre, et que de ce budget :

- a. un montant de 750 000 \$ soit alloué à l'organisme Bergers de l'espoir pour le 765, chemin de Montréal, afin d'absorber les coûts additionnels de construction liés à l'emplacement;
  - b. des fonds de 1 240 000 \$ soient octroyés à la Société John Howard pour le 289, avenue Carling, afin de compenser les dépassements de coûts imprévus.
  - c. le fonds de prévoyances restants soit attribué à des projets de logement abordable en cours, selon les besoins.
4. Que le directeur des Services de logement soit autorisé à réaffecter au projet du 715, chemin Mikinak de la Société de logement communautaire d'Ottawa (SLCO) un financement de 7 millions de dollars du fonds d'immobilisations accordé en 2020 pour la phase I du Village Gladstone;
  5. Que le directeur des Services de logement soit autorisé à réaffecter à la Société de logement de Nepean un montant de 166 000 \$ du financement préalable à l'aménagement de 2019/2020 pour son projet de réaménagement de Dunbar Court;
  6. Qu'un montant maximal de 300 000 \$ provenant du financement préalable à l'aménagement de 2019/2020 soit utilisé pour lancer une demande de propositions afin de financer les travaux préalables à l'aménagement d'un projet autochtone;
  7. Qu'une demande de propositions soit lancée en 2021 afin de trouver des fournisseurs de logements qui s'associeront à la Ville pour faire progresser les plans de conception et de financement en vue de l'aménagement de logements abordables destinés aux familles sur le terrain de la Ville situé au 1770, chemin Heatherington;

8. **Que le personnel présente un rapport au Conseil au quatrième trimestre de 2021 énonçant les détails des projets de la deuxième ronde de l'ICRL et leurs besoins en financement, et fasse approuver le solde du budget d'immobilisations de 2022.**

Documentation/Documentation

1. Report from the Acting Director, Housing Services, dated August 16, 2021 (ACS2021-CSS-GEN-0007)  
  
Rapport du Directeur par intérim, Services de logement, daté le 16 août 2021 (ACS2021-CSS-GEN-007)
2. Extract of draft Minutes, Planning Committee, August 26, 2021  
  
Extrait de l'ébauche du procès-verbal du Comité de l'urbanisme, le 26 août 2021

**Report to  
Rapport au:**

**Planning Committee  
Comité de l'urbanisme  
26 August 2021 / 26 août 2021**

**and Council  
et au Conseil  
8 September 2021 / 8 septembre 2021**

**Submitted on August 16, 2021  
Soumis le 16 août 2021**

**Submitted by  
Soumis par:  
Saide Sayah, Acting Director, Housing Services / Directeur par intérim, services  
de logement**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2021-CSS-GEN-007**

**SUBJECT: 2021 Affordable Housing Capital Strategy**

**OBJET: Stratégie d'investissement pour le logement abordable de 2021**

## **REPORT RECOMMENDATIONS**

- 1. That the \$15,000,000 in City capital funds approved by Council in the 2021 City Budget be allocated by the Director, Housing Services to support the creation of new affordable housing through conditional capital contributions, contributions in lieu of building permit and school board fees, non-exempt planning fees and accessibility grants, and to**

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## **RECOMMANDATIONS DU RAPPORT**

1. Que le fonds municipal d'immobilisations de 15 millions de dollars approuvé par le Conseil dans le budget municipal 2021 soit attribué par le directeur des Services du logement afin de financer l'aménagement de nouveaux logements abordables sous forme de contributions conditionnelles aux immobilisations, de contributions en compensation des droits de permis de construire, de redevances imposées par les conseils scolaires, de droits d'aménagement non exemptés et de subventions pour l'accessibilité. De plus, un budget sera réservé aux imprévus du projet, sous réserve que lesdites contributions

**conditionnelles soient incluses dans un accord de contribution entre la Ville et chaque fournisseur de logements sélectionnés, et que de ce montant de 15 millions de dollars :**

- a. **Un montant de 5 877 549 \$ a été alloué en vertu d'un pouvoir accordé par une motion adoptée par le Conseil le 25 novembre 2020, pour financer quatre projets de l'Initiative pour la création rapide de logements (ICRL) et deux projets du Fonds de secours pour les services sociaux;**
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  - c. **un fonds d'un million de dollars soit attribué dans le cadre du programme Rénovations Ontario pour soutenir le Blitz pour le logement décrit dans le présent rapport;**



**logements abordables destinés aux familles sur le terrain de la Ville situé au 1770, chemin Heatherington;**

- 8. Que le personnel présente un rapport au Conseil au quatrième trimestre de 2021 énonçant les détails des projets de la deuxième ronde de l'ICRL et leurs besoins en financement, et fasse approuver le solde du budget d'immobilisations de 2022.**

**EXECUTIVE SUMMARY**

This report outlines the Affordable Housing Capital Spending Plan for 2021, including an outline of current trends and impacts of the COVID-19 pandemic on housing within the city, a summary of the funds which have already been committed to specific projects (through authorities previously granted by Council), and recommendations on how the remaining funding should be spent.

In support of the recommendations within this report, Housing Services has considered a wide range of data sources including market conditions based on Statistics Canada data, Canada Mortgage and Housing Corporation (CMHC) market reports, locally derived data from the Centralized Wait List (CWL), and feedback from the not-for-profit and the private housing sectors. All available data has been reviewed with an acknowledgement that the COVID-19 pandemic has intensified vulnerabilities in affordable housing and homelessness, particularly for women and families. The data shows that the pandemic has disrupted longer standing trends in affordable housing and homelessness, and it will be important for staff to review the data as time progresses to determine if these trends are short-lived or whether they will be of a longer duration.

Despite the pandemic altering people's patterns of use within the shelter system in certain ways, trends indicate that there is an overall increase in demand on these services, which translates into a sustained need for affordable long-term housing options with appropriate supports in place for those experiencing homelessness within the city. The data also supports the ongoing need to provide adequate housing for women and families, and there remains a clear need to provide long-term housing with two and three or more bedrooms to accommodate families, with a specific focus on those currently accessing the shelter system.

In addition to the sustained need for affordable housing, the pandemic has significantly impacted the residential construction industry and the ability for affordable housing projects to be delivered on time and on budget. This will require that additional 2021

resources be directed to help support active projects being undertaken by our housing partners to help overcome these challenges.

In response to the COVID-19 pandemic, the Federal Government, through CMHC, launched the Rapid Housing Initiative (RHI) in the fall of 2020, with the goal of creating 3,000 permanent and affordable units across Canada by way of a \$1 billion capital investment, and which are to be delivered within a one-year timeframe. The Government of Ontario also launched a funding program called the Social Services Relief Fund (SSRF), under which funding has been made available for capital projects. Both programs were launched in response to the impact that the pandemic is having on housing affordability across Ontario and Canada, and both have a common goal of creating longer-term housing solutions for people experiencing homelessness and those at highest risk of experiencing homelessness. The City of Ottawa was granted \$31.9 million through RHI Round 1 and \$11,350,000 in SSRF funding towards capital housing projects. This combined funding has been Council approved for allocation towards six housing projects with a total of 169 units targeting occupancy by the end of 2021 and Q1 2022.

On June 30, 2021, the Federal Government announced a second round of RHI funding, and the City of Ottawa has been allocated \$22,443,697 to create a minimum of 58 units of new permanent affordable housing. By way of a motion on July 21, 2021, Council approved recommendations, which serve to increase the 2021 capital budget to account for the RHI Round 2 funding and provide Housing Services with the necessary authority to select projects and project partners, seek CMHC approvals and enter into agreements with housing partners to deliver affordable housing in accordance with the parameters of the RHI Round 2 funding. Housing Services will report back to Council in the fall of 2021 with an update and may bring forward additional recommendations for Council consideration at that time, if necessary.

The recommendations within this report have been made while having regard for the 10 Year Housing and Homelessness Plan Refresh, the Housing Services Long Range Financial Plan, and the recent Housing Benefits Report, and builds on the 2020 Capital Plan for affordable housing, which allocated \$17.58 million toward the development of approximately 608 units.

The 2021 Capital Plan represents a funding total of \$44,170,791, comprised of the 2021 City capital budget and supplementary funding sources, including federal and provincial funding. The proposed spending in the 2021 Capital Plan will be directed toward addressing COVID-related cost increases for approximately 113 previously approved

units and will create at least 295 new affordable housing units, 174 of which will be supportive units.

The recommendations within this report acknowledge the current policy environment, statistical trends, and the unusual circumstances brought on by the COVID-19 pandemic. Recommendations to allow for contingency funding is critical to ensure our housing partners can complete projects that are currently underway considering unexpected pandemic-related impacts. The proposed spending on new projects will serve segments of the population who are most in need of affordable housing, including women, families, Black-led families, and seniors.

### **SYNTHÈSE ADMINISTRATIVE**

Le présent rapport décrit le plan de dépenses en immobilisations pour le logement abordable pour 2021, y compris un aperçu des tendances actuelles et des répercussions de la pandémie de COVID19 sur le logement dans la ville, un résumé des fonds qui ont déjà été engagés dans des projets en particulier (en vertu d'autorisations accordées précédemment par des motions du Conseil), et des recommandations sur la façon dont les fonds restants devraient être dépensés.

À l'appui des recommandations formulées dans le présent rapport, les Services du logement ont examiné un vaste éventail de sources de données, notamment les conditions du marché fondées sur les données de Statistique Canada, les rapports sur le marché de la Société canadienne d'hypothèques et de logement (SCHL), les données locales tirées de la Liste d'attente centralisée et les commentaires des secteurs sans but lucratif et privé du logement. Toutes les données disponibles ont été examinées en tenant compte du fait que la pandémie de COVID19 a accentué les vulnérabilités en matière de logement abordable et d'itinérance, en particulier pour les femmes et les familles. Les données indiquent que la pandémie a perturbé les tendances à long terme relatives au logement abordable et à l'itinérance, et il sera important pour le personnel de poursuivre l'examen des données au fil du temps afin de déterminer si ces tendances sont de courte durée ou si elles perdureront.

Bien que la pandémie ait modifié les habitudes d'utilisation du réseau de refuges à certains égards, les tendances indiquent une augmentation globale de la demande de ces services, ce qui se traduit par une demande constante d'options de logement à long terme abordables assorties de services de soutien adéquats pour les personnes sans abri vivant sur le territoire de la ville. Les données confirment également la nécessité de fournir des logements adéquats aux femmes et aux familles, et il subsiste un besoin

manifeste de proposer des logements à long terme de deux ou de trois chambres à coucher ou plus afin de loger les familles, en accordant la priorité à celles qui ont actuellement recours au réseau de refuges.

En plus de la demande constante de logements abordables, la pandémie a fortement perturbé l'industrie de la construction résidentielle et entravé la réalisation des projets de logements abordables dans les délais et les budgets impartis, ce qui signifie qu'il faudra mobiliser des ressources supplémentaires en 2021 pour soutenir les projets en cours entrepris par nos partenaires du secteur du logement afin de surmonter ces difficultés.

En réponse à la pandémie de COVID-19, le gouvernement fédéral, par l'intermédiaire de la SCHL, a lancé l'Initiative pour la création rapide de logements (ICRL) à l'automne 2020, avec pour objectif d'aménager 3 000 logements permanents et abordables à travers le Canada, grâce à un investissement de capitaux d'un milliard de dollars, qui doivent être livrés dans un délai d'un an. Le gouvernement de l'Ontario a également mis sur pied un programme de financement, le Fonds de secours pour les services sociaux (FSSS), dans le cadre duquel des fonds ont été mis à disposition pour des projets d'immobilisations. Les deux programmes ont été instaurés en réponse aux répercussions de la pandémie sur l'abordabilité des logements en Ontario et au Canada, et partagent le même objectif qui consiste à mettre en place des solutions de logement à long terme pour les personnes sans abri et celles qui sont le plus à risque de le devenir. La Ville d'Ottawa a reçu un montant de 31,9 millions de dollars dans le cadre de la première ronde de l'ICRL et un financement de 11 350 000 \$ du FSSS pour des projets d'immobilisations en matière de logement. Le Conseil municipal a approuvé l'affectation de ces fonds combinés à six projets de logement, pour un total de 169 logements dont l'occupation est prévue d'ici la fin de 2021 et le premier trimestre de 2022.

Le 30 juin 2021, le gouvernement fédéral a annoncé une deuxième ronde de financement de l'ICRL, et la Ville d'Ottawa a alors reçu une enveloppe de 22 443 697 \$ pour aménager un minimum de 58 nouveaux logements abordables permanents. Le 21 juillet 2021, le Conseil municipal a approuvé, par voie de motion, des recommandations visant à augmenter le budget d'immobilisations de 2021, de manière à tenir compte du financement de la deuxième ronde de l'Initiative et à accorder aux Services du logement l'autorité nécessaire pour sélectionner des projets et des partenaires, demander des approbations auprès de la SCHL et conclure des ententes avec des partenaires du secteur du logement afin d'offrir des logements abordables

conformes aux critères du financement de la deuxième ronde de l'ICRL. À l'automne 2021, les Services du logement présenteront au Conseil un rapport sur l'état de la situation et lui proposeront d'autres recommandations, si nécessaire.

Les recommandations contenues dans ce rapport ont été formulées à la lumière de la mise à jour du Plan décennal de logement et de lutte contre l'itinérance, du Plan financier à long terme des Services du logement et du récent rapport sur les prestations de logement. De plus, elles s'appuient sur le Plan d'immobilisations des logements abordables 2020, qui a alloué 17,58 millions de dollars à l'aménagement d'environ 608 logements abordables.

Le Plan d'immobilisations 2021 représente un financement total de 44 170 791 \$, comportant le budget d'immobilisations de 2021 de la Ville et d'autres sources de financement, notamment les fonds fédéraux et provinciaux. Les dépenses proposées dans ce plan serviront à contrer l'augmentation des coûts liée à la COVID-19 pour environ 113 logements déjà approuvés et à créer au moins 295 nouveaux logements abordables, dont 174 en milieu de soutien.

Les recommandations contenues dans ce rapport tiennent compte du contexte politique actuel, des tendances statistiques et des circonstances inhabituelles engendrées par la pandémie de COVID-19. Compte tenu des répercussions inattendues de la pandémie, les recommandations favorables au fonds de prévoyance sont primordiales pour que nos partenaires du secteur du logement puissent mener à bien les projets en cours. Les dépenses proposées pour les nouveaux projets serviront à aider les segments de la population qui ont le plus besoin de logements abordables, notamment les femmes, les familles, les familles ayant à leur tête des personnes noires et les personnes âgées.

## **BACKGROUND**

The Affordable Housing Capital Spending Plan for 2021 is based on furthering the implementation of the 10-year Housing and Homelessness Plan Refresh, but also takes into consideration the impacts of the COVID-19 pandemic. While some of the 2021 capital funding has been allocated through previous motions to support quick start projects under Round 1 of the federal Rapid Housing Initiative (RHI) and the provincial/federal Social Services Relief Fund (SSRF), these federal and provincial housing initiatives have allowed the City to stay on course with the direction set in the Long-Range Financial Plan (LRFP) for Housing, despite pandemic related delays and construction cost increases.



## **Current Housing and Homelessness Trends and Impacts of COVID-19**

The COVID-19 pandemic has intensified vulnerabilities in affordable housing and homelessness, particularly for women and families. As further explained below, the demands on the emergency shelter system for both individuals and families, while slightly declining in 2020, may further increase as the pandemic subsides.

Housing Services has considered current market conditions based on Statistics Canada data, Canada Mortgage and Housing Corporations (CMHC's) market reports, locally derived data from the Centralized Wait List (CWL) and transitional housing system, as well as feedback from the not-for-profit and private housing sectors. The 2020 data identifies some new trends and patterns which deviate from previous years and provides insight on the impacts that the pandemic is having on housing. Some of these trends are likely short-term and may only last while the pandemic is directly impacting people's housing patterns and choices, while others may be longer lasting. Monitoring the statistical trends and housing data over the coming years will be important to determining if there will be a return to pre-pandemic patterns, or whether COVID-19 will have a lasting impact on the housing sector and homelessness trends.

According to the local data gathered on emergency shelter use, from 2019 to 2020, the number of family units accessing the shelter system decreased for the first time since 2014, the cause of which is likely a result of pandemic-related reductions in migration to Ottawa. However, from 2015 to 2020, there were annual increases in the number of families experiencing homelessness with demand continuing to require that families be housed temporarily in hotels/motels/post-secondary residences. These shelter statistics further confirm the need for stable, permanent family accommodations.

Shelter statistics for 2020 also show that the pandemic has caused a decrease of individuals accessing the shelter system. This decrease can be attributed to several factors, including the closure of the Canada-US border, which reduced the number of refugee claimants, various stay-at-home orders that reduced migration and relocation within Canada, particularly between provinces, as well as individuals choosing not to access congregate living settings, such as shelters. However, the number of individuals choosing to live rough on the street and in encampments doubled in 2020 compared to 2019.

The number of single women accessing the shelter system decreased for the first time since 2014, while the length of stay increased marginally. Despite the overall reduction, the number of chronically homeless single women increased from 2019 to 2020 and the

sector has seen an increase in demand in early 2021. Chronically homeless is defined as individuals who are currently homeless and have been homeless 180 days or more in the past year.

The data for single men follow a similar pattern as those for women, with a decrease in the number of men accessing the shelter system between 2019 and 2020, and a marginal increase in the length of stay. Yest despite the decrease in users, there was a marginal increase of the number of chronically homeless men.

From 2019 to 2020, the number of single older males and females (ages 50+ and 60+) has decreased in line with the overall decrease of unique clients accessing the shelter system, while the average length of stay for single older women (age 60+) has substantially increased.

In 2020, rents increased by what is considered a robust rate of 5.2%, yet this is lower than the 8% increase seen in 2019. Document 1 contains *Table 1 - Renter Household Income Deciles and Average Market Rents (2019 - 2020)*, which shows affordable monthly rent for different income brackets within the primary rental market based on the most recent CMHC Market Rental Report data. The table also shows the average monthly rents from 2019 and 2020, which highlights the significant increase in average rents for all unit sizes. The most significant increase is for units with three or more bedrooms, which has increased by 20% since 2019, and continues to climb. This illustrates the increasing difficulty faced by moderate and low-income households to find affordable rental housing, especially for larger low- and moderate-income families requiring 3 or more bedrooms.

According to the most recent CMHC Rental Market Report, the overall rental vacancy rate in Ottawa increased to 3.9% in 2020 from 1.8% in 2019 for purpose-built rental units due to weaker growth in demand as well as rising supply. The decrease in demand is thought to be due largely to factors associated with COVID-19, including reduced in-migration, reduced student flows, and changes to typical living arrangements for both students and young professionals, many of whom have been learning and working remotely since early 2020. Monitoring of these trends will be important as the pandemic eventually subsides to determine whether this upward shift in vacancy rates continues. Sustained vacancy rate increases would represent a positive trend, which would likely slow the growth in average market rents within the city.

Given increasing market rents, staff recognize that funds continue to be needed to advance the development of rental housing that is at or below the Average Market Rent

(as determined by the CMHC annual survey). Where needed and when available, the City layers on other housing benefits, such as portable housing benefits or rent supplements to provide a deeper level of subsidy to households and individuals on the Centralized Waiting List. The City also provides operating funding for supportive housing when available.

The Social Housing Registry of Ottawa continues to administer the City of Ottawa's Centralized Wait List for eligible individuals and families seeking rent-geared-to-income and below market rental housing. Over 3000 new applications for housing through the CWL were received in 2020, with single adults and single parent households being those most represented. The statistics also indicate that over 20% of all 2020 CWL applicants reported that they were experiencing homelessness.

The total active applicants on the wait list as of December 31, 2020, was 12,571, which includes 2,831 applicants who already reside in social housing, but who are seeking a change to their housing for various reasons, such as requesting a smaller or larger unit or a unit that meets an individual's changing accessibility requirements. Of those currently on the wait list, female applicants make up approximately 55% of all applicants, with female representation being at its highest for those between 35 and 39 years of age with just over 70% representation.

COVID-19 is significantly impacting the residential construction industry and the ability for affordable housing project to be delivered on time and on budget. Building material prices have increased and materials have become harder to source due to high demand on limited resources during the pandemic. The construction workforce has also been experiencing challenges as many worksites have had to adjust their construction practices to ensure pandemic safety measures, and in some cases to mitigate outbreaks on site. Further exacerbating these challenges is an increase in interest rates on construction financing, resulting in overall higher project costs for housing providers. These challenges are causing delays to the delivery of many active projects and will require that additional 2021 resources be directed to help support our housing partners to overcome these challenges to ensure their projects continue to remain active.

As the restrictions caused by COVID-19 begin to lift, it is anticipated that the trend of increasing homelessness that was evidenced before the pandemic will continue. The recommendations of this report have been influenced by the impacts that the COVID-19 pandemic is having on housing within the City and are therefore geared toward achieving stability going into 2022 and minimizing financial and delay risks to those affordable housing projects that are currently in progress.

## **10 Year Housing and Homelessness Plan Refresh**

The 10 Year Housing and Homelessness Plan Refresh was the result of extensive consultations and studies. It includes an assessment of households and renters in core housing need and identifies where the City should make investments in the housing market. This analysis was done by examining Statistics Canada data and the affordability of rental housing as compared to Renter Household Income deciles.

In response to the above market data and the recognized need, one of the 10 Year Plan targets is to create between 5,700 – 8,500 affordable housing options (new units and housing subsidies) for both low- and moderate-income households, of which 10% of new builds are to be supportive housing and 10% are to be accessible. While not all outcomes and targets in the Plan will be realized without new investments from all levels of government, the capital investments from Council in 2019, 2020, 2021, and 2022 will ensure that the City can continue to advance new affordable housing initiatives in the near term.

The investments recommended in this report will support the development of rental housing with monthly rents that are affordable to low- and moderate-income rental households as illustrated in Document 1 - Table 1. These investments are geared toward addressing the housing needs of families, seniors and single women experiencing or at risk of experiencing homelessness.

## **Housing Services Long Range Financial Plan**

Earlier this year, Council approved the first Housing Services Long Range Financial Plan (ASC2021-FSD-FIN-0001) to fully fund the City's portion of capital and operating contributions needed to implement the Council approved objectives set out in the City's 10-Year Housing and Homelessness Plan. The Long-Range Financial Plan commits \$198.4 million over the next 10 years to fully fund the City's share of 5,700 to 8,500 new affordable housing options and to provide stability in the 10-year outlook for the funding that Housing Services needs to deliver its programs and services.

The Long-Range Financial Plan focuses on maintaining service levels and supporting select strategic growth. It recommends strategies to address funding gaps, including advocating for enhanced support from provincial and federal governments. These combined investments to date will allow the City to advance the development of over 200 new additional supportive housing units in advance of the LRFP's targets.

The LRFP assumptions and outlook may need to be modified in Q4 2021 and over the next term of Council to incorporate inflationary pressures on both development costs and financing as a result of the pandemic. The allocation of the 2021 capital budget will help support the creation of approximately 295 additional permanent affordable housing units resulting in 1,730 units under development across the City, which includes approximately 349 units that received pre-development funding in 2019. This meets the LRFP targets established by Council and will be updated and reported back to Council in the Q4 of 2021 when the federal RHI and any new provincial commitments are realized, and cost pressures have been further defined.

### **Housing Benefits Report**

The Housing and Homelessness Investment Plan (HHIP) housing benefit program administered by the City plays an integral part in providing financial stability for low-income households and provides access to permanent affordable housing for individuals and families experiencing homelessness. Housing benefits are provided either as a rent subsidy payment directly to the landlord or as a portable housing allowance directly to a household, with the intent of supporting household rental affordability and long-term housing stability. Housing benefit programs are targeted toward households living in market rent units either with a non-profit, co-op or private sector landlord (market rent housing).

The City currently has a total of twelve programs within its Housing Benefits portfolio which provide over \$34 million in annual housing benefits, supporting more than 4,700 households in market rent housing, which are cost shared with the federal and provincial governments.

Housing benefit programs are in a period of transition because over the next two years, more than \$1.46 million in provincially and municipally funded programs will expire. The current housing benefit programs are at capacity and future federal and provincial funding is unknown. In accordance with the April 28, 2021, Council Report (Report No. ACS2021-CSS-GEN-005), Council has provided approval for staff to update the municipally funded housing allowance program to maximize outcomes, fund existing housing benefit recipients to ensure housing stability and support housing benefit program growth at current levels.

The rent supplement program is an important aspect of the City's housing and homelessness strategy and is complementary to the affordable housing projects being

delivered. A successful affordable housing strategy will include both approaches to combating the affordable housing and homelessness crisis in Ottawa.

Data has been gathered to determine the actual Average Market Rent (AMR) that is paid by households within the Ottawa Rent Supplement and Housing Allowance programs, as shown in the table below. These AMRs are a more appropriate benchmark for affordable housing in Ottawa compared to the AMRs reported by CMHC on an annual basis. The inclusion of newly built luxury units in CMHC's reporting arguably results in artificially inflated AMRs, whereas the exclusion of these high-end units from the AMR calculation provides a more accurate representation of the average rents that are paid by the majority of Ottawa resident. The AMRs reported below represent a benchmark that should be used to determine appropriate rents for affordable housing within the City.

*Actual Average Market Rent (AMR) Paid by Households Within the Ottawa Rent Supplement and Housing Allowance Programs:*

<b>Unit Size</b>	<b>Rent Supplement</b>	<b>Rent Supplement</b>	<b>Provincial Housing Benefit AMR - All Units</b>	<b>Provincial Housing Benefit AMR - Move to new Rental Unit</b>
	<b>Apartment AMR</b>	<b>Townhouse AMR</b>	<b>(HFG &amp; COHB)</b>	<b>(HFG &amp; COHB)</b>
<b>1 Bedroom</b>	\$983	n/a	\$958	\$1,227
<b>2 Bedroom</b>	\$1,206	\$1,327	\$1,307	\$1,458
<b>3 Bedroom</b>	\$1,478	\$1,433	\$1,516	\$1,630
<b>4 Bedroom</b>	n/a	\$1,551	n/a	n/a

The AMRs used for the housing benefits programs represent a benchmark employed by Housing Services to determine appropriate rents for affordable housing.

### **2020 Project Updates**

The recommendations in this 2021 Capital Strategy report build on the Affordable Housing Capital Plan 2020 (Report no. ACS2020-CSS-GEN-008), which allocated

\$17.58 million, including \$15 million in City funding and \$2.58 million under the Ontario Priorities Housing Initiative to support the development of approximately 584 affordable housing units. Most of the projects that were funded in 2020 are underway, while some have experienced cost increases or delays resulting from COVID-19 impacts.

In 2020, 92 new affordable housing units were completed and/or occupied, and approximately 265 units are expected to be completed in 2021. There are approximately 1,730 units in the planning or construction phase in 19 projects across the City, including RHI (Round 1) and SSRF funded projects that have pre-committed funds from the 2021 capital budget.

#### *Direct Capital Investments*

##### *Rochester Heights Phase 2 and Gladstone Village Phase 1 (558 units)*

Ottawa Community Housing Corporation was allocated a total of \$10 million in City capital funds as part of the approved 2020 Capital Plan in support of their Canada Mortgage and Housing Corporation National Housing Co-Investment Fund Application. Phase 1 of Gladstone Village was allocated \$8 million, while Phase 2 of Rochester Heights received \$2 million in capital funding. Given the scale and scope of the Gladstone Village project, the site will require complex due diligence and planning approvals to be completed before construction can begin.

##### *615 Albert Street – Library District NCC Procurement*

The 2020 Capital Plan identified Ottawa Community Housing Corporation (OCHC) to participate in a joint procurement with the National Capital Commission for the initial phase of their LeBreton Flats redevelopment project. The City's property at 615 Albert Street is situated immediately adjacent to the City's future central library site and was identified as a short-term development site for affordable housing in Council Report #ASC2019-PIE – *Interdepartmental Task Force on Affordable Housing Near Transit Stations*, approved by Council on April 10, 2019. In the immediate term as a cost-saving measure, the property will be used as a staging area for construction of the Central Library until 2025, or when the library construction is complete.

Participation in the NCC's Library District procurement process was intended to provide the City with an opportunity to deliver affordable housing sooner by permitting the City's requirements to be delivered anywhere on the consolidated NCC/City 1.17-hectare Library District site, rather than limiting it to the City's property. As a result, it was

expected that the affordable housing component could start construction earlier by partnering with the NCC.

Through further due diligence and in-depth discussions with the NCC, it was determined that the City's affordable housing plans could be delivered more cost effectively from both a capital and long-term operating perspective if the City and NCC ran their own procurement processes separately, without causing significant delay to the delivery of new affordable housing units.

### **Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Housing Initiative (COCHI) Projects**

#### *715 Mikinak Road, Wateridge Village (42 units)*

The 2020 Capital Plan Report outlined that Ottawa Community Housing Corporation (OCHC) was to receive \$1.62 million through the Ontario Priorities Housing Initiative (OPHI) Year 2 funding to support their development of Phase 2 (Building 3) at 715 Mikinak Road in Wateridge Village in partnership with the Developmental Services Sector for the provision of supportive housing on the site. In the fall of 2020, a Request for Proposals was issued by Housing Services to determine if a partner could be found within the developmental disabilities sector in Ottawa to operate Building 3. No submissions were received through that RFP process and OCHC will now be constructing and operating the building, with the potential to rent some units to an organization within the Developmental Services Sector in the future. The 2020 Capital Plan Report gave delegated authority to the Director of Housing Services to allocate any additional funds to the second phase of this project in the event additional funding became available under the OPHI. In January 2021, the City allocated an additional \$1 million from OPHI Year 2 funding to OCHC to help support the construction of the third building on this site.

#### *745 Mikinak Road, Wateridge Village - Veterans House (40 units)*

Multifaith Housing Initiative (MHI) was allocated \$1.5 million in funding through the Canada-Ontario Community Housing Initiative (COCHI) program and \$325,000 in City capital funding to offset development charges associated with the construction of a three-storey, 40-unit supportive housing development for veterans experiencing homelessness at 745 Mikinak Road in Wateridge Village. The building exceeds the funding program's requirements for accessibility and strives to achieve a high level of environmental performance through Passive House design. The project includes partnerships with Ottawa Salus as the primary mental health support service provider,



and a variety of other veteran-focused organizations. All 40 units are to be rented at the ODSP maximum shelter rate of \$497 per month, achieving deep affordability for these units.

Construction of the project was completed in the spring of this year, and Veteran's House is now more than 50 percent occupied while adhering to capacity limitations imposed by COVID-19 public health requirements.

*455 Wanaki Road, Wateridge Village (8 units)*

The 2020 Capital Plan allotted \$960,000 from the Rental Housing Component of the Ontario Housing Priorities Initiative (OPHI) funding in support of Habitat for Humanity National Capital Region's development of 8 affordable housing units at 455 Wanaki Road. The units are geared toward low- to moderate-income families with children, with one unit being constructed as barrier-free. The building is currently under construction.

**Predevelopment Funding – Not for Profit Sites**

In 2019, up to \$2 million in predevelopment funding was set aside and remains an important investment to move projects through the approvals and permitting process to ensure there is an adequate supply of shovel-ready projects as capital construction funding becomes available. All initial pre-development projects continue to advance through the feasibility stage and approvals process, and once complete, will result in up to 297 new units ready for construction from 2022 through to 2024 (See Document 2 for details).

**Predevelopment Funding – City Sites**

The 2020 Capital Plan included an allocation of up to \$2 million to undertake predevelopment activities on City-owned surplus lands identified for affordable housing. Any remaining funds were to be added to ongoing 2019 predevelopment funding agreements with not-for-profit and charitable housing providers or added to the contingency reserves for capital projects previously approved.

*1770 Heatherington*

The 2019 Capital Plan recommended that an RFP be released in 2020 to develop affordable housing on the City's property located at 1770 Heatherington Road. The RFP has not yet been released. This property is a former City works yard and while some environmental cleanup has occurred, in order that residential development be permitted, additional risk mitigation measures will need to be undertaken.

## **Rapid Housing Initiative – Round 1 and 2**

On October 27, 2020, the Federal Government, through the Canada Mortgage and Housing Corporation (CMHC), launched the \$1 billion Rapid Housing Initiative (RHI) to create 3,000 permanent and affordable units across Canada. The RHI program provides capital contributions to construct new units using modular construction, conversion of existing non-residential buildings or spaces into affordable units, and the rehabilitation of housing that is in a state of disrepair or that has been abandoned.

The RHI Round 1 program has two streams: the Major Cities Stream, under which Ottawa was allocated \$31.9 million to deliver a minimum of 83 new units; and the Project Stream, which was an application-based program open to municipalities, provinces, territories, Indigenous organizations, and non-profit organizations across the country.

As part of the RHI funding requirements, the City submitted an Investment Plan to CMHC on November 27, 2020 to identify projects eligible for the \$31.9 million allocation, and to include projects for consideration under the Project Stream. The City submitted four projects with three non-profit partners totalling 109 affordable and supportive housing units under the Major Cities Stream. On December 4, 2020, CMHC approved the City's investment and spending plan for the projects to be funded with the \$31.9 million. The approved projects are as follows:

- 145 Castlefrank Road – Hope Living (Shepherds of Good Hope)
- 216 Murray Street (Shepherds of Good Hope)
- 500 Lisgar Street (John Howard Society of Ottawa)
- 3380 Jockvale Road – Phase 1 (Ottawa Community Housing Corporation)

These projects and associated capital investments will be discussed later in this report.

On June 30, 2021, the Government of Canada announced the second round of the Rapid Housing Initiative (RHI Round 2), with the continued intent of addressing the urgent housing needs of vulnerable Canadians. Like Round 1, the RHI Round 2 program is comprised of two streams: the Cities Stream and the Projects Stream. On July 16, 2021, the federal government announced the City of Ottawa's allocation of \$22,443,697 to create a minimum of 58 units of new permanent affordable housing under the Cities Stream. The Projects Stream will allow the City to revise and resubmit eligible applications that were submitted but not selected during Round 1 of the RHI.

These projects would be evaluated against proposed projects from 29 other municipalities, for funds within the \$1 billion funding envelope for the Project Stream. Housing Services staff is required to develop and submit a list of proposed projects for both streams under the RHI Round 2 by August 31, 2021.

By way of a motion on July 21, 2021, Council approved recommendations which serve to increase the 2021 capital budget to account for this RHI Round 2 funding and provide Housing Services with the necessary authority to select projects and project partners, seek CMHC approvals and enter into agreements with housing partners to deliver affordable housing in accordance with the parameters of the RHI Round 2 funding. Housing Services will report back to Council in the fall of 2021 with an update and may bring forward additional recommendations for Council consideration at that time, if necessary.

### **Social Services Relief Fund**

In March 2020, the government of Ontario launched the Social Services Relief Fund (SSRF), which allocated \$148 million to municipalities across the province to help protect the health and safety of the Province's most vulnerable people during the COVID-19 pandemic. In October 2020, over \$241 million was allocated to municipalities and Indigenous community partners to help improve shelters and create opportunities for longer-term housing.

The City of Ottawa received three tranches of funding under the SSRF. On April 1, 2020, the Ministry of Municipal Affairs and Housing committed \$13.2 million to the City to assist with the COVID-19 response. In August 2020, the Ministry increased the City's allocation by \$17.8 million to further assist with the mitigation of ongoing risks for vulnerable people, to encourage long-term housing-based solutions to homelessness post-pandemic, and to enhance rent assistance for households in rent arrears due to COVID-19. The City received a third allocation on December 15, 2020, in the amount of \$12 million on the condition that the funds be committed by January 31, 2021.

The second and third tranches of funding permitted capital costs as eligible expenses under the SSRF program, the objective of which is to create longer-term housing solutions for people experiencing homelessness, better address the needs of those experiencing homelessness, and to encourage movement toward client service models that are innovative and seek to support client and organizational readiness in preparation for potential future outbreaks or emergencies. The following capital projects were selected to receive funding under the SSRF:

- St. Luke's Table – 760 Somerset Street West. An allocation of \$150,000 is being used to renovate the existing day program space at St. Luke's Anglican Church to create three new showers, laundry facilities, and the relocation of washrooms to address a critical service gap, which has been exacerbated by the increase in unsheltered homelessness as a result of the pandemic. This project does not contain a residential component.
- 92 Florence Street – Holland Properties Association/Ottawa Mission
- 3380 Jockvale Road – Ottawa Community Housing Corporation
- 1083 & 1095 Merivale Road – Shepherds of Good Hope

Apart from St. Luke's Table, these projects and associated capital investments will be discussed later in this report.

### **Supportive Housing**

The provision of supportive housing is an important component for ending chronic homelessness as it allows people living with mental health and/or addiction issues to access the supports they need to achieve recovery, while living in a stable and safe environment. For decades, investments in subsidized and affordable housing lacked the appropriate supports to allow people experiencing homelessness or at risk of homelessness to retain housing and stabilize their lives.

In 2009, in response to this gap in services for people experiencing long term homelessness, people living with a disability or mental health and/or addiction issues, City Council strategically invested \$1 million in services for people who were homeless or at imminent risk of homelessness through the Supports in Social Housing program, a partnership between two social housing providers and six support services agencies. Following this investment in supports for people to obtain housing and/or stabilize in their current living arrangements, in 2011, Council invested \$14 million annually in a variety of housing and homelessness initiatives under the Housing and Homelessness Investment Plan, which included \$16 million in capital for new affordable and supportive housing from 2011 to 2014.

The approval of the City's first 10-Year Housing and Homelessness Plan in 2013 further bolstered efforts to create more supportive housing with funding from all levels of government to create more housing options for people, while providing more coordinated access to services to help people get the supports they need to find and

retain housing and stabilize their lives. In 2015, an additional \$2 million was added to the Housing and Homelessness Investment Plan to provide much needed operating funding for four new supportive housing developments.

A key component of the City's updated 10 Year Housing and Homelessness Plan that was approved by Council in July 2020 is that 10 percent of new affordable housing units will be supportive housing units. The shift over the past decade from a traditional shelter model to the creation of more supportive housing units or housing with supports to address chronic homelessness has led to the creation of 788 supportive units/beds across the City, from Kanata to Carlsbad Springs, since 2006.

The COVID-19 pandemic has highlighted the inequities faced by those who do not have a home and the challenges they face in maintaining their safety. Many daytime services, such as drop-in centres, and public spaces with access to washroom facilities, like public libraries, have been closed. Additionally, many emergency shelters have experienced increased costs and operational pressures related to more stringent cleaning requirements, personal protective equipment, and the need for more staff.

Through the federal government's Rapid Housing Initiative that was launched in the fall of 2020, the City of Ottawa was allocated \$31.9 million to deliver a minimum of 83 units by the end of 2021. The City's approved RHI investment plan includes 109 new affordable units, 85 of which are supportive housing units.

In addition to the federal RHI funding, the government of Ontario's 2020 Social Services Relief Fund (SSRF) is investing over \$241 million across the province to help create opportunities for longer-term housing for those experiencing homelessness. Through this program, Ottawa is adding an additional 60 supportive housing beds to the city's supportive housing stock. Additional funding through the Canada-Ontario Community Housing Initiative helped to create 40 supportive housing units for veterans, which were completed earlier this year. With this increase in funding from the provincial and federal governments for supportive housing, 185 new supportive housing units/beds have been approved by Council in 2020 and 2021, representing 23% of the 788 supportive units for people experiencing homelessness approved and/or built since 2006.

## **DISCUSSION**

The purpose of this report is to bring forward the proposed spending plan for the City's 2021 affordable housing commitment of \$15M, in addition to \$4,691,904 from Year 3 (2021-2022) of the Ontario Priorities Housing Initiative (OPHI). In addition,

\$2,036,000 will be reimbursed by the Catholic Centre for Immigrants (Welcome House) this year, and \$22,443,697 has been allocated to the City through the federal RHI Round 2 funding, providing a total capital funding envelope of \$44,171,601.

Approval of the 2021 Capital Plan will add at least 295 new affordable units, resulting in 1,730 units being under development across the City, which includes the 58 units to be provided through the RHI Round 2 program, and approximately 349 units that received pre-development funding in 2019, as listed in the table below.

*Units Under Development*

<b>Address</b>	<b>Units</b>
715 Mikinak Road (OCHC)	271
811 Gladstone Avenue (OCHC)	140
455 Wanaki Road (Habitat for Humanity)	8
818 Gladstone Avenue (OCHC)	220
933 Gladstone Avenue (OCHC)	338
145 Castlefrank Road (SGH)	8
1083 & 1085 Merivale Road (SGH)	57
216 Murray Street (SGH)	40
500 Lisgar Street (JHS)	29
3380 Jockvale Road (OCHC)	32
92 Florence Street (Holland Properties)	8
289 Carling Avenue (JHS)	40
3865 Old Richmond Road (ADO)	35
147 & 159 Forward Avenue (CCOC)	49
2040 Arrowsmith Drive (TBD)	40
251 Penfield (OCHC)	8
RHI Round 2	58
Pre-development funding	349
<b>TOTAL</b>	<b>1730</b>

The recommendations in this report, which seek to allocate the \$44,171,601 in available capital funding for 2021, will help to support the creation of approximately 295 new permanent affordable units, in addition to approximately 113 units that are currently underway and have experienced additional unforeseen costs resulting mainly from the impacts of COVID-19.

## **2021 City Capital**

Of the \$15 million City capital funding in the 2021 budget, \$5,877,549 has been previously committed based on the authority granted through a Council Motion on November 25, 2020 in support of four Rapid Housing Initiative (RHI) projects and two Social Services Relief Fund (SSRF2) projects.

### *145 Castlefrank (8 units)*

Shepherds of Good Hope is converting the ground floor of their existing three-storey Hope Living Residential Service Home at 145 Castlefrank Road in Kanata to create an additional eight fully accessible supportive units. This residential program currently offers 93 supportive housing beds with a focus on elderly individuals with complex mental health challenges. Approximately \$1.3 million in RHI Round 1 funding was allocated to this project, in addition to \$57,100 of 2021 City capital funding

The priority groups that will be served by the additional 8 units are individuals experiencing homelessness, or those at risk of homelessness, with a focus on Indigenous individuals.

The building permit application has been issued for this project, and Shepherds of Good Hope started construction in early July 2021.

### *216 Murray (40 units)*

Shepherds of Good Hope will be redeveloping their site at 216 Murray Street in Lowertown to construct a 40-unit mid-rise apartment building. The units will provide supportive housing for people experiencing homelessness in the shelter system, with a focus on Inuit and Indigenous people.

The redevelopment will also include a low barrier drop-in program that will be open 16 hours daily, seven days a week, to provide innovative supports and a safe option for people experiencing homelessness in the community to go during the day and evening hours. Additionally, a modern soup kitchen will be built to replace the out-of-date kitchen at 233 Murray Street. The building will be staffed 24 hours per day and will be supported by Ottawa Inner City Health to offer comprehensive health and wellness initiatives to all residents.

Approximately \$10.8 million in RHI Round 1 funding has been allocated to this project. A City capital grant in the amount of \$308,615 was also provided..

*500 Lisgar (29 units)*

John Howard Society of Ottawa will construct a 29-unit low-rise modular apartment building at 500 Lisgar Street in Centretown. The development will consist of supportive units for women experiencing chronic homelessness, with a focus on Indigenous women. Programming in the building will include 24-hour on-site supports with gender, trauma and culturally responsive case management, and community development opportunities.

Approximately \$14 million in RHI funding has been allocated to this development. A City capital grant amounting to approximately \$236,915 to offset planning fees and development charges is also being allocated to this project.

Construction of the new building is anticipated to begin in August 2021.

*3380 Jockvale Road (32 units)*

3380 Jockvale Road is a City-owned site in Barrhaven that will be transferred to Ottawa Community Housing Corporation (OCHC) to be developed in two phases. Phase 1, which will be funded under both the RHI and the SSRF2 program, will consist of 32 modular stacked townhome units. The units will be targeted to families in the emergency shelter system, with a focus on newcomers, including refugees. City capital funding from the 2021 budget in the amount of \$415,808 was allocated earlier this year.

OCHC has selected the successful design-build firm to carry out this project and will be submitting for site plan approval this summer 2021.

*1083 and 1095 Merivale Road (57 one-bedroom units)*

1083 and 1095 Merivale Road is a 0.5-hectare (1.2 acre) property located at the intersection of Merivale Road and Kirkwood Avenue. As a result of SSRF and 2021 City funding in the amount of \$4,850,000, Shepherds of Good Hope has purchased this property, which until the time of purchase has been occupied by the Parklane Residence, a privately owned, aging Residential Service Home. This acquisition has prevented the loss of the existing one-bedroom units and presents an opportunity to update the existing building to better serve future residents.

Shepherds of Good Hope are undertaking a complete renovation of the existing three-storey Parklane building, including converting bedroom units to single occupancy, updating communal areas as well as electrical and HVAC systems. A minimum of 57 updated bedroom units will result from the completion of this project.



The building is currently being stripped and partial interior demolition is taking place. A construction permit for the renovation works is expected to be issued this summer 2021.

*92 Florence Street (89 rooms)*

Holland Properties Association (The Ottawa Mission) purchased an 8-room rooming house at 92 Florence Street in January 2021 and plans to renovate the interior of the building to create eight or nine updated rooms, each with its own bathroom and kitchenette. The renovation will also include new and upgraded plumbing, electrical, and windows. The City has allocated \$700,000 from the SSRF funding to help support Holland Properties Association with the acquisition and renovation of the building.

In addition to the SSRF funding, Section 37 funds from the Ward 14 affordable housing account in the amount of \$525,687 were allocated to Holland Properties Association to support the purchase of this rooming house.

Additional 2021 City capital amounting to approximately \$9,111 was pre-committed to this project to offset building permit fees.

Interior demolition of the building is currently underway and a building permit for the renovation will be issued by August 2021. The units will be ready for occupancy by the end of 2021.

The November 2020 Council motion pre-committed \$5,877,549 to the above six projects, which will deliver 175 affordable housing units. The remaining 2021 Capital funding envelope of \$38,294,052 is recommended to be allocated toward the delivery of both new affordable housing and toward ensuring that projects currently under way, but at risk due to COVID related impacts, can continue to progress.

*2040 Arrowsmith Drive (40 – 60 units)*

The property at 2040 Arrowsmith Drive is a City-owned parcel that was declared surplus to the City's needs and designated for the purpose of affordable housing development by Council in May 2019.

The parcel is approximately 0.60 hectares and is currently zoned Minor Institutional (I1E). The parcel is surrounded by relatively high-density housing on, and around, Arrowsmith Drive and Jasmine Crescent. A public library, pool, and seniors' centre are located close by on Ogilvie Road. The site is currently occupied by the Gloucester Emergency Food Cupboard and a community garden. The site is constrained by a large

easement for underground infrastructure running down the middle of the parcel; however, staff have worked with CSV Architects to identify viable development solutions for the site.

Recommendation 1(b) recommends that Housing Services release a Request for Proposals (RFP) in 2021 to identify a Housing Provider to develop the site for affordable housing, and to allocate up to \$5 million from the 2021 capital budget to the successful proponent of the RFP. The land will be provided to the successful proponent for a nominal fee. In addition to constructing new affordable housing units on the site, the successful proponent will be required to accommodate a new building or space in a mixed-use building for the Gloucester Emergency Food Cupboard. Staff are exploring capital funding opportunities to assist with the construction of the new space for the Food Cupboard.

#### *Rapid Housing Initiative – Round 1 and 2*

Recommendation 1(c) would permit the allocation of up to \$4 million toward RHI projects and to offset various City fees for these affordable housing projects.

A Council Motion passed on November 25, 2020 committed \$5,877,549 of the 2021 capital budget to support four Rapid Housing Initiative (RHI) projects and two Social Services Relief Fund (SSRF2) projects. While these projects are currently underway, some have been impacted by COVID-related construction cost increases and material and labour shortages.

By way of a motion on July 21, 2021, Council approved recommendations that provide Housing Services with the necessary authority to select projects and project partners, seek CMHC approvals and enter into agreements with housing partners to deliver affordable housing in accordance with the parameters of the RHI Round 2 funding that was allocated to the City in the amount of \$22,443,697. A City contribution may also be necessary to ensure the projects are financially viable.

Housing Services will report back to Council in the fall of 2021 with an update on the RHI 2 projects and may bring forward additional recommendations for Council consideration at that time, if necessary.

#### *Contingencies for current projects underway*

The pandemic has significantly impacted the residential construction industry and the ability for affordable housing projects to be delivered on time and on budget, which will

require that additional 2021 resources be directed to help support active projects being undertaken by our housing partners to help overcome these challenges.

Recommendation 1(d) proposes that any remaining funds in the 2021 Capital budget form part of a project contingency budget and authorizes the Director of Housing Services to allocate the remaining Capital funding envelope on an as-needed basis.

### **Ontario Priorities Housing Initiative (OPHI Year 3: 2021-2022)**

#### *Pilot project for Black-led Family Housing (5 units)*

The report recommendations seek authority to release an RFP for up to \$750,000 to a housing provider for the provision of affordable housing for black-led families. OPHI Year 3 funding will be used for this initiative by providing up to \$175,000 funding contribution per unit. This pilot project will encourage a housing provider to acquire existing housing stock, complete any needed repairs and offer the units at an affordable rent to black-led families. The units would remain affordable for a minimum of 15 years. This pilot could deliver 4 or 5 units but will help to establish a strategy to target certain populations in need of affordable housing.

#### *147 & 159 Forward Avenue (18 units)*

In 2019, Housing Services allocated \$1,170,475 in IAH funding, \$3,305,216 in OPHI funding, and \$525,000 in City capital to support the development of 31 units at 159 Forward Avenue by Centretown Citizens Ottawa Corporation (CCOC).

In the summer of 2020, CCOC was presented with an opportunity to purchase the adjacent property at 147 Forward Avenue, which would allow them to expand the proposed development and create more affordable units. The City supported CCOC with the purchase of this property by allocating \$226,200 from the Ward 15 Section 37 affordable housing account to CCOC.

CCOC has revised their plans for this development and are proposing to add an additional 18 units in the expanded building. Recommendation 2(b) proposes to allocate \$2,700,000 from the Year 3 OPHI Rental Housing Component funding to contribute toward development of these additional units.

CCOC is currently obtaining planning approvals for the proposed development and anticipates starting construction this fall.

*Housing Blitz*

This report recommends that up to \$1M of Ontario Renovates funds be allocated toward supporting the Housing Blitz as outlined in Motion No. FEDC/CPSC 2021 10/1 carried at the special joint meeting of the Finance and Economic Development Committee and the Community and Protective Services Committee on March 2, 2021.

The Alliance to End Homelessness-Ottawa (ATEHO), the City of Ottawa and community partners previously partnered on a "Housing Blitz" in 2020 to capitalize on potentially higher vacancy rates due in part to the COVID-19 pandemic. This initial effort took place between August 1, 2020, and September 30, 2020. The intention behind this initiative was to be able to secure 100 affordable housing units. The outcome of this initiative led to successfully housing 30 households.

The City of Ottawa has approximately 310 families staying in Motels /Hotels/Post-Secondary Institutions at present. While these facilities provide a very essential need, they do not accommodate the long-term residential needs of families.

Council Direction from the Special Joint Meeting of the Finance and Economic Development Committee and Community and Protective Services Committee of March 2, 2021 directed staff to:

- (1) conduct a housing blitz, with community partners such as Refugee613 and the Eastern Ontario Landlords Organization, to identify permanent housing that is affordable and available for the homeless families currently in the shelter system;
- (2) conduct a new Request for Offers (RFO) to seek additional temporary accommodations across the City to provide greater options for homeless families while they wait to secure permanent housing; and
- (3) direct staff to advise Community and Protective Services Committee and Council on the outcome of this process, including any changes to the approved workplan to accommodate the directions outlined in this motion.

To accommodate this urgent Housing need, Housing Services staff will release a Request for Offers in Q4 2021 to seek local community partners to identify available rental units and align families to more suitable long-term accommodations. The Ontario Renovates funding will be used as an incentive to secure and renovate rental units with private and not for profit developers. The program will be extended to provide funding to landlords for interior and exterior renovations to rental units, provided that they agree to

house families from the emergency shelter system that are in receipt of a housing benefit. This will help cover eligible landlord expenses under the program while ensuring that qualifying households have units that are in a good state of repair or adequately modified to meet their accessibility requirements. The selection of landlords will occur through the issuance of an RFO or through negotiations with landlords engaged by housing services staff when trying to secure appropriate accommodation for families exiting the shelter system. In the latter scenario, housing services staff will refer the landlord to apply to the Ontario Renovates Program to ensure their eligibility and qualification of the unit under the program. Staff will also develop criteria to ensure that units meet Ministry requirements as well as minimum quality and location requirements for eligible households.

### **Welcome House Reimbursement**

Housing Services will receive a reimbursement in the amount of \$2,036,000 for the Welcome House project. Recommendation 3 will authorize the Director of Housing Services to apply these funds as a contingency toward affordable housing projects that are currently underway and are at risk due to unforeseen additional costs. The developments by Shepherds of Good Hope on Montreal Road, the John Howard Society on Carling Avenue and Centretown Ottawa Citizens Corporation on Forward Avenue, with a total of 113 units, have been identified as requiring additional funding.

#### *765 Montreal Road (42 units)*

In 2018, Housing Services allocated \$1.8 million in capital funding through the Social Infrastructure Fund (SIF), in addition to \$4.5 million through the provincial Home for Good program and a municipal contribution of approximately \$700,000 in grants and fee waivers.

During construction of the project, Hydro Ottawa determined the top two floors of the building were too close to the high-voltage power lines along Montreal Road and Shepherds of Good Hope was required to either redesign the building or move the power lines. Because the building was under construction and close to completion at the time of this discovery, the most cost-effective option was to relocate the hydro poles and guy wires. Construction was completed in early 2021 and Shepherds of Good Hope is working to achieve full occupancy of the building.

To assist with the costs associated with relocating the hydro poles, Housing Services is recommending an allocation of \$750,000 for this project.

*289 Carling Avenue (40 units)*

Through the Federal Government's Surplus Federal Real Property for Homelessness Initiative, the City acquired the property at 289 Carling Avenue for the purpose of creating supportive housing for individuals who are or who have been chronically or episodically homeless and who require moderate to intensive social support systems to remain housed. In 2019, the City entered into a contribution agreement with John Howard Society of Ottawa (JHS) for the construction of 40-unit supportive housing development. JHS intends to relocate their head office to this new building once construction is complete.

Construction of this project began in the fall of 2020 and is anticipated to be complete by early 2022. The COVID-19 pandemic has created challenges for this project, including increased construction costs, as well as labour and supply shortages. To help offset the additional construction costs, Housing Services is recommending an allocation of \$1.24 million to JHS to ensure continuity of the project

Recommendation 4 will authorize the Director of Housing Services to reallocate \$7M from the 2020 capital funds that were previously allocated to OCHC's Phase 1 Gladstone Village project be reallocated to its project at 715 Mikinak Road where funds are more urgently needed to address price escalation in materials and to ensure OCHC can begin construction this year. Staff will work closely with OCHC to monitor the progress of Rochester Heights Phase II and Gladstone Village and recommend a future capital allocation to these projects closer to the start of construction.

**Pre-Development Funding (2019 & 2020 Capital Plans)**

Of the projects that received predevelopment funding through the 2019 and 2020 Capital Plans, Nepean Housing has made significant progress with their proposed redevelopment of a parcel within their Dunbar Court development. A Zoning By-law Amendment for the site was approved by Council in May 2021, and the associated Site Plan Control application has also been approved by Planning, Infrastructure and Economic Development. Recommendation 5 will allocate up to \$166,000 in additional funding through the previously approved predevelopment funding envelope.

Additionally, up to \$300,000 from the 2019/2020 pre-development funding allocation will be used for the issuance of a Request for Proposals (RFP) to support pre-development work for Indigenous affordable housing project development. An RFP will be issued in Q4 2021 to fund Indigenous housing providers to advance plans for development of affordable housing.

*1770 Heatherington Road*

The Boys and Girls Club of Ottawa is currently under construction on a parcel located at the centre of the site. A future park will be developed adjacent to the Club. Affordable housing can be constructed on the parcels around the perimeter of the site but will also require that a new public road be constructed to provide access and install services.

This report includes a recommendation to issue an RFP in 2021 to seek housing providers who will partner with the City to advance design and funding plans for the provision of family-oriented affordable housing. While the City continues its environmental due diligence on the site, Housing Services will work with selected housing partners to develop funding models based on CMHC's co-investment plan and other similar funding/financing opportunities, with a view to starting construction in late 2022.

## **RURAL IMPLICATIONS**

N/A

## **CONSULTATION**

Affordable Housing Branch staff attended the June 15<sup>th</sup> meeting of the Accessory Advisory Committee.

Throughout 2020 and 2021, Housing Services has consulted internally and with external stakeholders on the targets and outcomes that will be advanced if the report recommendations are approved. Consultation occurred with the broader Housing Sector, the Housing System Working Group, and the Affordable Housing Capital Plan Steering Committee.

## **COMMENTS BY THE WARD COUNCILLOR(S)**

N/A

## **ADVISORY COMMITTEE(S) COMMENTS**

Affordable Housing Branch staff attended the June 15<sup>th</sup> meeting of the Accessory Advisory Committee to present and receive feedback on the recommendations of the 2021 Capital Plan. Members received the report and encouraged the Branch to include accessibility features that would create more inclusive developments where ever possible, rather than limiting to individual units.

## **LEGAL IMPLICATIONS**

There are no legal impediments to the implementation of the report recommendations.

## **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.

## **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the report recommendations.

## **ACCESSIBILITY IMPACTS**

Visitable and accessible dwelling units are a requirement under the Ontario Building Code, Canada Mortgage Housing Corporation National Housing Co-Investment Fund programs and the City's Action Ottawa program. Any RFP or Contribution Agreement associated with projects discussed in this report will include requirements for visitable and accessible units.

The 10 Year Plan aims for 10% of all new affordable units to be accessible.

## **TERM OF COUNCIL PRIORITIES**

The allocations will advance the objectives of the Ten-Year Plan Refresh by creating affordable housing and rental affordability for our residents.

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 - Renter Household Income Deciles and Average Market Rents (2-19 - 2020)

Document 2 - Active Not-for-Profit Predevelopment Projects

Document 3 - Supportive Housing Table



**DISPOSITION**

The allocations will advance the objectives of the Ten-Year Plan by creating affordable housing and rental affordability for residents.

Housing Staff, in consultation with other departments, will action the recommendations.

**Document 1 - Renter Household Income Deciles and Average Market Rents (2019 - 2020)**

Renter Income Deciles	Maximum Affordable Rent	Average Market Rent and Determination of Affordability				
		Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	Average
	2019	\$881	\$1,088	\$1,297	\$1,468	\$1,195
	2020	\$933	\$1,178	\$1,409	\$1,624	\$1,302
	<b>2021</b>	<b>\$1,000</b>	<b>\$1,244</b>	<b>\$1,514</b>	<b>\$1,850</b>	<b>\$1,402</b>
Low Income Deciles 1-3 (\$31,148 and less)	\$359	No	No	No	No	No
	\$543	No	No	No	No	No
	\$779	No	No	No	No	No
Moderate Income Deciles 4-6 (from \$31,148 to \$61,500)	\$1,015	Yes	No	No	No	No
	\$1,260	Yes	Yes	No	No	No
	\$1,538	Yes	Yes	Yes	No	Yes
High Income Deciles 7-10	\$1,858	Yes	Yes	Yes	Yes	Yes
	\$2,284	Yes	Yes	Yes	Yes	Yes
	\$2,972	Yes	Yes	Yes	Yes	Yes

<b>(\$61, 501 and above)</b>						
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**Document 2 – Active Not-for-Profit Pre-development Projects**

Below is a list of all the active pre-development projects, which will bring approximately 297 units to construction-ready status between 2022 and 2024.

Project Name	Address	Ward	Approx # Units Proposed	Project Stage
St. Patrick's Home	2865 Riverside Drive	16	164	Development application submitted for review
Anglican Diocese	8 Withrow, 9 and 11 Rossland	8	43	feasibility, pre-application
Ellwood House	2270 Braeside Avenue	18	38	feasibility, pre-application
CCOC - Carruthers	212, 216 Carruthers Avenue	15	8	feasibility, pre-application
CCOC - Armstrong	171 Armstrong and 277 Carruthers	15	8	feasibility, pre-application
CCOC - Putman	82, 84 Putman Avenue	13	8	feasibility, pre-application
Nepean Housing - Dunbar	1 Dunbar Court	9	28	Development applications approved.
<b>Total Units</b>			<b>297</b>	

**Document 3 – Supportive housing projects for individuals experiencing homelessness or at risk of experiencing homelessness**

Address	Ward	Number of supportive housing units	Year Funded
259 St. Anne Avenue (John Howard Society of Ottawa)	12	25	2006
1053, 1057 Merivale Road (Shepherds of Good Hope)	16	55	2009
314 Booth Street (Cornerstone Housing for Women)	14	42	2011
145 Castlefrank Road (Shepherds of Good Hope)	23	93	2013
308 Cambridge Street (John Howard Society of Ottawa)	14	24	2013
1239 Summerville Avenue (Cornerstone Housing for Women)	16	18	2013
318-322 Gardner Street (John Howard Society of Ottawa)	12	34	2015
1486 Clementine Blvd (Ottawa Salus Corporation)	17	42	2016
1900 St. Joseph Blvd (Montfort Renaissance)	2	48	2016
373 Princeton Avenue (Cornerstone Housing for Women)	15	42	2018
55-59 Carruthers Avenue John Howard Society of Ottawa)	15	36	2018
765 Montreal Road (Shepherds of Good Hope)	13	40	2018
289 Carling Avenue	17	40	2019

(John Howard Society of Ottawa)			
161 Presland Avenue (Holland Properties Association)	13	64	2019
500 Lisgar Street (John Howard Society of Ottawa)	14	29	2021
216 Murray Street (Shepherds of Good Hope)	12	48	2021
1083, 1095 Merivale Road (Shepherds of Good Hope)	16	52	2021
745 Mikinak Road (Multifaith Housing Initiative)	13	40	2021
92 Florence (Holland Properties Association)	14	8	2021
145 Castlefrank Road (Shepherds of Good Hope)	23	8	2021
	<b>Total</b>	<b>788</b>	