
SUBJECT: City land for affordable housing
TO: Committee of the Whole
FROM: Development and Growth Management
Community Planning

Report Number: DGM-11-26

Wards Affected: 1

Date to Committee: March 3, 2026

Date to Council: March 10, 2026

Recommendation

Endorse the Indwell project concept for 1022, 1028 and 1030 Waterdown Road, as outlined in development and growth management report DGM-11-26 Appendix A, subject to final design, applicable planning approvals, securing required funding and financing, and Council approval of the disposition of City lands by way of a long-term land lease in accordance with legal services report LLS-16-26; and

Direct the Commissioner of Development, Growth and Management to initiate a city-led site-specific zoning by-law amendment for 1022, 1028 and 1030 Waterdown Road to permit the approved Indwell project concept, as outlined in development and growth management report DGM-11-26 Appendix A, subject to final design; and

Delegate authority to the Commissioner of Development, Growth and Management, in consultation with the Chief Financial Officer (CFO), to reallocate the HAF budget, as may be required during 2026, to ensure the City meets its Housing Accelerator Fund housing targets by December 31, 2026, including capital funding, incentives, land acquisitions, or other opportunities that may arise; and

Authorize the Director of Community Planning, in consultation with the City Solicitor, to approve, execute, and administer, on behalf of The Corporation of the City of Burlington, all agreements and documentation necessary to implement the recommendations of this report or throughout the year 2026; and

Direct the Director of Community Planning to engage with Halton Region to explore opportunities to prioritize Burlington residents, where feasible and consistent with Regional policies, within the applicant selection process for the Indwell / Waterdown project.

Executive Summary

Purpose of report:

- To seek Council endorsement of the proposed, Indwell affordable rental housing project concept (Appendix A), at 1022, 1028 and 1030 Waterdown Road, subject to final design and applicable planning approvals, to advance progress towards the City's Housing Accelerator Fund (HAF) targets by December 31, 2026.
- To seek Council approval to initiate a City-led site-specific zoning by-law amendment for 1022, 1028 and 1030 Waterdown Road to permit the proposed Indwell affordable rental housing project (Appendix A).
- To seek Council approval for delegated staff authority to reallocate HAF funding in 2026, if required, to advance the City's HAF housing targets, with updates to Council in June and December 2026.

Key findings:

- Indwell has been identified as an affordable housing provided with a proven track record of developing affordable housing projects and Indwell has capacity to develop these lands for a new purpose built building of up to six stories in height and containing approximately 74 affordable rental housing units, subject to final design, on City-owned lands at 1022, 1028 and 1030 Waterdown Road (Appendix A), contributing to the City's HAF Affordable and Housing Supply Growth targets, including the Missing Middle target where buildings are four stories or less.
- The City's contribution is estimated at \$5.59M, including \$4.15M from the 2026 Council-approved HAF budget, representing land lease value (1022, 1028 and 1030 Waterdown Road), pre-development due diligence, and legal costs.
- Municipal fees for this project will be expensed to the 2026 HAF Municipal Fee Waivers (Non-profit) program that Council approved in December 2025 ([DGM-91-25](#)).
- Securing land is a key priority for Indwell to apply or request capital funding or financing from senior levels of government.

Implications:

Financial

An estimated \$4.15M of the Council approved a \$7.25M HAF budget for “City-land and/or Land Acquisitions for Non-profit Affordable Rental Housing” ([DGM-91-25](#)) is being allocated to the Indwell project. The City’s total project contribution, including all land value, is estimated at \$5.59M. Given the municipal election implications, delegated authorities will assist in agile responses should the HAF budget reallocation be needed to ensure that the City’s housing targets are met by December 2026.

Human Resources

Staffing expenses where applicable are considered for cost recovery as needed and in alignment with HAF budget and program compliance.

Legal

Support from internal and external legal services will be required for real estate fees, agreement negotiations and have been estimated in the \$7.25M City-land and/or Land Acquisitions for Non-profit Affordable Rental Housing Lands HAF 2026 budget.

Climate

The project anticipates building design aligned with senior government funding programs for sustainability, accessibility, speed of construction and maximize Canadian made materials.

Engagement

Public engagement on the proposed project will be led by Indwell in collaboration with the City.

Recommendation Report

Background

In December 2025, Council approved [DGM-91-25](#) providing support for non-profit affordable rental housing through:

- the use of City-owned land to meet the Housing Accelerator Fund (HAF) targets by December 31, 2026.
- a \$7.25M budget City land acquisition and site readiness for non-profit affordable rental housing.
- a \$507,602 budget for municipal fee waivers for non-profits.
- requests to Halton Region to explore partnership opportunities for affordable housing.

This report updates Council on the opportunity to partner on affordable rental housing on City-owned lands, retaining City ownership, advancing HAF housing targets, maximizing community benefits, and supporting the City's enabling role under the Council-approved Housing Strategy through the provision of land, planning, and municipal tools.

Analysis

Project Overview

Through a targeted engagement, the City has identified an opportunity to partner with Indwell, a charitable non-profit with extensive development and operating experience building affordable housing leveraging government funding. The proposed project is approximately 74 units of affordable rental housing, up to six stories, with ground-floor program and community space on City-owned lands at 1022, 1028 and 1030 Waterdown Road (Appendix A), subject to final design, or as may be amended through the planning approval or funding process. Capital and/or operating funding is required from senior government.

The subject lands are located within the Aldershot Major Transit Station Area (MTSA). As reported to Committee through staff report [DGM-99-25](#), the Minister of Municipal Affairs and Housing released its decision to approve Official Plan Amendment 2 (OPA 2), with modifications on October 10, 2025. There are three appellants to OPA 2. Many of the policies of OPA 2 have come into effect as of October 30, 2025, by virtue of not being appealed or not being appealable. While work continues to define the extent and scope of appeals staff can confirm that the enabling policies for the Community Planning Permit System (CPPS) have

been appealed and are not in effect. As a result, the anticipated CPPS By-law for MTSAs cannot be approved by Council. The proposed development will therefore require a site-specific zoning by-law amendment and site plan approval to permit the proposed residential use before building permits can be issued. The zoning by-law amendment will be City initiated in alignment with OPA 2 and will consider the approved in principle [CPPS](#).

Alignment with HAF Targets

The anticipated 74 units will add to the City's HAF Affordable Housing target of 228, and the Housing Supply Growth target of 2,724. Units constructed at four stories or less, as shown in the preliminary site plan (Appendix A), may also count towards the Missing Middle housing target, of 1,047, subject to final design approval.

Intergovernmental Coordination

While Halton Region is the designated Service Manager for assisted and supportive housing and is responsible for administering capital and operating funding programs, the City of Burlington plays a critical enabling role in delivering affordable and supportive housing within its boundaries, as set out in the Council-approved Housing Strategy. In the current market environment, private sector developers are not delivering new, deeply affordable rental housing without significant capital funding. As a result, projects that combine City-owned land, non-profit delivery partners, and senior government funding represent one of the few viable pathways to advancing affordable housing supply within required timelines.

Land Readiness and Due Diligence

Environmental Site Assessment (ESA) Phase 1 reports have been completed for 1022, 1028 and 1030 Waterdown Road. ESA Phase 2 reports have been initiated. A Record of Site Condition will be required to secure financing. It is anticipated that the \$300k budget approved by Council ([DGM-91-25](#)) will be adequate to finish land readiness.

Risk Considerations and Mitigation

The primary risks associated with the proposed project relate to external funding/financing, development approvals, and infrastructure capacity. These are being actively managed through project design alignment to funding programs, early technical due diligence, early engagement with City staff through a "threshold review" to identify any potential project impediments, delegated authority, and scheduled reporting back to Council in June and December 2026.

The project has been assessed for the following risks:

Risk	Issue / Impact	Likelihood	Mitigation
Zoning	Residential uses are not currently permitted; Ontario Land Tribunal (OLT) appeals possible.	Medium - High	City-initiated site-specific ZBA (May 2026) aligned with OPA 2 and Council-endorsed CPPS; project design informed by prior OLT decisions.
Hydro Capacity	Existing single-phase supply may be insufficient; 3-phase expansion required for service.	Medium	Early Burlington Hydro coordination; budget contingency; obtain OEB-based cost estimate. Capacity confirmed prior to final site plan. Burlington Hydro has indicated their commitment to working with the City to advance affordable housing projects.
Planning/Building Approvals - Timing	Delays in these approvals could jeopardize achieving the Dec 31, 2026, HAF housing target deadline and may reduce 2027 funding (\$5.2M).	Medium	Early engagement with City/Region; overlap planning and building approvals where feasible; internal cross department coordination; Council updates scheduled for June and December 2026.
Environmental	Contamination or remediation could delay project or increase costs.	Low	ESA Phase 2 underway toward Record of Site Condition; reserve budget contingency.
Regional Funding Approval	Halton Region funding delays could impact timeline	Low	Early engagement with Region; align project with regional priorities; land lease conditional on approvals.
Senior Government Financing	Delayed funding/financing if land lease is not confirmed.	Low	Confirm land tenure; program-aligned design; construction approach aligned with municipal/federal goals; participate in Enbridge "Savings by Design" program.
HAF Compliance	Submitted capital project may not meet CMHC eligibility requirements.	Low	Submit through 2025 HAF Annual Report. Obtain CMHC written confirmation. Delegated reallocation authority: alternative eligible projects identified.
MTSA Land Value	Potential forgone future land value or underdeveloped.	Low	Long-term land lease retains City ownership and future land value, while securing affordable rental housing community benefit advancing Council priorities.

Land Ownership/Disposition

- The long-term land lease model (anticipated up to 55 years) ensures the land remains in public ownership and dedicated to affordable rental housing use, while enabling Indwell to secure external financing and proceed with development.
- This proposed partnership leverages underutilized City assets, supports Regional housing objectives, and advances the City's Housing Accelerator Fund (HAF) targets within the prescribed federal timelines.
- Upon successful completion of the surplus lands disposition process and Council approval Realty Services will negotiate a long-term land lease with Indwell.

- Land lease is required for Indwell to apply for and/or receive project funding/ financing.
- Staff review of City-owned lands ([DGM-08-25](#)) or pending surplus school sites indicated that no other options met the HAF target and deadlines or had the partnership opportunities.

Financial Analysis

The City's total contribution to the Indwell / Waterdown affordable rental housing project at 1022, 1028 and 1030 Waterdown Road is estimated at \$5.59 M. This includes land value, pre-development due diligence, and legal fees, averaging approximately \$75k per unit (based on the estimated 74 units shown in Appendix A). This falls within the Affordable Rental Community Improvement Plan (ARU) HAF incentive program range of \$70k–\$95k per unit, while offering deeper affordability and greater tenant security for a longer period.

Of the \$5.59 M, \$4.15 M comes from the Council-approved 2026 HAF \$7.25M budget ([DGM-91-25](#)). The value of City-owned land is provided via lease, with ownership retained by the City. The project also benefits from the Council-approved 2026 HAF Municipal Fee Waiver program, which may include building permits, planning fees, and fast-track approvals.

Any remaining HAF funds from [DGM-91-25](#), if available, will be retained for risk mitigation or, if required, reallocated to additional affordable housing projects or incentives. If the Indwell Waterdown project does not proceed or is delivered at a reduced scale due to development, funding, or infrastructure constraints, delegated authority to the Commissioner of Development, Growth & Management, in consultation with the CFO, enables HAF reallocation in 2026 to capital funding, incentive programs, land acquisitions, or other opportunities aligned with the Council-approved HAF Action Plan.

Delegated authority provides flexibility and supports timely alternative actions to meet the City's HAF housing target commitments by December 31, 2026.

Recommendation Details

This project represents a strong opportunity to deliver approximately 74 units of affordable rental housing by leveraging City-owned lands, senior government funding/financing, and Indwell's non-profit housing expertise. The project aligns with the Council-approved Housing Strategy and implements the Council-approved HAF Action Plan, advancing the City's HAF housing targets by December 31, 2026.

Providing the City land through a long-term lease (anticipated up to 55 years) preserves municipal ownership, leverages public assets for near-term capital investments, and provides community value and benefit to those most in need.

Staff have taken significant steps to prepare the lands and advance the partnership. Council will receive updates in June and December 2026 on project progress, risk mitigation, and funding or financing status as the project evolves.

Key Dates & Milestones

- June 2024: Council update on HAF Budget and Indwell / Waterdown project progress.
 - April 2026: Council approval to negotiate a long-term land lease (up to 55 years).
 - May 2026: Council approval for site-specific Zoning By-law Amendment for 1022-1030 Waterdown Road, aligned with Council endorsed [Community Planning Permit System](#).
 - December 2026: CMHC deadline to achieve all HAF housing targets.
 - December 2026: Council update on HAF budget, targets, and project progress.
 - January 2027: CMHC: submission of 2026 HAF annual report.
 - Q1 2027: CMHC assessment and release of final \$5.2M HAF funding.
 - Q1 2027: Council review and approval of proposed 2027 HAF budget.
 - December 2027: CMHC: deadline to spend all HAF funds.
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References

LLS-16-26: Real Estate matter declaring intent to Lease Waterdown Road properties – March 2026

[DGM-91-25](#): Housing Accelerator Fund Update – December 2025

[DGM-99-25](#): MTSA Official Plan Amendment No. 2 Notice of Decision – December 2025

[DGM-33-25](#): HAF Implementation and Update - May 2025

[DGM-19-25](#): HAF Implementation Update - February 2025

[DGM-08-25](#): Burlington Lands Partnership Update – February 2025

[PL-82-24](#): HAF Implementation Plan Budget and Update - November 2024

[CS-13-23](#): Council approve HAF Action Plan – July 2023

Strategic Alignment

- ☒ Designing and delivering complete communities
 - ☒ Providing the best services and experiences
 - ☐ Protecting and improving the natural environment and taking action on climate change
 - ☒ Driving organizational performance
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Appendices:

A. Indwell Proposed Preliminary Site Plan: 1022 - 1030 Waterdown Road

Draft By-laws for Approval at Council:

- N/A

Notifications:

- Regional Clerk, Halton Region
- Alex Sarchuk, Commissioner, Social & Community Services, Halton Region
Alex.Sarchuk@halton.ca

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

Appendix A: Indwell Proposed Preliminary Site Plan: 1022, 1028 and 1030 Waterdown Road

