



Schedule A: Burlington Affordable
Rental Housing Community
Improvement Plan



AFFORDABLE RENTAL HOUSING COMMUNITY IMPROVEMENT PLAN

April 15 2025



Table of Contents

1.0	Introduction	3
1.1	Background	3
1.2	What is a Community Improvement Plan?	3
1.3	Purpose and Outline.....	4
	Purpose of this Plan.....	4
	Outline of this Plan	4
2.0	CIP Goal and Objectives.....	5
3.0	Basis of the CIP	5
3.1	Legislation and Enabling Policies.....	5
3.2	Burlington's Housing Direction	7
	Housing Strategy and Actions	7
	Housing Accelerator Fund Commitments	8
3.3	Affordable Rental Units.....	9
3.4	Consultation	9
4.0	Community Improvement Project Area.....	10
5.0	Financial Incentive Programs	11
5.1	Overview	11
5.2	Development Charges	11
5.3	General Program Eligibility	13
5.4	Pre-Development Incentive Programs.....	15
5.5	New Affordable Rental Unit Incentive Programs.....	16
5.6	Development Charges Assistance Programs	18
5.7	Tax Increment Equivalent Grant (TIEG) Program	18
5.8	Sustainable and Accessible Design Grant Program	19
6.0	Implementation.....	19
6.1	Implementation Period	19
6.2	Administrative Roles and Responsibilities.....	19
6.3	Regional Participation.....	20

6.4	Financial Management	21
6.5	Applications and Agreements	21
6.6	Payment	22
6.7	Marketing and Communications.....	23
7.0	Monitoring.....	23
7.1	Purpose.....	23
7.2	Reporting.....	25
7.3	Plan Adjustments/Amendments.....	25

APPENDICES

Appendix A:	Community Improvement Project Area.....	26
Appendix B:	Additional Program Details and Eligibility Criteria.....	27
Appendix C:	CIP Program Applications Flowchart.....	47
Appendix D:	Marketing and Communications Program Recommendations.....	48

1.0 Introduction

1.1 Background

The City of Burlington is facing housing challenges that impact our community's well-being and future growth. As housing affordability continues to decline, residents, particularly those in middle-income brackets, find themselves increasingly squeezed by rising homeownership costs and a lack of rental options. This growing demand for diverse housing choices highlights the urgent need for innovative solutions that can adapt to our community's evolving needs.

In 2021, the City completed a Housing Needs Assessment to understand the need for rental and affordable housing, followed by a Housing Strategy which identified 12 actions to move toward the vision for housing in Burlington. The following aspirational long-term Vision Statement forms part of the Housing Strategy and is intended to guide the City's actions throughout and beyond the Strategy life span:

“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.”

The Affordable Rental Housing Community Improvement Plan sets the City on a positive path forward in achieving this vision.

1.2 What is a Community Improvement Plan?

A Community Improvement Plan (CIP) is a tool used by municipalities in Ontario to promote community development and improvement through financial incentives and actions. Legislated by the *Planning Act*, a CIP allows a municipality to designate specific areas for improvement to address issues, such as housing needs. Once established, a CIP enables municipalities to provide grants, loans, and other incentives to landowners (or a tenant with approval from the landowner) for eligible costs to prepare land and construct or rehabilitate buildings on private and public properties.

1.3 Purpose and Outline

Purpose of this Plan

This Affordable Rental Housing CIP strives to enhance the quality of living environments by addressing the need for more diverse affordable rental housing options within the City of Burlington. To help achieve this, the CIP provides financial incentives, such as grant programs and forgivable loans, to encourage the development of affordable rental housing.

Interested applicants are encouraged to review this Plan in its entirety, including the program-specific eligibility in Appendix B, Additional Program Details and Eligibility Criteria, and contact the City to confirm their eligibility, discuss their project, and identify the types of financial incentives that could be available.

Outline of this Plan

Introduction: Section 1.0 provides a general overview of this Plan and background context for housing in the City of Burlington.

Goals and Objectives: Section 2.0 sets out a goal statement and set of objectives for an affordable rental housing-focused CIP, which will assist with monitoring for results over the implementation period.

Basis of the CIP: Section 3.0 provides an overview of the basis of this Plan, including the legislative authority.

Community Improvement Project Area: Section 4.0 describes the Community Improvement Project Area for the CIP.

Incentive Programs: Section 5.0 introduces a set of financial incentive programs that may be implemented. Additional program details are provided in Appendix B, Additional Program Details and Eligibility Criteria.

Implementation: Section 6.0 outlines the City's steps for executing the CIP.

Monitoring: Section 7.0 outlines how the City will track progress and adjust during the life of this Plan.

Glossary: Related terms and definitions are provided to assist the reader in the interpretation and use of this Plan.

2.0 CIP Goal and Objectives

The goal of this Plan is to expand and diversify the supply of affordable rental housing in Burlington to help meet the diverse needs of low- and middle-income residents and to welcome more people and families to the City. To achieve this goal, the objectives of this Plan are to:

- Broaden the range and mix of housing options in the City.
- Help achieve Housing Strategy and growth analysis rental housing targets, for a healthy rental housing stock.
- Facilitate affordable rental housing through targeted financial incentives, innovative housing partnerships and solutions.
- Foster partnerships with homeowners, developers and community organizations to advance the creation of affordable housing solutions.
- Establish a flexible set of incentive programs that maintain effectiveness over time, ensuring ongoing support for affordable rental housing development.
- Foster complete communities with new affordable rental housing close to supportive infrastructure such as transit, schools and community facilities.
- Support opportunities for new housing supply to be inclusive with universal, barrier-free or accessible design, and to promote sustainable living with energy efficient design and green infrastructure to respond to the City's climate emergency declaration.

The goal statement and objectives are foundational in creating a more inclusive, affordable, and resilient community through effective housing incentives. Achieving the goal and objectives is a collaborative process, requiring cooperation amongst a broad spectrum of stakeholders, including the private sector, non-profit sector, residential homeowners, and across different levels of government.

3.0 Basis of the CIP

3.1 Legislation and Enabling Policies

Without a CIP, a municipality would be prohibited under subsection 106(1) of the *Municipal Act*, from assisting directly or indirectly, a commercial enterprise through the granting of bonuses. Subsection 106(2) further restricts a municipality from granting assistance by

giving or lending money, guaranteeing borrowing, or giving a total or partial exemption from any levy, charge or fee. Exception is made in subsection 106(3) of the *Municipal Act*, for municipalities exercising powers under subsections 28 (6), (7) or (7.2) of the *Planning Act*.

The *Planning Act* is the primary piece of legislation that enables the preparation of CIPs. Specifically, Section 28 of the *Planning Act* sets out:

- Types of projects/activities/works that are considered community improvement, which can include the redevelopment, rehabilitation, or other improvements to residential, commercial, industrial, and public buildings, structures, or facilities.
- A community improvement planning process whereby a municipality must first identify and adopt by by-law a designated community improvement project area, after which a community improvement plan may be prepared and adopted by a municipal Council.
- Tools that can be implemented once a municipal Council adopts a “community improvement plan”, which include grants or loans to owners of land and buildings within the community improvement project area.
- Eligible costs for which a municipality can provide such grants or loans and may include costs related to development/redevelopment or construction/reconstruction projects for rehabilitation purposes or for the provision of energy efficient improvements.

Subsection 28(5) provides for the municipal adoption process for a CIP (or an amendment to an existing CIP), which follows the same public consultation process a municipality would follow when adopting an official plan amendment that is exempt from approval of the Minister. A municipality is required to consult with the Ministry and prescribed bodies through the CIP review process. The CIP comes into effect provided there is no appeal filed within the 20-day appeal period after the municipality gives notice of adoption.

With regards to enabling brownfield remediation for residential buildings, Section 365.1 of the *Municipal Act* allows for the cancellation of taxes during a period of environmental remediation. A local municipality may pass by-laws providing for the cancellation of all or a portion of the taxes for municipal and school purposes levied on eligible properties for which a phase two environmental site assessment has been conducted.

Burlington Official Plan, 1997 in-effect policies and Burlington Official Plan, 2020 appealed policies for community improvement, enable the designation of a Community Improvement Project Area where there are opportunities to improve the mix of housing

types and the provision of incentives through a CIP, to facilitate the construction of a range of housing types and the construction of accessible, assisted, special needs or affordable housing. The policies stipulate that: a) Community Improvement Project Area(s) will be designated by by-law where the boundary of which may be all or part of the City of Burlington; and, b) Community Improvement Plan(s) may be prepared, adopted and implemented within a designated Community Improvement Project Area(s), pursuant to The *Planning Act* and the Community Improvement policies set out in the Official Plan.

3.2 Burlington's Housing Direction

Housing Strategy and Actions

On June 21, 2022, Burlington City Council adopted the City's first Housing Strategy, a guiding document for the City which establishes a road map of actions to meet community housing needs. Action #8 of the Housing Strategy directs the City to provide incentives through a CIP for the delivery of housing options to meet the needs of residents, including affordable and rental housing, sustainable units, accessible units, larger units, and Additional Residential Units (ARUs).

The Housing Strategy was informed by the Housing Needs and Opportunities Report, completed in November 2021. The report revealed that rental and affordable housing supplies are insufficient, with housing being unaffordable for low- and middle-income earners due to lack of options and diversity in housing types.

Additionally, the housing needs analysis identified the need to add 200 rental units per year to keep up with demand for rental supply. Updated information now estimates the need for approximately 500 rental units per year over the next 10 years to keep pace with demand. This new information reinforces the need to focus on opportunities to support growing the rental housing supply in Burlington.

The Housing Strategy emphasizes the City's role and opportunity to address the "missing middle", a range of housing types between single-detached houses and apartment buildings that are four-storeys or less, such as multiplexes and low-rise apartments, with focus on providing affordable housing for middle-income households and diversifying housing options (types and tenures). The below Table B-1: Annual Housing Targets, City of Burlington, from the Housing Strategy, emphasizes the mix of dwelling types and tenure.

The City has reduced barriers to increasing missing middle housing options with Official Plan and Zoning By-law amendments that include, permission for four units as-of-right through Additional Residential Use polices and modifications to Residential Neighbourhood Area policies to support gentle ground-oriented intensification.

This Plan supports and implements the Council approved actions of the Housing Strategy for a range and mix of housing including Additional Residential Units (ARUs), by providing a toolkit of financial incentives for new affordable and accessible rental housing units in a variety of housing forms.

Table B-1: Annual Housing Targets: City of Burlington

Dwelling Category	Dwelling Type	% of Total New
All	Total New Dwellings	100%
New Affordable Dwellings ¹⁸	Affordable Dwellings	30%
	One and Two Bedrooms	22%
	Three or More Bedrooms	8%
New Rental Dwellings	Rental Dwellings	35%
New Dwellings by Size and Type	Ground-related dwellings (singles, semis, rows)	20%
	One and Two Bedroom dwellings	10%
	Three or More Bedrooms Dwellings	10%
	Apartment Dwellings	80%
	One and Two Bedrooms	55%
	Three or More Bedrooms	25%

Source: Burlington Housing Strategy, 2022

Housing Accelerator Fund Commitments

The City's successful application for federal funding of \$21 million under the Housing Accelerator Fund (HAF), was announced on January 15, 2024. Administered through CMHC, the HAF is provided to encourage more affordable homes in Burlington, built faster. The City established a HAF Action Plan to guide allocation of these funds, of which key actions support the Housing Strategy. HAF commitments include meeting housing supply growth targets for multi-unit, missing middle, and affordable units, listed below. The City is responsible for achieving these targets by December 31, 2026.

- Housing Supply Growth Target: 2,724 units
- Multi-unit: 1,294 units
- Missing middle: 1,047 units
- Affordable: 228 units (8.4% of housing supply growth target)

3.3 Affordable Rental Units

The financial incentive programs in this Plan are for affordable rental units. For the purposes of this Plan, affordable rental units must be less than or equal to the income-based thresholds for affordable monthly rents by unit, in accordance with the Affordable Residential Units for the Purposes of the *Development Charges Act*, 1997 Bulletin (DCA, 1997 Bulletin), as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing on a website of the Government of Ontario. (i.e. The 2024 maximum affordable rent for a bachelor unit is \$1,192; 1-bedroom unit is \$1,641; 2-bedroom unit is \$1,831).

3.4 Consultation

This Plan was informed by valuable input gathered through consultation with the following sources:

- City Council and the Deputy Mayor for Housing, including through meetings at the outset of the project.
- The City-led Project Steering Committee, with staff from Community Planning, Housing Strategy, Economic Development, Business Development, Environment, Infrastructure and Community Services, Building and By-law, Finance, Legal, and Communications and Engagement.
- The City's Pipeline to Permit Committee.
- The public, through a series of public open houses and an online survey and feedback form.
- Industry stakeholders, including the Burlington Housing Development Liaison Committee, and detached ARU representatives including vendors, manufacturers and builders in Southern Ontario.
- The Region of Halton in its capacity as provider of assisted and special needs housing.

A Statutory Public Meeting was held, and a recommendation report presented for the CIP on April 8, 2024. Feedback from this meeting was also considered in the preparation of this Plan and informed changes and City staff recommendations to Council for CIP approval and implementation.

The Ministry of Municipal Affairs of Housing has been consulted on the development and Council approval of this Plan.

4.0 Community Improvement Project Area

In order for the City to advance a CIP and provide incentive programs under Section 28 of the *Planning Act* a Community Improvement Project Area must be designated.

The boundary of the Community Improvement Project Area (CIPA) for the Burlington Affordable Rental Housing CIP aligns with the Urban Area defined in the City's Official Plan. The Urban Area represents lands which are serviced, where residential lands permit intensification, including additional residential units, and where forecasted population will be accommodated over the planning horizon. The Urban Area contains transportation and community amenities which will support new affordable rental housing.

The CIPA, as adopted by By-law, is included for information as Appendix A to this Plan. The CIPA is administered separately from this Plan to permit modifications without the need for an amendment to this CIP.

Users of this Plan should contact the City to confirm the current CIPA. As discussed in Section 5 of this Plan, financial incentive programs may only be available to registered or assessed owners of lands and buildings located within the CIPA, or tenants with approval from the owner, subject to the eligibility criteria outlined and the City's annual CIP budget.

Council may choose to modify the CIPA By-law by amending it or passing another by-law to replace it. This may include expansions or additions to the CIPA, subject to any future significant policy changes for the non-urban area, additional funding, City and Council decisions, and demand.

5.0 Financial Incentive Programs

5.1 Overview

Through the Affordable Rental Housing CIP, the City of Burlington may provide financial incentives to eligible applicants within the CIPA identified in Appendix A, subject to the availability of financial resources. The incentive programs are intended to stimulate affordable rental housing investment, where it will result in or contribute to the objectives set out in Section 2 of this Plan. The financial incentives are designed to expedite development efforts and encourage collaboration between the City, property owners and housing providers, fostering the creation of affordable rental housing.

This Plan provides incentive programs to promote an increase in affordable rental housing stock with opportunity to enhance units with sustainable building features and accessible design.

5.2 Development Charges

During consultation, we heard from representatives from the housing development industry about challenges with building multi-unit affordable rental housing due to market uncertainty and rising development costs. Specific suggestions were offered by industry representatives for the City to remove, reduce or defer costs and fees associated with development, particularly development charges.

The City has reviewed development charge incentive opportunities. This Plan offers two development charges assistance programs under Section 5.6:

1. an Affordable Rental Development Charges Interest-Free Deferral Program, allowing for interest-free development charges payments in accordance with the *Development Charges Act, 1997* payment schedule for rental housing, starting at occupancy; and
2. an ARU Development Charges Waiver Program, applicable to a third ARU on a property.

In addition to incentives offered through this CIP, the opportunity exists for development charge exemptions for affordable residential rental units under Section 4.1(2) of the *Development Charges Act, 1997* (DCA). Units to which the exemptions apply must be subject to agreements that provide for them to remain affordable residential units for a minimum of 25 years. Units must also be rented to a tenant at arm's length with the landlord. Where new affordable rental units are proposed in an existing rental residential building, the building must contain four or more residential units.

Currently, regardless of affordability, the DCA and the City of Burlington's Development Charges By-law establish DC deferral terms, those being, deferred development charges payments in accordance with the DCA, 1997 payment schedule for rental housing, with six annual installment payments starting at occupancy.

A non-profit housing development is exempt from development charges. Also exempt are two additional residential units (ARUs) located in existing houses or an ancillary structure on a residential use property. There are no affordability requirements for the first two ARUs. The third unit would not be exempt from development charges. In order to support four units as of right, recently implemented through Official Plan Amendment No.3, the City has chosen to provide a program to waive development charges for the third ARU.

Summary Table of Incentive Programs

Pre-Development Incentive Programs (Section 5.4)	New Affordable Rental Unit Incentive Programs (Section 5.5 and 5.7)	Sustainable and Accessible Design Incentive Program (Section 5.8)
<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</p> <ul style="list-style-type: none"> • Brownfield Tax Assistance Program, including the Provincial Brownfields Financial Tax Incentive Program 	<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 Interest-Free 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

The following sections include information about General Program Eligibility and general descriptions of each of the individual financial incentive programs with their maximum loan and grant values, where applicable. It is noted that establishing a maximum loan or grant value does not commit Council to funding any given program to the maximum.

In addition to the below General Program Eligibility, potential applicants must also refer to Appendix B, Additional Program Details and Eligibility Criteria, that includes eligible costs.

5.3 General Program Eligibility

Affordable rental housing projects will be given consideration under this Plan subject to satisfying the following general eligibility criteria, in addition to the program eligibility criteria outlined in Appendix B, Additional Program Details and Eligibility Criteria:

- **Location:** The subject property must be located within the designated CIPA, as shown in Appendix A of this Plan.
- **Property Ownership:** Eligibility is restricted to registered or assessed owners of private or public land and buildings, as well as tenants who have received approval from the property owner, and entities within the non-profit sector. Applicants must be in good standing and not have any outstanding property tax arrears or other obligations to the City, or utility payment arrears related to the subject property at the time of application and throughout the duration of the financial incentive agreement.
- **New Affordable Rental Housing Unit:** Financial Incentives will only be provided for successful applications that will result in the creation of one or more new affordable rental housing units as permitted by the Burlington Official Plan and applicable Zoning By-law requirements, and in accordance with the unit minimums in the Program Eligibility Criteria in Appendix B of this Plan.
- **Complete Application:** Applications for a financial incentive(s) in this Plan must be complete and will include application forms and supporting materials as required by the City, which may include work plans, cost estimates and contracts, applicable reports, and any additional information required at the discretion of the City to evaluate the proposal.
- **Multiple Financial Incentives:** Applicants may be eligible for more than one financial incentive program under Section 5.0 of this Plan as part of a single

application, unless otherwise restricted by a program. Financial incentives may be combined with other City of Burlington programs such as Better Homes Burlington, as well as with additional programs and funding offered by the Region of Halton or any other levels of government, organizations, or agencies, including the Canada Mortgage and Housing Corporation (CMHC) and the Federation of Canadian Municipalities (FCM).

- **Affordability Criteria:** Affordable rental units developed under this Plan must be maintained in accordance with the definition of affordable rental unit under this Plan for a minimum time period, as established through the City's legal agreement. To maximize available benefits, an applicant may choose to enter into an agreement for development charges exemption in accordance with the DCA, 1997, requiring a minimum 25 year affordability period and other criteria as established in the DCA. In addition, or alternatively, an applicant may enter into an agreement for the minimum 10 year affordability period specified in the program eligibility criteria in Appendix B for a forgivable loan. At its discretion, the City reserves the right to enter into an agreement with an eligible applicant for a time period that differs from the minimum affordability period set out in an incentive program in Appendix B.
- **Approval Requirements:** Affordable rental housing projects linked to an incentive program application shall only proceed after obtaining approval from an application submitted under the *Planning Act* and/or a building permit, along with any other necessary permits; or, at the discretion of the Director of Community Planning, proceed based on alternate agreed upon terms of the City. These projects must also comply with the Ontario Building Code and all other relevant planning policies, by-laws and standards. An application must also be consistent with any other design guidelines or architectural control guidelines or standards that the City may adopt in the future, for example, the Sustainable Building and Development Guidelines.
- **Incentive Applicability Period:** Costs incurred before the adoption of this CIP will not be considered eligible. Financial incentives will not be retroactively applied to work commenced prior to approval of an application for incentives under this Plan.
- **Legal Agreement:** An agreement between the City and the owner, tenants who have received approval from the property owner, or entities within the non-profit sector will be required, to the satisfaction of the City, for any of the incentives

offered by this Plan. The agreement may require the City to register a mortgage/charge on title to the property. The agreement will indicate the required affordability period. If commitments are not met for the affordability term, full or partial repayment of any grants and loans, together with any applicable costs and interest may be required. Incentives embedded in other agreements, such as development charge exemptions, would also be subject to full or partial repayment.

- **Tenant Occupancy:** Proof through a lease or other documentation will be required by the applicant to the City in order to demonstrate that the new affordable rental dwelling unit is occupied by a tenant for the term of any incentive offered by this Plan. The property owner will select the tenant household. Family members are eligible tenants.
- **Short-Term Accommodation:** Any new rental dwelling unit developed with the support of a financial incentive program under this Plan and subject to an executed agreement shall not be permitted to be used for Short Term Accommodation as defined by this Plan and the City's Short Term Accommodation By-law. A unit found to be used as for Short Term Accommodation will be considered in default of the agreement and ineligible for the financial incentive.

5.4 Pre-Development Incentive Programs

These programs are intended to offset the initial costs of development by waiving fees, supporting background planning and design, and encouraging brownfield remediation for residential buildings. Program details can be found in Appendix B, Additional Program Details and Eligibility Criteria.

Municipal Fee Waiver Program

Municipal Fee Waiver Program	Up to 100% of eligible municipal fees set by by-law may be waived for: development applications with one or more new affordable rental dwelling units; building and occupancy permits; and on-street parking permits (1 year), as required by the City, to a maximum of \$40,000 per project to create new affordable rental housing.
-------------------------------------	--

Housing Design and Study Grant Program

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.
---	--

Brownfield Tax Assistance Program

Brownfield Tax Assistance Program	The City can cancel all or a portion of its municipal property taxes and apply for the Province to match that cancellation through education property taxes for up to 3 years. A separate application to the Minister of Finance is required for the provincial tax program and an application must be approved by by-law.
--	--

This program encourages the remediation and rehabilitation of contaminated brownfield properties for future affordable rental housing development, as supported by a Phase II Environmental Site Assessment. Enabled through Section 365.1 of the *Municipal Act, 2001* the program allows for the cancellation of all or a portion of municipal (i.e. city) property taxes during the property remediation/rehabilitation period.

Further, the cancelled portion of municipal property taxes may be matched by tax assistance for eligible properties under the “Provincial Financial Tax Incentive Program”. This program, administered by the Province, provides the opportunity for education property tax assistance. It requires a separate application and is subject to approval by the Minister of Finance on a case-by-case basis.

An application under this program must be accompanied by an approved Tax Increment Equivalent Grant program administered by the City.

5.5 New Affordable Rental Unit Incentive Programs

These are forgivable loan programs intended to offset costs incurred to construct new affordable rental units. If the property owner maintains the unit(s) as affordable for a minimum of 10 years, the loan may be fully forgiven, effectively turning it into a grant. This approach encourages property owners to commit to long-term affordability. If a property owner defaults under a forgivable loan agreement - such as through an ownership change or the unit(s) no longer meeting affordability criteria as specified in the agreement - the owner will be required to pay back to the City the amount owing under the agreement for

the forgivable loan period. Program details can be found in Appendix B, Additional Program Details and Eligibility Criteria.

Additional Residential Unit (ARU) Affordable Rental Program

Additional Residential Unit (ARU) Affordable Rental Program	Up to 100% of total eligible costs to a maximum of: <ul style="list-style-type: none">• \$70,000 per unit for new affordable rental interior or attached ARUs (including garage conversions), or for existing affordable rental interior or attached ARUs that are being legalized (through a building permit process); and• \$95,000 per unit for new detached accessory affordable rental ARUs.
--	--

This program provides financial assistance for new affordable rental ARUs or to upgrade or renovate an existing noncompliant affordable rental ARU through a building permit to create a legal, conforming ARU. Program funding may be used to construct or convert space for new interior or attached ARUs (include garage conversions) or to construct or purchase detached ARUs.

Missing Middle Affordable Rental Unit Program

Missing Middle Affordable Rental Unit Program	Up to 100% of total eligible costs, to a maximum of \$225,000 per eligible affordable rental missing middle unit.
--	--

This program provides financial assistance to convert an existing building into one or more new missing middle affordable rental units or to construct new missing middle affordable rental units. Missing middle units under this program are in buildings that are 4-storays or less and are not a single-detached residential home or ARU.

Mid/High-Rise Affordable Rental Unit Program

Mid/High-Rise Affordable Rental Unit Program	Up to 100% of total eligible costs, to a maximum of: <ul style="list-style-type: none">• \$145,000 per new affordable mid/high-rise rental unit; and• \$180,000 per new affordable mid/high-rise three-bedroom rental unit.• Requires a minimum of three (3) new affordable-rental units and/or new affordable-rental three-bedroom units in a residential rental building, to be eligible.
---	---

This program provides financial assistance to support the development of new affordable rental units in a mid or high-rise residential rental building, including three-bedroom units.

5.6 Development Charges Assistance Programs

Development charges assistance is proposed in two program streams to support the creation of new affordable rental or affordable ownership units: Affordable Residential Development Charges Interest-Free Deferral Program; and the ARU Development Charges Waiver for the third Additional Residential Unit.

Affordable Residential Development Charges Interest-Free Deferral Program

Affordable Residential Development Charges Interest-Free Deferral Program	Residential buildings or structures in accordance with the DCA, 1997 (4 or more units) where greater than one unit or 10% of units are affordable rental units as defined in accordance with the DCA, 1997 Bulletin, may be eligible for interest-free development charges payments in accordance with the DCA, 1997 payment schedule for rental housing, with six annual installment payments starting at occupancy.
--	---

ARU Development Charges Waiver for Third Unit

ARU Development Charges Waiver for Third ARU	Consistent with the DCA, 1997, exemption of the first two Additional Residential Units, this program waives development charges for the third Additional Residential Unit. This program supports the City's four units as of right policies and Zoning permissions.
---	---

5.7 Tax Increment Equivalent Grant (TIEG) Program

Tax Increment Equivalent Grant	Up to 100% of the City portion of the tax increment provided annually for a time period to be determined through an agreement with the City.
---------------------------------------	--

A Tax Increment Equivalent Grant (TIEG) provides an annual grant equal to a percentage of the municipal property tax increase generated by a new rental residential building with a minimum of three affordable units, such as a multiplex or low-rise apartment building with affordable rental units. It is intended to help offset the revenue loss (i.e. the difference between market and affordable rent) experienced by the housing developer for

incorporating affordable units in their rental residential building, as well as help offset the eligible costs of remediating a brownfield site for housing uses.

A TIEG is provided annually over a determined period (e.g. 10 years) in increments up to 100% of the City portion of the property tax uplift from a new eligible development.

The TIEG program could be implemented during the implementation period of this Plan, at the sole discretion of Council. The TIEG is a non-reserve fund program but requires alignment with Regional Tax policy and potential changes to processes and administration through the City's Finance department.

Program details can be found in Appendix B, Additional Program Details and Eligibility Criteria.

5.8 Sustainable and Accessible Design Grant Program

Sustainable and Accessible Design Grant Program	Up to \$50,000 per project , subject to an evaluation of the proposed development based on the extent to which a project incorporates voluntary sustainable building practices and/or accessible design.
--	---

This Program provides an additional grant for eligible applications that incorporate voluntary sustainable building practices, implement zero or low carbon energy or climate resiliency solutions, and/or incorporate universal or barrier-free design, or accessible design. Program details can be found in Appendix B, Additional Program Details and Eligibility Criteria.

6.0 Implementation

6.1 Implementation Period

The Affordable Rental Housing CIP is expected to be implemented over ten years, ending in March 2035. City Council may extend or shorten this period as needed, subject to an approved budget for the CIP.

6.2 Administrative Roles and Responsibilities

- The CIP will be administered by Community Planning in consultation with staff in other departments, as needed.

- Council will decide on a protocol to determine, on an annual basis, when an CIP program application type or value requires Council approval; otherwise, it is under the delegated authority of the Director of Community Planning.
- If an application is rejected by the Director of Community Planning, the applicant may file an appeal to Council. In this case, Council acts as the final approval authority.
- City Council will oversee the administration of the CIP by:
 - Deciding which financial incentive programs will be active each year during the implementation period;
 - Deciding the value of each financial incentive program each year, including but not limited to unit caps or funding caps, or any other variable contemplated in the CIP;
 - Deciding on the protocol to determine, on an annual basis, when an application type or value requires Council approval; and
 - Approving a budget for active financial incentives during the annual budgeting process or in relation to any other level of government funding program agreement or process.

6.3 Regional Participation

The Region of Halton is the upper-tier municipality and Service Manager responsible for housing programs, with a focus on assisted or government supportive housing. The City of Burlington will seek and encourage their participation in the incentive programs established by this Plan to facilitate the development of new rental housing with the objective of deepening affordability as defined by this Plan to an assisted housing level. This includes ongoing collaboration and complementary initiatives being undertaken by Halton Region, recognizing that they are an important partner to the City. In particular, there may be an opportunity for Halton Region, in its position of establishing tax policy for the Region, to participate in future TIEG programs by matching a grant equivalent to the regional portion of property tax increases. Additionally, given that the regional portion of development charges (DC) represent a significant cost, the City will request that the Region consider matching limited DC deferrals where a significant portion of units are affordable.

Per Section 28(7.2) of the *Planning Act*, the Council of Halton Region may make grants and/or loans to the Council of the City of Burlington for the purpose of carrying out the CIP. To this end, the Region may provide grants, loans or other forms of assistance as Regional Council deems appropriate for the purposes of further supporting the financial incentives contained within this Plan, in collaboration with the City.

6.4 Financial Management

- The City may implement any number of financial incentives outlined in this Plan during the implementation period, depending on the availability of City funds and/or other resources.
- For 2025 and 2026, HAF funding will be assigned in order to support the achievement of the City's HAF targets.
- Starting for the 2026 budget year, as part of the annual City budgeting exercise, a CIP budget will be identified for financial incentives that have been put into effect for that year, if any, and the maximum value established for that time period. Where available, funding from other levels of government will be used to supply this budget.
- In effort to ensure an equitable distribution of annual funding, the City may consider maximum units/unit caps per affordable rental residential building project that is eligible for funding under a forgivable loan program.
- When identified as part of an annual CIP budget, Development Charges Assistance Programs, as outlined in this Plan and in Appendix B, Additional Program Details and Eligibility Criteria, will require funding to pay the waived interest on deferred development charges payments for rental residential buildings, and pay the waived development charges on a 3rd Additional Residential Unit.
- Financial incentives may be accepted on a first-come, first-served basis until funding for that year is exhausted, strategic targets have been achieved, or at the discretion of the Director of Community Planning. As an alternative approach, the Director of Community Planning may set an annual or bi-annual deadline for application submissions, with all applications evaluated according to that deadline.
- CIP funding from other levels of government may also include restrictions on timing, level and advancement of funds.
- If a property owner defaults under a forgivable loan agreement - such as through an ownership change or the unit(s) no longer meeting affordability criteria as specified in the agreement - the owner will be required to pay back to the City the amount owing under the agreement for the forgivable loan period. The money will be held in an appropriate fund at the discretion of the Chief Financial Officer. This fund may be applied to future CIP financial incentive programs, at the discretion of Council.

6.5 Applications and Agreements

- Applications will be reviewed based on:
 - General eligibility requirements outlined in Section 5.3;

- Program eligibility criteria detailed in Appendix B, Additional Program Details and Eligibility Criteria;
- CIP budget funding criteria from other level of government, as applicable; and
- The annual budget approved by Council.
- The City does not commit to funding a project until there is a signed agreement between the City and the applicant, which will set out the terms, duration and default provisions of the incentive to be provided.
- The City may discontinue any financial incentive program as set out in the agreement, where there is not compliance with an executed agreement. If there is an outstanding affordability time period requirement under the agreement, the prorated portion of the loan for the time period the unit(s) will no longer be affordable, must be reimbursed to the City.
- Should the program criteria change, or funding be unavailable, applicants will be informed as to whether an application will need to be modified, resubmitted, or reassessed when the next pool of funding becomes available.
- Refer to Appendix C, CIP Program Applications Flowchart, that shows the process from application submission through to occupancy and funding release.
- A decision by the City to approve an application for incentives associated with an application made under the *Planning Act* shall not be interpreted as representing a position or opinion on the *Planning Act* application itself.
- The City, dependant upon program requirements, shall require an annual statement, to be provided by the applicant, which confirms that the applicable rental units remain affordable under the definition established by this Plan. This statement must demonstrate that each affordable rental unit complies with the affordability definition to uphold the agreement made under this Plan.
Acceptable proof may include a signed lease showing the tenant's name and the affordable rental rate or a method of proof at the discretion of the City.

6.6 Payment

- If an approved housing project has not proceeded within one year of the financial incentive being approved, or as per any CIP funding eligibility criteria from another level of government, the applicant will no longer be eligible. The City may grant discretionary extensions when justified, however, undue delay beyond an agreed timeframe may result in the grant or loan allocation being revoked.

- Actual costs for which the financial incentive has been provided may be subject to audit (at the applicant's cost).
- In the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the subject property by the owner, the City shall have absolute discretion to request the full repayment of any financial incentive.

6.7 Marketing and Communications

Key to the success of the Burlington Affordable Rental Housing CIP is a marketing and communication strategy to clearly communicate the opportunities presented by this Plan and to generate interest and uptake in the financial incentives. Appendix D outlines marketing and communications strategies for the City to consider in promoting the CIP.

7.0 Monitoring

7.1 Purpose

- The Affordable Rental Housing CIP is monitored to track progress relative to goals and objectives of the City's Housing Strategy, and as contained in Section 2.0, CIP Goal and Objectives, of this Plan.
- The effectiveness of the CIP program will be reviewed and reported annually to Council based on monitoring indicators.
- Monitoring may be structured around indicators that are aligned to the objectives of this Plan, as specified in the table below. These indicators may be adjusted, and/or new monitoring indicators added as needed.
- Information on the indicators will be collected at the individual project level and aggregated.

Monitoring Indicators Table

Goals / Objectives	Measures
Development of Affordable Rental Units	
Number, Type and Location of New Affordable Rental Units Constructed	Track the total number, type and location of affordable rental units built through issuance of an eligible building permit as a result of the financial incentives.
Construction Value of Affordable Rental Housing Projects	Construction value of all projects awarded financial incentives under the CIP programs
Longevity of Incentive Programs	
Sustainability of Incentive Programs	Evaluate the number of incentive programs that have been maintained or adapted over time.
Value and Outcomes of Incentives	
Cost-Effectiveness of Incentive Programs	Analyze the cost per affordable unit created or preserved through the incentive programs.
Impact Assessment Reports	Generate periodic reports assessing the outcomes of incentive programs, including metrics on housing affordability and availability, and sustainable and accessible building.
Stakeholder Feedback on Incentive Effectiveness	Collect and analyze feedback from developers and residents regarding their experiences with the incentives, program(s) or process.
Stacking Opportunities for Programs / Incentives	
Inventory of Existing Programs	Track the number of existing municipal, regional, provincial, and federal housing programs identified for potential stacking and/or potential duplication.
Alignment with City Priorities and Housing Targets	
Number of Three-Bedroom Affordable Units Developed	Track the number and location of three-bedroom affordable units created through CIP incentives. Track vacancy rate and/or demand for three-bedroom units.
Diversity of Housing Types Developed	Assess the variety of housing types built, particularly focusing on "missing middle" housing options, to ensure diverse and affordable options are available.

7.2 Reporting

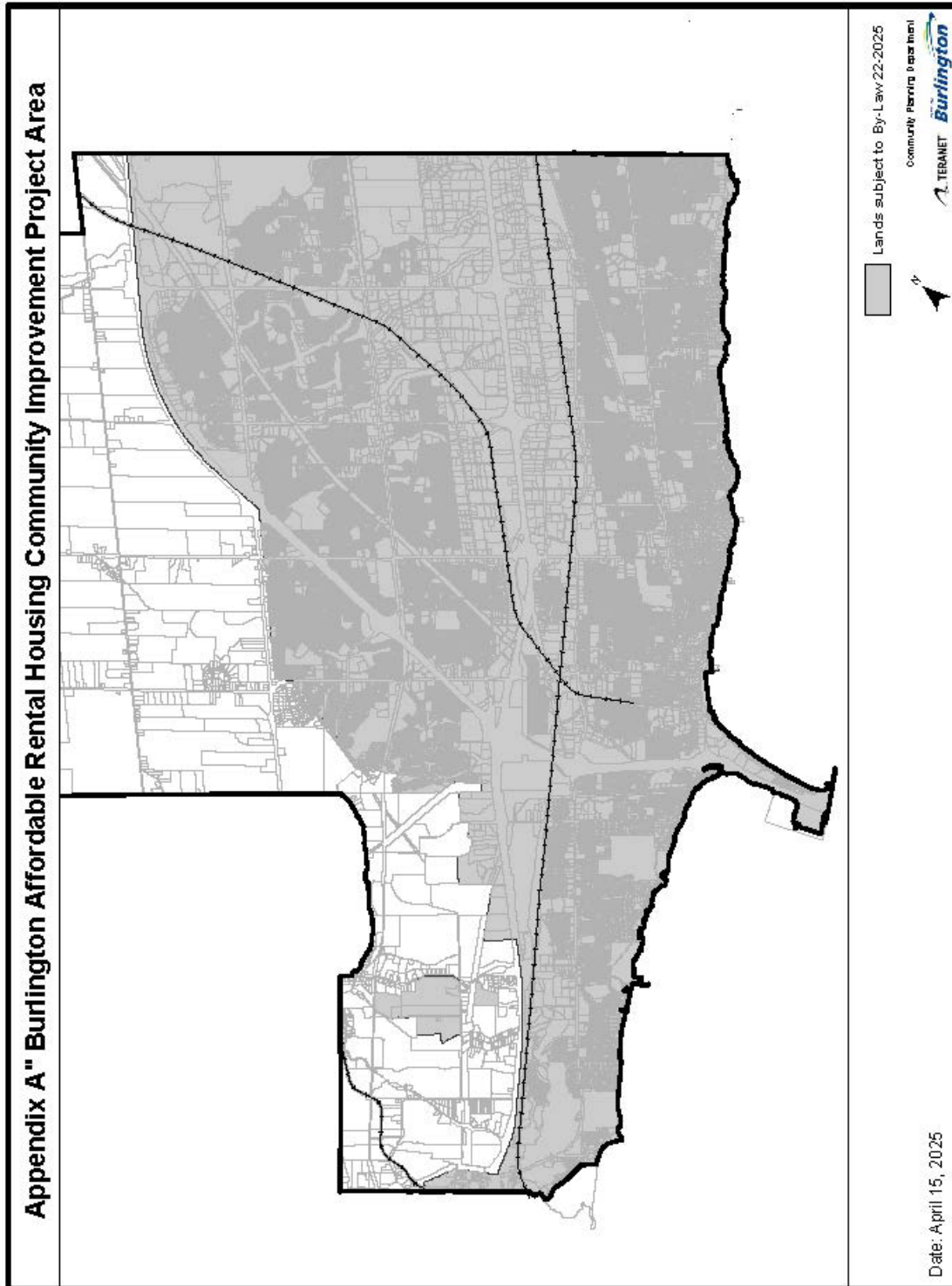
- The aggregated information from the monitoring indicators will be used as the basis for annual reporting to City Council.
- An annual report will be prepared to highlight the successes and achievements of the CIP. The report will be presented to City Council for consideration.
- The annual report will recommend adjustments/amendments to the Plan, if any.
- Annual reports will also inform budget decisions related to the funding of financial incentive programs.
- Additional reporting requirements may be required where the CIP is funded by other level of government programs.

7.3 Plan Adjustments/Amendments

- Minor and technical amendments, such as the correction of typographical errors, revisions to definitions and administrative details of specific programs, may be made without Council approval, or as required by other level of government's funding programs.
- The value and parameters for the Council-approved Tax Increment Equivalent Grant (TIEG) program, as described in this Plan, will be determined annually on a property-specific basis and approved by Council.
- The City may also discontinue any of the programs contained in this Plan without an amendment.
- Major and substantive changes will be made by amendment, in accordance with the *Planning Act*, which requires public consultation and Council approval.
- The following adjustments constitute a major or substantive change:
 - Modifications to the CIPA, as set out in the City-approved By-law;
 - Addition of a new financial incentive program that has not been adopted by a City-approved by-law;
 - Changes to the types of eligible projects as adopted by a City-approved by-law;
 - Changes to eligibility criteria that have been adopted by a City-approved by-law; and
 - Changes to value or calculation of grants as adopted by a City-approved by-law.

When making major or substantive changes to the CIP, the City must pass a by-law to adopt such amendments.

Appendix A – Community Improvement Project Area



Appendix B – Additional Program Details and Eligibility Criteria

Appendix B provides information on Additional Program Details and Eligibility Criteria for each of the incentive programs under Section 5 of the Burlington Affordable Rental Housing CIP. Appendix B forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

The total value of all financial incentives awarded to a property owner, or a tenant with approval from the owner, through this Plan, or any other City of Burlington CIP financial incentives or other level of government funding, shall not exceed the total eligible costs associated with the project, as outlined in Appendix B and in accordance with the *Planning Act*.

Municipal Fee Waiver Program

This program is intended to offset the initial costs of development by waiving eligible fees.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

Municipal fees may be waived for eligible development applications, building and occupancy permits, and on-street parking permits (for one-year) where required by the City for the development of one or more new affordable rental dwelling units. The following are eligible City development application and permit fees that can be waived under this program:

- For each Additional Residential Unit (ARU), fees eligible to be waived include:
 - Zoning clearance;
 - Building permit;
 - Occupancy permit; and
 - On-street parking permit, for one year.
- For residential developments where a minimum of 30% of units are affordable rental dwelling units, eligible fees for the following application types will be waived:
 - Zoning clearance;
 - Site plan approval;
 - Draft plan of subdivision;
 - Draft plan of condominium;
 - Demolition or Building permit;
 - Occupancy permit; and
 - On-street parking permit, for one year.

Eligible Costs

- Up to 100% of the costs associated with eligible application and permit fees, to a **maximum of \$40,000 per project** may be waived to create new affordable rental housing.

Payment

No payment of fees is required in accordance with the eligible development application and permit fees.

Housing Design and Study Grant

This program is intended to offset the initial costs of development by supporting background planning and design costs.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- The studies, plans, or designs must provide new site-specific information in support of the development of six units or more, a minimum of which 30% shall be affordable rental dwelling units.
- Project proposals must go through the pre-consultation process with the City to be eligible.
- May be stacked with the Canada Mortgage and Housing Corporation (CMHC) Seed Funding program, as available.
- Additional Residential Units are not eligible.

Eligible Costs

- Up to 50% of the total eligible costs, to a **maximum of \$15,000 per project** to complete studies, plans, or designs for the creation of eligible multi-unit affordable rental housing.
- The cost to complete any of the following types of studies, plans, or designs may be eligible for the Housing Design and Study Grant:
 - Concept plans;
 - Structural analysis;
 - Site plan drawings;
 - Environmental studies;
 - Other site-specific studies or plans which may be required by the City at the time of pre-consultation or site plan approval and as approved by the Director of Community Planning; and
 - Any combination of the above.
- Eligible studies, plans, or designs must be completed by licensed and/or qualified professionals as deemed by the City.

- The applicant must provide at least two quotes for the completion of the subject studies, plans, or designs at the time of a financial incentive application, or the applicant must provide an explanation as to why two quotes are not possible.

Payment

- All completed studies, plans, or designs must comply with the description as provided in the grant application form.
- The grant will only be provided upon successful completion of the housing project. The grant will be paid in a lump sum as a reimbursement of verified costs incurred.
- One electronic and one hard copy of the completed studies, plans, or designs shall be submitted to the City for its review and retention.
- All completed studies will become the shared property of the City and the successful applicant.

Brownfield Tax Assistance Program

This program allows for the cancellation of all or a portion of municipal (i.e. city) property taxes during the property remediation/rehabilitation period, and the ability for the City to apply for the Province to match that cancellation through education property taxes for up to 3 years.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- Properties will only be eligible for the Brownfield Tax Assistance Program if:
 - The eligible site is qualified as a brownfield; and,
 - A Phase II ESA has been conducted, and additional work and/or remediation are required under the Environmental Protection Act to permit a Record of Site Condition (RSC) for a proposed affordable rental housing use to be filed in the Environmental Site Registry.
- Applicants must be the registered owner/assessed owner of the subject property or a tenant with approval from the owner,
- An application must be accompanied by a Phase II ESA prepared by a qualified person (as defined by the Environmental Protection Act) that contains:
 - An estimate of the cost of actions that will be required to reduce the concentration of contaminants on, in, or under the property to permit an RSC to be filed in the Environmental Site Registry under Section 168.4 of the Environmental Protection Act; and
 - A work plan and budget for environmental remediation, and/or risk management actions.
- Brownfield Tax Assistance Program applications must be filed prior to the start of any activity that would constitute an eligible cost and to which the proposed tax assistance would apply.

Eligible Costs

- The total value of tax assistance provided to an approved eligible property will not exceed the eligible costs for that property.
- Any action taken to reduce contaminant concentrations on, in or under the property to permit an RSC to be filed in the Environmental Site Registry under Section 168.4

of the Environmental Protection Act. Without limiting the generality of the foregoing, this includes costs relating to:

- Additional Phase II Environmental Site Assessment Investigations;
- Remedial action plans;
- Risk assessment and risk management reports and plans;
- Required environmental remediation activities, including the cost of complying with a Certificate of Property Use for housing issued under section 168.6 of the Environmental Protection Act; and,
- Environmental insurance premiums

Process

- Brownfield Tax Assistance Program applications will be reviewed by City Staff. If recommended for approval by City Staff, the draft by-law authorizing the tax assistance will be presented to City Council and, with Council's consent, sent to the Minister of Finance for review and approval. If approved by the Minister, Council may pass a final by-law to authorize the tax assistance.
- As a condition of approval, City Council may require the owner of the approved eligible property to:
 - provide an annual report within 30 days of the anniversary of the commencement of the tax assistance for each year or part thereof that is provided containing an update on the concentration and location of contamination on the approved eligible property, the status of remediation work completed to date, the costs expended to date and costs not yet incurred, and time estimates to complete the remedial and redevelopment work;
 - meet any conditions required by the Minister of Finance; and,
 - enter into an agreement with the City respecting any of the above-referenced matters, as well as the terms, duration, default and termination provisions of the tax assistance.
- Council may also apply other conditions to the approval where appropriate and warranted.
- A by-law passed by Council authorizing tax assistance to an eligible property may also provide:
 - that all or some of the taxes that are subject to tax assistance may be levied but not collected during the period before the City determines whether any approved conditions have been met; and,

- that the taxes shall become payable only upon notice in writing by the municipality to the owner of the property that the conditions required in the by-law have not been met.
- If Council passes a by-law providing that taxes become payable in the above circumstances, it may also provide that the interest provisions of a by-law passed under Section 345 of the *Municipal Act* apply, if the taxes become payable, as if the payment of the taxes has not been deferred.

Payment

- The tax assistance will be in the form of a cancellation equivalent to up to 100 percent of the municipal and provincial education portion of the property tax.
- The tax assistance would begin with the passage of Council's by-law and extend through the rehabilitation period (maximum 18 months) and/or development period (a time period from the rehabilitation period, as defined by Council through the by-law), subject to such provincial and municipal conditions specified in the by-law.
- The education portion of the tax assistance is subject to approval by the Ontario Minister of Finance. The level of matching education property tax assistance will be proportionate, as determined by the Minister of Finance, to the level of tax assistance provided by City Council.
- Generally, the matching education property tax assistance is provided for a maximum of three years from the remediation start date (or a longer period approved by the Minister, if there are exceptional circumstances).
- The tax assistance provided to an approved eligible property will coincide with that property's rehabilitation period and/or development period, to a maximum time period defined in the by-law.
- Council may repeal or amend a tax assistance by-law, but the repeal or amendment does not extinguish the right to tax assistance under the by-law unless the owner of the approved eligible property consents in writing to the repeal or amendment.
- Should the owner of the approved eligible property default on any condition in the by-law or agreement (e.g. fails to commence or ceases remediation for any reason), the tax assistance provided, plus interest, will become payable in full.

Additional Residential Unit (ARU) Affordable Rental Program

This program provides financial assistance for new affordable rental ARUs or to upgrade or renovate an existing noncompliant affordable rental ARU through a building permit to create a legal, conforming ARU. Program funding may be used to construct or convert space for new interior or attached ARUs (include garage conversions) or to construct or purchase detached ARUs.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- Only properties that permit up to four additional residential units in existing or new single detached, semi-detached, duplex or townhouse dwellings shall be eligible for this program.
- All funded ARUs must be permanent in nature, and costs associated with design, and installation are eligible.
- Minimum affordability period of ten years for full loan forgiveness.

Eligible Costs

- Up to 100% of total eligible costs to a maximum of:
 - **\$70,000 per unit** for new affordable rental interior or attached ARUs (including garage conversions), or for existing affordable rental interior or attached ARUs that are being legalized (through a building permit process); and
 - **\$95,000 per unit** for new detached accessory affordable rental ARUs.
- Only eligible project costs that are consistent with, and incurred after the Building Permit for the affordable rental dwelling unit has been issued by the Chief Building Official, may be claimed for the Forgivable Loan.
- **Eligible costs** include the following:
 - Building materials and labour required to construct the unit(s);
 - New/upgraded HVAC systems and plumbing where required under the Building Code to construct the unit(s);
 - Works related to Ontario Building Code or Fire Code compliance, such as structural, electrical, safe egress, ventilation, fire protection including associated insulation, and similar improvements;

- Accessibility improvements including providing universal design, barrier-free access to the residential unit(s), accessible washroom(s), interior doorway(s) or kitchen facilities;
 - Permanent finishing materials and permanent decorative elements, including painting, drywall, trim, permanent light fixtures, flooring, countertops and cabinetry, shall be an eligible cost to a maximum of 25% of the total eligible costs;
 - Where the new ARU is a detached modular unit, costs related to the purchase, installation, and foundation of the unit;
 - Professional services by an engineer, architect, or planner to a maximum of 15% of all eligible costs will also be eligible.
- **Ineligible costs** include, but are not limited to, household appliances and financing.

Payment

- The Forgivable Loan will be provided upon successful completion of the housing project or at the discretion of the City. The Forgivable Loan will be paid in a lump sum as a reimbursement of costs incurred, or in intervals at the discretion of the City.
- No interest or repayment of the Forgivable Loan is required for the duration of the agreement and upon successful satisfactory completion of the program criteria the Forgivable Loan shall be forgiven at the end of the agreement term, requiring no repayment by the applicant.
- If at any time the applicant is found to be in breach of the agreement or fails to meet the program criteria, the applicant is required to repay the loan back to the City, in accordance with the funding agreement terms and conditions.

Missing Middle Units Affordable Rental Program

This program provides financial assistance to convert an existing building into one or more new missing middle affordable rental units or to construct new missing middle affordable rental units.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- The conversion of an existing building into one or more new missing middle affordable rental units or the construction of one or more new missing middle affordable rental units.
- Missing middle units are in buildings that are four (4)-storeys or less and are not a single-detached residential dwelling unit or ARU.
- Minimum affordability period of ten years for full loan forgiveness.

Eligible Costs

- Up to 100% of total eligible costs, to a maximum of **\$225,000 per eligible affordable rental missing middle unit.**
- Only eligible project costs that are consistent with, and incurred after the Building Permit for the affordable rental dwelling unit has been issued by the Chief Building Official, may be claimed for the Forgivable Loan.
- **Eligible Costs** include:
 - Building materials and labour required to construct the unit(s);
 - New/upgraded HVAC systems and plumbing where required under the Building Code to construct the unit(s);
 - Works related to Ontario Building Code or Fire Code compliance, such as structural, electrical, safe egress, ventilation, fire protection including associated insulation, and similar improvements;
 - Accessibility improvements including providing universal design, barrier-free access to the residential unit(s), accessible washroom(s), interior doorway(s) or kitchen facilities;
 - Permanent finishing materials and permanent decorative elements, including painting, drywall, trim, permanent light fixtures, flooring, countertops and cabinetry, shall be an eligible cost to a maximum of 25% of the total eligible costs;

- Professional services by an engineer, architect, or planner to a maximum of 15% of all eligible costs will also be eligible.
- **Ineligible costs** include, but are not limited to, household appliances and financing.

Payment

- The Forgivable Loan will be provided upon successful completion of the housing project or at the discretion of the City. The Forgivable Loan will be paid in a lump sum as a reimbursement of costs incurred, or in intervals at the discretion of the City.
- No interest or repayment of the Forgivable Loan is required for the duration of the agreement and upon successful satisfactory completion of the program criteria the Forgivable Loan shall be forgiven at the end of the agreement term, requiring no repayment by the applicant.
- If at any time the applicant is found to be in breach of the agreement or fails to meet the program criteria, the applicant is required to repay the loan back to the City, in accordance with the funding agreement terms and conditions.

Mid/High-Rise Units Affordable Rental Program

This program provides financial assistance to support the development of new affordable rental units in a mid or high-rise residential rental building, including three-bedroom units.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- Development, redevelopment/adaptive reuse of a property that results in the construction of new affordable-rental units, or new affordable three-bedroom-rental units.
- Strategic locations, such as within the City's 'Mixed Use Nodes', Major Transit Station Areas, or Intensification Corridors, are encouraged to be a focus of development.
- A minimum of three (3) new affordable-rental units and/or new affordable-rental three-bedroom units in a residential rental building, are required in order to be eligible.
- Minimum affordability period of ten years for full loan forgiveness.

Eligible Costs

- Up to 100% of total eligible costs, to a maximum of:
 - **\$145,000 per new affordable mid/high-rise rental unit;** and
 - **\$180,000 per new affordable mid/high-rise three-bedroom rental unit.**
- Only eligible project costs that are consistent with, and incurred after the Building Permit for the affordable rental dwelling unit has been issued by the Chief Building Official, may be claimed for the Forgivable Loan.
- **Eligible Costs** include:
 - Building materials and labour required to construct the unit(s);
 - New/upgraded HVAC systems and plumbing where required under the Building Code to construct the unit(s);
 - Works related to Ontario Building Code or Fire Code compliance, such as structural, electrical, safe egress, ventilation, fire protection including associated insulation, and similar improvements;

- Accessibility improvements including providing universal design, barrier-free access to the residential unit(s), accessible washroom(s), interior doorway(s) or kitchen facilities;
- Permanent finishing materials and permanent decorative elements, including painting, drywall, trim, permanent light fixtures, flooring, countertops and cabinetry, shall be an eligible cost to a maximum of 25% of the total eligible costs;
- Professional services by an engineer, architect, or planner to a maximum of 15% of all eligible costs will also be eligible.
- **Ineligible costs** include, but are not limited to, household appliances and financing.

Payment

- The Forgivable Loan will only be provided upon successful completion of the housing project. The Forgivable Loan will be paid in a lump sum as a reimbursement of costs incurred.
- No interest or repayment of the Forgivable Loan is required for the duration of the agreement and upon successful satisfactory completion of the program criteria the Forgivable Loan shall be forgiven at the end of the agreement term, requiring no repayment by the applicant.
- If at any time the applicant is found to be in breach of the agreement or fails to meet the program criteria, the applicant is required to repay the loan back to the City as per the terms and condition of the funding agreement.

Sustainable and Accessible Design Grant

This Program provides an additional grant for eligible applications that incorporate voluntary sustainable building practices and/or incorporate universal or barrier-free design, or accessible design.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- Demonstrate achieved:
 - voluntary sustainable building practices, as outlined in the City's Sustainable Building and Development Guidelines, and/or
 - voluntary sustainable building practices that exceed Ontario Building Code (OBC) requirements, and/or
 - zero or low carbon energy or climate resiliency solutions; and/or
 - universal or barrier-free design, or accessible design.
- The applicant has been approved for one or more units under one of the New Affordable Rental Unit Incentive Programs.

Eligible Costs

- **Up to \$50,000 per project**, subject to an evaluation of the proposed development based on the extent to which a project incorporates voluntary sustainable building practices and/or accessible design.
- The value of the Grant cannot exceed the eligible cost values identified in any incentive program offered by this CIP.

Payment

- The grant will be provided upon successful completion of the project.

Development Charges Assistance Program

Development Charge assistance is proposed in the following two program streams to support the creation of new affordable rental units.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Affordable Residential Development Charges Interest-Free Deferral Program

Currently, regardless of affordability, the Development Charges Act and the City of Burlington's Development Charges By-law establish DC deferral terms, those being, deferred development charges payments in accordance with the DCA, 1997 payment schedule for rental housing, with six annual installment payments starting at occupancy.

This program layers on this existing deferral and establishes interest relief on deferred development charges payments for eligible development applications, for the development of new affordable rental dwelling units.

Eligibility Criteria

- Rental residential buildings or structures in accordance with the DCA, 1997 (4 or more units), where greater than one unit or 10% of units are affordable rental units as defined in accordance with the DCA, 1997 Bulletin, secured through an agreement with the City.
- May be stacked with other programs.

Eligible Costs

- Up to 100% of the interest on deferred development charges may be waived.

Payment

Development charge interest payments for eligible projects may be waived.

ARU Development Charges Waiver for the third Additional Residential Unit

Development charges may be waived for eligible development applications, for the development of new additional residential units to support the City's four units as-of-right policy.

Eligibility Criteria

- A single detached dwelling, semi-detached dwelling or a townhouse dwelling that permits up to 3 ARUs.
- Any required development charges are paid for a new principal dwelling.
- No affordability criteria.

Eligible Costs

- Up to 100% of the development charges that would otherwise be payable on the third additional residential unit.

Payment

No payment of development charges is required in accordance with the eligible development application and permit fees.

Tax Increment Equivalent Grant (TIEG)

To encourage the remediation, reuse, development, and redevelopment of eligible properties for rental residential buildings with affordable units, by providing grants equivalent to the incremental increase in property tax assessment and revenue resulting from property improvements such as, but not limited to, brownfield remediation and new construction.

This program forms a part of the Community Improvement Plan and must be read and applied in accordance with the main document.

Eligibility Criteria

- Eligible applicants will only include the registered owner/assessed owner of the subject property.
- To be eligible for this Program, the minimum number of new affordable units within a rental residential building shall be three (3).
- Only those projects that are anticipated to generate an increase in assessment will be eligible.
- Applicants receiving the TIEG will not be eligible for additional incentive programs offered through this Plan.
- For brownfield properties, a Phase II Environmental Site Assessment prepared by a Qualified Person is required, which demonstrates that the property does not meet the standards that must be met under subparagraph 4(i) of Section 168.4(1) of the Environmental Protection Act to permit a Record of Site Condition to be filed under that subsection in the Environmental Site Registry.
- The applicant will include a description of the proposed improvements and an estimate of costs. The cost estimate must be from a qualified licensed contractor and shall be consistent with the cost estimate indicated on the accompanying building permit application. The City reserves the right to request a second quotation from a different qualified licensed contractor.

Eligible Costs

- The potential grant value shall be initially calculated based on the value of eligible costs to ensure the value of the grant or loan is related to the actual cost of the work being completed. In accordance with Section 28(7) of the *Planning Act*, an incentive program cannot provide grants or loans that exceed eligible costs. Increased

assessment (taxes) are not “eligible costs” but represent a basis for calculating the grant or loan.

- The total value of tax increment equivalent grant provided for an approved eligible property will not exceed the eligible costs for that property.
- Eligible costs include the costs of development, redevelopment, adaptive use and major additions. More specifically, the following costs will be eligible:
 - Infrastructure work including the improvement or reconstruction of existing on-site public or private infrastructure to support building expansions or the construction of new additional dwelling units;
 - Constructing/upgrading of any off-site improvement that is required to fulfill any condition of a development/planning approval (including Site Plan Control) for the development, redevelopment, adaptive reuse or rehabilitation of the building and/or property; and
 - Such other similar costs that may be necessary for the redevelopment, adaptive reuse or rehabilitation of the building and/or property.
 - Professional services by an engineer, architect, or planner; or
 - Any combination of the above.
- For brownfield properties, the eligible costs may include, but are not limited to:
 - Environmental Site Assessments (Phase I and II ESAs and Risk Assessment);
 - Environmental remediation activities;
 - Costs of preparing a RSC, including subsequent subsurface characterization work required to support RSC filing;
 - Placing clean fill and grading;
 - Installing environmental and/or engineering controls/works as specified in a Risk Assessment completed for the property;
 - Monitoring, maintaining and operating environmental and engineering controls/works; and
 - Environmental insurance premiums.

Payment

- Grants will be provided in accordance with a Grant Agreement made between the City and the owner(s) upon successful completion of the approved project, to the satisfaction of the City, and payment of the full reassessed value of Municipal taxes.
- If a property is sold, in whole or in part, before the grant period lapses, the original owner is not entitled to receive the remaining grant payments. However, if a Grant

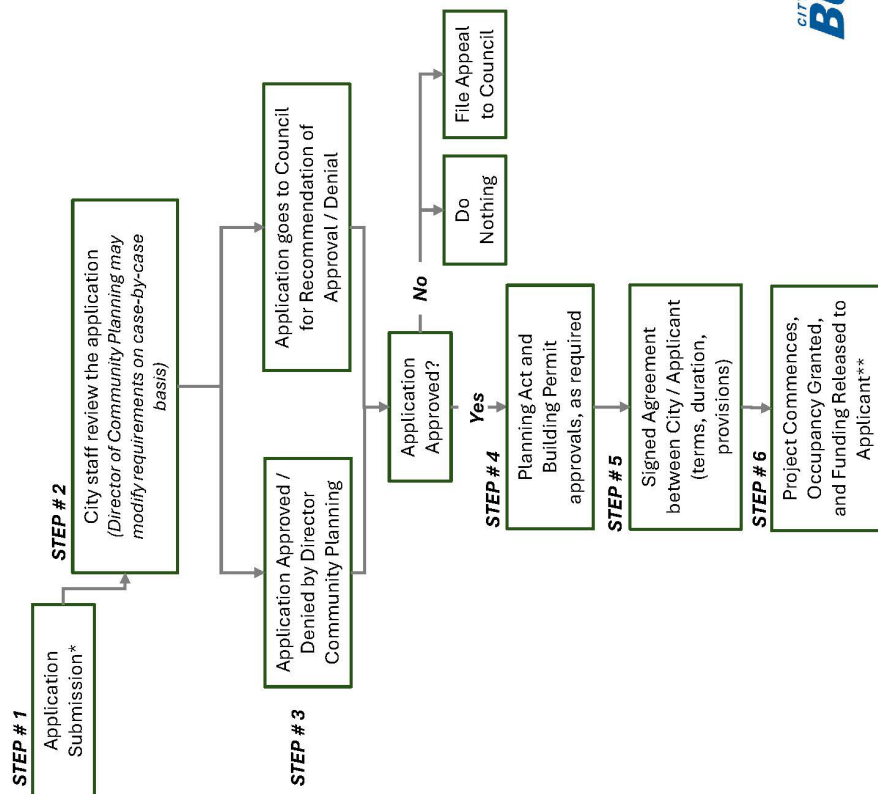
Agreement is registered on the title of the subject property (per Section 28(11) of the *Planning Act*), the new owner may be entitled to receive the remaining grant payments.

- The value of the grant provided is equal to the incremental increase in property assessment and municipal property tax resulting from the improvements. The grant is provided to the owner (registered or assessed), tenant or assigned third party.
- The grant will be in the form of a grant to the applicant and is equal to the incremental increase in the municipal property tax revenue, which is refunded to the extent required, after the taxes have been paid in full.
- The grants will be provided after the improvements to the property are complete and after the reassessment of the property by the Municipal Property Assessment Corporation has demonstrated an increase in the assessed value of the property.
- The pre and post improvement assessment and tax values will be used to calculate the incremental increase in municipal property tax revenue and the total value of the grant.
- Up to one hundred percent of the calculated grant amount will be provided over a period up to but not exceeding ten years. The availability of the TIEG will be determined by Council on an annual basis. The value and specific parameters of the grant will be determined on a property-specific basis, in a year where the program is in effect, and as approved by Council.
- During pre-improvement assessment, the City will continue to collect tax revenue equal to the pre-improved assessed value of the property, using tax rates set annually by the City.
- The grant value will be adjusted when the property is subsequently reassessed post improvement by the Municipal Property Assessment Corporation.

APPENDIX C: CIP Program Applications Flowchart

City of Burlington

Affordable Rental Housing CIP CIP Program Applications Flowchart



Notes:

* Financial incentives will not be retroactively applied to work commenced prior to CIP application approval.

** To maintain eligibility, the project must ensure compliance set out in the CIP and proceed within 1 year of funding approval. Proof of occupancy must be provided in advance of funding being released.



Appendix D – Marketing and Communications Program Recommendations

Purpose

This marketing and communications program serves as a recommendations guide for the City of Burlington to effectively promote the Affordable Rental Housing CIP and its available programs. The marketing initiatives aim to clearly communicate the opportunities presented by the CIP.

Target Markets

- The following have been identified as the primary target markets of the CIP:
 - Property owners within the CIPA who can directly benefit from financial incentives;
 - Individuals and organizations looking to invest in the City of Burlington community, who may find opportunities through the CIP to enhance their investments;
 - ARU Vendors or construction companies who are interested in promoting the ARU forgivable loans to homeowners; and
 - Real estate professionals who can inform clients about the benefits of the CIP incentives.
- The following secondary audiences are also important for promoting the Affordable Rental Housing CIP:
 - Organizations that can act as information hubs, disseminating details about the CIP and its benefits;
 - Community members who may be interested in the CIP for personal housing needs or as advocates for housing in the City; and
 - Elected officials who will receive annual reports on the program's impact and outcomes, helping to guide future decisions and support for the CIP.

Marketing Materials

To effectively promote the Affordable Rental Housing CIP, the following marketing materials and strategies may be developed:

Marketing Strategy	Action
Dedicated Website Section	<p>A specific section on the City’s website featuring a comprehensive overview of the Plan, inclusive of the application process, implementation and payment details, monitoring tools and relevant/helpful links.</p> <p>This webpage is to be accessible with clear navigation to inform the potential applicant on all required information and project eligibility.</p>
Information Package	<p>A targeted information package for property owners within the CIPA, outlining the benefits of the CIP and how to apply for incentives.</p>
Tailored Presentations	<p>Customized presentations for business associations, community groups, and other stakeholders to clearly communicate the opportunities available through the CIP.</p>
Information Displays	<p>Engaging displays at local community events, conferences, and municipal buildings to raise awareness and promote the CIP to a broader audience.</p>
Annual Progress Reports	<p>Reports detailing the successes of the CIP over the past year, highlighting key achievements and serving as case studies for potential future applicants.</p>
Social Media Campaigns	<p>The use of social media platforms to share success stories, upcoming events, and program details, reaching a wider audience.</p>
Email Newsletters	<p>Regularly update subscribers with the latest news about the CIP, including deadlines and success stories from previous applicants to keep stakeholders informed and engaged.</p>
Workshops and Information Sessions	<p>Host events to educate stakeholders about the CIP and the application process, encouraging engagement and addressing questions directly.</p>
Partnerships	<p>Collaborate with local organizations and community groups to expand outreach efforts and leverage their networks for wider dissemination of information</p>