

OCAF Submission to City of Ottawa in response to its *Housing Accelerator Plan*

The Ottawa Climate Action Fund (OCAF) congratulates the City of Ottawa for developing an ambitious plan to accelerate housing supply in Ottawa, with a focus on intensification and affordable housing. In this submission, we identify Housing Acceleration Plan (HAP) recommendations that OCAF strongly supports and urges the City of Ottawa to prioritize. We also identify possible additional enhancements, modifications and considerations.

The Intersection of Climate and Housing: OCAF's interest in Ottawa's Housing Accelerator Plan

OCAF's mission is to accelerate Ottawa's transition to an equitable, carbon-neutral future and supporting the City of Ottawa in achieving its net zero targets. OCAF's scope of work includes housing and it is in the interest of our mission to engage with planning and housing policy makers in Ottawa. Buildings and transportation make up roughly 90% of Ottawa's source emissions. Housing straddles both emissions from buildings (homes) and from the tailpipe emissions that result directly from land use planning policies.

OCAF appreciates the City of Ottawa citing the "climate implications" of its housing plan, with specific reference to the potential for emissions reduction via sustainable growth, intensification, and energy efficient prefabrication and modular construction methods.

OCAF commends the City of Ottawa for the HAP's intent to direct housing growth to existing urban and suburban neighbourhoods with a diversity of typologies throughout the city fabric, rather than only via concentrated high growth nodes. Policies that provide better housing choices and improve livability and affordability can encourage residents to choose these options instead of houses in car-dependent areas. Therefore, *what type of homes we build, where we build, and how we build*, (for example less energy-intensive home pre-fabrication methods), is of great interest to OCAF. *Who we build for* is also important for climate equity and affordability, which is part of OCAF's mission.

1. Recommendations OCAF strongly supports: 5 B. Gentle Density in Existing Neighbourhoods

OCAF strongly supports Section 5.B of the Housing Accelerator Plan: *Unlocking Urban Intensification and Transit-Oriented Development: Facilitating gentle density and diverse typologies (infill, missing middle, modular friendly city).*

Modelling commissioned by OCAF found that accommodating new homes on existing residential lots via gentle density has the potential to reduce carbon emissions associated with new home development by 35-50%, with these savings attributed to reduced tailpipe emissions, lower energy consumption and embodied carbon associated with compact homes.

Compact development – alternative to urban sprawl – is one of the greatest opportunities for the City of Ottawa to reduce climate pollution from housing and transportation, while making life

more affordable and livable for its residents. Coach houses, multiplexes and other forms of gentle density on residential lots offer “ground oriented” housing alternatives to car-dependent houses. Along with stacked townhomes and small and midrise apartment buildings on more major streets, such housing alternatives provide opportunities for more residents to live in a range of locations and neighbourhoods throughout Ottawa. These options can also be more attainable than a single-family house.

OCAF specifically commends the City’s recommendations in 5.B of the HAP which enable a diversity of typologies and *distributed density* throughout urban and suburban neighbourhoods. This approach mitigates an over-reliance on large-scale apartment and condominium projects that typically offer smaller units that may not align with the needs and preferences of many households. Without this diversity, families may be forced to seek housing in car-dependent areas, with corresponding increases in transportation costs and GHG emissions.

While OCAF strongly supports the recommendations outlined in section 5.B, we would recommend consideration be given to the following enhancements:

a) Dedicated Program Support

Assign a dedicated staff member to the ARU Accelerator Program to assist homeowners in overcoming barriers during the application process. Timely resolution of these issues will help expedite project completions, build public confidence, and drive greater uptake of the program.

b) Application of Section 1.A Policies to ARUs and other forms of gentle density

Many of the streamlining measures identified in Section 1.A should be applied specifically to the ARU program as well as other forms of gentle density. For example:

- **Reduced Requirements:** Minimize the number of studies and plans required (e.g., 1.B.11) to make small scale projects, conversions and ARUs feasible.
- **Reduced Duplication:** Ensure that ARU gentle density applications don’t require each homeowner to replicate identical studies, for instance, transportation, sewer capacity or noise. If the city is trying to promote uptake of an ARU program, consider conducting area studies in advance so that the first applicant isn’t bearing the cost burden
- **Simplified Regulatory Environment:** Prioritize measures in Section 1.A that remove unnecessary regulatory complexity for ARUs since these types of units are smaller in scale, quicker to deploy and pose fewer risks or unintended consequences.
- **Key Zoning Reforms:** Section 1.A.1 is especially important for enabling gentle density, including form-based zoning to make pre-approved designs easier to replicate for ARUs, as well as providing more flexible parking requirements.

2. Recommendations OCAF supports with minor modifications/ suggestions: 5C - *Reducing barriers to transit oriented development*

Transit-oriented development (TOD) is widely recognized as a key policy tool to direct intensification around high-order transit, thereby encouraging residents to choose transit over driving. This not only reduces greenhouse gas emissions and congestion but also promotes more efficient land use. These strategies have proven effective in cities such as Toronto and

Vancouver where developments are often constructed with reduced or even no parking requirements.

At the same time, however, these TOD-leading cities are experiencing some unintended outcomes, including the loss of affordable housing, resident displacement, inflated land values, and a surplus of units that do not align with household needs or incomes.

To mitigate these risks, we encourage the City of Ottawa to consider the following:

- a) Introduce guardrail policies to protect existing residents from displacement and to preserve affordable housing near transit nodes.
- b) Prioritize non-market housing on public lands - both municipal and Federal - to ensure affordability and prevent speculation.
- c) Explore land value capture mechanisms at the time of rezoning to ensure that public investment in transit yields broader public benefits (such as reinvestment into affordable housing, enhanced transit service, or improvements to the public realm). Shifting value capture to the rezoning stage places the onus on speculative land value gains rather than on development margins at the time of construction.

3. Recommendations of Concern

One area of concern is with the City of Ottawa's proposals to defer development charges (DCs) and suspend community benefit charges (CBCs), including the return of charges already collected. While the objective of accelerating housing delivery is important, it is equally necessary to ensure that new growth contributes to building complete, livable communities supported by public amenities and adequate infrastructure to service the new housing being constructed.

We recognize the City of Ottawa's need to meet Housing Accelerator Fund (HAF) targets and to ensure that approvals and housing permits result in starts. However, foregoing these charges may shift the financial burden of growth onto already strained residents if alternative funding sources from upper levels of government are not secured. DCs and CBCs are critical tools to finance the infrastructure, community services, and amenities required for a growing population. To refine these policies, we recommend that the City consider:

- a) **Tying fee deferrals, reductions and waivers to secured federal and/or provincial infrastructure funding commitments.** This reduces the risk that the city will need to raise taxes or cut services to cover the infrastructure-related costs that would be shifted from the developer to the taxpayer. In the case of deferrals, higher orders of government can better withstand the cost of debt servicing which may accumulate for many years.
- b) **Target exemptions or reductions to priority housing types.** DC and CBC may realize positive outcomes focused on the forms of housing most needed, including those identified in the City's Housing Needs Assessment (for example: rent-geared-to-income housing, non-profit housing, and co-operative housing). Waiving these fees for non-market developers whose mission is to build these types of more affordable homes guarantees that cost savings are passed down to the end user.
- c) **Target exemptions or reductions for gentle density.** Comparable to the Parkland CIL reduction proposal for under 20 units and waivers for adaptive reuse and office to

residential conversions, the city could consider applying these same criteria for other charges and fees. Gentle density housing forms and use conversions can be added within existing neighbourhoods already served by infrastructure and services, and fee relief may help the viability of these needed smaller-scale projects.

Conclusion

OCAF commends the City of Ottawa for its leadership in advancing an ambitious Housing Accelerator Plan (HAP) that recognizes the intersection of housing supply, climate action, and affordability. We strongly support measures that promote gentle density and diverse housing options within existing neighbourhoods. We also support strategies to align transit-oriented development with equitable outcomes, and to prioritize public lands for non-market housing.

OCAF also offers some refinements for consideration to ensure that growth contributes to complete communities, supports affordability, and is supported by adequate infrastructure funding. By focusing exemptions and incentives on the housing forms most needed, and by aligning land use with climate objectives, Ottawa can accelerate supply while advancing long-term sustainability, equity, and livability. OCAF looks forward to continued collaboration with the City to ensure that housing policy supports a carbon-neutral, affordable, and thriving future for Ottawa residents.

Contact Information

We would be happy to discuss this submission, as well as the HAP roll-out in more detail with City staff as well as Councillors. Please don't hesitate to reach out.

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