

**5. DEVELOPMENT CHARGES: AFFORDABLE HOUSING UPDATE**  
**REDEVANCES D'AMÉNAGEMENT : MISE À JOUR DU LOGEMENT**  
**ABORDABLE**

**COMMITTEE RECOMMENDATIONS AS AMENDED**

That Council approve:

1. The City of Ottawa Supplemental Development Charges Background Study for Affordable Housing dated August 7, 2014; and
2. The enactment of an amendment to the Development Charges By-law regarding Affordable Housing substantially in the form and content included in the City of Ottawa Supplemental Development Charges Background Study dated August 7, 2014, as amended by the following:
  - a. The second paragraph of section 1 of the draft by-law be replaced with the following:

s.s.17(19) be added to include “The development charges imposed by this by-law for Affordable Housing purposes shall be paid into the Affordable Housing Development Charge Reserve Fund and all development charges imposed by the City by any by-law for Affordable Housing purposes shall be deemed to be in respect of a single service.
3. That no further public meeting is necessary, pursuant to the Development Charges Act, subsection 12(3).

## **RECOMMANDATIONS MODIFIÉES DU COMITÉ**

Que le Conseil approuve :

1. L'étude préliminaire supplémentaire de la Ville d'Ottawa sur les redevances d'aménagement pour le logement abordable datée le 7 août 2014; et
2. L'adoption d'une modification au Règlement sur les redevances d'aménagement selon la forme et le contenu de l'étude préliminaire supplémentaire de la Ville d'Ottawa sur les redevances d'aménagement pour le logement abordable datée le 7 août 2014, comme modifiée par ce qui suit :
  - a. Que le deuxième paragraphe de l'article 1 de la version préliminaire du règlement soit remplacé par ce qui suit :

Ajout du paragraphe 17(19) pour inclure ce qui suit : « Les redevances d'aménagement imposées en vertu du présent règlement aux fins du logement abordable doivent être versées au Fonds de réserve pour redevances d'aménagement du Programme de logements abordables; et toutes les redevances d'aménagement imposées par la Ville en vertu d'un règlement aux fins du logement abordable sont réputées être imposées à l'égard d'un service unique.
3. Qu'aucune nouvelle réunion publique n'est nécessaire, conformément au paragraphe 12(3) de la *Loi sur les redevances d'aménagement*.

DOCUMENTATION / DOCUMENTATION

1. Deputy City Manager's report, Planning and Infrastructure, dated 8 August 2014 (ACS2014-PAI-PGM-0205).  
  
Rapport de la directrice municipale adjointe, Urbanisme et Infrastructure, daté le 8 août 2014 (ACS2014-PAI-PGM-0205).
  
2. Revised Draft By-law (Affordable Housing) follows the report, attached as Document 2.  
  
Ebauche du Règlement révisé (logement abordable) fait suite au rapport, joint au Document 2.
  
3. Extract of Draft Planning Committee Minute, 21 August 2014.  
  
Extrait de l'ébauche du procès-verbal du Comité de l'urbanisme, le 21 août 2014.

**Report to  
Rapport au:**

**Planning Committee  
Comité de l'urbanisme**

**and Council  
et au Conseil**

**August 8, 2014  
8 août 2014**

**Submitted by  
Soumis par:**

**Nancy Schepers, Deputy City Manager / Directrice municipale adjointe, Planning  
and Infrastructure / Urbanisme et Infrastructure**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2014-PAI-PGM-0205**

**SUBJECT: Development Charges: Affordable Housing Update**

**OBJET: Redevances d'aménagement : Mise à jour du logement abordable**

## **REPORT RECOMMENDATIONS**

**That the Planning Committee recommend that Council approve:**

- 1. The City of Ottawa Supplemental Development Charges Background Study for Affordable Housing dated August 7, 2014; and**
- 2. The enactment of an amendment to the Development Charges By-law regarding Affordable Housing substantially in the form and content**

**included in the City of Ottawa Supplemental Development Charges  
Background Study dated August 7, 2014.**

## **RECOMMANDATIONS DU RAPPORT**

**Le Comité de l'urbanisme recommande que le Conseil approuve :**

- 1. L'étude préliminaire supplémentaire de la Ville d'Ottawa sur les redevances d'aménagement pour le logement abordable datée le 7 août 2014; et**
- 2. L'adoption d'une modification au Règlement sur les redevances d'aménagement selon la forme et le contenu de l'étude préliminaire supplémentaire de la Ville d'Ottawa sur les redevances d'aménagement pour le logement abordable datée le 7 août 2014.**

## **BACKGROUND**

At its meeting of May 13, 2014, Planning Committee recommended that Council approve the City of Ottawa Development Charges Background Study dated April 28, 2014 and the City of Ottawa Area-Specific Background Study for Individual Stormwater Management Ponds and Drainage Systems dated April 28, 2014. Council adopted this recommendation at its meeting of June 11, 2014. ([ACS2014-PAI-PGM-0111](#)).

Throughout the process that led to the preparation of the Background Study released in April, the City's Development Charges Sponsors group received advice leading to uncertainty as to whether funds could be spent for any facilities other than those that were owned, leased or operated by the City, as in most cases, the City uses third-party providers to supply affordable housing services. As a result, it was determined that the charge related to Affordable Housing (as well as the charge related to Child Care Facilities) would not be included in the 2014 Development Charges Background Study, and the Background Study released in April contained no capital cost level of service information that would substantiate development charges for this service area.

Members of the Affordable Housing sector were opposed to the removal of the charge. A Motion was passed by Planning Committee on May 13th directing staff to prepare a supplemental Development Charge Background Study for Affordable Housing to be submitted to Planning Committee at the earliest possible opportunity, with the intention of adding the charge back in.

The Background Study associated with this report includes a determination of service levels and charges to reinstate the Affordable Housing development charge. A public consultation process was undertaken, as required under the *Development Charges Act*.

## **DISCUSSION**

A Development Charge (DC) related to Affordable Housing was added into the City's Development Charges By-law in 2009. The charge under that By-law was \$189.00 per unit for a single detached dwelling and was applied on a city-wide basis. Development charges for this area of service have been introduced by several Ontario municipalities in recent years.

Throughout the life of the 2009 By-law, which included a lengthy phase-in period, the City collected approximately \$2.1 million in the Affordable Housing Development Charges fund. These funds remain in the account, and will be used to support the development of affordable housing in 2015 in the Longfields Subdivision on lands currently held by the Ottawa Community Lands Development Corporation.

The supplemental Background Study followed the same process as that described in ACS-2014-PAI-PGM-0111 for the April background study.

The eligible development charges amount (the service level cap) was established, based on multiplying the 10 year average service level by the projected increase in population, resulting in a maximum service level cap of \$94,731,438.

The yearly gross capital cost estimate for the development of additional affordable housing units was included as \$5.25M per year. Following consultation with affordable housing sector advocates, an additional level of funding was added in for "plans and studies", bringing the 10 year total to \$52.6M. Because this is under the service level cap, the entire amount is eligible for inclusion in the By-law.

The Benefit to Existing Development (BTE) percentage used in the 2009 By-law was 70 per cent. However, after examining the 10 year trend it was found that, while the number of new applications has remained relatively stable at approximately 4500-4700 households per year, the waiting list has increased and the number of households housed annually has decreased. This indicates an increase in the needs of the existing population. As a result, the BTE in the background study was established at 75 per cent.

A Post Period Benefit calculation for services to accrue to the population post-2024 was applied to the budgets for 2022, 2023, and 2024. A 10 per cent statutory deduction to be funded from non-development charge sources was applied, and the service was deemed to be 100 per cent recoverable by the residential sector, with no charge being levied on the non-residential sector.

Following the noted deductions, the eligible service to be included in the By-law is \$9.4M. In order to determine the per capita charge, the total service amount (\$9.4M) is divided by the projected gross population increase to 2024 (149,903). The per capita development charge (\$62.39) is then multiplied by the established occupancy rate for each unit type to result in the following charges, found in Table ES-1B of the background study:

Affordable Housing Program	City-Wide as of August 1, 2013. \$	City-Wide Calculated \$	Difference \$
Residential Dwelling Unit Type			
Single and Semi-detached	189	208	19
Apartments (2+ bedrooms)	107	114	7
Apartments (less than 2 bedrooms)	74	84	10
Multiple, row and mobile dwelling	143	157	14

Funds collected from the development charge will be used to support the development of new affordable housing under the City's Action Ottawa Program and/or the Investment in Affordable Housing for Ontario Program. This new development will provide additional housing that supports the goals of the City's *Ten Year Housing and Homelessness Plan* targeting priorities as approved by each Term of Council.

### **RURAL IMPLICATIONS**

The recommended charge is to be applied on a city-wide basis, and will apply equally to residential development in the rural area.

## **CONSULTATION**

Two meetings were held with affordable housing stakeholders and advocates representing the Housing System Working Group, Ottawa Social Housing Network, the Alliance to End Homelessness, Centretown Citizens Ottawa Corporation, Nepean Housing Corporation, Ottawa Community Housing Corporation and the Somerset West Community Health Centre. The first meeting, held on July 7, 2014, presented the rationale for the charge and an explanation of the process. The second meeting, on July 20, 2014, presented the proposed charge to the stakeholders. Stakeholders were provided with information related to the development of the Background Study and were permitted to share the information with other members of the community. While an increased value in the contribution by the City and development charges is desirable, the group did not object to the proposed charge.

The Development Charges Industry Working Group was advised of the process and its results.

## **COMMENTS BY THE WARD COUNCILLORS**

The Development Charges Update for Affordable Housing is a city-wide issue, but Councillor Hume, the Chair of the Development Charges Sponsors Group, is aware of the process undertaken and supports the calculated increase in the charge.

## **LEGAL IMPLICATIONS**

The appeal provisions are as set forth in the disposition.

## **RISK MANAGEMENT IMPLICATIONS**

There is a 40 day appeal period during which the Development Charges By-law is appealable to the Ontario Municipal Board. Through consultation, staff have taken all reasonable steps to avoid an appeal.

## **FINANCIAL IMPLICATIONS**

Financial implications are identified within the report.

## **ACCESSIBILITY IMPACTS**

The development of new subsidized affordable housing will comply with *Accessibility for Ontarians with Disabilities Act (AODA)* and provide a direct benefit to seniors and persons living with disabilities who need access to affordable housing.

## **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with receiving this report.

## **TERM OF COUNCIL PRIORITIES**

This project addresses the following Term of Council Priorities:

Strategic Priority: Healthy and Caring Community.

Help all residents enjoy a high quality of life and contribute to community well-being through healthy, safe, secure, accessible and inclusive places.

HC3 - Improve social and affordable housing.

Provide affordable, attractive and accessible supportive and permanent housing for residents in need, and improve the range and quality of housing for people of diverse abilities and incomes to live in a community through various life stages.

## **SUPPORTING DOCUMENTATION**

Document 1 2014 Development Charges Update Study (*Previously distributed and held on file with the City Clerk*)

Document 2 Housing Development Charges Amending Bylaw

## **DISPOSITION**

Planning and Growth Management will make any changes to the Development Charges Background Study Update as a result of the direction of Planning Committee and Council.

Legal Services will prepare the required by-law and submit it to Council.

Within 20 clear days of the passage of the by-law, Planning and Growth Management Department to ensure that there is a notice of the passage of the By-laws and appeal deadline placed in the EMC and Le Droit.

Within 20 days, the City Clerk's Office to notify everyone, who has provided a written request for notice and a return address and the secretary of every school board within the City of Ottawa, of the passage of the By-laws and appeal deadline.

The public has 40 days after the adoption of the by-law to file an appeal with the City Clerk. If appeals are made, the City Clerk's Office to compile a formal record of appeals including: a certified copy of the by-law; a copy of the two development charge background studies; certification that the notice of passage and last day of appeal was given in accordance with the *Act*; and an original or true copy of all written submissions and materials received in respect of the by-law before it was passed. The City Clerk's Office to forward a notice of appeal and record to the Ontario Municipal Board secretary within 30 days of the last day of the appeal period and provide such information and material as the Board may require.

Planning and Growth Management Department to prepare a pamphlet for each development charge by-law that has been adopted and is in force within 60 days after the by-law comes into force if the by-laws are not appealed to the Ontario Municipal Board. If the by-laws are appealed, the pamphlets are to be prepared within 60 days of the Board's decision or amendment order. The pamphlets are to be made available to the public upon request.