

Draft **Affordable Rental Housing Community Improvement Plan**

DGM-24-25 | April 8, 2025
Statutory Public Meeting, Committee of the Whole



What is a Community Improvement Plan? |

Legislation and Purpose

- Tool that allows a municipality to **direct funds and implement policy initiatives toward a specific objective**, such as addressing housing needs.
- Enabling legislation: ***Planning Act*, Section 28** Community Improvement Project Area; ***Municipal Act*, 2001**, Section 107(1) General power to make grants
- **Adopt a CIP** for the community improvement project area (CIPA), **by By-law**
- Council can exercise authority through an in-effect CIP to **provide grants and loans** to landowners and tenants for **eligible costs to prepare land and construct or rehabilitate buildings** on property in the CIPA.
- Authority outside Section 28:
 - *Planning Act*, Section 69(2): **enables fee waivers**
 - *Municipal Act*, 2001, Section 365.1(2): **enables cancellation of taxes during environmental remediation**

What is a Community Improvement Plan? |

Eligible Costs

Planning Act, Section 28(7.1)

...the **eligible costs** of a CIP may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

Why is a CIP Important? | Implement Council Priorities

VISION: Everyone is welcome in Burlington.

Burlington is a city where all current and future residents have access to the housing options that meet their needs at all stages of life, and that are attainable at all income levels.



Housing Strategy

- Action #8 - provide CIP incentives to deliver housing options: affordable and rental housing, sustainable units, accessible units, larger units, and Additional Residential Units (ARUs).

Four units as-of-right: ARU policies

- CIP reinforces support

Housing Accelerator Fund (HAF)

- CIP needed to support HAF Housing Targets by December 2026:
 - 1,047 missing middle units
 - 228 affordable units

Why Do We Need a CIP? |

- Vehicle to **incentivize development of affordable rental housing** over life of CIP, 10 years.
- Provide incentives specifically for **affordable rental tenure** – address growing rental housing shortage.
- Improve the **mix and range of affordable rental housing** options in the City's Urban Area.
- Vehicle to **foster partnerships** to advance affordable housing solutions.
- **Enables Council to allocate budget** each year toward affordable rental housing priorities in the CIP.



Draft Affordable Rental Housing CIP | Engagement

2024

September:

Project start

October-November:

Stakeholder consultation

Deputy Mayor for Housing & City Councillors; Community; City Staff; Halton Region; Building/development industry; ARU vendors/builders

December (4,5,9th):

Public Open Houses

2025

March 6:

Pipeline to Permit Committee

March 19:

Draft CIP posted for review and feedback

April 8:

Statutory Public Meeting – receive public feedback

April 15:

Council – Final CIP with all feedback considered, presented for approval

Draft CIP | Affordability Basis

Affordability defined in accordance with **income-based thresholds for affordable monthly rents by unit** in the “[Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#)” (DCA, 1997 Bulletin), effective June 1, 2024.

Affordable monthly rent (2024): 1BR \$1,621; 2BR \$1,831; 3BR \$1,819

- Aligns with **City’s Development Charges By-law**, effective January 1, 2025, that reflects *Development Charges Act, 1997* requirements for **full DC exemption for 25-year affordability period for rental residential buildings** (4 or more units).
- **Income-based rent** definition aligns with **Provincial Planning Statement, 2024** definitions for **affordable and low and moderate income households** for rental housing
 - Income-based rent: rent that is equal to 30% of gross annual household income for a household at the 60th percentile of the income distribution for renter households in the local municipality (DCA, 1997 Bulletin).

Draft CIP | 10 Proposed Incentive Programs

Pre-Development Incentive Programs	New Affordable Rental Unit Incentive Programs	Sustainable and Accessible Design Incentive Program
<p>Fee Waivers and Design/Study Grant</p> <ul style="list-style-type: none">• Municipal Fee Waiver Program• Housing Design and Study Grant Program <p>Brownfield Remediation Program Brownfield Tax Assistance Program, including the Provincial Brownfields Financial Tax Incentive Program</p>	<p>Forgivable Loan Programs</p> <ul style="list-style-type: none">• Additional Residential Units (ARU) Affordable Rental Program• Missing Middle Affordable Rental Unit Program• Mid/High-Rise Affordable Rental Unit Program <p>Development Charges Assistance Programs</p> <ul style="list-style-type: none">• Affordable Residential Development Charges Deferral Program• ARU Development Charges Waiver for the Third ARU <p>Tax Increment Equivalent Grant (TIEG)</p>	<p>Additional grants may be provided for:</p> <ul style="list-style-type: none">• Sustainable building design features, beyond requirements• Accessible/Barrier-free/Universal design, beyond requirements

Draft CIP | Grants, Waivers, Deferrals

CIP Program	Overview
Housing Design and Study Grant Program	Up to 50% of the total cost to complete eligible studies, plans, or designs to a maximum of \$15,000 per project for background planning and design for multi-unit affordable rental housing (excluding ARUs) with six units or more , a minimum of which 30% shall be affordable .
Sustainability and Accessibility Grant Programs	Up to \$50,000 , for eligible applications that incorporate voluntary sustainable building practices, as outlined in the City's Sustainable Building and Development Guidelines or exceed OBC requirements; or incorporate universal or barrier-free design, or accessible design.
Municipal Fee Waiver Program	Up to 100% of eligible municipal fees set by by-law for development applications, building and occupancy permit fees and on-street parking permits as required by the City, to a maximum of \$40,000 per unit .
Development Charges Programs: <ul style="list-style-type: none">○ ARU Development Charges Waiver for 3rd ARU○ Affordable Residential DCs Deferral Program	Residential buildings or structures with 75 or more dwelling units where at least 30% of units are affordable ownership or affordable rental units in accordance with the DCA, 1997 Bulletin, may be eligible for up to a 2-year deferral on Development Charges for the non-exempt elements of the development, with accrued interest.

Draft CIP | Forgivable Loan Program



Additional Residential Unit (ARU) Affordable Rental Program

- **Eligibility:** Available for affordable rental ARUs if all requirements are met. 5-year affordability agreement.
- **Forgivable Loan Amounts:**
 - Affordable rental interior/attached ARUs:
Up to \$70,000/unit (new or legalized)
 - Affordable rental detached ARUs:
Up to \$95,000/unit (new)

Draft CIP | Forgivable Loan Programs

Missing Middle Affordable Rental Unit Program

- **Eligibility:** Available for affordable rental missing middle units. 10-year affordability agreement.
- **Forgivable Loan Amount:**
 - Affordable rental missing middle unit:
Up to \$225,000/unit



Source: Missing Middle Housing concept created by Daniel Parolek/Image © [Opticos Design, Inc./For more info visit www.missingmiddlehousing.com](http://www.missingmiddlehousing.com)

Mid/High-Rise Affordable Rental Unit Program

- **Eligibility:** Available for affordable rental mid/high-rise units. 10-year affordability agreement.
- **Forgivable Loan Amounts:**
 - Affordable mid/high-rise rental unit:
Up to \$145,000/unit
 - Affordable mid/high-rise three-bedroom unit:
Up to \$180,000/unit



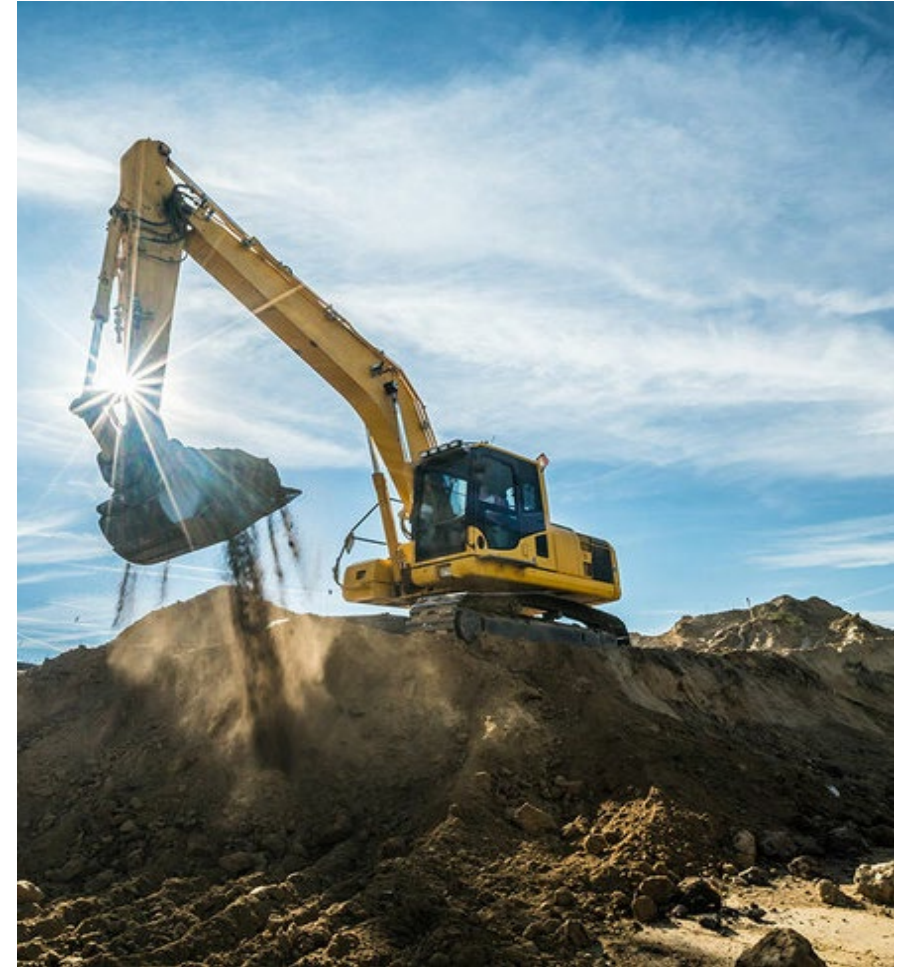
Draft CIP | Tax Increment Equivalent Grant (TIEG)

How it works

- **Grants back a portion of future property tax increases**
- Provided annually for a set period (e.g., 10 years)
- Covers up to 100% of the City's portion of the property tax uplift

Implementation

- **Minimum three new affordable rental units** to qualify
- Requires City Council approval and Finance Department administration (Fall 2026)
- Opportunity for Halton Region to match a grant equivalent to the Regional portion of property tax increases
- Can **combine with Brownfield Tax Assistance** and TIEG can include eligible remediation costs

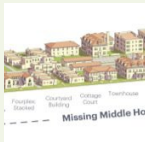


Draft CIP | Combined Program Use Examples



ARU – Forgivable loan; Fee waivers (e.g. on-street parking permit); sustainable/accessibile design grant; DC Exemption 3rd Unit

Intent: Established Neighbourhood gentle ground-oriented intensification.



Multiplex, Low Rise buildings: Forgivable loan; Fee waivers; Grants: design/study and sustainable/accessibile; OR Brownfield remediation tax assistance and TIEG

Intent: Support creation of affordable units within market rental buildings four-storeys or less.



Mid/High-Rise building: Forgivable loan; fee waivers; design/study grant; sustainable/accessibile design grant; DCs Deferral (75+ rental/ownership units, 30% affordable); OR Brownfield remediation tax assistance and TIEG

Intent: Support creation of affordable units/affordable 3-bedroom units in market rental buildings. Focus in strategic areas: Mixed Use Nodes, MTSAs, intensification corridors.

Draft CIP | What we heard

Key Feedback:

- Provide variety of incentive options
- Leverage existing programs/incentives, allow stacking
- Affordability definition is a challenge – impacts project feasibility
- Strong support for Tax Increment Equivalent Grants (TIEGs)
- Consider phased loan funding allocation (e.g. 50% up-front)
- Residential DC flexibility, rental and ownership
- Encourage energy efficient, climate resilient building design
- Urban area focus, existing services and infrastructure
- Program marketing and application support

Draft CIP | Next Steps

Prepare Final CIP

- Consider feedback, amend CIP as needed
- April 15, Council - present for approval, by-laws to designate the Community Improvement Project Area (CIPA) and adopt the CIP
- Upon CIP adoption, 20-day appeal period

Implementation & Administration:

- Application process, decision-making criteria / matrix
- 5-year (ARUs) and 10-year affordability agreements
- Funding disbursement / installments
- Changes to DC Deferral for Residential Units Policy (2025)
- Structure to support TIEG tax increment program (Fall 2026)
- Marketing CIP incentive programs
- Foster Partnerships: community, development and building industry, Halton Region
- Annual Monitoring and Reporting

We welcome your feedback

Thank you.

Submit feedback: housingstrategy@burlington.ca

For more information, contact:

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