Recommendation Report Summary

SUBJECT: Draft Housing Community Improvement Plan Amendment
TO: Committee of the Whole
FROM: Development and Growth Management
Community Planning
Report Number: DGM-27-26
Wards Affected: All
Date to Committee: April 14, 2026
Date to Council: April 21, 2026

Recommendation

Direct the Director of Community Planning to consider Council, agency, development partners, and community feedback received on Draft Housing Community Improvement Plan (CIP) Amendments contained in Appendix A to development and growth management report DGM-27-26 as part of this statutory public meeting prior to bringing forward a staff report recommending amendments to the City's Affordable Rental Housing CIP that respond to Council's referral motion of March 2, 2026.

Executive Summary

Purpose of report:

- The purpose of this report is to respond to the referral motion from the Special Meeting of Council on March 2, 2026 and to present a set of draft proposed amendments to the City's existing Housing related Community Improvement Plan (Appendix A) that respond to Council's referral motion of March 2, 2026, for discussion and consideration.

Key findings:

- The housing sector is facing a historic downturn.
- Since the pandemic, the industry has warned of an impending shortage of skilled trades to build homes needed to keep pace with growth. The current downturn has exacerbated that trend, with jobs retreating to places outside the GTHA.

- Housing starts in Burlington and across the GTHA have continued to slow, with CMHC reporting an average of 554 housing starts per year over the last five years. In 2024, housing starts were uncharacteristically high with 1,132 starts, while in 2025, housing starts slowed to 539. CMHC forecasts that a low of 400 to a high of 650 housing starts can be expected for 2026.
- While City action alone is unlikely to make a difference significant enough to create housing in the near and medium term, consistent with the Housing Strategy, partnerships are the key to progress in the housing sector. Every level of government, as well as all actors in the housing sector, have a role to play. Whether it is the City's actions to enable more housing options through policy and zoning reform, streamline development applications or to develop temporary CIP programs, or the Federal and Provincial government's action on taxes and development charges, or the private sector's efforts to design more efficient and affordable buildings, together progress may be possible.
- The scope of the City's influence and financial capacity is limited.
- Preliminary analysis of the City's development pipeline, scan of municipal practices and testing of programs against a set of development proforma assumptions informed the menu options presented.
- The range of menu options, criteria and other elements presented are capable of being adjusted, refined, capped or removed from consideration.
- Though there are no guarantees that these programs will be taken up, preparing a set of programs that would be ready to take advantage of any future funding from other levels of government would put the City in a place of readiness. This would support the City's growth forecasts and housing objectives and support the creation of more diverse housing options in alignment with the City's Housing Strategy.

Implications:

- None at this time, as no decisions are being made.

Background

Starting in late 2025, Pipeline to Permit Committee, Committee of the Whole and Council have had detailed discussions related to the potential for temporary Development Charge reductions in order to support the creation of new homes in the City. For a detailed summary of the reports and discussions to date, please refer to Appendix B.

On March 2, Council unanimously approved the following referral and direction (DGM-03-26)(SD):

> *Refer report DGM-03-26 regarding Options for the temporary elimination of Development Charges to the Commissioner of Development & Growth Management and the Chief Financial Officer to report back to Committee of the Whole on April 13, 2026 on option 2 b as referenced in the staff report and a new or amended Affordable Rental Housing Community Improvement Plan funded from a source other than property taxes; and*
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> *That Council offer a binding commitment to the provincial and federal governments that for every dollar of earmarked new funding provided to reduce development charges the City of Burlington shall commit to reduce its development charges by the same amount, up to and including a total elimination of development charges on a permanent basis with matched funding; and that council commit to not make any reductions to development charges without first being made whole through federal or provincial programs, such as the HAF or through other federal, provincial or other level of government programs.*

What are we considering amending?

In 2025, the City developed an Affordable Rental Housing Community Improvement Plan (CIP). While the CIP was generally designed to broaden the range and mix of housing, the specific programs were focused on facilitating affordable rental housing. While the existing CIP includes 10 programs, the Additional Residential Unit program was funded using a portion of the Housing Accelerator Fund (HAF). For more details on the process of developing the CIP and its implementation to date, please refer to Appendix C.

What is a CIP?

A Community Improvement Plan is a tool that allows a municipality to direct funds and implement policy initiatives toward a specific objective, such as addressing housing needs. Once established, a CIP enables municipalities to provide grants, loans and other incentives to

landowners for eligible costs to prepare land and construct or rehabilitate buildings on public and private property. Section 28 of the *Planning Act* provides that Council can pass a community improvement by-law where the Official Plan contains provisions related to community improvement and further guides the use of this tool.

How do you amend a CIP?

An amendment to a Community Improvement Plan requires a statutory, public process. The purpose of the report is to initiate that process. The amendments being considered do not require that the Official Plan be amended.

What is happening in the City that is prompting this response?

The City has significant housing unit forecast objectives that are not being met. While the City does not plan based on assessment growth, a healthy growth rate of 1% (that is about 2,400 people per year) is critical to managing tax increases and delivering services to residents. This aligns with Horizon 2050's strategic outcome of quality of life across all ages and stages.

Recent Canadian Mortgage and Housing Corporation (CMHC) data projects that Housing Starts for 2026 will be in the range of 400 - 650 units (with CMHC reporting just 25 housing starts over the first two months of 2026). To compare, this accounts for only 1/3 of the annual forecast unit for 2026 based on the City's Growth Analysis Review (2025), approximately 1,200 units per year.

Alongside the low expectations for unit growth in 2026, an assessment of units in the pipeline reveals several important though not surprising characteristics related to project types, status, built form, and number of bedrooms. Please refer to the pipeline general analysis below.

Insights from this analysis were used to highlight gaps in the current development pipeline and to help shape and guide the development of the temporary programs, ensuring they respond to areas that advance the strategic directions of the Housing Strategy.

It appears that there is an opportunity to focus on the elements of the City's Housing objectives that the existing development pipeline is not currently expected to deliver, i.e. rental, missing middle, larger sized and affordable units.

In the past, the City has taken steps to address major disruptions with interventions within its scope of influence. In cases like the City's response to the COVID 19 pandemic or tariffs, the City focused on actions such as promoting buying local, supporting the downtown and discouraging travel for City purposes to the United States.

The City establishes its land use vision in its Official Plan, but the City does not build homes, it only provides the permissions and the framework to enable the creation of housing. This response is prompted by the potential for the City to have a role in supporting those who build homes to navigate near-term barriers to the implementation of Council's vision. The development of a suite of temporary programs will encourage the creation of the types of units

the City will need while establishing the important guardrails to allocate resources appropriately.

At the same time, things continue to change:

Over the course of March 2026, a variety of announcements from both the Federal Government and Provincial Government have been made, introducing a variety of programs related to housing:

- The Federal government has confirmed its decision on its time-limited HST relief program for first-time home buyers.
- The Provincial government then subsequently announced a similar tax relief program for the Provincial portion of the HST on the sale of new homes, though the sales price for eligible homes are higher than the Federal program.
- In addition to advocacy identified in previous reports, the Ontario Realtor prepared a report focused on Development Charge Reform OREA report.
- On March 30th, the Federal and Provincial governments announced a new partnership between Canada and Ontario introducing a cost-match program totaling $8.8 billion over 10 years that will focus on housing-enabling infrastructure projects. This program is designed to offset the financial impact on municipalities of reducing development charges. Funding eligibility would require municipalities to reduce their DCs by 30% to 50% for a duration of three years. The province will work to recognize municipalities that have already reduced their residential DCs. At the time of writing this report, the details of this program have yet to be released. Staff will continue to work to understand this new program once the details are available.
- Additionally, on March 30th the province released Bill 98 *Building Homes and Improving Transportation Infrastructure Act.* The Act proposes a wide variety of changes to the Planning Act, Development Charges Act and Building Code Act, among others. The proposed changes were posted to the Environmental Registry of Ontario on March 30th with a commenting deadline of April 29th for some elements of the Bill and May 14th for others.

Developing an amendment to a Community Improvement Plan

In order to initiate and begin to consider an amendment to the City's Housing Community Improvement Plan, staff began by reviewing the plan itself and confirmed that the addition of a new financial incentive or criteria constitutes a major and substantive change to the CIP. In accordance with the CIP, "major and substantive changes will be made by amendment, in accordance with the *Planning Act* which requires public consultation and Council approval."

Though the CIP itself does not establish a specific approach or method for amendment, staff followed the following steps in order to initiate the discussion:

- Review the CIP to reflect on goals, objectives and conceptual new programs;

- Review the City's housing needs and objectives (as set out in the ARHCIP and the City's Housing Strategy) and confirm the City's ability to influence;
- Review the development pipeline to understand the nature of development;
- Prepare a municipal scan to note any new and notable practices;
- Develop a menu of temporary programs, criteria and undertake preliminary testing;
- Engage with interested parties, community and Council;
- Adjust;
- Recommend temporary programs, criteria and other details.

Goal and Objectives

The overall goal of the CIP as it is written today, starts with a focus on current housing challenges that impact the community's well-being and future growth. The goal of the 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."*

Some of the temporary programs being considered currently move away from exclusively focusing on affordable and rental housing. While some of the new temporary programs include rental tenure and affordability elements some also expand on the existing focus on units with 2 or more bedrooms. Similar to the original programs, the proposed temporary programs share the goal of expanding and diversifying the housing supply. Dependent upon the recommendation related to an amendment to the CIP and its programs there may be a need to elaborate on the goals of the CIP.

The proposed temporary programs support a number of the objectives of the CIP from broadening the range and mix of housing options in the City to helping to achieve Housing Strategy objectives and growth analysis rental housing targets. A new objective framing the temporary nature and purpose of the temporary programs may be recommended.

City's Housing Needs, Objectives and the Realistic Limits of City influence

Appendix D provides high level insights on housing need and growth expectations for the City. The City's recent work on the Growth Analysis Review (2025) and Housing Needs Assessment (2025) highlight the continued need for new affordable and rental housing. However, recent data in terms of slowing unit growth expectations speak to a broader concern about reaching overall unit growth targets established through the Growth Analysis Review over the course of the past several years. Recent housing start trends have varied substantially year over year,

with an average of 554 housing starts per year over the last 5 years[1]. Evidence suggests that even conservative growth forecasts are not likely to be achieved in the near term. Development in the City has fallen short and is expected to continue to fall short of the municipal housing pledge. The pipeline data above speaks to a large number of potential new residential developments. However, the private sector cannot secure financing because of the challenge of selling new housing units.

There are four key factors that limit the nature and extent of the City's ability to incentivize housing on a temporary basis:

- The range of issues that the City controls (the City's portion of taxes, development charges and fees is small in the context of the costs related to delivering a unit).
- The ability for the market to deliver and absorb units in the near term is likely to limit the number of units eligible for any proposed temporary program.
- The amount of HAF funding available today and potentially in 2027, functionally limits those budget-based programs.
- The eligibility criteria and program details are unlikely to produce the desired results if they are unnecessarily complex and onerous. Careful calibration of programs will provide balance among the City's housing and growth objectives and the housing sector's objective of getting construction trades and the supporting industries moving today to avoid even greater challenges in the future.

Pipeline

A general analysis of the development pipeline was undertaken to capture a snapshot of the characteristics of known development projects. The pipeline is divided into a number of status categories to better understand where projects sit within the approvals and development process. We have selected the following status subset: Waiting for Site Plan Application, Site Plan Approval and Subdivision Approval, as they represent projects that are positioned at key points in the approval process, where feasibility and timing are most likely to influence progression towards construction and are therefore most responsive to municipal policies, given that the proposed incentive programs are temporary.

[1] CMHC Starts and Completions Survey

Of all the units in the pipeline, approximately 52% (45 projects) fall within the selected subset, and none have received a foundation permit to date. The following analysis provides a detailed breakdown of the data of the selected subset:

- 35% of units (17 projects) have received Site Plan Approval, 2% (4 projects) have obtained Subdivision Approval, and the remaining 62% (24 projects) are awaiting the submission of a Site Plan Application.
- 18% of total projects (8 projects) either include a missing middle[2] component or are comprised of a missing middle built form, of which only 1 project has received Site Plan Approval.
- 3% of the total units are delivered in the form of missing middle housing, while majority of the units, approximately 97% are delivered in condominium apartment-built forms.
- 51% are 1-bedroom/ bachelor units, 34% are 2-bedroom units and 3% are 3-bedroom units.

While not captured in the categories above, the City has seen an increase in the number of ARUs built in the City, supported by both the temporary fee waivers and the City's ARU program. In 2024, 55 ARUs were approved and in 2025 95 were approved.

Municipal Scan

A number of Ontario municipalities have implemented programs to incentivize the creation of new housing supply. A scan of recent programs relevant to the proposed amendment to the CIP has been completed, and the findings are summarized in Appendix E.

Referencing these programs demonstrated what is achievable within the provincial legislative framework and helps inform how Burlington can shape its own programs. This scan ensures that the proposed programs are both municipally appropriate and responsive to the needs and challenges identified by the public, the development industry, and other interested parties.

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[2] Missing Middle: Refers to a spectrum of muti-unit, ground oriented or low-rise built forms up to 4 storeys such as townhouses, stacked townhouses, and small apartment buildings.

Analysis

A) Draft Potential Community Improvement Plan Amendment

No recommendations are being made in this report, consider the following instead as a menu of options provided for Council's consideration. Council may consider approving programs individually or as a suite. Additionally, each program's specific parameters can be adjusted to respond to feedback, depth of support and ability to deliver on the desired outcome.

The draft amendment was referenced in the Statutory Notice from March 13 and posted on the Get Involved Burlington page on March 23, 2026, (attached as Appendix A). Since the initial posting a number of minor issues with the text have been noted that will need to be revised to more accurately reflect the proposed programs. Any required changes will be made prior to Council consideration of any potential recommendation.

The draft amendment for the proposed temporary programs is organized into a new section currently called *5.9 DRAFT Temporary Programs*, to be added to the existing CIP.

This section contains all information related to the proposed temporary programs. The proposed section 5.9 would include the following:

- A guide to understanding eligible units and general program guidance for the temporary programs,
- A description of the nature and timeline of the temporary programs,
- General temporary program eligibility, and
- Descriptions of the temporary programs and any specific eligibility requirements.

Draft Objective of temporary programs

For the purpose of engagement, staff have prepared a draft objective for consideration. The draft objective is to:

> *Support the private and not-for-profit/non-profit housing sector with a made-in Burlington targeted, time-limited housing-focused incentive suite of programs. The temporary programs are intended to accelerate the delivery of missing middle, affordable and family sized unit types, considering both ownership and rental options. While limited to the City's scope, assigned funding and influence, the programs will be calibrated to support the delivery of a variety of housing options that meet the needs of residents at all ages and stages of life and that are attainable at all income levels to meet the City's broader population expectations and assessment growth objectives.*

Eligibility Criteria

The potential eligibility criteria for the temporary programs have been carefully drafted to ensure that they are designed to generate uptake in a challenging market while ensuring HAF

funds are directed towards housing that aligns with the City's housing objectives and remains legally enforceable throughout the term of the incentive.

Staff investigated the opportunity to define eligibility based on a wide range of considerations.

One factor considered whether the permissions on the site were as a result of a decision of the OLT. Analysis revealed that of the approved projects in the pipeline that have attained Site Plan approval: 35% of projects were OLT approved, representing 76% of the total units. For Subdivision Applications, 50% of the projects have been approved by the OLT, accounting for 91% of the total units. As for projects that are awaiting a Site Plan Application, 54% of the projects were approved by OLT, representing 73% of the units. Overall, across this segment of the pipeline, while the OLT has approved 47% of projects, these approvals account for approximately 74% of the total units.

While on the surface, this may be considered a reasonable test. What an eligibility requirement based on this criteria does not account for is situations where the OLT decision was made as a result of a Council approved settlement. While staff do not propose an eligibility criterion based solely on the nature of the decision maker, staff have included a proposed eligibility criteria relating to the City's discretion to disqualify a project subject to parameters, which include being involved in litigation with the City.

Anchoring eligibility to lands within the designated Community Improvement Plan Area (CIPA), where growth and intensification have already been endorsed, avoids imposing unnecessary process burden on applicants and prevents penalizing them for policy gaps outside of their control, including Official Plan policies that remain under appeal.

Another factor that was considered was the potential to establish a maximum sales price for a unit to determine eligibility. Staff have not proposed a maximum sales value at this time; however, it may be an appropriate criterion for consideration. In lieu of establishing a specific value of sale, staff have currently proposed options to limit eligible units to townhouse, missing middle, midrise and tall buildings, that is to exclude single detached dwellings, semi-detached dwellings, duplexes and ARUs. On the note of ARUs, in the case of a DC program, ARUs (up to 3 units) are not subject to DCs, with some exceptions.

Eligible units are defined to prioritize typologies that address gaps in Burlington's housing mix, such as rental, missing middle, affordable, and family sized units, with embedded construction timing requirements to ensure that incentives are tied to demonstrated construction progress rather than approvals alone. All incentive recipients will be required to enter into a legal agreement registered on title, with default provisions in case of non-compliance to protect program integrity and in the case of DC grants, to ensure that the full value of the grant would be passed to the purchaser. Together, these criteria are intended to be enabling, rather than restrictive, and broaden the pool of eligible applications while maintaining sufficient guardrails to justify expenditure.

There continue to be opportunities to add, refine and revise both general and program specific eligibility criteria to ensure alignment with the objectives of any temporary program.

Draft Temporary Programs

The temporary programs are summarized below, with additional initial observations about the benefits and considerations related to each.

1. Development Charge Reduction Grant – Purpose-Built Rental

This program offers an equivalent grant for up to 100% of the City's portion of the Development Charges for eligible purpose-built rental units to support the creation of more purpose-built rental housing in Burlington's Community Improvement Plan Area (CIPA). The purpose-built rental unit must remain rental for a minimum period of 15 years. This program is intended to make it more financially viable for the development community to build new rental apartments through an equivalent grant for the City portion of the Development Charges (DCs) and can be combined with other federal and provincial incentives as well as other City CIP programs.

Testing: Staff sought guidance from local rental housing market experts to support the development of this program.

Cost per unit incentivized: The cost per unit for the City's portion of the DCs for each purpose-built rental unit type is calculated below. The Development Charges Act (DCA), 1997 provides a 15% to 25% discount for each purpose-built rental unit (15% for a 1-bedroom unit, 20% for a 2-bedroom unit, and 25% for a 3 plus bedroom unit). This means that the equivalent grant that the City would propose to provide for each purpose-built rental unit would be 15% to 25% less than a comparable ownership unit.

DC Equivalent Grant by Purpose-Built Rental Unit type

Unit Type	Cost of Equivalent Grant Per Unit
Apartment, Bachelor & 1 Bedroom	$ 7,696.75/unit
Apartment, 2 Bedrooms	$ 9,579.20/unit
Apartment, 3 or more Bedrooms	$ 8,980.50/unit
Multiples, 1 Bedroom	$10,914.00/unit
Multiples, 2 Bedrooms	$10,272.00/unit
Multiples, 3 or more Bedrooms	$13,371.75/ unit

Benefits:

- This program seeks to support the creation of more purpose-built rental housing in Burlington's urban area in alignment with the objectives of the City's Housing Strategy.

- This program capitalizes on the DC discounts provided by the DCA, 1997 meaning that the equivalent grant provided by the City would be 15% to 25% less for a purpose-built rental unit making efficient use of funding sources.
- This program protects rental tenure for 15 years, additionally, the Municipal Act, Burlington Regional Official Plan, and Burlington Official Plan (1997 and 2020) provide added protections for the retention of purpose-built rental units.

Considerations:

- Projects may not meet required construction timelines, resulting in loss of eligibility.

2. Development Charge Reduction Grant – Ownership

This program provides a financial incentive of up to 100% of the City's portion of the Development Charges to support the creation of new ownership units in Burlington's Community Improvement Plan Area (CIPA), subject to eligibility criteria. The table below outlines the grant structure for the City's portion of the Development Charges by building type, with enhanced incentives intended to encourage a higher proportion of 2- and 3+-bedroom (BR) units in new developments. The structure may be applied in full or implemented in selected components.

Mid-rise and Tall buildings (5 storeys or greater)

- Eligible developments must contain a minimum of twenty (20) dwelling units.
- For all eligible developments, the following Development Charges Reduction Grant Structure will apply:

2 BR (% of units)	3 BR (% of units)	Development Charges Reduction Grant (%)
40%	**15%**	For all units - **Up to 100%** of the total City Development Charges.
50%	**10%**	For two or more-bedroom units - **Up to 100%** of the City Development Charges.
45%	**10%**	For two or more-bedroom units - **Up to 80%** of the City Development Charges.
40%	**10%**	For two or more-bedroom units - **Up to 50%** of the City Development Charges.

Low-rise Buildings (up to 4 storeys)

- The grant applies only to multi-unit low-rise built forms such as townhouses, row-housing and apartment buildings. Detached, semi-detached, duplexes and ARUs are not eligible.

- Eligible developments must contain a minimum of six (6) dwelling units.
- For all eligible units, the grant may cover up to 100% of the total City's Development Charges.

Understanding Financial Impact:

To illustrate the potential financial impact of this incentive, the following demonstrates how the Development Charges Grant would be calculated on a per unit basis in an ownership project:

- **Mid-rise and Tall Buildings:**

Unit Type and Percentage	Cost of Equivalent Grant Per Unit
40% 2 BR and 10% 3 BR	$5,987.00 / 2+BR units
45% 2 BR and 10% 3 BR	$9,579.20 / 2+BR units
50% 2 BR and 10% 3 BR	$11,974.00 / 2+BR units
40% 2 BR and 15% 3 BR	$9,055.00 /1 BR unit and $11,974.00 / 2+BR unit

- **Low-rise Buildings:**

Unit Type	Cost of Equivalent Grant Per Unit
Multiples, 2 BR units	$12,840.00/unit
Multiples, 3 or more BR units	$17,829.00/unit

Testing:

Staff undertook a comprehensive financial analysis to evaluate project viability, including sensitivity testing and pro forma review. In parallel, staff sought input from the development community to ensure the assumptions, metrics and overall analysis aligns with real world development practices and current market conditions.

Benefits:

- This program seeks to support the delivery of housing units within the City of Burlington, while advancing the objectives of the City's Housing Strategy.
- This program seeks to directly support the City's housing supply and economic development goals, by providing funding to help support projects that would otherwise be stalled or cancelled due to high costs.
- This program seeks to encourage timely development, and near-term construction starts through a time-limited incentive, helping to maintain a stable development pipeline and reducing uncertainty in the local housing market.
- Generating long term municipal benefits, including increased assessment growth and expanded housing choice, by enabling viable projects to proceed.

- This program seeks to promote high quality, family sized housing options by linking eligibility to minimum number of units by building type, unit sizes and bedroom mix requirements, addressing gaps in Burlington's housing mix and supporting complete community objectives.

Considerations:

- Projects may not meet required construction timelines, resulting in loss of eligibility.
- Market conditions may deteriorate after approval, causing projects to stall or market absorptions to slow down even after receiving the incentive, which reduces the program's effectiveness and delays expected assessment growth.
- Supply chain disruptions or contractor shortages could delay projects beyond the program window, creating uncertainty for both applicants and the City.
- The incentive may not be sufficient to bring some projects forward, without support from other levels of government.
- The program may unintentionally shift development activity toward ownership housing, potentially reducing the number of rental projects if developers perceive ownership as more financially supported.
- Grant agreements must be carefully drafted to ensure enforceability, especially around pass‑through requirements and short‑term rental restrictions.
  While this program is designed to ensure that the full value of the grant would be passed to the purchaser, this is a one time benefit that would not be passed on to future home owners.

3. Missing Middle Affordable Housing Grant

The Temporary Missing Middle Affordable Housing Grant Program is intended to boost the development of new purpose-built rental and ownership housing in a missing middle format. To incentivize the delivery of affordable housing, the program provides layered financial relief at key stages of the development and approvals process, from early planning and design to building permit issuance. The program offers $400,000 and up to $10,000 per affordable unit structured across three components:

- waiver or reimbursement of eligible municipal fees;
- reimbursement of costs for planning, design, and study costs; and,
- per unit grants for pre-construction planning and approvals costs directly associated with affordable units.

Eligible projects must consist of missing middle housing of up to 4 storeys, contain a minimum of six units, and dedicate at least 15% of those units to affordable rental or ownership occupancy. Affordability commitments are secured through a legal agreement registered on title, with a minimum affordability period of 15 years from first occupancy. Affordable rental units developed under this program must be maintained in accordance with the definition of

“affordable rental units” as established in Section 3.3 of the City’s CIP. Affordable ownership units will be considered affordable only where the purchase price does not exceed the applicable affordable purchase price threshold by unit type, as set out in the *Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin*, published by the Ministry of Municipal Affairs and Housing, as amended from time to time. Program allocations are proposed to be made on a first-come, first-served basis until the city-wide program cap is reached.

Testing: Staff reviewed the existing Municipal Fee Waiver and Housing Design and Study Grant programs within the current CIP, exploring opportunities to consolidate both into one program while introducing a per-unit grant directly tied to delivery of an affordable unit. This work was complemented by a jurisdictional scan of comparable municipal programs to identify best practices.

Cost per unit incentivized: The cost per unit varies depending on project size and the number of affordable units. Under Part C, the base incentive for an affordable unit is $10,000, up to a project maximum of $320,000. Parts A and B each provide up to $40,000 per project. Because Parts A and B are fixed amounts, their per-unit value decreases as the number of affordable units increases.
For example, in a project with 6 units total, of which 1 is affordable (assuming Parts A and B are maximized):

- Part A: $40,000/unit
- Part B: $40,000/unit
- Part C: $10,000/unit
- The total cost per affordable unit incentivized is $90,000/unit. This would also equate to the total grant cost to the City to administer a project of this scale.

In a project with 231 units total, of which 32 are affordable (assuming Parts A and B are maximized):

- Part A: $1,250/unit
- Part B: $1,250/unit
- Part C: $10,000/unit
- The total cost per affordable unit incentivized is $12,500/unit.

The total grant cost to the City to administer a project of this scale would be $400,000.

Therefore, smaller projects benefit most on a per-unit basis, while larger projects capture greater total grant value.

Benefits:

- This program covers direct cost relief for eligible pre-construction costs including studies, planning approvals, municipal application fees, and consultant costs.

- The three-part structure allows developers to access relief at multiple stages simultaneously. Parts A and B can offset up to $80,000 in fees and study costs, with Part C providing an additional $320,000 in per-unit funding for residual costs.
- Eligible costs span a wide range of fees allowing flexibility in how developers apply the grant to their specific project needs.
- This grant supports both rental and ownership affordability.
- This program is targeted to encourage development of in-demand missing middle ground-oriented housing typology with affordable and family sized units.
- With a minimum of only six units and a 15% affordability requirement, the program is accessible to smaller-scale developers and non-profit organizations.

Considerations:

- The requirements tied to construction timing eligibility including specified milestone completion timelines may be difficult to achieve given current market conditions, labour availability, and municipal approval timelines.
- While the full grant amount of $400,000 is meaningful, it represents a modest share of total development costs for a missing middle project and may not be sufficient on its own to make marginally viable projects financially feasible.
- The program only requires 15% of units to be affordable to qualify, as currently designed it does not reward projects with higher proportions of affordable units.
- In terms of total funding available, the City would likely not be able to support more than one or two pilot projects given the overall costs of the program and still support one or more other programs.

4. Tax Increment Equivalent Grant (TIEG) – Purpose-Built Rental

The Tax Increment Equivalent Grant (TIEG) for Purpose-Built Rental Program, would provide an annual grant equivalent to the incremental increase in the City portion of the municipal property tax assessment resulting from a new purpose-built rental residential building with a minimum of five (5) units. It is intended to help offset the eligible costs of rental residential building development, redevelopment, adaptive use, and major additions.

The TIEG program proposes a five (5) year payout schedule for a new rental residential building, starting with a 100 per cent tax equivalent grant for Year 1, declining 20 per cent each year to Year 5. If a rental building provides a minimum of 15 per cent “affordable rental units” (as defined in Section 3.3, Affordable Rental Units, of the City’s Affordable Rental Housing Community Improvement Plan), the annual TIEG payout schedule would remain at 100 per cent for each of the five years.

Benefits:

- The TIEG Program involves no up-front dollars from a funding source (e.g. HAF, City budget). Following confirmed municipal property tax assessment growth from a new rental residential building, the City's portion of the property tax assessment growth is granted back to the property owner based on the City's annual payout schedule.
- The TIEG incentivizes new purpose-built rental buildings that otherwise might not be built in the absence of this program.
- The TIEG Program may be stacked with other Temporary Programs, further reducing costs for the creation of new rental units and possibly affordable rental units.
- The TIEG Program supports the creation of more purpose-built rental housing in Burlington's Community Improvement Plan Area (CIPA). This program is intended to make it more financially viable for the development community to build new rental apartments.

Considerations:

- Implementation of the TIEG results is a short-term deferral of the benefit of the tax assessment growth to the city, that, but for the TIEG, the city would likely not have realized. This supports the delivery of purpose-built rental that otherwise would not have been possible. Furthermore, the city gets the full tax assessment, and more tax revenue, at the end of the TIEG five-year period for the improved property with the rental residential building.

Other potential amendments

In the event that new temporary programs are recommended, staff will propose additional minor amendments to the CIP to ensure that the proposed temporary programs fit into the overarching Goals and Objectives and title of the CIP. As several temporary programs contain options for incentivizing the creation of units beyond the primary focus of affordable rental, staff will recommend a broader title for the CIP to support housing.

B) Available Funding and future funding strategy

At the time of writing this report, the only available funding to support the creation of the temporary programs is the Housing Accelerator Funds. While a final figure of available funding will be presented at the time of any future recommendation, it is expected that there will be $3M to $6M available to be assigned to one or more existing or potential new temporary programs.

The available funding limits the extent to which the new temporary programs can be implemented (with the exception of the TIEG program which requires no upfront funding) and will require careful consideration of parameters to prioritize some programs, limit others and revisit in the case of new funding becoming available. As was noted at the time of the development of the CIP, adoption of the CIP does not determine which programs will be activated or how any activated programs will be funded. Programs can be adopted and not

activated or funded, in order to be prepared to take advantage in the instance where new funding becomes available.

C) Engagement

Consultation Summary

Over the course of March 2026, Staff engaged with members of the public and development community on the Draft Amendment to the ARHCIP details of this engagement can be found below:

- **March 16, 3036:** Engagement meeting with Development Community
- **March 23, 2026:** The draft amendment to the Affordable Rental Housing Community Improvement Plan posted to the project webpage for review
- **March 24, 2026:** Virtual Public Open House
- **March 24, 2026:** In-Person Public Open House
- **March 26, 2026:** Virtual Public Open House
- **March 13 – April 14, 2026:** Meet with a Planner

Engagement with the Development Community

On Monday, March 16th, 2026, Planning staff held an engagement session with interested parties from Burlington's development industry, invited through the West End Home Builders' Association's (WeHBA) membership. Staff presented four early-stage, temporary CIP program concepts and potential rules and eligibility criteria to obtain feedback and insights regarding their effectiveness and applicability within the current development landscape. Conversations explored opportunities to provide relief wherever feasible, recognized the distinct timelines and challenges associated with building different housing typologies and tenures, and underscored the value of maintaining flexible program eligibility for greater program uptake and participation. The feedback provided during the session was instrumental in enabling staff to refine the proposed programs and strengthen their relevance and readiness for activation.

Engagement with the Community

Staff have gathered feedback from the public through a variety of methods including a series of Public Open Houses, an opportunity to book time to speak with a planner on the team from March 13th, 2026, to April 14th, 2026, and an invitation to send comment correspondence to housingstrategy@burlington.ca by April 14th, 2026.

Three Public Open Houses were planned and initiated by staff during the week of March 23, immediately following the release of the draft amendment. To review the presentation materials for the Public Open Houses, please refer to Appendix F.

Key themes

Feedback gathered from these engagement sessions identified several key themes to inform the next phase of program development. These include:

- uncertainty regarding the definition of affordability,
- a need for clearer descriptions of program rules and eligibility criteria, and a
- desire to better understand the extent to which these programs address immediate housing pressures and longer-term needs.

Participants also expressed interest in reinstating the Additional Residential Unit (ARU) program, emphasized the importance of transparent communication regarding the City's role and limitations in influencing housing supply, and indicated a desire for ongoing reporting on progress toward the City's housing goals.

Staff will continue to seek feedback from interested and affected parties in an effort to present a clear picture of the proposed programs and their impacts and will continue to work with the public to address concerns and find solutions that support the development of targeted, time-limited, incentives to accelerate the delivery of housing in alignment with the City's housing objectives. A feedback report and response table will be prepared and published as part of the future recommendation report.

Recommendation Details

Staff recommend that Council direct staff to consider Council, agency, development partners, and community feedback received as part of this statutory public meeting, the public open houses, as well as written submissions to inform the finalization of the amendment to the Affordable Rental Housing Community Improvement Plan, funding through any available HAF funding to be provided to Council for approval. As part of this process, the proposed options will be subject to sensitivity testing using pipeline data across low, moderate, and high growth scenarios to inform temporary program implementation.

Implications

None at this time.

References

Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin

Burlington Housing Pledge

Burlington Housing Strategy

CA-03-25: Final Update on Regional Programs for CIPs

DGM-20-25: Findings of report Growth Analysis Review City of Burlington

Growth Analysis Review, February 2025

Affordable Rental Housing Community Improvement Plan

DGM-24-25: Draft Affordable Rental Housing Community Improvement Plan

By-law 22-2025: A by-law to designate the Burlington Affordable Rental Housing Community Improvement Area

By-law 23-2025: A by-law to adopt an Affordable rental Housing Community Improvement Plan, as a policy document for the Burlington Affordable Rental Housing Community Improvement Project Area

DGM-33-25: Housing Accelerator Fund Community Improvement Plan

DGM-53-25: Housing Needs Assessment report – Burlington

Housing Needs Assessment Report

DGM-91-25: Housing Accelerator Fund Update

PP-12-25: Motion Memorandum Regarding Development Charges PP-12-25 Attachment: Correspondence from WE HBA

FIN-41-25: Two-year temporary City Development Charges reduction

DGM-101-25: Deferred development charges to occupancy

DGM-03-26: Options for the temporary elimination of Development Charges

Mayoral Decision 2026-03

Supplemental Staff Memo: Financial Impact and Funding Strategy for Temporary Residential Development Charges Exemptions

Supplemental Staff Memo: To address Mayoral Decision requesting additional information regarding a temporary elimination of Development Charges

A Pathway to Development Charge Reform, March 2026 prepared by The Ontario Real Estate Association

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. Draft Amendment to Affordable Rental Housing CIP
B. Temporary Development Charge Reductions Background
C. Affordable Rental Housing CIP Background
D. Local Housing Needs and Growth Expectations
E. Jurisdictional Scan of Ontario-Based Municipal Housing Acceleration Programs
F. Public Open House Slide Deck

Draft By-laws for Approval at Council:

- n/a

Notifications:

Region of Halton

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.