



5.9 DRAFT Temporary Programs

The following programs are temporary. Application submissions will be accepted for a two (2) year period from (date to be determined) to (date to be determined).

General Temporary Program Eligibility

Notwithstanding the General Program Eligibility criteria in subsection 5.3 of this Plan, the Program Eligibility criteria of the Temporary Programs found below shall apply.

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.
- **Eligible Dwelling Unit:** For the purpose of these temporary programs, an Eligible Dwelling Unit means a new residential unit, whether intended for ownership or rental tenure, that is subject to development charges, that meets all of the following criteria:
 - The unit is authorized pursuant to the issuance of a successful building permit for the building superstructure;
 - The unit is located within a townhouse (including street oriented, stacked or back-to-back forms) or multi-residential or mixed-use multi-residential development, or any combination thereof, but does not include single or semi-detached, duplex or Additional Residential units.
- **New Dwelling Unit:** Financial Incentives will only be provided for successful applications that will result in the creation of one or more new 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.
- **Property Ownership:** Eligibility is restricted to registered or assessed owners of private or public land and buildings 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.

- **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, including temporary programs, as part of a single application, unless otherwise restricted by a program. Financial incentives may be combined with other City of Burlington programs, 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:** Specific affordability criteria are established in relevant program details in Appendix B. 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:** Housing projects linked to a temporary incentive program application, under section 5.9 of this Plan, shall only proceed after obtaining approval from a site plan 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, 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, unless otherwise permitted by a specific program.
- **Legal Agreement:** An agreement between the City and the 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 and/or tenure period. If commitments are not met for the affordability and/or tenure 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, would also be subject to full or partial repayment.

- **Construction Timing Eligibility:** Housing projects must achieve the following to qualify:
 - A Foundation or Shoring and/or Building Excavation Permit is issued within 12 months from Site Plan Approval.
 - Construction starts defined as the commencement of below grade construction including excavation, shoring or foundation work within 12 months of Foundation or Shoring and/or Building Excavation Permit issuance.
 - Above grade building permit is achieved within 36 months from SPA.
 - There is opportunity for limited extensions at the discretion of the Director of Planning, dependent on construction progress reports, project scale and timelines.
- **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 purpose built rental dwelling unit is occupied by a tenant for the term of any incentive offered by this Plan.
- **Short-Term Accommodation:** TBD.
- **City Discretion:** The City or Council reserves the right to reject any application, regardless of whether the applicant satisfies the Program requirements, if Council determines the commercial relationship between the City and the applicant has been impaired. Grounds for impairment, include, but are not limited to the applicant being involved in litigation with the City. For the purposes of this provision, “applicant” may include, but shall not be limited to: an individual or entity identified in the application form, and where, the applicant is a corporation, any person, or entity holding an interest in that corporation, as determined by the City in its exclusive, absolute, and unfettered discretion.

5.9.1 Development Charge Reduction Grant – Purpose Built Rental

Development Charge Reduction Grant - Purpose Built Rental Program	This is a grant for up to 100% equivalent to the City portion of the Development Charges for eligible purpose-built rental units subject to program criteria.
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5.9.2 Development Charge Reduction Grant - Ownership

Development Charge Reduction Grant – ownership Program	This is a grant for up to 100% equivalent to the City portion of the Development Charges for eligible ownership units subject to program criteria.
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5.9.3 Missing Middle Affordable Housing Grant

Missing Middle Affordable Housing Unit Grant Program	<p>This program offers up to \$400,000 in combined financial incentives per project to support the creation of affordable missing middle housing, through three components.</p> <p>Part A – Municipal Fee Waiver: Up to 100% (max of \$40,000), of eligible application and permit fees waived for new affordable rental or ownership housing.</p> <p>Part B – Affordable Housing Design and Study Grant: Up to 100%, (max of \$40,000) toward studies, plans, or designs for an eligible project.</p> <p>Part C – Per-Unit Missing Middle Affordable Housing Grant: Up to \$10,000, per affordable unit (max of \$320,000), based on the number of affordable units at time of Building Permit issuance.</p>
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5.9.4 Tax Increment Equivalent Grant (TIEG) – Purpose Built Rental

Tax Increment Equivalent Grant (TIEG) – Purpose Built Rental Building Program	<p>Up to 100% of the City-portion of the tax increment provided annually for a period of five (5) years, following project completion and occupancy permit issuance.</p> <p>Two TIEG payout schedules:</p> <ul style="list-style-type: none"> • Rental building: 100% TIEG for Year 1, 20% declining annual TIEG for Year 2 -5 • Affordable rental building: 100% annual TIEG. Eligibility requirement for a minimum of 15% affordable rental units that remain affordable for a minimum of 10 years
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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 five (5) units. It is intended to help offset the eligible costs of remediating a



brownfield site for housing uses and/or the eligible costs of rental residential building development, redevelopment, adaptive use and major additions.

For affordable rental units, the grant helps offset the revenue loss (i.e. the difference between market and affordable rent) experienced by the housing developer incorporating affordable units in their rental residential building.

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Appendix B – DRAFT AMENDMENT

Temporary Programs Additional Details and Eligibility Criteria

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Development Charge Reduction Grant – Purpose-Built Rental

This program provides a grant for a 100% reduction in Development Charges to support the development of more purpose-built 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

- Must constitute development, redevelopment/adaptive reuse of a property that results in the construction of new purpose built rental units.
- Must be a purpose-built rental apartment building of any kind excluding Additional Residential Units, single detached, semi-detached and duplex dwellings.
- Minimum rental tenure period of 15 years (units cannot be converted to condos or sold individually)
- The program has a city-wide cap of (dollar amount to be determined). Reductions will be allocated on a first-come, first-served basis, determined by the date a building permit application is accepted for review towards issuance of a permit to the satisfaction of the Chief Building Official (CBO). Once this cap is reached, staff will pause intake for the program and report back to Council.
- May be stacked with other programs

Eligible Costs

- Grant for up to 100% of the City portion of the Development Charge for purpose built rental units.

Payment

- The Grant will be provided upon the successful issuance of a superstructure permit or at the discretion of the City. The Grant will be provided as a credit to cover to 100% of the City portion of the DCs charged for the eligible purpose-built rental units as identified in City's Development Charges By-law and inclusive of the mandatory discounts in the DCA, 1997.
- 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 grant back to the City, in accordance with Grant agreement terms and conditions.

Development Charge Reduction Grant – Ownership

This program provides a financial incentive to support the creation of new ownership units in targeted growth areas.

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

Eligibility Criteria

- Must constitute development, redevelopment/adaptive reuse of a property that results in a net increase in ownership dwelling units. Conversions of existing ownership units or demolition of existing rental units without replacement are not eligible.
- All dwelling units must be offered for sale and transferred as ownership housing (e.g., condominium, stacked townhouse, freehold townhouse, or other permitted ownership forms).
- Meets the minimum unit count and size thresholds as established in the CIP.
- A complete Site Plan Application, as defined under the Planning Act and accepted by the City, must be submitted prior to eligibility for this program.
- An application for the Temporary Development Charge Reduction Grant must be submitted at the time a Foundation or Shoring and/or Building Excavation Permit application is made. Applications for the Temporary Development Charge Reduction Grant may be accepted after Foundation Permit issuance but must be received prior to the issuance of an Occupancy Permit by the Building Department.
- Compliance with all applicable requirements shall be demonstrated to the satisfaction of the City prior to execution of a Grant Agreement and shall be maintained for the duration of the agreement.
- Developments that have commenced construction prior to submitting a complete application for the Temporary Development Charge Reduction Grant are not eligible.
- For phased developments, lot severances, or staged condominium registrations that divide a single development into multiple parts, each phase must qualify on its own for this program. If a phase does not meet the minimum number of units or the required construction timelines, that phase is not eligible for the program.
- As a condition of receiving the Development Charge Grant, the applicant shall pass the full value of the grant to the purchasers of the eligible ownership units. The applicant must include a disclosure clause in every Agreement of Purchase and Sale confirming the grant amount and how it is applied to the unit. The City may request copies of executed Agreements of Purchase and Sale to verify compliance. Failure to include this disclosure will render the affected units ineligible for the grant.

- Units receiving a Development Charge Grant must be used for permanent residential occupancy and may not be used for short term accommodation for a period of three (3) years from the date of first occupancy. This requirement must be included in all Agreements of Purchase and Sale for eligible units, including any subsequent Agreements of Purchase and Sale entered into within the three year period. Failure to include this disclosure will render the affected units ineligible for the grant.

Additional Eligibility Requirements for Mid-Rise and Tall Buildings (5 storeys or greater)

- Must be an apartment building of any kind excluding Additional Residential Units and shall contain a minimum of 20 dwelling units.
- The development shall provide a minimum percentage of two bedroom and three-or-more-bedroom dwelling units in accordance with Table [X]: Development Charges Grant Structure.
- The development must meet the following minimum dwelling unit sizes for two bedrooms and three-or-more-bedrooms:
 - Two-bedroom dwelling units shall have a minimum floor area of 750 square feet.
 - Three-or-more-bedroom dwelling units shall have a minimum floor area of 950 square feet.

Additional Eligibility Requirements for Low-rise Buildings (up to 4 Storeys)

- Must be an ownership housing development consisting of eligible multi-unit built forms, including townhouse, stacked townhouse and other row-housing configurations, as well as apartment buildings, and excluding Additional Residential Units, single detached and semi-detached dwellings.
- The development shall contain a minimum of 6 dwelling units.

Eligible Costs

- Grant for up to 100% of the City portion of Development Charge for eligible low-rise dwelling units.
- Grant of the City portion of Development Charges for mid-rise and high-rise dwelling units in accordance with *Table [X]: Development Charges Grant Structure*.

Table [X]: Development Charges Grant Structure

2 Bedrooms (% of units)	3 or more Bedrooms (% of units)	Development Charges Reduction Grant (%)
40%	15%	Up to 100% of the total Development Charges applicable to apartment units of any size. Development Charges for bachelor, one-bedroom, and two-bedroom-or-more apartment units are all eligible.
50%	10%	Up to 100% of the Development Charges Fee applicable to apartment units with two or more bedrooms. Development Charges for bachelor and one-bedroom apartment units are not eligible.
45%	10%	Up to 80% of the Development Charges Fee applicable to apartment units with two or more bedrooms. Development Charges for bachelor and one-bedroom apartment units are not eligible.
40%	10%	Up to 50% of the Development Charges Fee applicable to apartment units with two or more bedrooms. Development Charges for bachelor and one-bedroom apartment units are not eligible.

Payment

- The Grant will be provided upon the successful issuance of a building permit for above grade construction or at the discretion of the City. The Grant will be provided as a credit equal to the applicable Temporary Development Charges Fee Grant for the eligible dwelling units as identified in City’s Development Charges By-law and inclusive of the mandatory discounts in the DCA, 1997.
- All required documentation, including proof of unit sizes, unit counts, ownership tenure, and any other materials specified in the Grant Agreement, shall be submitted to the satisfaction of the City prior to the release of any payment.
- Any failure to meet any program criteria or breach of the agreement result in the immediate repayment of the applicable portion of the Development Charge Grant, together with interest on any deferred development charges. Repayment shall be due within 30 days upon written notice from the City. The City may also suspend the applicant’s eligibility for any current or future incentives under this program.

- Where required by the City, the Grant Agreement shall be registered on title. Where the Grant Agreement is registered on title, the City may enforce repayment against the property, including through legal recovery or addition to the tax roll as provisioned in the DCA
- In the event of the disposition, sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of all or a portion of the subject property, the City may at its sole discretion require full repayment of any financial incentive provided under this program.
- If a property is sold, in whole or in part, before the grant period lapses, the original owner shall not be entitled to receive any remaining grant payments. Where a Grant Agreement has been registered on title in accordance with Section 28(11) of the Planning Act, the subsequent owner may be eligible to receive the remaining grant payments, subject to continued compliance with all program requirements
- The grant only applies to the City of Burlington's portion of development charges. The grant does not apply to the Regional or Educational portion of applicable development charges.
- Incentives under this program shall not be combined with other CIP programs.
- The program has a city-wide cap of (dollar amount to be determined). Reductions will be allocated on a first-come, first-served basis, determined by the date on which a building permit application is accepted for review toward issuance to the satisfaction of the Chief Building Official (CBO). Once the funding cap is reached, staff will pause program intake and report back to Council.
- The City may adjust, reduce, or discontinue payments where Council amends or repeals the Community Improvement Plan, provided that any commitments already executed through a Financial Incentive Agreement shall continue to apply unless otherwise specified in the agreement.
- The City shall have no obligation to issue payment in any year where Council does not allocate sufficient funds and any deferred payment shall not increase the total value of the grant.

Temporary Tax Increment Equivalent Grant (TIEG) for Purpose-Built Rental Buildings Program

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

This temporary program may provide an annual municipal tax increment equivalent grant (TIEG), for the City’s portion of the property tax, up to 100% annually for a period of five (5) years, following project completion and occupancy permit issuance. Table 1 shows the increment percentage credit (i.e. the percentage of the property tax refunded as a grant) for purpose-built rental and affordable rental residential buildings.

Table 1 – Temporary TIEG Program for Purpose-Built Rental Buildings – Payout Schedule		
Five Year Duration of TIEG	Rental Building Declining Annual TIEG	Affordable Rental * Building Full Annual TIEG
Year 1	100%	100%
Year 2	80%	100%
Year 3	60%	100%
Year 4	40%	100%
Year 5	20%	100%

* The Full Annual TIEG payout schedule applies to purpose-built residential rental buildings where a minimum of 15% of the units are “affordable rental units”, as defined in this CIP. A mix of affordable unit sizes is encouraged, including two and three-or-more-bedroom units. Affordable rental units are required, by City agreement, to remain affordable for a minimum affordability period of 10 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

- The Temporary TIEG for Purpose-Built Rental Buildings Program (Temporary TIEG Program) is applicable for all eligible properties within the CIPA.

- 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 units within a purpose-built rental residential building shall be five (5) units.
- Of the total new rental units in a rental residential building, 30% or more of the units shall be two-bedrooms or greater in size. Two-bedroom units shall have a minimum floor area of 70 sq.m. (750 sq.ft.), and three-or-more-bedroom units shall have a minimum floor area of 88 sq.m. (950 sq.ft.).
- An Agreement with the City is required for the units to remain as rental units for a minimum of 15 years after occupancy.
- Only those projects that are anticipated to generate an increase in assessment will be eligible.
- Only the residential portion of a development will be eligible.
- An application for the TIEG must be submitted at the time a Foundation or Shoring and/or Building Excavation Permit application is made. Applications for the TIEG may be accepted after Foundation Permit issuance but must be received prior to the issuance of an Occupancy Permit by the Building Department.
- The applicant shall provide any required information including but not limited to 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.
- Applicants receiving a grant under the Temporary TIEG Program may also apply for additional temporary incentive programs offered through this Plan, if eligible.

Eligible Costs

- The potential grant value shall be initially calculated based on the value of eligible costs to ensure the value of the grant 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.

- The total value of the tax increment equivalent grant provided for an approved eligible property will not exceed the eligible costs for that property. When stacking temporary CIP incentive program grants, the total combined grant funding shall not exceed eligible costs.
- Eligible costs include the costs of development, redevelopment, adaptive use and major additions. More specifically, the following costs will be eligible:
 - o 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;
 - o 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
 - o Such other similar costs that may be necessary for the redevelopment, adaptive reuse or rehabilitation of the building and/or property;
 - o Professional services by an engineer, architect, or planner; or
 - o Any combination of the above.

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 related to the City's portion of the municipal property tax resulting from the improvements up to the maximum eligible costs. The grant is provided to the owner (registered or assessed) 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 for the site, post improvement, have been paid in full.

- The grant only applies to the City of Burlington's portion of the property tax. The grant does not apply to the Regional or Educational portion of applicable property taxes.
- 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 (MPAC) 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 five years. The ability to accept new TIEG applications 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 (MPAC).

Temporary Missing Middle Affordable Housing Grant Program

This temporary program is intended to boost the development of new purpose-built affordable rental or ownership units by reducing the upfront financial barriers to development and providing up to \$10,000 per affordable unit and up to \$400,000 per project. It provides three forms of assistance at different stages of the development and approvals process, including:

- 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.

Each component operates with a clearly defined cost and timing boundary so that no eligible expenditure can be claimed under more than one component. Together, they provide layered relief to developers of affordable missing middle housing.

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 project must consist of a multiple dwelling or mixed-use building in a missing middle form. For the purposes of this program, missing middle housing means a residential building that is, **up to a maximum of 4 storeys**, as permitted by the Burlington Official Plan and applicable Zoning By-law requirements, and in accordance with the unit minimums applicable to this program and is not a single detached dwelling, semi-detached dwelling, duplex, or an Additional Residential Unit.
- The project must include a minimum of **six units or more**, of which a minimum of **15%** shall be affordable rental and ownership dwelling units.
- For the purposes of this program, affordable rental dwelling units is defined in this CIP. 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 data criterion 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 grant. 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.

- The financial incentive programs in this Plan also apply to affordable ownership dwelling units. For the purposes of this Plan, affordable ownership dwelling units must be less than or equal to the affordable purchase price 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.
- For affordable rental dwelling units, 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.
- For affordable ownership dwelling units, proof of owner-occupancy through a declaration or other documentation acceptable to the City will be required to demonstrate that the new affordable dwelling unit is occupied by the qualifying purchaser for the term of any incentive offered by this Plan, in accordance with the executed Legal Agreement.
- A complete Site Plan Application, as defined under the *Planning Act*, and accepted by the City, must be submitted prior to eligibility for this program, if applicable.
- A complete grant application for the Temporary Missing Middle Affordable Housing Grant must be submitted to the Community Planning Department at the time a Building Permit application is made, but must be received prior to the issuance of an Occupancy Permit by the Building Department. Due to the eligible costs under Parts A, B, and C being incurred prior to construction, applicants must submit documentation of all eligible pre-development costs at the time of application. Required documentation includes all invoices, receipts, quotes, and proof of payment for eligible costs incurred to the date of application. Costs incurred after the application date remain eligible provided they fall within the applicable cost boundary for the relevant component and are submitted as a supplementary invoice package prior to payment.
- Developments that have commenced construction prior to submitting a complete application for this program are not eligible.
- Costs incurred before the adoption of this CIP will be considered eligible on a case-by-case basis, subject to the approval of the Director of Community Planning. To be considered, applicants must provide documentation demonstrating that eligible costs were incurred in direct anticipation of the missing middle affordable housing project,

and that costs would otherwise qualify under the applicable program component. Financial incentives may be retroactively applied to work commenced prior to approval of an application for incentives under this Plan only where such documentation is provided and approved.

- Notwithstanding the construction timing eligibility in subsection 5.9, approved projects must satisfy the following milestone requirements. Failure to meet any milestone within the specified time frame will result in the loss of eligibility for any unpaid grant amounts under this program. Repayment may be required of any grant amounts already disbursed where a subsequent milestone amount is not achieved.
 - A Foundation or Shoring and/or Building Excavation Permit must be issued within 12 months of Site Plan Approval, if applicable.
 - Construction must commence within 12 months of issuance of the Foundation or Shoring and/or Building Excavation Permit. For the purposes of this program, construction is defined as the start of below grade construction including excavation, shoring, or foundation work.
 - A Building Permit for above grade construction must be issued within 36 months from Site Plan Approval, if applicable.
- An extension of up to six (6) months may be granted at the discretion of the Director of Planning, subject to satisfactory demonstration of construction progress, project scale, and adherence to approved timelines.
- Compliance with all applicable requirements shall be demonstrated to the satisfaction of the City prior to execution of a Grant Agreement and shall be maintained for the duration of the agreement.

Part A – Municipal Fee Waiver

Eligible Costs

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

The following are eligible City development application and permit fees that can be waived under this program:

- For residential developments where a minimum of **15%** of units are affordable rental or ownership 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.
- Up to **100%, to a maximum of \$40,000 per project**, of the costs associated with eligible application and permit fees may be waived to create new affordable rental or ownership housing.

Payment

- Where fees have not yet been paid, no payment of fees is required in accordance with the eligible development application and permit fees.
- If fees have already been paid, the applicant shall submit proof of payment as part of their financial incentive application to be considered for reimbursement.
 - Approved reimbursements of eligible municipal fees shall be provided as a Grant paid by a lump sum equal to 100% of the eligible municipal application and permit fees, subject to the following conditions:
 - verification of payment to the satisfaction of the City.
 - issuance of a Building Permit for Foundation or Shoring and/or Excavation Permit for the eligible development.

Part B – Affordable Housing Design and Study Grant

This program is intended to offset the initial costs of development by supporting costs related to background studies, site-specific designs, and planning reports required to advance an affordable missing middle housing project through the development approvals process.

Eligible Costs

- Up to **100%**, up to a maximum of **\$40,000 per project**, to complete studies, plans, or designs for the creation of an eligible missing middle affordable housing development project.
- 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;

- o Environmental studies;
 - o 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
 - o 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.
- All completed studies will become the shared property of the City and the successful applicant.
- For greater certainty, the grant amount for Part B for all total eligible costs will be calculated at the time of Building Permit.
- The Grant will be paid by a lump sum equal to 100% of the eligible costs, subject to the following conditions:
 - o Submission and approval, to the satisfaction of the City, of verified invoices for all eligible cost, along with one electronic and one hard copy of the completed studies, plans, or designs;
 - o Issuance of a Building Permit Foundation or Shoring and/or Excavation Permit for the eligible development.

Part C – Per-Unit Missing Middle Affordable Housing Grant

This component provides per-unit grant funding to help offset pre-construction planning, design, and approvals cost that are directly associated with affordable units in an eligible missing middle affordable housing project, and is available for only costs not already covered by Parts A and B. The Part C grant scales with the number of affordable units, providing greater relief for projects aligned with the City’s housing objectives.

Where a cost is eligible under Part A or Part B, it may not also be claimed under Part C. Part C is intended to cover the residual costs that are not captured by the project level caps in Parts A and B.

Eligible Costs

Eligible costs under this component are pre-construction planning, design, and approvals costs directly attributable to the affordable units in the project that have not been claimed under Parts A and B. The following are eligible:

- Consultant fees for planning, design, environmental, and engineering services, to the extent they are not already claimed under Part B.
- Municipal and agency fees and charges, to the extent they are not already waived under Part A.
- Other pre-construction costs approved by the Director of Community Planning that are directly associated with achieving approvals for the eligible development.
- Up to **\$10,000**, per eligible affordable unit, to a maximum of **\$320,000**, based on the number of affordable units in the approved project at the time of Building Permit issuance.

Payment

- The Grant shall be paid as a lump sum equal to 100% of the approved grant amount, subject to the following conditions:
 - Execution of the signed Legal Agreement to be Registered on Title;
 - Issuance of Building Permit for Superstructure for the eligible development; and,
 - Submission and verification, to the satisfaction of the City, of invoices or receipts confirming all eligible pre-construction costs claimed.

General Conditions – Applicable to all Parts

- The total of all incentives received under this program (Part A + B + C) and any other City program may not exceed the total eligible pre-development costs. No eligible cost may be claimed more than once.
- The maximum financial incentive available to any single project under this temporary program (Parts A + B + C combined) is **\$400,000**.

Note: Parts A and B are capped at \$40,000 and Part C is capped at \$320,000, for a combined maximum of \$400,000. Projects that do not maximize all three components will receive a lower total.

- All total eligible costs under this program will be calculated at the time of Building Permit. The applicant must submit a letter of intent and application form to the Community Planning Department. The Community Planning Department will determine the total eligible costs and the total grant amount for the applicant.
- The program has a city-wide cap of \$X (dollar amount to be determined). Allocations will be made on a first-come, first-served basis, determined by the date a building permit application is accepted for review towards issuance of a permit to the satisfaction of the Chief Building Official (CBO). Once this cap is reached, staff will pause intake for the program and report back to Council.
- As a condition of receiving any financial incentive under this program for rental dwelling units, the applicant must commit to maintaining eligible affordable dwelling units in accordance with the definition of affordable rental dwelling units as identified in the Temporary Missing Middle Affordable Housing Grant program, secured through a Legal Agreement with the City Registered on Title. Minimum affordability period is minimum **10 years** from the date of first occupancy.
- The City reserves the right, at its discretion, to enter into an agreement for a time period that differs from the minimum set out above.
- If the title to the subject property is transferred before the expiry of the affordability period, the City shall have discretion to require full repayment, together with applicable interest and costs, of any financial incentive provided under this program, in accordance with the executed agreement.
- If an approved project has not obtained the required Building Permits within the timelines identified in the Eligibility Criteria for this program, any financial incentive approved, or as required by any funding criteria from another level of government, the applicant will no longer be eligible. The City may grant extensions; however, undue delay may result in the grant getting revoked.
- 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 grant back to the City, in accordance with Grant agreement terms and conditions. The repayment obligation applies to incentives received under Parts A, B, and C.

- The Director of Planning may adjust the milestone schedule for any Grant in Part A, B, or C at their discretion, provided no payment is made prior to the execution of the signed Legal Agreement.
- In the event of the disposition, sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of all or a portion of the subject property, the City shall have absolute discretion to request full repayment of any financial incentive provided under this program.

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