

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
1 February 2022 / 1er février 2022**

**and Council
et au Conseil
9 February 2022 / 9 février 2022**

**Submitted on January 21, 2022
Soumis le 21 janvier 2022**

**Submitted by
Soumis par:
Derrick Moodie, Director, Corporate Real Estate Office/ Directeur, Bureau des
bien immobiliers municipaux and/et Saide Sayah, Acting Director, Housing/
Directeur par intérim, Services de logement**

**Contact Person
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Ward: BARRHAVEN (3)

File Number: ACS2022-CSS-GEN-001

SUBJECT: The Waiver of Real Property Policy and Transfer of Previously Declared
Surplus Land – Part of 3380 Jockvale Road

OBJET: Dérogation à la Politique sur l'aliénation des biens immobiliers et cession
d'une propriété précédemment désignée excédentaire – Partie du 3380,
chemin Jockvale

REPORT RECOMMENDATIONS

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

1. That Section 1.2 of the City's Disposal of Real Property Policy pertaining to the disposal of real property at current market value and Section 2.3 pertaining to the public marketing of viable properties be waived; and
2. That the Director, Corporate Real Estate Office be delegated the authority to transfer the previously declared surplus property known as part of 3380 Jockvale Road, as shown in Document 1, from the City to Ottawa Community Housing Corporation for \$2 subject to certain terms and conditions including the creation of affordable housing on the Property, as described in this report.

RECOMMANDATIONS DU RAPPORT

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

1. Que l'exigence de l'article 1.2 de la Politique sur l'aliénation des biens immobiliers de la Ville, qui porte sur l'aliénation de biens immobiliers à la valeur marchande actuelle, et l'exigence de l'article 2.3 de la Politique, qui porte sur l'offre au public des biens immobiliers exploitables soient annulées; et
2. Que le directeur du Bureau des biens immobiliers municipaux de la Ville se voit déléguer le pouvoir de céder à la Société de logement communautaire d'Ottawa, pour un montant de 2 \$, la propriété précédemment déclarée excédentaire – partie du 3380, chemin Jockvale – sous réserve de certaines conditions, notamment la création de logements abordables sur ledit bien-fonds, comme le décrit le présent rapport.

BACKGROUND

Affordable Housing Land and Funding Policy

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

The policy aims to ensure that surplus City-owned land, deemed appropriate for residential development, is considered for the purpose of developing affordable housing

and that Housing Services work in collaboration with the City's Corporate Real Estate Office to increase the supply of affordable housing.

Disposal of Real Property Policy

The City's Disposal of Real Property Policy was approved by Council in 2001 and updated in 2018. This policy is intended to ensure transparent and accountable processes are followed and that disposals are undertaken in a manner that maximizes social, economic, environmental and cultural return to the City. Among the direction provided, this policy sets out that, unless authorized by Council, viable lands must be disposed of at current market value (Section 1.2), yet Council may authorize the disposal of land at less than market value if it is considered to be in the best interest of the City to do so (Section 1.3).

Conditions for the disposal of viable real property are set out in Section 2 of this policy and require that

- the real property be declared surplus to current or future program or operational requirements of the City (Section 2.1);
- that at least one appraisal of the real property be obtained (Section 2.2); and
- that notice of the disposal of viable real property be provided to the public to solicit offers (no sole sourcing) (Section 2.3).

Background Information Relating to the Subject Site

The subject site, which is municipally known as part of 3380 Jockvale Road (See Document 1), is a portion of a larger parcel of land that was deemed surplus by Council on October 11, 2017 (Report ACS2017-CSD-CRE-0004). It is a 0.95 hectare (2.3 acre), residentially zoned, vacant parcel of land located in Barrhaven (Ward 3). It is adjacent to the intersection of Jockvale Road and Longfields Drive and has road frontage on Jockvale Road as well as Bending Way and Branch Street, both which are being constructed as part of Minto's new Riversbend subdivision, which is immediately east of the subject site.

The land was leased to the Ottawa Community Housing Corporation (OCHC) on February 1, 2021 following a Council-approved motion on January 27, 2021, for the development of an affordable housing project to be constructed as 'phase 1' at 3380 Jockvale Road. In accordance with OCHC's contribution agreement with the city, they are required to construct 32 two- and three-bedroom affordable units in low-rise walk-up apartments, which will be geared towards families experiencing homelessness or at risk

of homelessness. A second development phase is also intended on the subject site which is expected to add an additional 25 or more affordable housing units for a total of approximately 57 affordable housing units. The phase 1 project is receiving support from all three levels of government, including funding from Canada Mortgage and Housing's Rapid Housing Initiative program and the Ministry of Municipal Affairs and Housing's Social Service Relief Funding. The City is also providing fee and development charge relief through Action Ottawa. City staff originally recommended a twenty-year lease, for nominal consideration, in order to meet federal funding timelines which required OCHC to have an interest in the land at time of execution. Now that the funding is in place, staff are recommending the transfer of the land.

DISCUSSION

Staff are proposing to transfer the subject lands, which were valued at \$1.6 million in 2020, to Ottawa Community Housing Corporation at no cost. The proposed nominal consideration is in keeping with the City's Affordable Housing Land and Funding Policy. The intended transfer conforms to the Disposal of Real Property Policy, except for Sections 1.2 and 2.3 for which waivers are being requested through this report. Section 1.2 requires that viable real property be disposed of at market value and Section 2.3 requires the public be notified of the disposal of viable real property.

Through Council approved motion on January 27, 2021, staff were granted the authority to lease 3380 Jockvale Road to OCHC at no cost for the purposes of constructing the agreed upon affordable housing. This authority was granted because providing a no-cost leasehold interest to OCHC was considered to be in the best interest of the City. The same applies to this current recommendation to convert the leasehold interest into fee simple ownership. The following rationale was considered:

- Support for this affordable housing project acknowledges and responds to the Housing and Homelessness Emergency that was declared by Council on January 27, 2020.
- Capital funding for this affordable housing project has been secured from the federal and provincial governments for phase 1 of this project, which, in conjunction with the transfer of land for nominal consideration, will allow for the construction of 32 two- and three- bedroom units, with a future phase expected to include approximately 25 additional units for a total of 57 units.
- With a 2020 land valuation of \$1.6M, a no-cost transfer of the subject lands represents an investment of approximately \$28,000 per unit at full build-out for

the subject site. Fee and development charge waivers through Action Ottawa are also being provided for this project. In phase 1, these municipal contributions coupled with the funding from other levels of government will allow for deeply affordable units to be offered. The fair market value of the land is considered a contribution and secured on title along with the tangible funding being provided for the construction of the affordable housing.

- The units being constructed in phase 1 are exclusively geared towards those experiencing homelessness or at high risk of experiencing homelessness and will be offered at rates that do not exceed 30 percent of gross household income. This aligns with the mandates set out in the 10 Year Housing and Homelessness Plan, 2020-2030, including the goal to reduce overall homelessness and increase affordable housing stock, and to provide housing for the growing number of families currently accessing the family shelter system.
- The proposed phase 1 development for low-rise apartments is an appropriate form of development which conforms to the relevant policies set out in the Official Plan and conforms to the existing zoning of Residential Fourth Density Zone, Special Exception 2465 (R4Z[2465]).

Through an internal and utility circulation initiated by CREO for the subject site in November 2020, it was confirmed that no other department needed to retain the lands for other purposes. Comments were received from Asset Management Branch, Right of Way Branch, the Environmental Remediation Unit, Forestry Services and Rogers which have been detailed in the consultation section of this report. All comments have been acknowledged and adequately addressed.

The subject site includes both the leasehold parcel (See Document 2) as well as an additional 1,036 m² of land at the south end of the site, all of which was previously deemed surplus by Council on October 11, 2017 (Report ACS2017-CSD-CRE-0004). Since the lease was executed, it was determined that the right of way that was planned to flank the southern boundary of the parcel is no longer required as part of the local road network. A pedestrian pathway will still be constructed in its place which will connect pedestrians and cyclists from Geyser Place to Longfields Drive along the southern half of the formerly intended right of way lands (See Document 3). The norther portion of the previously intended right of way is no longer needed for municipal purposes and is therefore proposed to be included as part of the subject lands. A trunk sewer is located under these lands which will require an easement in favour of the city to allow access for maintenance purposes. Adding 1,036 square metres of land to this

parcel will provide OCHC more flexibility once they begin to design phase 2 and may result in an opportunity for a higher unit yield.

Based on the above, staff are recommending that Sections 1.2 and 2.3 of the City's Disposal of Real Property Policy be waived in order to transfer the land for nominal consideration. Staff are recommending the conversion of OCHC's twenty-year ground lease interest into a fee simple ownership. The proposed consideration at less than market value is in the best interest of the City. It will allow OCHC to deliver 32 affordable housing units meant to house families who are currently homeless or at high risk of homelessness, and an additional 25 or more affordable units in a future phase of development. The terms and conditions of the agreement of purchase and sale will be finalized by the Director, Corporate Real Estate Office, and include the following:

1. That the subject lands, as shown in Document 1, be severed from the balance of the lands known municipally as 3380 Jockvale Road under authority of Section 50(3) of the Ontario Planning Act.
2. That at the time of transfer, an easement be registered in favour of the City of Ottawa to allow continued access to a sanitary trunk sewer at the south end of the subject site.
3. That at the time of transfer, easements be registered acknowledging existing utility infrastructure be registered.
4. That OCHC construct the first phase of development in accordance with the Contribution Agreement with the City dated February 19, 2021, for 32 affordable housing units.
5. That OCHC construct affordable housing in subsequent phases of development which meets the definition of affordable housing in accordance set out in the Municipal Capital Facilities By-law No. 2014-431, as amended.
6. That in the event OCHC does not build the intended units as part of phase 1 of the development within three (3) years of the parcel transfer, OCHC will owe the City Fair Market Value equivalent to the 2020 appraised value for the parcel or provide the City with the option to repurchase the parcel for \$2.

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

The Corporate Real Estate Office undertook a surplus lands circulation in November 2020 which was distributed to internal departments and utility companies. No objections were received to this parcel being declared as surplus to municipal needs and designated for the purpose of affordable housing. The following comments were received and have been acknowledged and/or addressed, as appropriate.

- Comment from Asset Management - no objections subject to no municipal underground services being on the property.
- Response - As there is a sanitary trunk sewer which traverses the southern portion of the subject site, Housing Staff have further engaged with Asset Management and have conditioned the requirement for an easement over the infrastructure asset. Asset Management is satisfied with this resolution.
- Comment from Right of Way Branch – If any utilities are within this area, easements will be required.
- Response – Easements for all utility assets within the subject site will be required as a condition of transfer.
- Comment from Environmental Remediation Unit – There are some historical uses on the subject site that will require investigation, and a Record of Site Condition may be required for the property.
- Response – Comments are acknowledged and have been passed along to OCHC, along with all relevant background documents. OCHC is aware that they will be required to submit Environmental Site Assessments as part of the Site Plan Control application review, and address the requirements set out therein.
- Comment from Forestry Services – There is a row of dead and dying ash trees along Jockvale near Longfields Drive which will not require compensation when removed.
- Response – This is acknowledged and will be addressed further through site plan control.
- Comments from Rogers – Rogers identified infrastructure immediately adjacent to the subject site.

- Response – Comments are noted, and additional opportunity for comment will be granted through the ongoing site plan control review process.

Ottawa Community Housing Corporation has filed a Site Plan Control Application (File No. D07-12-21-0192) and has engaged in preliminary consultation with the Ward Councillor, Jan Harder. Further consultation, including public consultation, will occur through the site plan control review process.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Harder is aware of the recommendations of this report.

ADVISORY COMMITTEE(S) COMMENTS

N/A

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

ASSET MANAGEMENT IMPLICATIONS

A sanitary trunk sewer runs east-west along the southern portion of the subject site. As a condition of transfer, an easement will be registered in favour of the City to allow continued access and maintenance to the asset once the land has been transferred to OCHC.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the report recommendations.

ACCESSIBILITY IMPACTS

Under CMHC's Rapid Housing Initiative funding, there is a requirement that a minimum of 20 percent of units be barrier-free. Seven of the 32 units will therefore be barrier-free units.

ENVIRONMENTAL IMPLICATIONS

There are no environmental impacts associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

The affordable housing project at 3380 Jockvale Road, and subsequently the recommendations in this report, support the 2018-2022 Term of Council Priority for Thriving Communities, which seeks to increase affordable housing as a key component of the City's 10-Year Housing and Homelessness Plan.

SUPPORTING DOCUMENTATION

Document 1 – Location Map

Document 2 – Leasehold Parcel

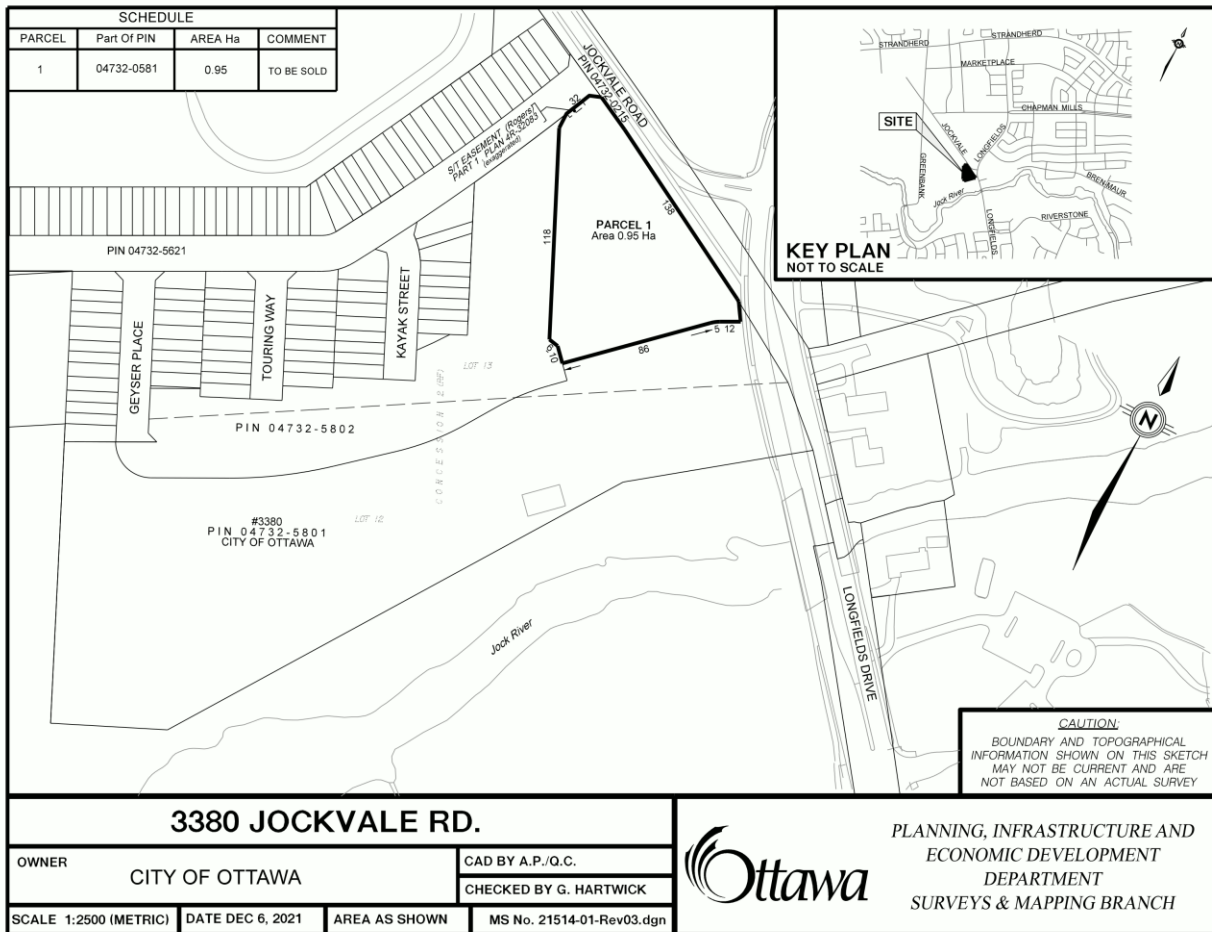
Document 3 – Conceptual Pathway Block and Additional Lands

DISPOSITION

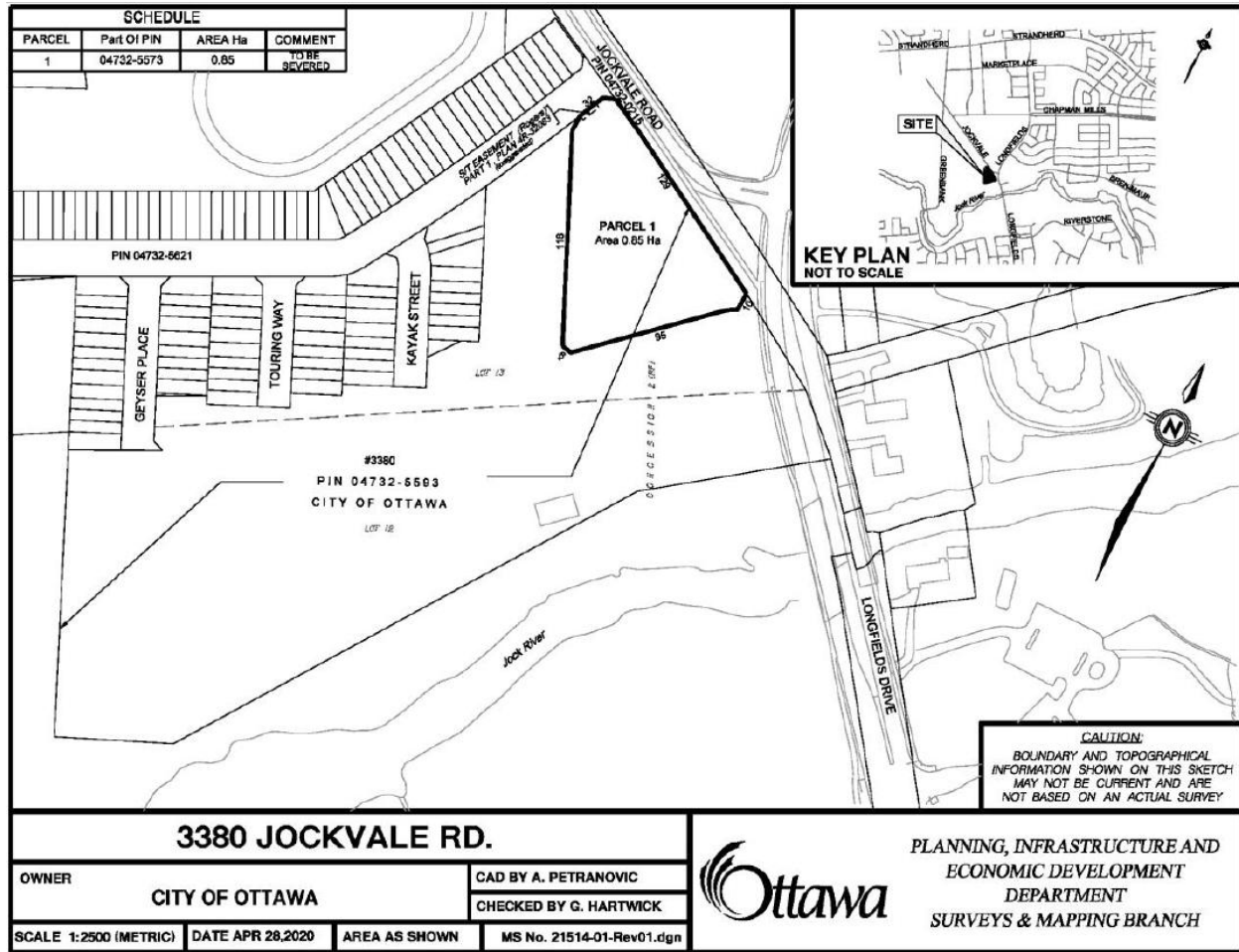
Corporate Real Estate Office staff to circulate the potential transfer to utility companies and City infrastructure for comment prior to transfer.

Legal Services will work with Corporate Real Estate Office to affect the transfer and with Housing Services and OCHC to ensure the Property is developed as contemplated in this report.

Document 1 – Location Map



Document 2 – Leasehold Parcel – Parcel 1



Document 3 – Conceptual Pathway Block and Additional Lands

