

# PART 5 INCENTIVE PROGRAMS

## 5.1 PROGRAM 1: AFFORDABLE RENTAL HOUSING DEVELOPMENT CHARGE REBATE

### Is your property eligible?

New apartment buildings which result in the creation of **affordable rental unit(s)** are eligible to receive a rebate for development charges associated with the development.

### Do you meet these criteria?

A developer may apply for a rebate on development charges for **affordable rental units**. The assistance will be in the form of providing a rebate equivalent to 100% of the development charges associated with new **affordable rental units**, calculated based on the proportion of units which are affordable, meeting the criteria outlined below:

*If you are an applicant, please place a checkmark (✓) in the applicable boxes below.*

#### Program 1 Criteria:

- The property is within the eligible area (see Part 3) AND
- Application is received in writing at the time of making the application for Site Plan Approval AND
- Unit(s) created will be affordable rental unit(s) (see Section 4.2) AND

#### One of the following:

- A new mid-rise or high-rise apartment building will be built consisting entirely of affordable rental unit(s): 100% of development charges are eligible for rebate OR
- A new mid-rise or high-rise apartment building will be built consisting partly of affordable units: rebate is prorated based on the percentage of affordable rental units to total units<sup>2</sup>.

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<sup>2</sup> For example if 9 units out of a 12 unit building will be affordable, then 75% of the development charges are eligible for rebate.

**Additional Considerations**

Only the municipal portion of development charges are rebated, and furthermore they are not waived outright. The development charges are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, proof of substantial occupancy, and proof of affordability.

Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.

## 5.2 PROGRAM 2: AFFORDABLE RENTAL HOUSING BUILDING PERMIT FEE REBATE

### Is your property eligible?

New second units or new apartment buildings which result in the creation of **affordable rental unit(s)** are eligible to receive a rebate for fees associated with applications for Building Permit approval.

### Do you meet these criteria?

A developer and/or homeowner may apply for a rebate on building permit fees for **affordable rental unit(s)**. The assistance will be in the form of providing a rebate equivalent to 100% of the building permit fees associated with the **affordable rental unit(s)**, calculated based on the proportion of units which are affordable, meeting the criteria outlined below:

*If you are an applicant, please place a checkmark (✓) in the applicable boxes below.*

#### Program 2 Criteria:

- The property is within the eligible area (see Part 3) AND
- Application is received in writing at the time of making the application for Building Permit approval AND
- Unit(s) created will be affordable rental unit(s) (see Section 4.2) AND

#### One of the following:

- You are the homeowner and a new legal second unit will be built: 100% of building permit fees eligible for rebate OR
- You are the developer and a new mid-rise or high-rise apartment building will be built consisting entirely of affordable rental unit(s): 100% of building permit fees eligible for rebate OR
- You are the developer and a new mid-rise or high-rise apartment building will be built consisting partly of affordable rental units: rebate is prorated based on the percentage of affordable units to total units<sup>3</sup>.

<sup>3</sup> For example if 9 units out of a 12 unit building will be affordable, then 75% of the building permit fees are eligible for rebate.

### 5.3 PROGRAM 3: AFFORDABLE RENTAL HOUSING T.I.E.R. - 100% MUNICIPAL PORTION

#### Is your property eligible?

New second units or new apartment buildings which result in the creation of **affordable rental unit(s)** are eligible to receive a Tax Increment Equivalent Rebate (T.I.E.R.). This program shields a developer or homeowner from the municipal portion of tax increases which occur as a result of the development of **affordable rental unit(s)** for 10 years.

#### Do you meet these criteria?

In the event that the creation of new **affordable rental unit(s)** results in an increase of the property's assessed value, a developer or homeowner may apply for the rebate equal to 100% of the increase in the municipal portion of property tax payments as a result of a reassessment for a period of 10 years, where they meet the criteria outlined below:

*If you are an applicant, please place a checkmark (✓) in the applicable boxes below.*

#### Program 3 Criteria:

- The property is within the eligible area (see Part 3) AND
- Application is received in writing at the time of making an application(s) for a Planning or Building Permit approval AND
- The applicant will provide the City with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the City, in order to receive the rebate AND
- The applicant will not file a property tax appeal while receiving the rebate under this program AND
- Unit(s) created will be affordable rental unit(s) (see Section 4.2)

**Additional Considerations**

Although the building permits fees are rebated, they are not waived outright. Fees are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, proof of substantial occupancy, and proof of affordability.

Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.

**Additional Considerations**

The T.I.E.R. financial incentive for a property is offered for a maximum of 10 years from the date of the re-assessment upon which the tax increment is calculated, as long as the units meet the criteria of **affordable rental units**.

For any mixed-use development, tax assistance is offered to the residential portion of the building only.

Although the municipal property taxes are rebated, they are not waived outright. Taxes are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, proof of substantial occupancy, and proof of affordability.

Any other taxes paid are not subject to the rebate.

## 5.4 PROGRAM 4: SECOND UNITS IN NEW CONSTRUCTION HOUSING REBATE

### Is your property eligible?

Home buyers who choose to include a second unit in the purchase of a newly constructed home (i.e., the home builder constructs the second unit while building the new house) are eligible to receive a rebate for a fixed amount of construction costs. The intention of this incentive is to encourage home buyers to consider the inclusion of a second unit during the construction of their home, for two inter-related reasons; firstly, having a renter helps provide income to the homeowner which in turn helps improve the overall affordability of the new home, and secondly, the new second unit adds much-needed rental housing stock to the City.

A newly constructed home is a home that has been issued a Certificate of Completion under the Ontario New Home Warranties Plan Act (Tarion certificate) with a date that is on or after the date this C.I.P. formally comes into effect.

### Do you meet these criteria?

A homeowner may apply for a \$2,500 rebate for the purchase of a new dwelling which includes a **legal second unit**, meeting the criteria outlined below:

*If you are an applicant, please place a checkmark (✓) in the applicable boxes below.*

#### **Program 4 Criteria:**

- The property is within the eligible area (see Part 3) AND**
- The applicant purchased a new house which includes a legal second unit, supported by proof of purchase proof of completed work, and the Tarion certificate AND**
- The second unit meets the gross floor area (G.F.A.) guidelines AND**
- A complete application is received by the City within one (1) year of the closure of the sale of the house AND**
- Proof that the primary dwelling unit is owner-occupied AND**
- Proof that the rental unit is occupied (copy of signed lease agreement, a copy of cleared cheques for first and last month's rent, and contact information for the tenant) have been submitted to the City within one (1) year of the closure of the sale of the house.**

### **Additional Considerations:**

The second unit does not need to meet the description of affordable contained within this document. The second unit must be a bonafide rental housing unit for five (5) years and must not be marketed as short-stay accommodation (i.e., must not be listed on a website such as AirBnB, Tripping.com, VRBO, etc.) or the rebate will have to be repaid to the City. Similarly, the home must be owner-occupied for the same duration, or the rebate will have to be repaid to the City.

The City may establish a guideline on the maximum gross floor area (G.F.A.) for different types of second units (e.g., studio, one bedroom, two bedroom, and three bedroom second units, as well as basement apartments and garden suites) eligible for the rebate. Applicants are encouraged to confirm requirements with the City before applying.



## 5.5 PROGRAM 5: SECOND UNITS IN EXISTING HOUSING REBATE

### Is your property eligible?

Existing dwellings which are renovated to include a new **legal second unit** will be eligible to receive a rebate.

### Do you meet these criteria?

**Rebate 1:** Homeowners who have a new **legal second unit** added to their existing home<sup>4</sup> by engaging professionals are eligible to receive a maximum rebate of \$500 to reduce costs associated with necessary studies/drawings that accompany the new unit's Building Permit application, limited to:

- a) structural assessment by a Professional Engineer to confirm the structural adequacy of the building to accommodate a second unit;
- b) HVAC study by a qualified professional (e.g., ASHRAE certification or similar) to determine appropriate heating, ventilation, and/or cooling requirements to accommodate a second unit; or,
- c) architectural drawings, prepared by a licensed architect or design professional with a Building Code Identification Number, for a Building Permit application.

**Rebate 2:** Homeowners who receive Rebate 1, are eligible for an additional maximum rebate of \$2,000 for construction costs where it can be proven that more than \$30,000 was spent in professional contractor labour and contractor-supplied materials to construct the new **legal second unit**. Eligible contractor-supplied material costs do not include finishes (specifically kitchen cabinets, kitchen countertops, finished flooring, plumbing fixtures, or lighting fixtures)<sup>5</sup> or unit furnishings (e.g., furniture, décor, etc.).

Criteria are provided on the following page:

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<sup>4</sup> For certainty, a second unit in a separate building from the principal dwelling (e.g., garden suite), would be eligible.

<sup>5</sup> The property owner is free to choose the finishes desired for the second unit; however, the City acknowledges that the cost of finishes are highly variable, so excluding them from the eligibility calculation allows the City to validate that the core cost of providing the second unit has met the eligibility threshold.

*If you are an applicant, please place a checkmark (✓) in the applicable boxes below.*

**Program 5 Criteria:**

- The property has never received funding under Program 4 AND
- The property is within the eligible area (see Part 3) AND
- The second unit meets the gross floor area (G.F.A.) guidelines AND
- Application is received in writing at the time of making the application for a Building Permit approval AND
- Proof is provided to the City that the primary dwelling unit is owner-occupied AND

**Rebate 1:**

- The required drawings or studies being claimed for Rebate 1 are submitted to the City in support of a Building Permit application for the legal second unit AND
- Proof of paid invoices for the professional fees for required drawings or studies for the legal second unit have been submitted to the City within one (1) year of the latest invoice date AND/OR

**Rebate 2:**

- Proof of paid invoices for the construction of the legal second unit which demonstrate a total investment of no less than \$30,000 in eligible costs, submitted to the City within one (1) year of substantial occupancy
- Proof that the rental unit is occupied (copy of signed lease agreement, and a copy of cleared cheques for first and last month's rent, and contact information for the tenant) have been submitted to the City within one (1) year of the latest invoice date

**Additional Considerations:**

The second unit does not need to meet the description of affordable contained within this document. The second unit must be a bonafide rental housing unit for five (5) years and must not be marketed as short-stay accommodation (i.e., must not be listed on a website such as AirBnB, Tripping.com, VRBO, etc.) or the rebate will have to be repaid to

the City. Similarly, the home must be owner-occupied for the same duration, or the rebate will have to be repaid to the City

The City may establish a guideline on the maximum G.F.A. for different types of second units (e.g., studio, one bedroom, two bedroom, and three bedroom second units, as well as basement apartments and garden suites) eligible for the rebate. Applicants are encouraged to confirm requirements with the City before applying.

## 5.6 PROGRAM 6: ACCESSIBILITY TOP-UP REBATE

### Is your property eligible?

New **legal second units** or **affordable rental units** that are designed to be accessible for persons with disabilities are eligible for a rebate. The purpose of the program is to increase the supply of accessible rental units by offering an added financial incentive for pursuing universal design standards.

### Do you meet these criteria?

A developer and/or homeowner may apply for a maximum rebate of \$2,500 for any new **legal second unit** or **affordable rental unit** that is designed to be **barrier-free**, meeting the criteria below:

*If you are an applicant, please place a checkmark (✓) in the applicable boxes below.*

#### Program 6 Criteria:

- The property is within the eligible area (see Part 3) AND
- Application is received in writing at the time of making an application(s) for a Planning or Building Permit approval AND
- Unit created is designed to be barrier-free, as confirmed during the building permitting stage AND
- Proof of paid invoices for construction costs clearly associated with the barrier-free features of the unit totalling at least \$2,500 have been submitted to the City within one year of the latest invoice date AND
- Photographs showing all the as-built barrier-free features in the finished unit AND

#### One of the following:

- Unit created is a legal second unit AND/OR
- Unit is an affordable rental unit (see Section 4.2)

#### **Additional Considerations:**

The City may establish a guideline on the barrier-free features that are eligible as construction costs counting towards the minimum \$2,500 cost in this program's criteria.