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Melanie Knight
City of Ottawa
Planning and Growth Management
110 Laurier Avenue West, 4th Floor
Ottawa, ON K1P 1J1

April 18, 2017

Re: **Ottawa Section 37 Guidelines Review**

Ms. Knight:

Centretown Citizens Ottawa Corporation (CCOC) is writing to provide comments on the City of Ottawa review of the Section 37 guidelines and process.

CCOC is a private non-profit landlord and developer that operates nearly 1600 units of affordable housing in downtown Ottawa. CCOC is the sister corporation to Cahdco, a non-profit development corporation with a specialty in affordable housing development.

CCOC regards the Section 37 policy as an important planning policy tool that can be used to increase the supply of affordable rental housing in Ottawa. It can be used to great effect with other complimentary planning policies such as inclusionary zoning (not yet in effect); the affordable housing land and funding policy (formerly the Housing First policy) and the minimum parking requirements policy, to name a few. Providing opportunities to increase the supply of affordable housing throughout Ottawa is a corporate priority for the City, as expressed in the Official Plan and in the City's 10-year plan on housing and homelessness. We believe the Section 37 policy can be better used to contribute to that goal.

CCOC has reviewed the proposed updates to the guidelines and we believe they are an improvement on the existing guidelines. We also offer the following comments and suggestions for improving the effectiveness of Section 37 policy:

- Under section 4.1, an increase in zoning *height* is preferable to *density* as the measure for whether Section 37 applies. City of Ottawa zoning is based on height not density and Section 37 guidelines should be in accordance with zoning.
- Whether density or height are used, the following suggestions apply:
 - Amend section 4.1 from an area **and** density threshold, to an area **or** density threshold. Section 37 should be applied when either the building area minimum or the density increase is met, not both of them. Requiring both criteria to be met sets a high threshold for Section 37 to apply and we have seen in the past number of years that many rezoning projects have proceeded with any application of the Section 37 policy because the threshold is too high. The City should decrease the threshold for building area to 3,000 m² from 7,000 m².
 - The threshold for density increase should be 10% not 25% increase above zoning.
- Where there is a community design plan (CDP) or secondary plan in place, the lesser of the current zoning or the CDP should apply.
- Draw down factors should be more objective. Drawdowns based things like internal pathways and plaza spaces add value directly to the housing development and should not be considered community benefits. The value of drawdowns due to other proposed amenities should be calculated based on a 1:1 relationship with the actual cost of installing the amenity. This should be reflected in the guideline.

Most importantly,

- The City should prioritize affordable housing among Section 37 community benefits: A minimum of 50% of funds derived from Section 37 should go towards affordable housing. Density increases impact land value, which can have a negative effect on housing affordability and on the viability of future non-profit housing projects. There is a logical connection between allowing the density increases and offsetting the negative community impact by dedicating a portion of funds to affordable housing development.
- The definition of Non-Profit Housing should be amended to read “low *and modest* income”: this better reflects the definitions of affordability in other City policies.
- Under section 7.7 which outlines the possible use of Section 37 funds for affordable housing, there should be some effort to associate community benefits with the impacted community. We suggest adding: “priority will be given to affordable housing projects in the local area or with an appropriate geographic relationship to the site”.

- In section 7.7 and 8.2 the General Manager of Community and Social Services is given discretion for the use of affordable housing funds. This is inconsistent with other Section 37 benefits where Ward Councillors and local communities have input. We suggest amending these sections to read “under the discretion of the General Manager of Community and Social Services, *with concurrence of the Ward Councillor or any relevant Community Design Plan.*”

CCOC would be happy to discuss further details or address any questions regarding our comments on the proposed Section 37 guidelines.

Sincerely,



Ray Sullivan
Executive Director

cc. Councillor Mathieu Fleury
Councillor Jeff Leiper
Councillor Catherine McKenney
Councillor Tobi Nussbaum
Centretown Citizens Community Association
Dalhousie Community Association