

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
5 November 2019 / 5 novembre 2019**

**and Council
et au Conseil
27 November 2019 / 27 novembre 2019**

**Submitted on October 24, 2019
Soumis le 24 octobre 2019**

**Submitted by
Soumis par :**
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Bureau des biens immobiliers municipaux and Shelley VanBuskirk, Director,
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**Ward: KANATA NORTH (4) / KANATA- File Number: ACS2019-CSS-GEN-0016
NORD (4)**

SUBJECT: The Declaration of Surplus Real Property – 251 Penfield Drive

OBJET: Déclaration de bien-fonds excédentaire – 251, promenade Penfield

REPORT RECOMMENDATIONS

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

- 1. That the viable property known as 251 Penfield Drive be declared
surplus to the City's needs and designated for the purpose of affordable
housing development;**

2. 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
3. That the Director, Corporate Real Estate Office be delegated the authority to transfer the property known as 251 Penfield Drive from the City to Ottawa Community Housing Corporation for \$1 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 d'approuver ce qui suit :

1. **Que le bien-fonds viable situé au 251, promenade Penfield soit déclaré excédentaire au regard des besoins de la Ville et désigné aux fins d'aménagement de logements abordables;**
2. **Que l'exigence 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 courante, et l'exigence 2.3 de la Politique, qui porte sur la diffusion publique des biens immobiliers viables visant à solliciter des offres d'achat, soient annulées; et**
3. **Que le directeur du Bureau des biens immobiliers municipaux se voit déléguer le pouvoir de transférer de la Ville à la Société de logement communautaire d'Ottawa, pour un montant de 1 \$, le bien-fonds situé au 251, promenade Penfield, sous réserve de certaines conditions, notamment la création de logements abordables sur ledit bien-fonds, comme le décrit le présent rapport.**

BACKGROUND

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.

251 Penfield Drive sits adjacent to 231 Penfield Drive, which is a seniors' social housing community owned and operated by Ottawa Community Housing Corporation (OCHC). The subject property, 251 Penfield Drive was severed from 231 Penfield Drive in 1977 when Ontario Housing Corporation sold it for one dollar (\$1) to the Township of March (now the City of Ottawa) for the purpose of erecting a seniors' activity centre and parking lot for the adjacent seniors housing building. Had the property not been severed and sold for this particular purpose, in all likelihood it would have been transferred to OCHC in 2001 for one dollar (\$1) as part of Ontario Housing Corporation's social housing devolution. The Property was and is currently being utilized for parking by Ottawa Community Housing Corporation as the recreation centre was never constructed.

OCHC has confirmed that it is interested in acquiring the Property for the purpose of building eight additional seniors' units, immediately adjacent to the 231 Penfield seniors' housing community, and continuing to utilize a portion of the Property to meet ongoing parking needs.

DISCUSSION

The Property, 251 Penfield Drive, is legally described as: Part of Block R1, Plan 847, Part 1, 5R2136; Kanata, being PIN 04514-0024 (LT) and measures approximately 2.2 hectares. The abutting lands are a local commercial area, a park, a fire station and the adjacent seniors housing building. A site plan dating back to 1974, shows that the entire parcel (Block R1 on Plan 847), then owned by Ontario Housing Corporation, was intended to be comprised of a social housing structure (now 231 Penfield Drive) along with a future activity centre and parking area (now 251 Penfield Drive). The Property was severed, sold and transferred in 1977 by Ontario Housing Corporation to the Corporation of the Township of March for one dollar (\$1). The Indenture includes the following remarks in the Affidavit:

“Transferred to Municipality for municipal purposes, namely, construction of recreation centre for senior citizens.”

Note: The Corporation of the Township of March became the City of Kanata and is now part of the City of Ottawa.

Since the development of the adjacent seniors' housing community, a portion of the Property was paved and painted for parking. It has been consistently used for parking by the seniors' housing community since that time. There is a path connecting the Property to the seniors' housing community and the adjacent commercial property.

The adjacent seniors' housing community at 231 Penfield Drive was originally constructed and administered by the Ontario Housing Corporation and was transferred to OCHC in 2001 as part of the devolution of social housing from CMCH/Ontario Housing Corporation to local housing corporations. It is designated as a social housing community (1A Program) pursuant to Ontario Regulation 368/11 of the *Housing Services Act, 2011* and is also designated as a municipal housing project facility per By-law No. 2014-431.

Although the Property, 251 Penfield Drive, was not transferred in 2001 during devolution, presumably because it no longer belonged to Ontario Housing Corporation, the residents of 231 Penfield Drive have been using 251 Penfield Drive as a parking area for many years.

While no survey has been done, a community garden, used by residents of 231 Penfield, appears to be encroaching on a portion of the Property and there are paved paths connecting the Property to the adjacent seniors' housing community. The two properties essentially operate as one piece of land.

For the proposed intensification concept to actually function, the current informal use of 231 and 251 Penfield as a single property would need to be legalized through a consolidation of the two properties.

Staff performed a circulation for the Property in 2015. Although no departments, other than Housing, indicated a need for the property, the circulation identified the need for easements as there is currently no easement registered on title for the existing sanitary trunk sewer that runs across the front of the site. If the City transfers the land, it is anticipated that an easement of 10 meters (5 meters on each side of the centerline of the pipe) will have to be retained in favour of the City. Hydro Ottawa also has high voltage cables located on the Property and will require a blanket easement over the whole Property.

The 2015 circulation comments also requested that the City ensure that the streetlight pole located at the South-East corner of the entrance to the property be entirely in the right of way. A property survey will be required to delineate the easement and accurately locate the streetlight pole.

The property is zoned Residential Fourth Density with Sub-zone X (R4X [1201]) allowing only retirement homes and no less than 420 square feet per unit. While the zoning definition permits a seniors' residence, zoning exception [1201] restricts any increase in density and the addition of a new building will create a Planned Unit Development (PUD) which is also not permitted. Notwithstanding the requirement for a zoning amendment, the property and site servicing appear to be able to accommodate a modest infill development that would accommodate an additional eight units of seniors' affordable housing.

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 sole source the transfer of a viable property (251 Penfield Drive) at less than market value to Ottawa Community Housing Corporation, for the sum of \$1, subject to conditions, to be finalized by the Director, Corporate Real Estate Office, including the following:

1. that OCHC consolidate the two parcels into one property within a set reasonable period of time, failing which the property reverts back to the City;
2. that OCHC construct, at its sole cost a minimum of eight self-contained rental units at approximately 560 square feet per unit, for low income seniors at rents not to exceed Average Market Rents as defined by the Canada Mortgage Housing Corporation for the City of Ottawa;
3. an inhibiting order be registered on title that prevents OCHC from transferring, charging, encumbering or dealing with the property without the consent of the City, as Service Manager, under the *Housing Services Act, 2011*, which is standard for all prescribed social housing;
4. that OCHC take the necessary steps to ensure the property and associated rent structure qualifies as a Municipal Capital Housing Facility under the City's By-law No. 2014-431 which exempts it from paying property taxes and is revenue neutral for the City as a result of the City paying less social housing property tax subsidies under the *Housing Services Act, 2011*; and
5. that in the event OCHC does not build the seniors units within three (3) years of the parcel transfer, OCHC will owe the City Fair Market Value equivalent to the

2019 appraised value for the parcel, or provide the City with the option to repurchase the parcel for \$1.

Should this report be approved, staff will initiate a Zoning By-Law Amendment Application to permit the addition of 8 dwelling units at approximately 560 square feet each, as illustrated in document 2, prior to the transfer of the subject lands to Ottawa Community Housing Corporation.

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

A circulation was conducted in 2015 to determine if the property was required for a City purpose. No department, other than Community and Social Services Department's Housing Services, indicated a requirement for the property. Housing Services put the Property on hold. The property is currently on recirculation to utility companies and City infrastructure to confirm requirements noted from the 2015 circulation. Any sale to OCHC will be subject to the findings of the updated circulation.

Development of 251 Penfield Drive will follow the required development application process. Consultation with the ward councillor and community will occur through that process.

COMMENTS BY THE WARD COUNCILLOR(S)

The Councillor is aware 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

N/A

ASSET MANAGEMENT IMPLICATIONS

N/A

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 and the City's Action Ottawa program. Development associated with the lands discussed in this report will include requirements for visitable and/or accessible units.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implication associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with the recommendations of the report.

TERM OF COUNCIL PRIORITIES

At the Council meeting of July 13, 2011, the Term of Council 2011-2014 Strategic Priorities were approved. The "Healthy and Caring Community" Strategic Priority included the following Strategic Objective:

Strategic Objective: 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 – 251 Penfield Drive Location Map

DISPOSITION

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

Housing Services, in consultation with Ottawa Community Housing Corporation (OCHC) to submit an application for a Zoning By-law Amendment to permit the development of 8 seniors housing units on the subject Property.

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

Document 1 – 251 Penfield Drive Location Map

