

City of Welland

Housing Needs Assessment & Environmental Scan City of Welland Affordable Housing CIP

September 1, 2022

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Executive Summary

The City of Welland is facing new challenges from rising housing costs and seeks to improve social and economic outcomes. They intend to introduce an Affordable Housing CIP (CIP) with a focus on providing financial assistance for affordable housing developments. This report represents the findings of the first phase in preparation of this CIP.

Defining Affordable Housing

Definitions of affordability generally fall into one of two categories: income based or market based. Table 1 in the body of the report provides a summary of common definitions of affordability within key policy documents for Welland.

- Income based: defines affordability in relation to income; housing is considered affordable if it costs less than a certain percentage of annual household income, typically 30%.
- Market based: defines affordability in relation to average or median rents and ownership prices in a market area; housing at or below average or median market rents/prices is considered affordable.
- Not all affordable housing is social and/or subsidized. There is need for housing that is affordable for persons working at modest wages, sometimes referred to as “workforce housing” or “attainable housing.”

The Housing Continuum and Wheelhouse models describe the range of housing options based on income and the form of housing, from homelessness to market housing. In instances where existing housing supply does not provide appropriate housing options, these models can identify gaps and recognize the importance of a variety of options for a diverse and inclusive housing system.

Housing Needs Assessment

Demographic Analysis

Projections the City of Welland’s development charges background study stated the population would increase to 103,048 from its 2021 population of 55,750, an increase of 85% in 20 years. The population estimate from the Niagara Region Official Plan showing a lower rate but still very substantial rate of growth (83,000 by 2051, an increase of 49%).

Welland is seeing an increase in both younger and older residents, with notable increases in residents between the ages of 25 and 39 and 60 to 79. Households in Welland are roughly equally divided one-person households (28%), couples without children (25%), and couples with children (21%).

Welland has a larger share of lower-income households than Niagara Region, with over 45% of households earning less than \$60,000 per year after tax. Average and median household incomes are also lower in Welland compared to Niagara Region. Of Welland households, 69.5% own their homes with the remaining 30.5% renting.

The current household mix suggests a demand for smaller ownership houses and bachelor, one-, and two-bedroom apartments. There is also a need for seniors housing, with accessibility considerations in design.

Housing Market Indicators

As of the 2021 Census, Welland had a total of 23,660 private dwellings, the majority of which (71.6%) are single-detached houses and other low-rise density dwellings. Construction of 11,805 new dwelling units is expected by 2031 to accommodate anticipated population increases¹. Housing construction activity in Welland has grown within the last 5 years, and the number of units started and completed rose across all housing types between 2017 and 2021².

Home ownership prices are rapidly increasing across the Niagara region. According to the Niagara Association of Realtor's (NAR) Housing Price Index (HPI) reports on July 2022, the benchmark price for a composite three-bedroom house in Welland was \$577,900, a 10% increase over the previous year. When compared to 2022 price adjusted incomes, prices in Welland are unaffordable³ to all but households earning the highest income-decile.

For rentals, Welland had a total of 2,743 private apartment units, the majority of which are two-bedroom, as of October 2021.⁴ As of October 2021, CMHC reported an average rent across all unit types of \$1,016, which is an increase of 14% since 2018. When compared to 2022 price adjusted incomes, rents in Welland are generally affordable⁵ for households earning greater than the lowest two income deciles (\$46,187). However, stakeholders in Welland indicate that CMHC numbers underestimate the local costs of rental accommodation, particularly when searching for a new rental apartment or home.

In 2021, 4,002 Welland households (approximately 17%) faced core housing need; higher among renters than owner households. Welland hosts 29 Niagara Regional Housing, co-operative and non-profit locations. Current wait times for these units range from three to sixteen years and there were 3,347 households on the waitlist for housing in Welland as of July 31, 2022. Of these, 629 households (19%) have homeless priority status.

Jurisdictional Scan of Similar CIPs

Best Practices

Affordable Housing CIPs or CIPs with affordable housing incentive programs for Ontario municipalities were reviewed for best practices to incorporate or emulate in the City of Welland's CIP. The following practices are considered transferrable to development of the current CIP:

¹ City of Welland Development Charges Background Study & By-law

² CMHC's Starts and Completions Survey

³ Based on the 30% or less definition of affordability

⁴ CMHC Primary Rental Market Statistics Report

⁵ Based on the 30% or less definition of affordability

Geographic Boundaries	Community Improvement Project Areas (“CIPA”) often cover the whole of the municipality, which is appropriate for incentive programs that are not intended to encourage or steer development into specific areas within a municipality. It can also be appropriate and desirable to encourage development of affordable housing in specific areas, such as near infrastructure, public transit, services and amenities.
Objectives	The primary objective of an affordable housing CIP should be to facilitate the development of affordable housing to ensure current and future housing needs of low- and moderate-income households are met. Secondary objectives might include providing a continuum of housing options.
Agreements	Recipients of funds from an Affordable Housing CIP are typically required to enter into an agreement to ensure units will not be used for short-term rental accommodation and the units remain “affordable” for an appropriate length of time. How long a funded affordable unit must remain “affordable” should be determined based on project specifics, as well as the incentive program and level of funding provided.
Monitoring	CIPs typically outline a framework for monitoring and evaluation of incentive programs, including: <ul style="list-style-type: none"> • A database to collect and store data relevant to the CIP. • Performance indicators to evaluate incentive programs and funding • An annual report card that summarizes applications received, funded projects, and outcomes attributable to the incentive program funding.
Incentive Programs	The following incentive programs have been found to be most commonly used within CIP programs: <ul style="list-style-type: none"> • tax increment financing • development charge reductions • rebate or waiver of planning and/or building permit fees • targeted grants to assist with renovation/construction costs for additional residential dwellings and/or secondary dwelling units Some Affording Housing CIPs include additional incentive programs, specifically loan programs and municipal land-banking.
Selecting Grants	Determining application submission and review processes, including: <ul style="list-style-type: none"> • Eligibility, scope, timing, and suitability criteria for evaluation • Regular intakes for incentive programs targeting funds for larger projects and first come, first serve basis for smaller projects • Transparent processes and communication for application review

Recommendations

Moving forward, some preliminary considerations and recommendations to consider include:

1. Consider geographical boundaries for the new CIP, in order to adopt a By-law establishing a Community Improvement Project Area. The entire urban area is recommended for the new Community Improvement Project Area
2. The Provincial Policy Statement (PPS) definition of affordability is recommended as the foundation for determining affordability for the new CIP. The ability to fine-tune the thresholds used for determining affordability for different project types and/or incentive program will also ensure that affordability criteria can respond and adapt as needed to achieve the objectives of the Plan.
3. Employ a collaborative approach to develop a transparent process for reviewing applications, including grading or scoring them against an evaluation rubric. Involve City staff who will implement the Plan, representatives of the development industry, and other stakeholders.

4. Consider how the Affordable Housing CIP will work with the geographical focus and incentives of existing CIPS
5. Consider a range of financial incentives and permitting the stacking of multiple incentives where that is appropriate and would assist in achieving CIP objectives.

Stakeholder Engagement

Engagement was carried out in July and August 2022 to understand the priorities and experiences of key stakeholders in the for- and not-for-profit development and housing sectors. Eight interviews were conducted, and five stakeholders responded to surveys. The following organizations were represented:

- Mountainview Homes
- Niagara Home Builders Association
- Empire Communities
- The Hope Centre
- Foyer Richelieu Long-Term Care
- Ganawageh and Ohsto – Seri Urban Homes
- Gateway of Niagara
- Niagara Regional Native Centre
- The RRPC Innovation Foundation
- Niagara Region Community Services Department
- Canadian Mental Health Association Niagara

The following themes were shared by respondents:

- Affordability is a growing concern in Welland
- City of Welland has a strong reputation and efficient processes
- Development of affordable housing faces numerous challenges at the local and broader levels
- Affordability can be defined in many ways, and requires a consistent definition
- High-density, 1–2 bedroom unit types, in amenity-rich areas across the City are preferred for future affordable housing
- Numerous financial and non-financial incentives suggested
- Some interest to support, develop, or operate affordable housing on municipal lands

Legislative and Policy Context

Provincial, regional and local municipal policy and legislation was reviewed in order to establish the context for an affordable housing CIP. CIPs are one of many tools under the *Planning Act* that can support the provision of affordable housing in Ontario and thus can be used by the City of Welland. The legislative authority related to the preparation of an Affordable Housing CIP and the programs outlined in this document are derived from the *Planning Act*, the *Municipal Act* and the *Development Charges Act*.

In terms of policy, the PPS provides that “Planning authorities are encouraged to permit and facilitate a range of housing options, including new development as well as residential intensification, to respond to current and future needs.” At the sub-provincial level, the Growth Plan for the Greater Golden Horseshoe, the Niagara Region Official Plan, Niagara Region Incentives Policy, the Welland Official Plan and Zoning-By-Law, existing CIPs in Welland, and the Development Charges (DC) Background study in preparation of a new DC By-Law all provide policy relevant to the preparation of a CIP for affordable housing. Additional plans and studies reviewed include the City of Welland’s

Urban Design Guidelines, Complete Streets Guidelines, Transportation Planning Study, Parks, Recreation and Culture Master Plan, and Community Trails Strategy.

Strengths, Weakness, Opportunities, and Threats

Strengths	Weaknesses
<ul style="list-style-type: none"> • Policy and legislation encourage affordable housing (e.g., matter of provincial, regional, and local interest) • Welland is efficient at processing applications • Zoning permits NRH as of right (avoid delays and conflict) • Municipal staff, not-for-profit, and private sector work well together • Good reputation among development community • Interest and demand for development • Favourable parking requirements for intensification 	<ul style="list-style-type: none"> • Existing housing stock is ageing • Lack of support from Niagara College to develop student housing • Region’s incentives for affordable housing are not as strong as local policies • Region’s incentives and documentation are complicated to navigate • Challenges of navigating federal funding for affordable housing • Challenges of aligning support funding with housing, requiring people to leave the community in search of supports
Opportunities	Threats
<ul style="list-style-type: none"> • Good timing to leverage higher than historic growth • Strong foundation of policy and processes to position them for development • Identified land and opportunity sites • Legislation for additional units under Planning Act • No need to start from scratch (it’s been done by other municipalities) • Housing type demand is shifting (towards multi-unit; because of climate Welland creates to welcome different types of housing) • Welland attracts more workers because this climate welcomes people who are priced out of other municipalities • Stacking incentives • Designated CIP coordinator staff role may be required 	<ul style="list-style-type: none"> • Rising interest rates • Rising construction costs • Academic institutions bringing more students to Welland, without specific student housing, ties up rental housing stock • Gentrification and NIMBYism, as new residents bring different perspectives and housing demands • Competition scarcity, particularly from incoming GTA developers • Ageing population with specific housing needs • Household sizes shrinking while demand for units increases

1. Introduction

The City of Welland (“City”) recognizes the need for affordable housing to ensure a decent quality of life, and to support the continuing economic development and prosperity for the community. Housing prices in Welland have risen dramatically over the past few years and rents have also continued to increase, making it challenging for many residents to find housing that is affordable, suitable, and safe. To address these housing challenges and improve social and economic outcomes, the City would like to introduce an Affordable Housing Community Improvement Plan (CIP) with a focus on providing financial assistance for affordable housing developments.

This report represents the findings of the first phase in preparation of this CIP. This includes a demographic analysis of the municipality outlining projected population and housing needs, a detailed assessment of affordable housing needs in the community, a review of similar affordable housing CIPs and best practices from across the province, an environmental scan of existing policy to establish a CIP, and a summary of the City’s strengths, weaknesses, threats and opportunities.

1.1 A Note on Data

The following data sources have been used throughout this report:

- Statistics Canada Census and Housing Statistics Program data
- Canadian Mortgage and Housing Corporation (CMHC) data
- Canadian Real Estate Association (CREA) data
- Niagara Association of Realtors data
- Niagara Regional Housing (NRH) data
- Niagara Region Housing and Homelessness Action Plan, and 2019 Update
- City of Welland Development Charges Background Study

All efforts have been made to ensure the data is as up to possible, however the changing nature of house prices and rents means numbers cited in this report may differ from current market prices and rents. Additionally, the 2021 census was not available in its entirety at the time of publication. Where 2021 data was not available, data from the 2016 census was used.

2. What Does “Affordable Housing” Mean?

There are many ways of defining affordable housing. Some definitions exist in provincial and municipal policies, different definitions exist in housing programs, and, for many people, there is a very personal definition of affordability based on their own incomes. Table 1 presents a comparison of these definitions. Appendix I presents a fuller description of each.

Definitions of affordability generally fall into one of two categories: income based or market based. The income-based definition defines affordability in relation to one’s income such that housing is considered affordable if it costs less than a certain percentage of annual household income (typically 30%). For example, monthly housing costs (rent or mortgage payments) of \$1,250 would be considered affordable for a household earning \$50,000 based on spending 30% of income on

housing⁶. Monthly housing costs of \$2,500 would not be considered affordable for a household earning \$70,000 but would be considered affordable for a household earning \$100,000⁷.

The market-based definition defines affordability in relation to average or median rents and ownership prices in a market area such that housing at or below average or median market rents/prices is considered affordable. This definition is helpful in contextualizing housing costs in a community; however, it does not take into consideration what households are able to pay based on their incomes. For example, a household earning \$35,000 per year living in a city with an average monthly rent of \$1,250 would have to spend 43% of its income on housing to live in an “affordable” unit⁸. Many government definitions of affordability include both income and market-based calculations, with the least expensive of the two being deemed affordable.

It is important to note that though “affordable” often has a connotation of social and/or subsidized housing, it is possible for market housing to meet definitions of affordable as well. As such, while social and/or subsidized housing is designed to be affordable, not all housing that is considered affordable is social and/or subsidized. There is a significant need for housing that is affordable for persons working at minimum of modest wages in the retail and service sector, for example. This is sometimes referred to as “workforce housing” or “attainable housing.”

Table 1. Summary of "Affordable" Definitions

	Ownership	Rental
Provincial Policy Statement	<ul style="list-style-type: none"> annual accommodation costs do not exceed 30% of gross income for low- and moderate-income households purchase price is at least 10% below the average purchase price of a resale unit 	<ul style="list-style-type: none"> monthly rent does not exceed 30% of gross annual household income for low- and moderate-income households a unit that rents at or below the average market rent of a unit in the regional market area
Niagara Region Official Plan	<ul style="list-style-type: none"> annual accommodation costs do not exceed 30% of gross income for low- and moderate-income households purchase price is at least 10% below the average purchase price of a resale unit 	<ul style="list-style-type: none"> monthly rent does not exceed 30% of gross annual household income for low- and moderate-income households a unit that rents at or below the average market rent of a unit in the regional market area
Niagara Region Municipal Housing Facility By-Law	N/A	<ul style="list-style-type: none"> for apartments, the average monthly market rent by bedroom type for privately initiated apartment structures for each of the respective lower-tier

⁶ Maximum monthly housing costs = $(\$50,000 \times 30\%) / 12 \text{ months} = \$1,250$ per month

⁷ Maximum monthly housing costs = $(\$100,000 \times 30\%) / 12 \text{ months} = \$2,500$ per month

⁸ $(\$1,250 \text{ per month} \times 12 \text{ months}) / \$35,000 = 43\%$

		<p>municipalities within the Niagara region, as determined and amended by CMHC;</p> <ul style="list-style-type: none"> • for townhouses, the average monthly market rent by bedroom type for privately initiated townhouse structures for each of the respective lower-tier municipalities in the Niagara region, as determined and amended by CMHC; or • if CMHC does not publish an annual rent for the unit size by structure type for Niagara Region's service area, then the rent as determined by NRH
Welland Official Plan	<ul style="list-style-type: none"> • annual accommodation costs do not exceed 30% of gross income for low- and moderate-income households • purchase price is at least 10% below the average purchase price of a resale unit 	<ul style="list-style-type: none"> • monthly rent does not exceed 30% of gross annual household income for low- and moderate-income households • a unit that rents at or below the average market rent of a unit in the regional market area
CMHC	<ul style="list-style-type: none"> • spending less than 30% of gross income on housing 	<ul style="list-style-type: none"> • spending less than 30% of gross income on housing
OPHI	N/a	<ul style="list-style-type: none"> • rents at or below 80% of CMHC Average Market Rent (AMR) in the service manager's area
National Co-investment Program	N/a	<ul style="list-style-type: none"> • rents less than 80% of Median Market rent for the market and unit type in question

Source: Provincial Policy Statement (2020), Niagara Region Official Plan (2022), Welland Official Plan (2017), Region of Niagara Municipal Housing Facilities By-Law No. 2017-89, CMHC, OPHI

1. The Housing Continuum

The Housing Continuum (Figure 1) is both a model that describes the range of housing options based on income and the form of housing, from homelessness to market housing, as well as a tool to evaluate the state of housing in a community. Individuals may move along the continuum at different points in their lives based on life circumstances, this is not necessarily a linear path. Ideally, a community will have housing options available at all points on the continuum to meet the varying needs of its current and future residents. In instances where existing housing supply does not provide appropriate housing options, the Housing Continuum can be used to identify these gaps.

Things that may influence the ability of a municipality to provide housing along the continuum include population, demand, available funding, zoning, and neighbourhood opposition.

Figure 1: The Housing Continuum



Source: CMHC

2. The Wheelhouse Model

Developed by the City of Kelowna, the Wheelhouse model (Figure 2) is an alternative way of looking at housing options where housing needs are organized circularly. While the Housing Continuum suggests a linear progression towards market homeownership, the Wheelhouse recognizes that housing needs can move in any direction depending on one’s life circumstances. It also recognizes that ownership may not be an end goal nor achievable for certain individuals, and the importance of a variety of housing options for a diverse and inclusive housing system.

Figure 2: The Wheelhouse Model



Source: City of Kelowna

3. Housing Needs Assessment

1. Demographic Analysis

3.1.1 Population

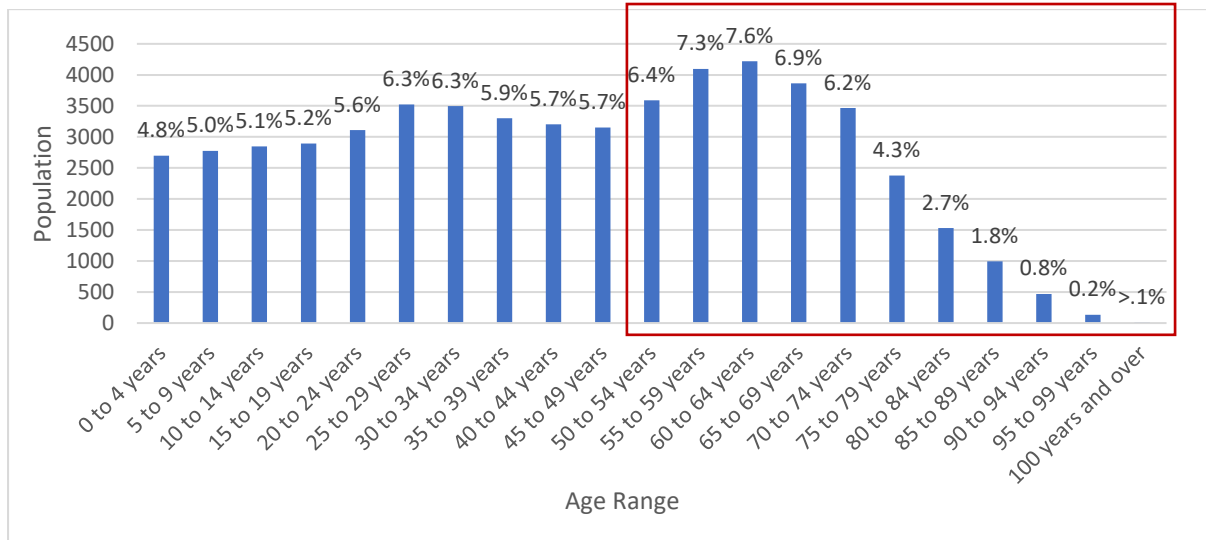
After a period of lower growth, the City saw population growth of 6.6% between 2016 and 2021 to a current population of 55,750. Projections the City of Welland’s development charges background study stated the population would increase to 103,048 from its 2021 population of 55,750, an increase of 85% in 20 years. This represents an increase of well over 3% per year. The population estimate from the Niagara Region Official Plan show a lower but still very substantial rate of growth (83,000 by 2051, an increase of 49%).

3.1.2 Age

Nearly half of the population of Welland (45%) is aged 50 or above pointing to a need for seniors housing, with accessibility considerations in design, as this population continues to age (Figure 3).

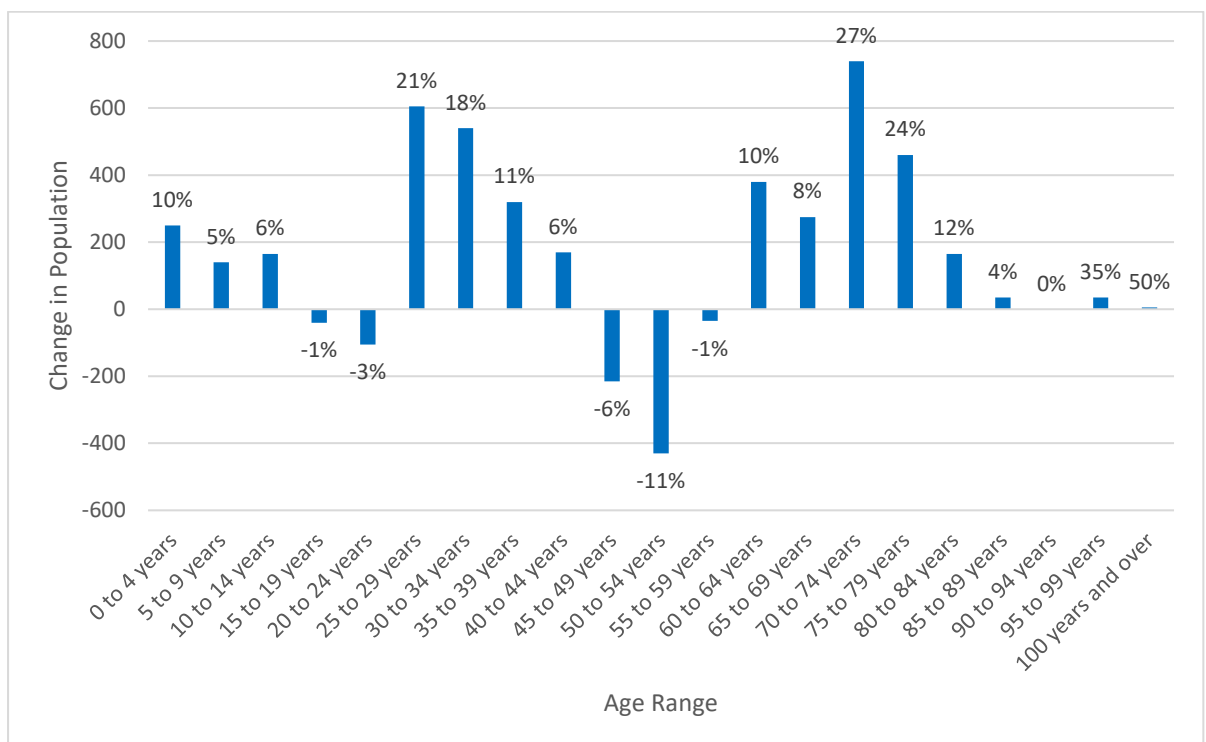
Welland is seeing an increase in both younger and older residents, with notable increases in residents between the ages of 25 and 39 and 60 to 79 (Figures 3 and 4). The increase in children is likely due to younger families moving to the community.

Figure 3: Age Distribution in Welland (2021)



Source: Statistics Canada 2021 Census

Figure 4: Percent Change in Age Distribution in Welland (2016 to 2021)



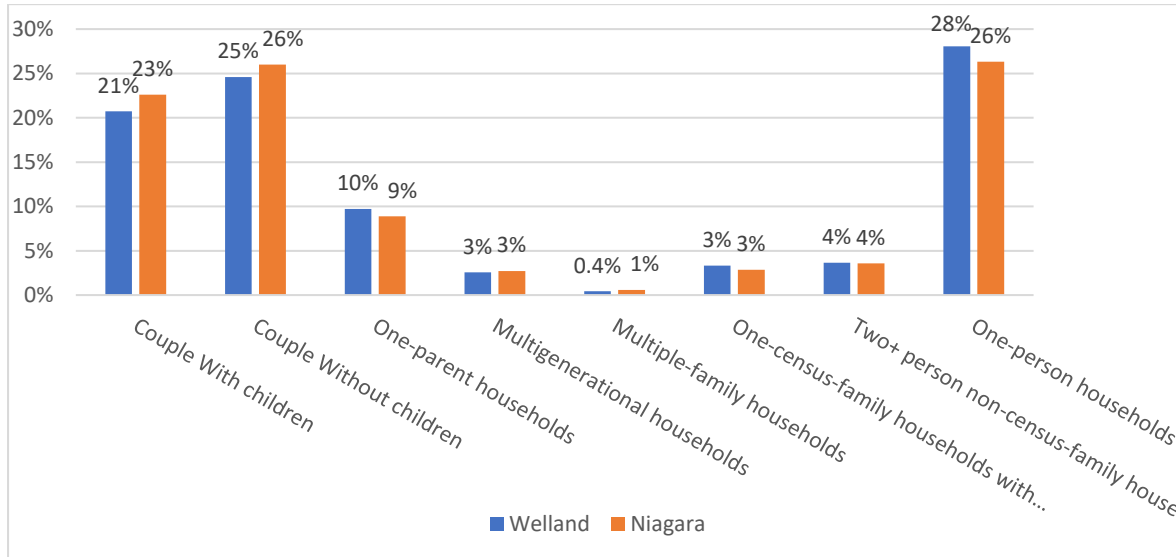
Source: Statistics Canada 2016 and 2021 Census

3.1.3 Households

Welland was home to 23,645 households as of the 2021 Census. Households in Welland are roughly equally divided one-person households (28%), couples without children (25%), and couples with

children (21%; Figure 5). Other non-family households and multiple family households make up the remaining 3%. The current household mix suggests a demand for smaller ownership houses and bachelor, one-, and two-bedroom apartments.

Figure 5: Distribution of Household Types in Welland and Niagara Region (2021)

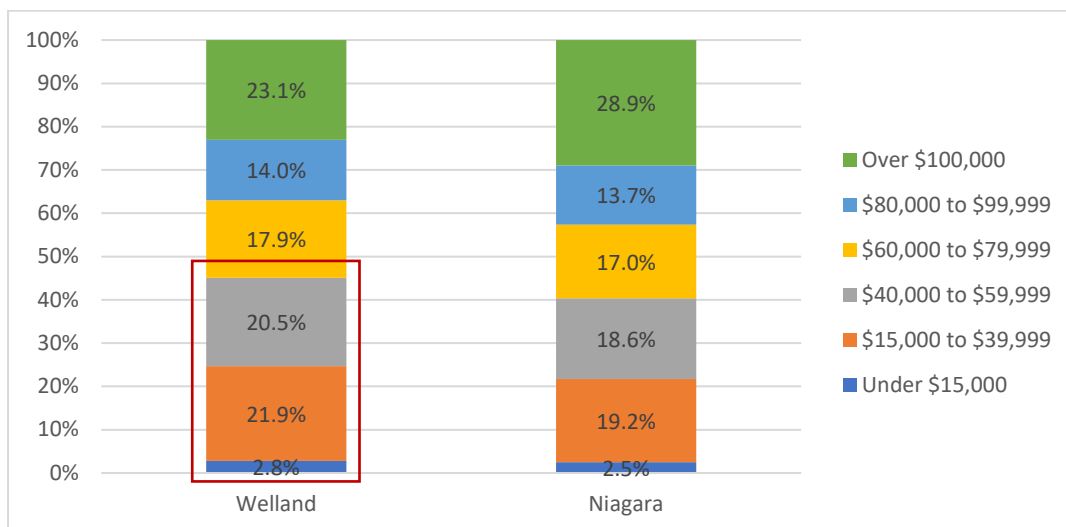


Source: Statistics Canada 2021 Census

3.1.4 Income

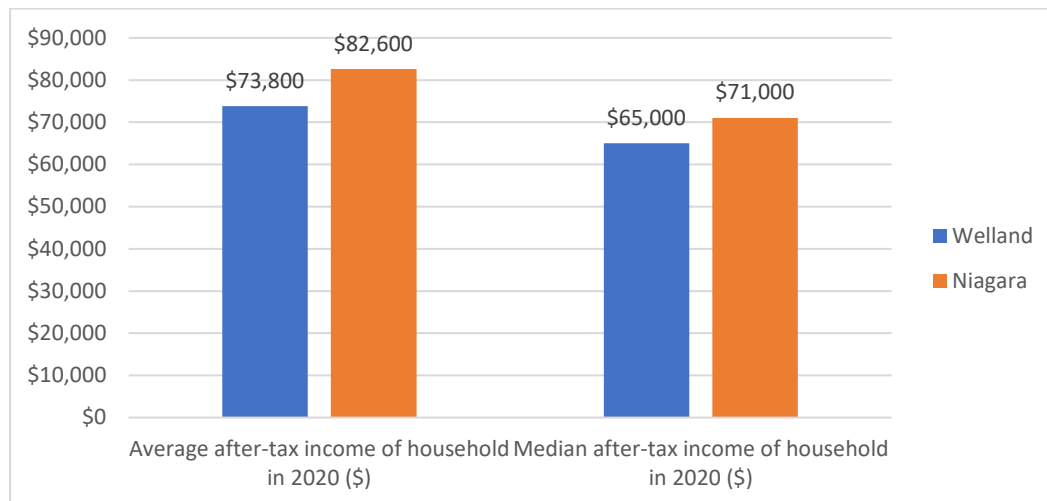
Welland has a larger share of lower-income households compared to Niagara Region with over 45% of households earning less than \$60,000 per year after tax (Figure 6). Average and median household incomes are also lower in Welland compared to Niagara Region (Figure 7). Incomes have implications for the cost of housing that will be considered affordable.

Figure 6: Income Distribution (2021)



Source: Statistics Canada 2021 Census

Figure 7: Average and Median Household Incomes (After Tax) (2021)



Source: Statistics Canada 2021 Census

3.1.5 Housing Tenure

Of Welland households, 69.5% own their homes with the remaining 30.5% renting (Table 2). This tenure distribution is similar to the tenure distribution in the Region, with a slightly higher proportion of renters. As there are currently 2,743 purpose-built rental units in Welland (see section 3.2.6), the more than double number of renter households suggests many live in secondary rental units (e.g., rented ownership households, duplex apartments, accessory apartments, rented condominiums, or apartments above storefronts).

Table 2. Housing Tenure (2016)

	Welland		Niagara	
	Number of Households	Percentage of Total Households	Number of Households	Percentage of Total Households
Ownership	15,640	69.5%	136,115	74.0%
Rental	6,855	30.5%	47,720	26.0%
Total	22,490		183,825	

Source: Statistics Canada 2016 Census

2. Housing Market Indicators

3.2.1 Current and projected housing stock

As of the 2021 Census, Welland had a total of 23,660 private dwellings. The majority of these (71.6%) are single-detached houses and other low-rise density dwellings.

Table 3. Welland Private Dwellings

Dwelling Type	Number of Dwellings	Percentage of Total Dwellings
Single-detached house	15,265	64.5%
Semi-detached house	1,680	7.1%

Row house	1060	4.5%
Apartment or flat in a duplex	1095	4.6%
Apartment in a building <5 storeys	2955	12.5%
Apartment in a building with 5+ storeys	1480	6.3%
Other single-attached house	115	0.5%
Movable dwelling	5	0.0%
Total	23660	

Source: Statistics Canada, 2021 Census of Population.

It is forecast in the City’s recent Development Charge background study that the City will grow even more rapidly than the Region of Niagara has estimated. The Development charge study estimates that 11,805 new dwelling units will be constructed in Welland to accommodate a population increase of approximately 25,000 people between 2022 and 2031 according to the draft 2022 Development Charges Background Study & By-law. For the 10-year period between 2032 and 2041, approximately 10,600 new units are estimated while the population is projected to increase by approximately 23,500 people. The growth forecast is based on the City’s records of current residential development activity.

Table 4. Forecasted Housing for the City of Welland 2041

Construction Period	New Dwelling Units
2022 - 2031	11, 805
2032 - 2041	10,600
Total	22,405

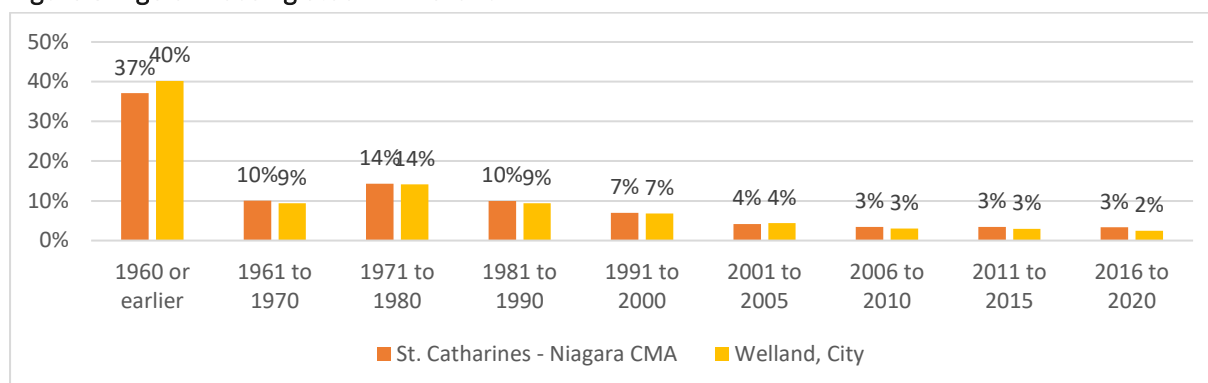
Source: City of Welland’s 2022 Development Charges Background Study & By-law – Draft Report

As for affordable housing, the Region estimates demand for subsidized housing will increase to 20,700 units across the Region by 2045, according to the draft consolidated Housing Master Plan. At the current rate, the Region estimates the creation of 17,100 new units by this time leaving a gap of 3,600 affordable units across the Region within the next two decades.

3.2.2 Age of housing stock

Of the 20,145 properties in Welland, as of 2020, 40% were estimated to be 60 years or older. Figure 8 shows the age of Welland’s housing stock.

Figure 8. Age of Housing Stock in Welland



Statistics Canada, 2022, Canadian Housing Statistics Program

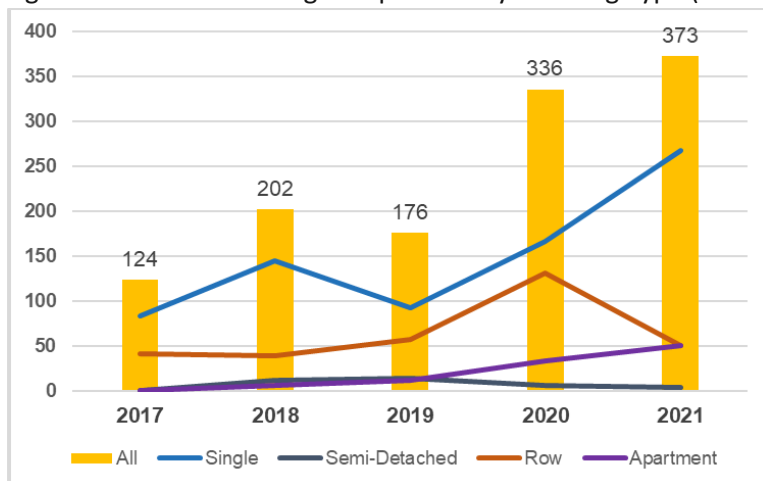
3.2.3 Housing starts and completions

The CMHC conducts Starts and Completions Surveys through site visits to confirm new residential units that have reached certain stages in the construction process. A Start, by CMHC's definition, is the beginning of the construction of building, typically marked by the pouring of concrete for the structure's footing. A Completion, by CMHC's definition, is the stage where most if not all proposed construction work has been completed.

However, the City of Welland keeps track of building permits issued for new dwelling units in the municipality. For the purpose of the Environmental Scan, it is more appropriate to rely on the City's building permit data, which are discussed in section 3.2.4, when discussing the start of housing construction activities, than the CMHC's Housing Starts statistic. As there is a time gap between the issuance of building permit and the completion of construction activities, the CMHC's Housing Completion data are still relevant when discussing the completion of housing construction activities.

According to CMHC's Starts and Completions Survey, housing construction activity in Welland has generally grown within the last 5 years. In 2017, construction work on 124 dwelling units was completed while 373 dwelling units were completed in 2021. Construction activity associated with single detached dwellings dominated the last five years. In general, the number of units completed rose across all housing types between 2017 and 2021.

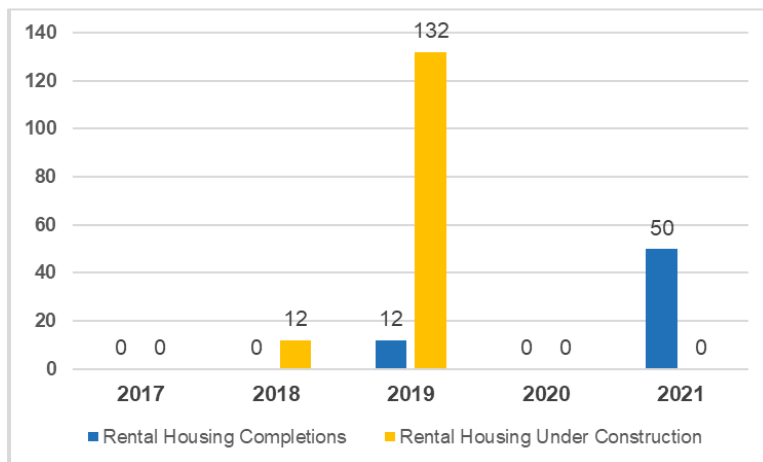
Figure 9. Welland Housing Completions by Dwelling Type (2017-2021)



Source: CMHC

In terms of rental housing specifically (Figure 10), the number of units completed and under construction over the last five years fluctuated between zero and less than 150. Between 2017 and 2021, there were 62 rental units completed and 144 units under construction.

Figure 10. Welland Rental Housing Completions and Under Construction, by Dwelling Type (2017-2021)

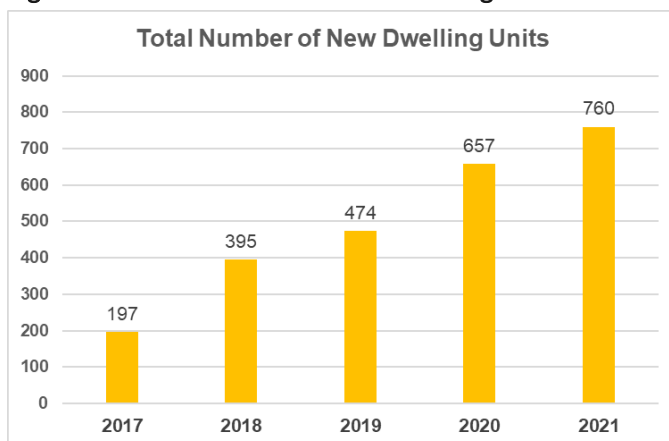


Source: CMHC

3.2.4 Welland Building Permits

There was an upward trend in the number of dwelling units that received building permits in the City of Welland between 2017 and 2021. In 2017, 197 dwelling units received building permits and this figure increased to 760 in 2021. Overall, there was also an increase in the number of units across all dwelling types in the last five years, except for Nursing Homes & Long-term Care. All 51 new nursing homes/ long-term care units between 2017 and 2021 in the City of Welland received building permits in 2020. Since 2019, the number of new accessory dwelling units has steadily risen and there were 76 new accessory dwelling units, or 10% of the total dwelling units permitted in 2021.

Figure 11. Total Number of New Dwelling Units in Welland (2017-2021)

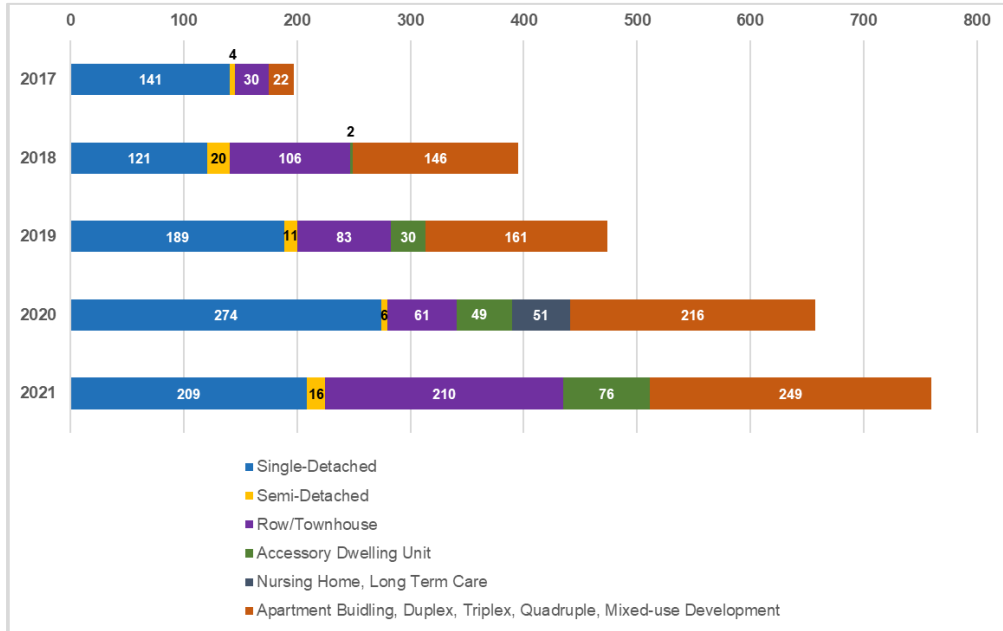


Source: City of Welland

In the last five years, the share of single detached dwellings shrunk significantly from approximately three-quarters (71.6%) of all new dwelling units permitted in 2017 to just more than one quarter (27.5%) in 2021. Between 2017 and 2021, the number of Row house/ Townhouse units and Apartment Building/ Duplex/ Triplex/ Quadruple/ Mixed-Use Development units as percentages of the yearly total new dwelling units grew from approximately 15.2% to 27.6% and 11.2% to 32.8%,

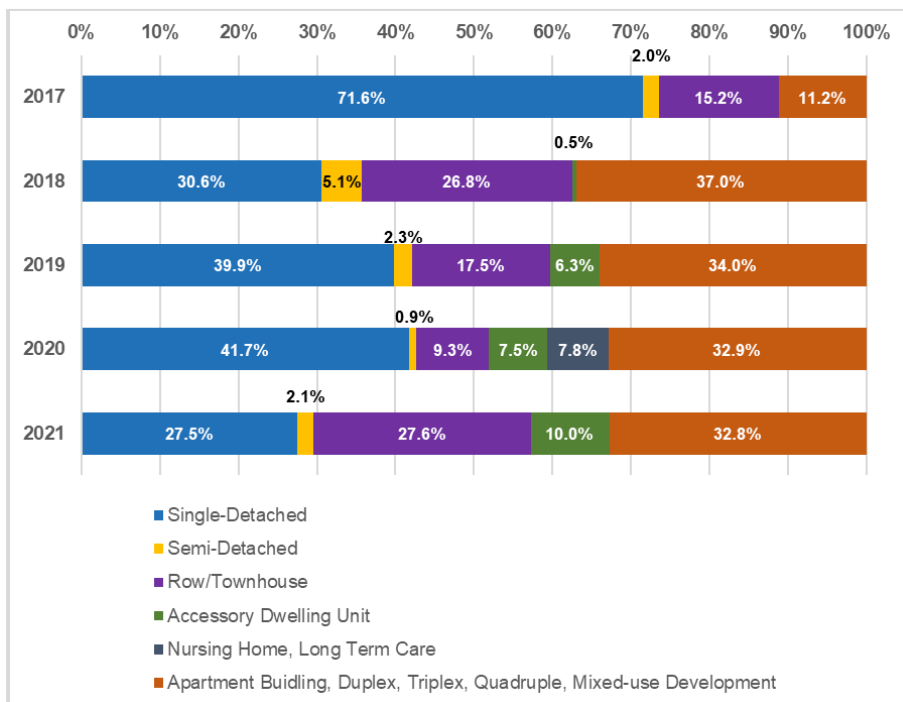
respectively. In 2021, the new dwelling units permitted in the City of Welland were quite evenly split between Single Detached, Row house/ Townhouse and Apartment Building/ Duplex/ Triplex/ Quadruple/ Mixed-Use Development.

Figure 12. Number of New Dwelling Units in Welland, by Dwelling Type (2017-2021)



Source: City of Welland

Figure 13. Percentage of New Dwelling Units in Welland, by Dwelling Type (2017-2021)

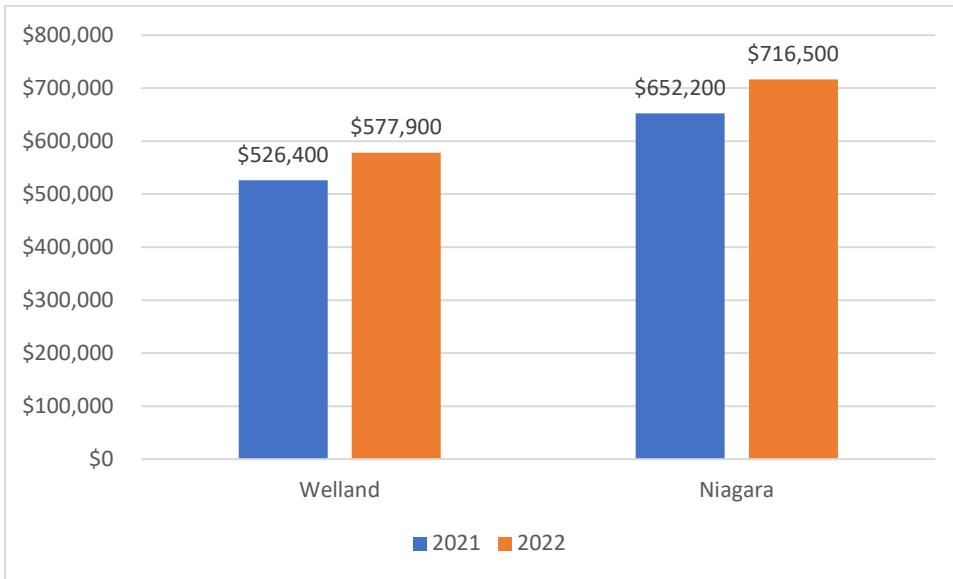


Source: City of Welland

3.2.5 Ownership: Home Prices

Home ownership prices are rapidly increasing in the Niagara region. The Niagara Association of Realtors (NAR) uses the MLS Home Price Index (HPI), rather than average prices, to monitor trends in home prices. According to the NAR's HPI reports on July 2022, the HPI benchmark price for a composite three-bedroom house in Welland was \$577,900, a 10% increase over the previous year. Prices are slightly lower than the HPI benchmark price of \$716,500 for the wider Niagara Region. In 2021, the Niagara Region Housing Affordability and Growth Plan found home prices across the wider Region had grown 40% from 2016 to 2020.

Figure 14. Welland and Niagara Home Prices 2021 and 2022

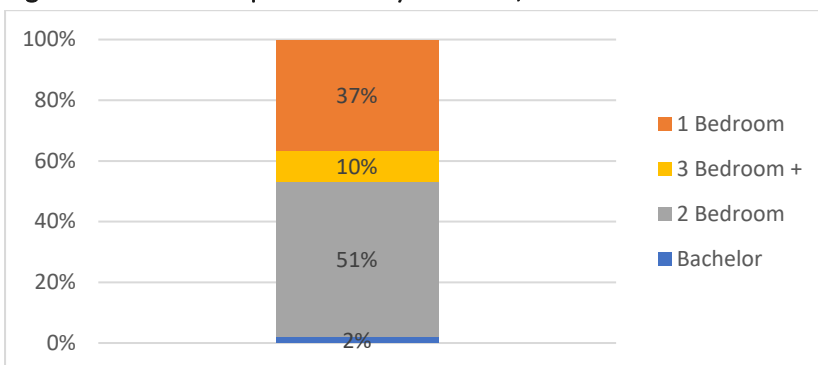


Source: Niagara Association of Realtors

3.2.6 Rental: Units

Welland had a total of 2743 private apartment units, the majority of which are 2-bedroom, according to CMHC Primary Rental Market Statistics Report as of October 2021 (Figure 15). Table 5 shows that the number of units of each size have seen very little change over time.

Figure 15. Welland Apartments by Unit Size, 2021



Source: CMHC Primary Rental Market Statistics

Table 5. Number of Welland Private Apartment Units, 2018-2021

	Oct-18	Oct-19	Oct-20	Oct-21
Bachelor	60	60	59	59
1 Bedroom	1,004	1,013	1,006	1,003
2 Bedroom	1,386	1,392	1,393	1,401
3 Bedroom +	280	280	281	280
Total	2,730	2,745	2,739	2,743

Source: CMHC Primary Rental Market Statistics

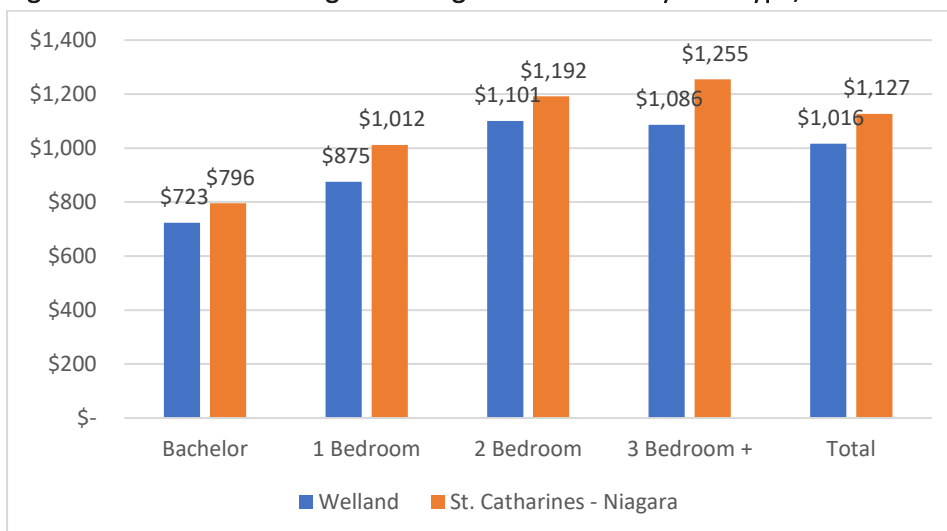
3.2.7 Rental: Average Prices

As of October 2021, CMHC reported lower rental prices, with a one-bedroom average of \$875 per month and a two bedroom at \$1101 per month. The average price for an apartment across all unit types was \$1,016 in Welland, which is an increase of 14% since 2018. Figure 16 compares these prices to the Region, and Figure 17 shows change in prices over time.

In comparison, Niagara average rental prices were higher overall, at \$1,127 for all types and \$1192 for two bedrooms. However, a one-bedroom was cheaper to rent at \$796 (Figure 16).

However, stakeholders closely connected to housing services in Welland indicate that CMHC numbers underestimate the local costs of rental accommodation. Of 49 public listings available July 2022, the average price for a one-bedroom apartment was \$1471 per month, and \$1721 per month for a two-bedroom.⁹

Figure 16. Welland and Niagara Average Rental Prices by Unit Type, October 2021



Source: CMHC Primary Rental Market Statistics

⁹ <https://rentals.ca/welland/1-bedrooms#renting>, Accessed July 25, 2022

Figure 17. Welland Average Rental Prices by Unit Type, 2018-2021



Source: CMHC Primary Rental Market Statistics

3.2.8 Rental: Vacancy Rate

A vacancy rate of 3% is generally considered to be an acceptable balance between supply and demand for rental housing. Vacancy rates below this can drive up rents as tenants compete for fewer units.

The rental vacancy rate in Welland as of October 2021, reported by CMHC, was 0.7% for one-bedroom units. Table 6 demonstrates the decreasing vacancy rates for Welland since 2018. This indicates a tight rental market with high competition may be fuelling increased rental prices. Vacancy rate data specific to Welland for other unit sizes and years has been suppressed for confidentiality or lack of reliable statistics. In comparison, the wider Niagara Region has somewhat higher vacancy rates, although still much lower than the advisable 3% rate (Table 7).

Table 6. Welland Private Apartment Vacancy Rates

	Oct-18	Oct-19	Oct-20	Oct-21
Bachelor	0.0	**	0.0	**
1 Bedroom	2.4	**	0.9	0.7
2 Bedroom	3.0	2.8	5.0	**
3 Bedroom +	**	**	0.0	**
Total	2.6	3.0	2.9	**

Source: CMHC Primary Rental Market Statistics

Table 7. Niagara Private Apartment Vacancy Rates

	18-Oct	Oct-19	Oct-20	Oct-21
Bachelor	**	**	**	2.9
1 Bedroom	2.9	2.6	2.5	2.2
2 Bedroom	2.1	2.0	2.9	1.8
3 Bedroom +	2.2	3.0	1.9	1.5
Total	2.5	2.3	2.7	1.9

Source: CMHC Primary Rental Market Statistics

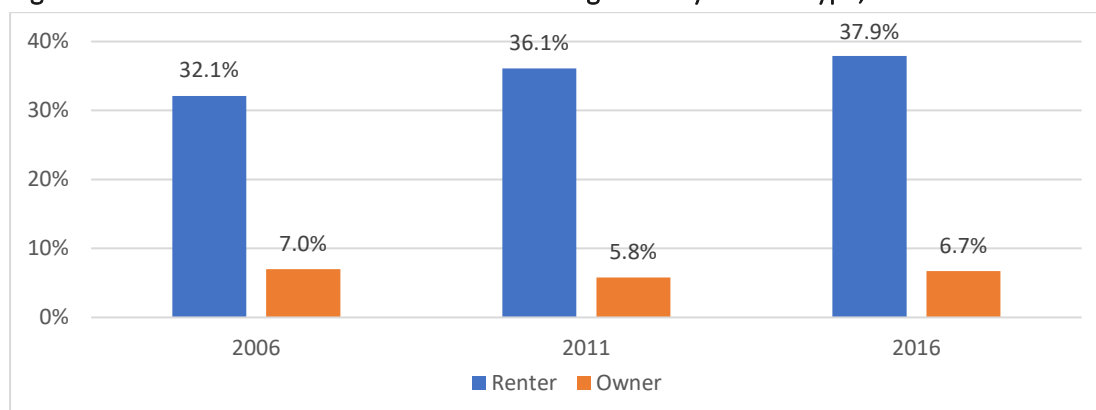
3. Affordability Indicators

3.3.1 Core Housing Need

In 2021, 4002 Welland households (approximately 17%) faced core housing need. This means they are paying more than 30% of their income for shelter or are living in overcrowded or unsuitable conditions. According to the Region’s 2019 Growth Scenario Analysis report, the Region anticipates that by 2041, 4,999 households (or 18%) in Welland will be in core housing need.

As of 2016 CMHC data, a greater proportion of Welland’s renter households (37.9%) are in core housing need than owner households (6.7%). Figure 18 shows that this is consistent over time. For owners, core housing need has remained steady, and even decreased slightly since 2006. However, core housing need has increased slightly among renter households. Data for 2021 is not yet available.

Figure 18. Welland Households with Core Housing Need by Tenure Type, 2016



Source: CMHC

According to the Region of Niagara, most Welland households in core housing need are single (85.2%), followed by lone parent families (13.6%), couples (.7%), and families with two parents and children (.4%). As shown in Table 8, this distribution is similar to the wider Region’s 26,075 households in core housing need.

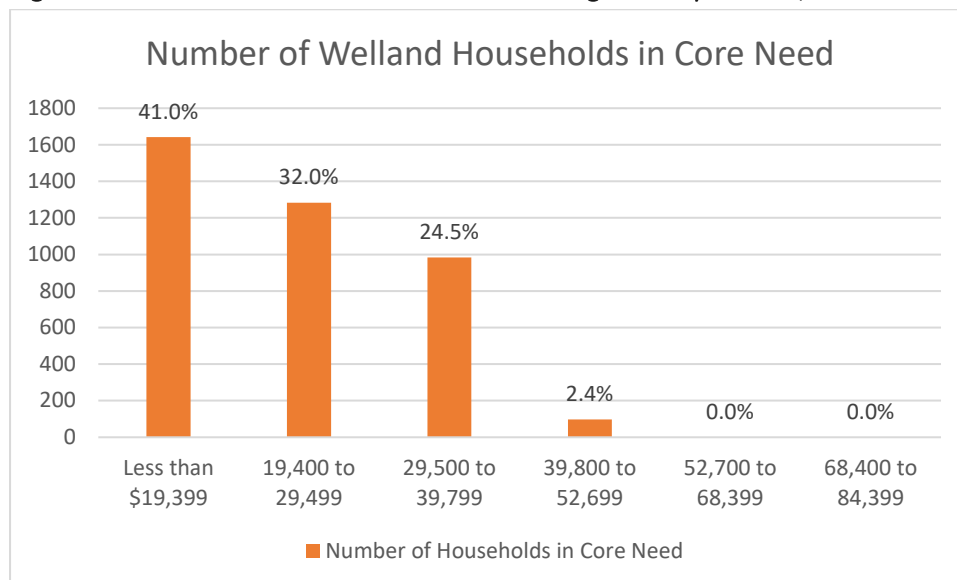
The vast majority of Welland households (97.6%) in core housing need earn \$39,799 or less. Figure 19 shows Income earners of less than \$19,399 are the highest single group of households in core housing need, making up 41% of all households in core need.

Table 8. Households with Core Housing Need, 2021

	Welland		Niagara	
	Count	Percentage	Count	Percentage
Single person	3409	85%	21981	84%
Single parent with children	546	14%	3413	13%
Couple	29	1%	349	1%
Couples with children	18	0%	332	1%
Total	4002		26075	

Source: Region of Niagara

Figure 19. Welland Households with Core Housing Need by Income, 2021



Source: Region of Niagara

3.3.2 Adjusted Incomes

Table 9 below shows 2016 income deciles adjusted for 2022 based on changes in the consumer price index (CPI) from December 2016 to December 2021. Income decile data from the 2021 census was not available at the time of writing. Estimated 2022 incomes shown in Column D are used in the remainder of the report to calculate affordability. Table 10 shows average and median incomes adjusted for 2022 based on the same changes in the CPI.

Table 9: 2022 Adjusted Income Deciles

A	B	C	D = B x C
Income Decile	2016 Income	CPI Change 2016 to 2022	2022 Adjusted Income
1	\$19,400	16.05%	\$22,513
2	\$29,500	16.05%	\$34,234
3	\$39,800	16.05%	\$46,187
4	\$52,700	16.05%	\$61,157
5	\$68,400	16.05%	\$79,376
6	\$84,300	16.05%	\$97,828
7	\$101,200	16.05%	\$117,440
8	\$122,200	16.05%	\$141,810
9	\$155,900	16.05%	\$180,918

Source: CANCEA, Bank of Canada

Table 10: 2022 Adjusted Average and Median Incomes

	2016	CPI Change 2016 to 2022	2022 Adjusted Income
Average Income	\$57,244	16.05%	\$66,430
Median Income	\$71,695	16.05%	\$83,200

Source: Statistics Canada 2016 Census, Bank of Canada

3.3.3 Affordable Prices and Rents

Table 11 shows affordable rents and prices for average and median incomes adjusted for 2022 using the 30% affordability threshold. A household earning the average income could afford an ownership price of approximately \$236,800 and a monthly rent of approximately \$1,700. Households earning the median income could afford a slightly higher ownership price of approximately \$296,500 and rent of \$2,100.

Table 11: Affordable Prices and Rents Based on Average and Median Income

	2022 CPI Adjusted Income	Affordable Price at 30% of Income	Affordable Rent at 30% of Income
Average Income	\$66,430	\$236,774	\$1,661
Median Income	\$83,200	\$296,546	\$2,080

Source: Statistics Canada 2016 Census

Tables 12 and 13 compare affordable ownership prices and rents to average ownership prices and rents in Welland. Cells that are red indicate prices/rents are **not** affordable for households at the income decile. Cells that are green indicate prices/rents are affordable for households at each income deciles. For ownership, affordable prices are compared to average prices reported by National Association of Realtors (NAR). Data for both Welland and Niagara region was included for comparison. Based on the 30% or less definition of affordability, ownership prices in Welland are unaffordable to all but households earning the highest income-decile.

For rental, affordable rents are compared to average rents for all unit types reported by CMHC for both Welland and St. Catharines-Niagara. Based on the standard that a maximum of 30% of pre-tax income be spent on housing, rents in Welland are generally affordable for moderate-income renter households but are not affordable for renter households in the lowest two income deciles. It is important to note that local industry stakeholders consider the CMHC average rental prices for Welland to be much lower than actual current market rents, and so affordability challenges are anecdotally expected to also impact rental households at higher income deciles.

Rents and ownership prices are significantly out of reach for low-income households on fixed incomes, earning minimum wage, or receiving Ontario Disability Support Program (ODSP) or Ontario Works (OW) payments.

Table 12: Comparison of Affordable Ownership Prices to Average Ownership Prices in Welland and Niagara Region by Income Decile

Income Decile	2022 CPI Adjusted Income	Affordable Price at 30% Affordability Threshold	Welland HPI Benchmark Price	Niagara HPI Benchmark Price
1	\$22,513	\$80,243	\$577,900	\$716,500
2	\$34,234	\$122,019	\$577,900	\$716,500
3	\$46,187	\$164,622	\$577,900	\$716,500

4	\$61,157	\$217,979	\$577,900	\$716,500
5	\$79,376	\$282,918	\$577,900	\$716,500
6	\$97,828	\$348,684	\$577,900	\$716,500
7	\$117,440	\$421,669	\$577,900	\$716,500
8	\$141,810	\$512,524	\$577,900	\$716,500
9	\$180,918	\$658,203	\$577,900	\$716,500

Source: Niagara Association of Realtors

Table 13: Comparison of Affordable Rents to Average Rents (Of all Unit Types, 2021) in Welland and Niagara Region by Income Decile

Income Decile	2022 CPI Adjusted Income	Affordable Rent at 30% Affordability Threshold	Welland Average Rent	St. Catharines – Niagara Average Rent
1	\$22,513	\$563	\$ 1,016	\$ 1,127
2	\$34,234	\$856	\$ 1,016	\$ 1,127
3	\$46,187	\$1,155	\$ 1,016	\$ 1,127
4	\$61,157	\$1,529	\$ 1,016	\$ 1,127
5	\$79,376	\$1,984	\$ 1,016	\$ 1,127
6	\$97,828	\$2,446	\$ 1,016	\$ 1,127
7	\$117,440	\$2,936	\$ 1,016	\$ 1,127
8	\$141,810	\$3,545	\$ 1,016	\$ 1,127
9	\$180,918	\$4,523	\$ 1,016	\$ 1,127

Source: CMHC

4. Non-Market Housing

Niagara Regional Housing (NRH) lists 29 locations within Welland. The majority of these are a part of NRH housing programs, followed by cooperative units, subsidized rental units, and a not-for-profit (Table 14). NRH lists one further planned development in Welland of 43 units on York Street, due to be completed in late 2022.

Table 14. Non-Market Housing Located in Welland

Housing Program Type	Number of Locations	Unit Sizes
NRH	15	Bachelor - 5 bedrooms
Cooperative	8	1-4 bedrooms
Rent Supplement	5	1-3 bedrooms
Non-Profit	1	Bachelor - 3 bedrooms

Source: NRH

Table 15 shows wait times for Welland and the Region as of 2020. The highest wait times are 16 years for a one-bedroom apartments for singles. The shortest wait is three years for a three-bedroom apartment for families with dependents. Other unit types range six to eight years. According to NRH data, there were 3,347 households on the waitlist for housing in Welland as of July 31, 2022. Of these,

629 households (19%) have homeless priority status. It is important to note that households on the waitlist for housing in Welland may currently be living outside of the City and may not be accounted for in homelessness enumeration. Of the 3,347 total waitlist households, only 1,257 (38%) have a Welland address.

According to the Housing and Homelessness Action Plan, the waitlist for housing across the Region grew by 20% from 2017 to 2019. As market rates for rental and home ownership increase, residents in community housing with increased incomes seeking to move to market housing are increasingly unable to afford to do so.

Table 15. Average Wait Time in Years for NRH Units in Welland, 2020

Seniors (Age 55+)		Singles (Age 16-54)		Households with Dependents			
Bachelor	1 Bed	Bachelor	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
-	6	7	16	7	3	8	7

Source: NRH

5. Homelessness & Shelter Services

The transient and often hidden nature of homelessness is such that is difficult for data to capture the total number of people experiencing homelessness, particularly in smaller municipalities like Welland. Across the wider Niagara Region, the most recent homelessness enumeration and survey conducted by the Region in March 2021 found 665 people were experiencing homelessness, including 121 children and 24 seniors. A specific count for Welland was not given.

Most of the infrastructure supporting homelessness is funded by Niagara Region through either provincial or regional municipal government, including funding for outreach, homelessness prevention and diversion, emergency shelters, and supportive/transitional housing. Welland is home to one emergency shelter, the Hope Centre, which offers emergency beds and supported transitional housing services. The next nearest shelters are in Niagara Falls, St. Catharines, or Fort Erie. According to the Housing and Homelessness Action Plan 2019 update, occupancy rates across Niagara Region for shelter beds increased from 98.2% in 2016 to 104.3% in 2018, despite a 13% increase in shelter beds.

4. Jurisdictional Scan of Affordable Housing CIPs

This environmental scan has been informed by a review of existing CIPs from other municipalities across Ontario. Specifically, Affordable Housing CIPs or CIPs with affordable housing incentive programs for Belleville, Cobourg, Cambridge, Brantford, Barrie, Blue Mountains, Hamilton, London, Peterborough, St. Catharines, Sudbury, and St. Thomas were reviewed.

Most CIPs share common elements but vary in terms of the specifics and level of detail they provide, as well as their scope or coverage. Affordable Housing CIPs can address public and private sector investment, as well as non-profit investment. They may be focused on development of affordable housing units as a primary goal, but include as part of their evaluation framework criteria intended to

encourage or reward projects that provide high quality architecture and urban design or enhanced environmental sustainability, etc.

Best practices are those aspects or features of the CIPs reviewed that should be incorporated and/or emulated in CIPs where appropriate. The discussion below identifies and summarizes best practices in the context of the common or typical elements included in a CIP, with a focus on what is transferable from the affordable housing CIPs reviewed.

1. Best Practices

4.1.1 Geographic Boundaries of Community Improvement Project Area

Community Improvement Project Areas (“CIPA”) often cover the whole of the municipality. Broad geographical coverage is appropriate for incentive programs that are not intended to encourage or steer development into specific areas within a municipality. For affordable housing incentive programs, designating the whole municipality or its entire urban area as a CIPA may reflect a desire to avoid concentrating affordable housing in specific areas. Alternatively, it may simply reflect that certain types of affordable housing, such as additional units, should be supported wherever there is a willingness to create them. Having said the preceding, it can also be appropriate and desirable to encourage development of affordable housing in specific areas, such as where it will be proximate to infrastructure and services, including public transit.

For municipalities that include both urban and rural areas, most affordable housing incentive programs will be directed at encouraging development in urban areas, also known as settlement areas. The CIPA for an affordable housing CIP must include all areas of a municipality where incentive programs are intended to apply. It is possible to employ a hybrid approach. For example, St. Catharines chose to designate the entire urban area as the CIPA and use identified sub-areas as part their evaluation (scoring) system to target incentive programs spatially. A similar approach involves designating multiple CIPAs and specifying which incentive programs apply to which CIPAs. St. Thomas’s CIP designates a City Wide CIPA, Primary CIPA, and Secondary CIPA, with the Primary CIPA identifying three sub-areas within it. Incentive programs in St. Thomas’s CIP are specific about which CIPAs they apply to. The advantage of the St. Catharines’ approach is that it treats location within a priority or targeted sub-area as a positive attribute that increases a project’s score, whereas the alternative treats location as an eligibility requirement—a project is either in the targeted area designated as a CIPA or it is ineligible.

4.1.2 Objectives

Identifying goals, purpose, guiding principles, and objectives is a common element of CIPs. As a best practice, identifying goals and objectives provides a basis for monitoring and evaluation of the effectiveness of the CIP.

The primary objective of an affordable housing CIP should be to facilitate the development of affordable housing to ensure current and future housing needs of low- and moderate-income households are met. Secondary objectives might include providing a continuum of housing options, e.g., encouraging the development of an appropriate mix of affordable dwelling units by size and number of bedrooms, promoting high-quality design and environmental sustainability, and addressing any area-specific needs or priorities that are priorities for the City of Welland (e.g., downtown Welland).

4.1.3 Agreements

Recipients of funds from an Affordable Housing CIP are typically required to enter into an agreement to ensure units will not be used for short-term rental accommodation and the units remain “affordable” for an appropriate length of time. How long a funded affordable unit must remain “affordable” should be determined based on project specifics, as well as incentive program and level of funding provided. Agreements should be registered on title to ensure they are binding and transfer to subsequent owners should a property be sold.

Note: agreements generally address compliance after funds have been dispersed to an applicant. Other matters can be addressed by inspection or requiring proof (photographic or other documentation of completed work, for example) before funds or relief are granted. It is generally preferable to address compliance through the incentive structure or timing of payments. Enforcement of agreements is noted to be difficult, especially where the penalty for non-compliance is repayment of funds.

4.1.4 Monitoring

CIPs typically outline a framework for monitoring and evaluation of incentive programs. Such a framework should include:

- Development of a database to collect and store data relevant to the CIP.
 - At a minimum the database should record information on application received, if funding was provided, and outcomes associated with the application;¹⁰
 - The database could also record interactions related to potential application submissions such as any emails, phone calls, or consultation meetings even if they do not result in an application being submitted.
- Identify performance indicators in order to evaluate incentive programs and funding with the objectives of the CIP
 - Typical performance indicators for an affordable housing CIP would include number of affordable units developed, type of new affordable units, location of new affordable units, and information on the duration units will be maintained as affordable and when units can be converted to market rent or price;
 - Performance indicators that capture the approve value of grants in relation to the total value of construction they are associated with, average rents or sale prices of affordable units, and funding utilization rate for incentive programs;
 - Demographic and economic indicators that relate to the definition of affordable housing for the purposes of the CIP; and,
 - Indirect indicators that might be useful in contextualizing the performance of the CIP. These can include broad economic indicators or indicators that capture local attributes that contribute to quality of life in the municipality or region.
- An annual report card on the CIP that summarizes applications received, funded projects, and outcomes attributable to the incentive program funding. The annual report should also speak to funding opportunities for affordable housing from the senior levels of government and other sources, including how they relate to CIP incentive programs.

¹⁰ Outcomes associate with an application could include housing units provided (type,

Monitoring and evaluation of the CIP is dependent on the quality of data collected. CIPs rely on primary data collected directly as part of the administration of the CIP, data or indicators that are derived from this data, other primary data collected by the municipality, and from secondary sources, including the CMHC or Statistics Canada. CIPs typically provide guidance on the need to collect data and develop performance indicators. They do not provide detailed advice or guidance on implementation. The CIP should identify in descriptive terms the primary data that needs to be collected and the derived indicators that will be used for monitoring and evaluation purposes. It is important that the monitoring section is appropriate to the capacity of the City of Welland to collect and analyze the data.

Monitoring and evaluation should inform reviews of the CIP at regular, specified intervals in order to adjust CIPAs, incentive programs, and program funding. Section 28 of the *Planning Act* prescribes the process that must be followed for amending a CIPA and/or CIP. Changes to program funding do not require amendments to the CIP, however.

4.1.5 Incentive Programs

The Town of Lincoln recently completed a comprehensive review of 28 CIP programs to identify best practices. Lincoln Report AD-02-22 provides a summary of best practices for incentive programs. Their review included identifying among these CIPs the incentive programs used specifically to encourage affordable housing development and in how many plans they were so utilized:

- tax increment financing – 14
- development charge reductions – 10
- planning and/or building permit fees – 11
- additional residential dwellings and/or secondary dwelling units – 9

For affordable housing, the Town of Lincoln’s findings on best practices include requiring funded projects to meet environmental sustainability and design criteria, require a minimum percentage of affordable units, and specify a minimum term for affordable units to remain affordable (with duration determined by grant type).

The Town of Lincoln’s findings have been incorporated into the review of best practices for incentive programs below. Some Affording Housing CIPs include additional incentive programs, specifically loan programs and municipal land-banking. Loan programs can simply function as a substitute for grants, while the inclusion of a land-banking program allows a municipality to acquire property and dispose of property to achieve the goals of a CIP, including those related to affording housing. Land-banking as part of the CIP suite of incentive programs could also allow the City to lease land for affordable housing development, rather than sell land at below market cost.

Tax Increment Financing

- Reduce property taxes for up to 5-10 years using a grant to cover a specified percentage that decreases over time.
- The percentage reduction and duration of tax increment financing should be larger for affordable housing projects. As incentive is based on increased property taxes, only developments subject to property taxes are eligible.
- Employ semi-annual or quarterly intake period for applications to allow for applications to be evaluated and ranked against each other.

- Use combination of minimum eligibility criteria and a scoring system to prioritize/rank applications to direct funding to best projects.
- Affordability housing units might be included in the scoring system for tax increment financing to encourage their inclusion in development projects. In such cases, affordability/affordable housing units may be one scoring factor among others, including quality of architecture and urban design, sustainability, walkability, contributions public realm, etc.
- Combining tax increment financing with other incentives, such as the waiving or reduction of municipal fees, may also be considered, where appropriate, for the affordable housing units in a larger project.

Municipal Fees

- Provide higher grant in terms of percentage of fees for affordable housing developments.
- Specify a maximum total grant per development. Consider how the maximum grant relates to overall project cost. Application fees are more of a barrier for small-scale projects and creation of additional dwelling units.
- Eligible municipal fees that could be waived or refunded could include planning and building permit application fees, cash-in-lieu fees for parkland dedication and parking, which create a significant upfront financial burden on development projects. For development to be eligible for a grant to cover cash-in-lieu for parkland dedication, a municipality can stipulate the area must already have adequate parkland to service existing and planned development.
- Providing relief from municipal fees via CIP incentive grant programs is a best practice because it allows municipalities to require successful applicants to enter into agreements that specify the duration of time or term that affordable units receiving funding need to remain “affordable”.

Development Charges Refunds

- Currently the City’s Development Charges By-law provides an exemption for non-profits provided they enter into an agreement with the City which can include terms related to affordability and a requirement for repayment if the criteria are not met. Development charge grants should be used instead of including discretionary exemptions in a DC By-law. This approach provides the municipality greater control through minimum eligibility criteria, approving an annual funding amount as part of the municipal budget process, and having the ability to assess and prioritize applications for funding. Providing a grant program to provide relief from development charges also provides the municipality with the ability to require the recipient to enter into a binding agreement that specifies the duration affordable housing units must remain affordable.
- Development charge grants allow municipalities to limit grants for development charges to affordable rental housing and use deferral of development charge payments for affordable homeownership projects.

Additional Units

- The intent is to encourage adding rental units in existing or new low-rise residential dwellings. Grants/funding needs to be scaled appropriately for small projects. A waiving or reduction of municipal fees and development charges is a suitable approach given the higher percentage cost such fees often represent for small projects such as creating additional or second units.

Municipal fees to consider waiving or reducing include planning and building permit fees, inspection costs, and cash-in-lieu of parkland or parking.

4.1.6 Selecting Grants

CIPs require applications but few provide much detail on the application process to be followed or outline how applications will be reviewed and successful applications chosen. Best practices, however, can be gleaned across CIPs and include the following:

- Require a pre-application consultation meeting with municipal staff to determine program eligibility, scope, timing, and the general suitability of the proposal. Staff should provide clear feedback on eligibility requirements and supporting documentation that must be submitted as part of an application.
- Some CIPs require applications be submitted prior to commencement of any works or studies to which incentive programs would apply.
- Have a semi-annual or quarterly intakes for incentive programs directed at larger development projects and use first come, first serve while funds are available for incentive programs that target smaller projects such as those intended to assist in the creation of additional or second residential units.
- Employ a clear and transparent process for reviewing applications, including grading or scoring them against an evaluation rubric. Use eligibility requirements and a minimum score to screen applications to ensure they provide a minimum desired benefit to the municipality.

It is expected that once city council approves a CIP with the criteria for eligibility for affordable housing CIP applications, decision making authority on those applications should be delegated to staff with regular reporting to Council on projects approved for CIP incentives. An exception would be decisions related to the disposition of municipally owned land would as those decisions would be reviewed and made by City Council.

2. Preliminary Considerations and Recommendations:

The development of an Affordable Housing CIP is still in its early stages. That being stated there are some preliminary considerations and recommendations that should be considered moving forward:

1. The City of Welland should determine whether an Official Plan Amendment is required to adopt a By-law to designate a Community Improvement Property Area, in accordance with Section 28(2) of the *Planning Act*. Alternatively, the City of Welland may determine that Section 7.10.3 of the City of Welland Official Plan meets criteria for establishing an Affordable Housing CIP.
2. The City of Welland has adopted separate by-laws for each CIP. The City of Welland will be required to adopt a By-law related to the establishment of a Community Improvement Project Area in accordance with Section 28(2) of the *Planning Act*. As part of this process, the City will need to consider the geographical boundaries for an Affordable Housing CIP. It is recommended that Welland consider designating its entire urban area as the Community Improvement Project Area for the Affordable Housing CIP and employ an evaluation framework for applications that includes locational criteria.
3. The Provincial Policy Statement and the City of Welland Official Plan provide for a definition of Affordable Housing. It is recommended that the PPS definition be used as the foundation for determining affordability for the Affordable Housing CIP. But that the ability to fine-tune the

thresholds used for determining affordability for different project types and/or incentive programs be incorporated. As part of the Affordable Housing CIP, practices and procedures should be provided to ensure that affordability criteria can respond and adapt as needed to achieve the objectives of the Plan.

4. The Affordable Housing CIP must include a clear and transparent process for reviewing applications, including grading or scoring them against an evaluation rubric. This should be developed collaboratively with the City of Welland staff who will implement the Plan, as well as, if possible, representatives of the development industry and other stakeholders.
5. As indicated, there are three (3) CIPs that apply within the City of Welland. It is anticipated that the geographical boundaries of the Affordable Housing CIP will entail overlap with existing CIPs. It is suggested that “stacking” of financial incentives and grants with overlapping CIPs be considered.
6. There is a large array of financial incentives that are likely to facilitate the provision of affordable housing. It is suggested that a CIP consider the implementation of a range of financial incentives to appeal to a range of projects that facilitate the provision of affordable housing. Stacking of incentives within the Affordable Housing CIP (e.g., allowing a project to receive more than one incentive benefit) is recommended and is consistent with how CIP’s approach this issue.

5. Stakeholder Engagement

To inform the development of the draft CIP, TWC has carried out initial engagement with key stakeholders identified by members of the City’s Affordable Housing Committee. This report presents the findings of this engagement.

5.1 Who We Heard From

Over three weeks in July and August 2022, TWC spoke via video call with the following key stakeholders:

- Three members of the for-profit development sector in Niagara Region, representing:
 - Mountainview Homes (Thorold)
 - Niagara Home Builders Association (Ridgeway)
 - Empire Communities (Caledonia)
- Four members of the not-for-profit sector in Niagara Region, representing
 - The Hope Centre (Welland)
 - Foyer Richelieu Long-Term Care (Welland)
 - Ganawageh and Ohsto – Seri Urban Homes (Fort Erie)
 - Gateway of Niagara (Welland)
- And one employee of Niagara Region Community Services department

A survey was also sent to additional members of the development sector, not-for-profit sector, and the City of Welland’s Affordable Housing Committee. This yielded an additional five responses from committee members and representatives of the following organizations:

- Niagara Regional Native Centre
- Canadian Mental Health Association Niagara
- The RRPC Innovation Foundation

- Ganawageh and Ohsto – Seri Urban Homes

5.2 What We Heard: Major Themes

There is consensus among participants that affordability is a growing issue in Welland. Multiple factors were suggested as causes:

- Land values increasing and facing high competition from non-local buyers
- Migration from Toronto and other cities because of comparative affordability
- Increased poverty and cost of living generally
- Incentivized evictions raising rental prices
- A lack of student-specific housing means that students tie up market rental stock for only eight months of the year and devalue properties, reducing rental availability
- Expensive ownership entry costs put pressure on the rental market as first-time homebuyers are less able to enter that market and remain renters longer

The City of Welland has some advantages to leverage. These include:

- Lots of praise for Welland, perceived to be easy to work with, forward thinking, and timely with development applications
- Welland is not known for “red tape”, in comparison to other cities
- Non-municipal organizations across the City work well together

Multiple challenges to affordable housing development were shared. These include:

- Region and City are not well aligned, and regional policies are unclear
- Council and staff are not aligned on policy direction and operational practices, costing time and money in development approvals. Some examples include:
 - Council requesting reports or studies which when completed and presented, Council votes against them
 - Council perceived as being very reactive to constituents concerns and NIMBYism
 - Planning staff supporting development applications to approval stage, only to be rejected by council
- Land prices, servicing costs, and materials cost all increasing
- Conditions of approval with external agencies are slow
- parkland dedication at permit stage increases with land value over time
- Municipal, regional, and provincial levels need to be on same page – so that approvals at one level indicate approval at all
- Landlords not incentivized to deal with complex clients or subsidy programs
- Smaller agencies lack resources or knowledge to participate or initiate

When asked to how affordability should be defined, participants had differing responses. Some used the common measures of affordability used by CMHC or local and provincial policy:

- 10% below market rate only helps some, not all
- 30% of gross income is a good measure, especially as costs for other expense increase

Others had broader interpretations and suggestions:

- Ability to pay for ownership or any place to live, and for upkeep
- No more than 25% of household income
- Developers don’t necessarily monitor affordability, but rather what will or won’t sell

- To Niagara Region, “affordable” includes a broad spectrum of social housing, attainable housing, and 30% of gross income
- Regardless of definition be clear and consistent

Multiple priorities were identified for affordable housing. These include:

- High-density units
- 1-2 bedroom for singles, couples, and single-parent households
- Ground floor, accessible units
- Rent to own models
- Units which can offer inclusivity and a sense of community along with independence to residents
- Units which are culturally sensitive, such as space for indigenous land-based practices
- Access to amenities, transit, medical care, mental health care, education
- Rental primarily, but ownership is also important
- Include deep levels of affordability (for non-profit providers)
- Long-term affordability commitments
- Mixing affordable housing at multiple levels with market-rate housing to avoid segregation
- Long-term maintenance and upkeep of affordable housing stock
- No caps on affordability (e.g., non-profits may be 100% affordable, for profit never will)
- Increasing all stock, to increase vacancy rate and move renters to home ownership

Multiple financial incentives were suggested to encourage affordable housing. These include:

- Place incentives up front, when cost burden is highest, to attract development, maximize benefit to developers, help them leverage later stage funding, and minimize risk of unfamiliar affordable projects
- Flexibility of parking requirements
- DC deferrals
- Fee forgiveness or waivers (permits, DCs, applications)
- Permissive grants, as in place now
- Tax reductions or tax assistance programs, as in place now
- Capital funding
- Incentives of up to about 120% MMR (or AMR if preferred) based on unit type (when the market is offering 150% of AMR)

Multiple non-financial incentives were suggested. These include:

- Be general about CIP geographic coverage to avoid concentrating poverty
- Offer a resource group that can help agencies without experience, resources, know-how to navigate new projects
- Concierge service to expedite affordable projects
- Incentivize non-traditional housing types (e.g., accessory dwelling units) for affordable rates
- Make it known to non-profit organizations that they have municipal support
- Straightforward programs, mirrored at the Region level to reduce complexity
- Density bonuses that allow maximum density without rezoning
 - One participant shared an example from Victoria, British Columbia, which recently passed legislation allowing any affordable housing project operated by municipality, non-profit provider, or co-op housing provider that provides some number of

affordable units for low-moderate income households to build to the maximum density permissible without need for rezoning

- Set development standards, rather than requiring “gold-plated engineering designs”
- Expand city boundaries to increase availability of land for purchase
- Designate specific lands/areas for affordable housing, to reduce risk of council not approving at later stages
- Incentives for landlords to take on complex or long-term clients

The idea of cross-subsidizing market rate and affordable housing in exchange for land prompted many different reactions:

- The bigger project the better to incentivize, but may be too complicated for developers who do not already do affordable
- Common sense model to include market units in any project to improve viability of affordable units
- Support for mixing market and affordable units for social mixing
- Not the home-buyers responsibility to subsidize affordable housing for others

Participants were asked a series of questions about how they might make use of municipal lands available for affordable housing. Responses included:

- Developers would consider procuring, supporting development, or developing themselves, but would less likely operate affordable rentals
- Not-for-profits see this as a viable opportunity, and many would be incentivized to participate in some way
- CMHA Niagara may be open to operating affordable rental units in future
- Region has interest in participating to create a portfolio of projects within Welland short and long-term

Other suggestions included:

- Grants or long-term leases of municipal lands for long-term affordability
- Mandatory partnering of developers with not-for-profit orgs for affordable housing incentives on municipal land
- One participant identified opportunities for existing properties in tax arrears to be converted to housing with non-profit partnership

6. Legislative and Policy Context

The legislative authority related to the preparation of an Affordable Housing CIP and the programs outlined in this document are derived from the *Planning Act*, the *Municipal Act* and the *Development Charges Act*. Of note, the provision of affordable housing is considered to be a matter of provincial interest under the *Planning Act*. CIPs are one of many tools under the *Planning Act* that can support the provision of affordable housing in Ontario and thus can be used by the City of Welland. The process for developing and establishing a CIP is provided for in Section 28 of the *Planning Act*. The authority for the provision of financial incentives is provided by Sections 28(6) and (7) of the *Planning Act*, Section 106 of the *Municipal Act*, and Section 5(1) of the *Development Charges Act*.

A full summary of Provincial legislation relevant to the development of an affordable housing CIP can be seen in Appendix B. This is followed by a full summary of provincial, regional, and local municipal policy, plans and studies in Appendix C.

7. Assessment of Strengths, Weaknesses, Opportunities, and Threats

The following table presents a summary of apparent strengths, weaknesses, opportunities and threats for the City of Welland informed by the findings of this report. This analysis will be important to frame decision making for the development of the new CIP.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Policy and legislation encourage affordable housing (e.g., matter of provincial, regional, and local interest) • Welland is efficient at processing applications • Zoning permits NRH as of right (avoid delays and conflict) • Municipal staff, not-for-profit, and private sector work well together • Good reputation among development community • Interest and demand for development • Favourable parking requirements for intensification 	<ul style="list-style-type: none"> • Existing housing stock is ageing • Lack of support from Niagara College to develop student housing • Region’s incentives for affordable housing are not as strong as local policies • Region’s incentives and documentation are complicated to navigate • Challenges of navigating federal funding for affordable housing • Challenges of aligning support funding with housing, requiring people to leave the community in search of supports
Opportunities	Threats
<ul style="list-style-type: none"> • Good timing to leverage higher than historic growth • Strong foundation of policy and processes to position them for development • Identified land and opportunity sites • Legislation for additional units under Planning Act • No need to start from scratch (it’s been done by other municipalities) • Housing type demand is shifting (towards multi-unit; because of climate Welland creates to welcome different types of housing) • Welland attracts more workers because this climate welcomes people who are priced out of other municipalities • Stacking incentives • Designated CIP coordinator staff role may be required 	<ul style="list-style-type: none"> • Rising interest rates • Rising construction costs • Academic institutions bringing more students to Welland, without specific student housing, ties up rental housing stock • Gentrification and NIMBYism, as new residents bring different perspectives and housing demands • Competition scarcity, particularly from incoming GTA developers • Ageing population with specific housing needs • Household sizes shrinking while demand for units increases

8. Conclusion and Next Steps

This report concludes the first phase of preparation for the Affordable Housing CIP. In the second phase, a draft CIP will be prepared through a thoughtful approach that is responsive to the City's needs. The project will benefit from continued consultation with Town staff, Council, the key stakeholders and the community.

As a community revitalization strategy, the CIP will include an approach that is consistent with local planning policy, ongoing municipal programs and initiatives, identified critical needs, and community input. Prior to adoption by Council, a draft CIP will be presented to the public for input and feedback.

Appendix A. Affordable Housing Definitions

1. Provincial Policy Statement (2020)

Section 6.0 of the Provincial Policy Statement defines “affordable” as:

1. in the case of ownership housing, the least expensive of:
 - a. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or
 - b. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;
2. in the case of rental housing, the least expensive of:
 - a. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
 - b. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

2. Region of Niagara Official Plan (2022)

The Region of Niagara Official Plan¹¹ defines “affordable” as:

1. in the case of ownership housing, the least expensive of:
 - a) housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for low and moderate income households; or
 - b) housing for which the purchase price is at least 10 per cent below the average purchase price of a resale unit in the regional market area;
2. in the case of rental housing, the least expensive of:
 - a) a unit for which the rent does not exceed 30 per cent of gross annual household income for low and moderate income households; or
 - b) a unit for which the rent is at or below the average market rent of a unit in the regional market area. (Growth Plan, 2020)

The Official Plan also includes a definition for **attainable housing** as follows:

1. Rental or ownership housing provided by the market for *moderate income households* that are generally within the fifth- and sixth-income decile of the *regional market area*. *Attainable housing* can include dwelling types of various sizes, densities, and built forms, and is intended to provide individuals with the opportunity to access housing more suitable to their needs.

¹¹ The current Official Plan was adopted by Council June 23, 2022, but has not yet been approved by the Ministry of Municipal Affairs and Housing

3. Region of Niagara Municipal Housing Facilities By-Law No. 2017-89

1. "Affordable Housing" means, for the purpose of a Municipal Housing Capital Facility Agreement, Housing Units in which the average monthly rent by each unit size and structure type, exclusive of utilities, parking, telephone, cable and other related fees, is less than or equal to the Affordable Rent level for the respective lower-tier municipalities within the Niagara region containing the Housing Project for that unit size and structure type.
2. "Affordable Rent" for a Municipal Housing Capital Facility Agreement at any time means:
 - a) for apartments, the average monthly market rent by bedroom type for privately initiated apartment structures for each of the respective lower-tier municipalities within the Niagara region, as determined and amended by CMHC;
 - b) for townhouses, the average monthly market rent by bedroom type for privately-initiated townhouse structures for each of the respective lower-tier municipalities in the Niagara region, as determined and amended by CMHC; or
 - c) if CMHC does not publish an annual rent for the unit size by structure type for Niagara Region's service area, then the rent as determined by [Niagara Regional Housing (NRH)]

4. Welland Official Plan (2017)

1. In the case of ownership housing, the least expensive of:
 - a. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or
 - b. Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;
2. In the case of rental housing, the least expensive of:
 - a. A unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or
 - b. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

5. CMHC

Although the definition of affordable housing can differ from one area to another, traditionally within the housing industry and according to the Canadian Mortgage and Housing Corporation (CMHC), housing is affordable for a given household if it costs less than 30% of gross (before-tax) household income. However, it is worth noting that a significant number of current CMHC programs that support the creation of new affordable housing define that term in relation to median market rents rather than in relation to household incomes.

6. Affordable Housing Definition per Housing Programs

Ontario Priorities Housing Initiative (OPHI)

This is a capital funding program administered by the Municipal Service Manager where rents for the new housing are at or below 80% of CMHC Average Market Rent (AMR) in the service manager's area

(Region of Niagara) at the time of occupancy. The Region of Niagara also may offer rent supplements, offered with both provincial and municipal funding, for some of the units in these types of developments to ensure affordability by very low-income households.

National Co-investment Program (CMHC)

At least 30% of the rental units in a development supported by Co-investment must charge rents at or below 80% of the local Median Market Rental Rate (as described in the most recent CMHC Rental Market Survey) for the unit type in question.

Appendix B. Legislative Authority

1. Planning Act

1.1 Provincial Interest

Section 2 of the *Planning Act*, R.S.O. 1990, c. P.13 requires that Planning authorities, “in carrying out their responsibilities under the *Planning Act*, shall have regard to, among other matters, matters of Provincial interest.” Included as a matter of Provincial interest is “(j) the adequate provision of a full range of housing, including affordable housing...”

The Affordable Housing CIP for the City of Welland would encourage the provision of a full range of housing including affordable housing, consistent with the matters of Provincial interest in the *Planning Act*.

1.2 Additional Residential Units

In 2019, the Province had reaffirmed its commitment to improving housing supply and ensuring housing affordability. On June 6, 2019, Bill 108, the *More Homes, More Choice Act* received Royal Assent. Included as part of Bill 108 was a range of regulatory and policy changes aimed at increasing ownership and rental housing supply. Prior to Bill 108, Section 16(3) of the *Planning Act* required official plans to contain policies authorizing second residential units by authorizing two residential units in a house with no residential unit in an ancillary building or structure and by authorizing a residential unit in a building or structure ancillary to a house containing a single residential unit. Through Bill 108, subsection 16(3) of the *Planning Act* was re-enacted to require policies authorizing additional residential units by authorizing two residential units in a house and by authorizing a residential unit in a building or structure ancillary to a house.

CIPs provide the opportunity to enhance municipal requirements regarding additional units by providing financial assistance to improve, convert, legalize, or construct new attainable dwelling units that may otherwise be cost prohibitive.

1.3 Community Improvement

The *Planning Act* provides municipalities the authority to prepare CIPs for the purpose of community revitalization, provided there are enabling policies in the local Official Plan. CIPs are intended to facilitate community revitalization and rehabilitation initiatives and may also include incentive programs to encourage development. Section 28(1) of the *Planning Act* provides the following relevant definitions:

“community improvement” means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary;

“community improvement plan” means a plan for the community improvement of a community improvement project area;

“community improvement project area” means a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

Subsection 28(1.1) further provides that “community improvement” includes the provision of affordable housing.

1.3.1 Community Improvement Project Area

Section 28(2) of the *Planning Act* provides:

(2) Where there is an official plan in effect in a local municipality or in a prescribed upper-tier municipality that contains provisions relating to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improvement project area. R.S.O. 1990, c. P.13, s. 28 (2); 2006, c. 23, s. 14 (3).

The City of Welland Official Plan contains policies related to community improvement. In particular, Section 7.10.3 of the City of Welland Official Plan includes policies regarding establishing New Community Plan Areas. These policies are included in Section 7.10 of the City of Welland Official Plan and discussed in Section 4. Official Plan of this report. As such, the City of Welland may adopt a By-law designating a community improvement project area.

Section 28(3) of the *Planning Act* provides:

(3) When a by-law has been passed under subsection (2), the municipality may,

- (a) acquire land within the community improvement project area;*
- (b) hold land acquired before or after the passing of the by-law within the community improvement project area; and*
- (c) clear, grade or otherwise prepare the land for community improvement. R.S.O. 1990, c. P.13, s. 28 (3); 2001, c. 17, s. 7 (3); 2015, c. 26, s. 25.*

1.3.2 Community Improvement Plan

Section 28(4) of the *Planning Act* states:

(4) When a by-law has been passed under subsection (2), the council may provide for the preparation of a plan suitable for adoption as a community improvement plan for the community improvement project area and the plan may be adopted and come into effect in accordance with subsections (5) and (5.1). 2006, c. 32, Sched. C, s. 47 (1).

1.3.3 Buildings and Land

Section 28(6) of the *Planning Act* provides Council with special powers regarding lands under the City’s ownership, as follows:

(6) For the purpose of carrying out a community improvement plan that has come into effect, the municipality may,

(a) construct, repair, rehabilitate or improve buildings on land acquired or held by it in the community improvement project area in conformity with the community improvement plan, and sell, lease or otherwise dispose of any such buildings and the land appurtenant thereto;

(b) sell, lease or otherwise dispose of any land acquired or held by it in the community improvement project area to any person or governmental authority for use in conformity with the community improvement plan. R.S.O. 1990, c. P.13, s. 28 (6); 2001, c. 17, s. 7 (6).

Community Improvement Plans often focus on financial incentives to achieve their objectives. However, subsection 28(6) enables alternate policy mechanisms to achieve its objectives. Some examples include land banking which would give the City discretion to acquire, sell, lease, prepare or dispose of property at or below fair market value to further achieve the affordable housing goals and objectives of the City. Alternatively, surplus land grant programs could identify lands that are surplus and to determine the best use for those lands, with priority being given to developments that include affordable housing units. Under this program, land would be awarded at a reduced cost or no cost at all. The eligibility criteria would be developed on a case-by-case basis and established through a request for proposals.

1.3.4 Incentives

Section 28(7) of the *Planning Act* further provides legislative authority to issue grants and loans as follows:

Grants or loans re eligible costs

(7) For the purpose of carrying out a municipality's community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan. 2006, c. 23, s. 14 (8).

Eligible costs

(7.1) For the purposes of subsection (7), the eligible costs of a community improvement plan may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities. 2006, c. 23, s. 14 (8).

As part of the process of preparing an Affordable Housing Community Improvement Plan, the implications of a range of financial incentives to encourage the provision of affordable housing will need to be evaluated.

1.3.5 Registration of an Agreement

Section 28(11) of the *Planning Act* also enables municipalities to enter into agreements pertaining to any issued grants or loans, and the disposition of lands, and enables these agreements to be registered against the title of the land.

2. Municipal Act

2.1 Exemptions Regarding Financial Assistance

Subsection 106 (1) of the *Municipal Act* provides that a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose. As per subsection (2) this includes:

- (a) giving or lending any property of the municipality, including money;
- (b) guaranteeing borrowing;
- (c) leasing or selling any property of the municipality at below fair market value; or
- (d) giving a total or partial exemption from any levy, charge or fee.

As per subsection (3), subsection (1) does not apply to a Council exercising its authority under subsections 28 (6), (7), or (7.2) of the *Planning Act* within a community improvement project area.

3. Development Charges Act

The *Development Charges Act* enables municipalities to impose development charges to pay for growth-related capital costs for municipal services. A municipality is not required to enact a Development Charge (“DC”) By-law, nor is it required to impose development charges on development. The Act does outline what development charges can be charged for and what municipal services can be included in the calculation of the development charge to be imposed.

The *Development Charges Act* also identifies statutory exemptions that must be provided. These include exempting from development charges: enlargement of existing dwelling units, creation of additional dwelling units, and creation of second dwelling units in new residential buildings, as examples. Should a municipality impose development charges, Section 5(1) of the Act prescribes how they are to be determined and allows for full or partial exemptions for types of development to be provided (see provision 10). A municipality can, through its DC By-law, provide discretionary exemptions. However, as is discussed in Section 16 of this Environmental Scan, using grant programs to provide full or partial relief from development charges offers a municipality greater flexibility and control. A grant program as part of a CIP is recommended over providing discretionary exemptions via a DC-By-law.

To enact a Development Charge (“DC”) By-law, Section 10(1) of the *Development Charges Act* requires the Council of a municipality to complete a Development Charge Background Study, which as per Section 10(2) of the Act, must include:

- estimates of the anticipated amount, type and location of development;
- calculations for each service to which the DC By-law would relate;
- examination for each service, of the long-term capital and operating costs for the capital infrastructure required;

- consideration of the use of more than one DC By-law to reflect different needs for services in different areas;
- an asset management plan; and,
- such other information as may be prescribed.

Note: Development Charge Background Studies prepared for Niagara Region and the City of Welland are discussed in Section 17 of this report.

Since 2019, the provincial government has amended the *Development Charges Act* via Bill 108 (*More Homes, More Choice Act, 2019*), Bill 138 (*Plan to Build Ontario Together Act, 2019*), Bill 197 (*COVID-19 Economic Recovery Act, 2020*), and Bill 213 (*Better for People, Smarter for Business Act, 2020*). The amendments to the *Development Charges Act* touched upon affordable housing in a modest way.

The combined outcome of these Bills, as they relate to the *Development Charges Act* and affordable housing, is as follows:

- Rental housing developments pay any development charges imposed in 6 equal annual payments commencing at occupancy, while non-profit housing developments pay development charges over 21 equal annual payments.
- Development charge eligible services are listed, whereas previously the *Development Charges Act* listed only ineligible services. If a service does not fall under those listed by the Act a development charge cannot be imposed for it.
- Services listed as development charge eligible may be included in a Community Benefits Charge (“CBC”) under the *Planning Act*. However, Section 37(5) clarifies that capital costs intended to be funded by the CBC cannot be capital costs intended to be funded under a DC by-law.

In summary, the framework has been adjusted to provide the flexibility to use a CBC and development charges in combination, subject to limitations set out in the legislation. For an affordable housing CIP, it is important to note that separate parkland dedication provisions, including the ability to accept cash-in-lieu of, were ultimately retained and remain in Section 42 of the *Planning Act*. Density bonusing, previously covered under Section 37 of the *Planning Act*, has been replaced by CBCs, which are capped at 4% of land value and may only be imposed on developments or redevelopments that are five storeys or more and include 10 or more residential units.

Similar to development charges, prior to imposing a CBC on development or redevelopment a community benefit charge by-law must be passed by municipal Council following the preparation of a community benefits strategy that identifies facilities, services and matters to be funded by a CBC.

These changes should be considered as part of the selection and development of incentive programs to include in an Affordable Housing CIP.

Appendix C. Policy Framework

1. Provincial Policy Statement, 2020

The Provincial Policy Statement provides policy direction on matters of provincial interest related to land use planning and development. As a key part of Ontario's policy-led planning system, the Provincial Policy Statement sets the policy foundation for regulating the development and use of land. It also supports the provincial goal to enhance the quality of life for all Ontarians.

Part IV of the Provincial Policy Statement includes a Vision. Included as Part of the Vision, the Provincial Policy Statement provides that "Planning authorities are encouraged to permit and facilitate a range of housing options, including new development as well as residential intensification, to respond to current and future needs." The Vision of the Provincial Policy Statement further encourages "land use patterns [that] promote a mix of housing, including affordable housing..."

1.1. Housing Policies

Housing policies are included in Section 1.4 of the Provincial Policy Statement. Policy 1.4.3 states:

1.4.3 Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by:

a) establishing and implementing minimum targets for the provision of housing which is affordable to low- and moderate-income households and which aligns with applicable housing and homelessness plans. However, where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities;

b) permitting and facilitating:

1. all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements and needs arising from demographic changes and employment opportunities; and

2. all types of residential intensification, including additional residential units, and redevelopment in accordance with policy 1.1.3.3;

c) directing the development of new housing towards locations where appropriate levels of infrastructure and public service facilities are or will be available to support current and projected needs;

d) promoting densities for new housing which efficiently use land, resources, infrastructure and public service facilities, and support the use of active transportation and transit in areas where it exists or is to be developed;

e) requiring transit-supportive development and prioritizing intensification, including potential air rights development, in proximity to transit, including corridors and stations; and

f) establishing development standards for residential intensification, redevelopment and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.

The Affordable Housing Community Improvement Plan is a land use planning tool that works toward the implementation of an appropriate range and mix of housing options including affordable housing options.

1.1.2 Affordable Housing: Defined

Section 6.0 of the Provincial Policy Statement defines affordable as follows:

Affordable: means

a) in the case of ownership housing, the least expensive of:

1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or

2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;

b) in the case of rental housing, the least expensive of:

1. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or

2. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

The Provincial Policy Statement provides the following definitions:

Low and moderate income households means:

a) in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the regional market area; or

b) in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market area.

The Provincial Policy Statement's definition of affordable will need to be incorporated into agreements that relate to incentives for affordable housing.

2. A Place to Grow: Growth Plan for the Greater Golden Horseshoe

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan) is the Ontario government's plan for growth and development to support economic prosperity, protect the environment, and help communities achieve a high quality of life. The Plan applies to the geographical area known as the Greater Golden Horseshoe, which includes the City of Welland. Section 1.2.1 of the Growth Plan provides as follows:

The policies of this Plan regarding how land is developed, resources are managed and protected, and public dollars are invested are based on the following principles:...

- *Support a range and mix of housing options, including additional residential units and affordable housing, to serve all sizes, incomes, and ages of households...*

Policies pertaining to the provision of affordable housing are focused within Section 2.2.1 and 2.2.6 of the Growth Plan are as follows:

2.2.1 Managing Growth

4. Applying the policies of this Plan will support the achievement of complete communities that: ...

- c) provide a diverse range and mix of housing options, including additional residential units and affordable housing, to accommodate people at all stages of life, and to accommodate the needs of all household sizes and incomes...*

2.2.6 Housing

1. Upper- and single-tier municipalities, in consultation with lower-tier municipalities, the Province, and other appropriate stakeholders, will:

a) support housing choice through the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan by:

i. identifying a diverse range and mix of housing options and densities, including additional residential units and affordable housing to meet projected needs of current and future residents; and

ii. establishing targets for affordable ownership housing and rental housing;

b) identify mechanisms, including the use of land use planning and financial tools, to support the implementation of policy 2.2.6.1 a);

c) align land use planning with applicable housing and homelessness plans required under the Housing Services Act, 2011;

d) address housing needs in accordance with provincial policy statements such as the Policy Statement: "Service Manager Housing and Homelessness Plans"; and

e) implement policy 2.2.6.1 a), b), c) and d) through official plan policies and designations and zoning by-laws.

2. Notwithstanding policy 1.4.1 of the PPS, 2020, in implementing policy 2.2.6.1, municipalities will support the achievement of complete communities by:

a) planning to accommodate forecasted growth to the horizon of this Plan;

b) planning to achieve the minimum intensification and density targets in this Plan;

c) considering the range and mix of housing options and densities of the existing housing stock; and

d) planning to diversify their overall housing stock across the municipality.

The development of an Affordable Housing CIP conforms to the Growth Plan by facilitating a range and mix of housing options, including additional residential units and affordable housing.

3. Niagara Region Official Plan

The Niagara Region Official Plan (ROP) is the long-range, community planning document used to guide the physical, economic and social development of Niagara. It contains objectives, policies and mapping that implement the Region's approach to managing growth, growing the economy, protecting the natural environment, resources and agricultural land, and providing infrastructure. Local policies are required to be in conformity with the ROP. The current ROP was approved in 1973 (referred to here as the existing ROP).

On June 23, 2022, the Region of Niagara Council adopted a new ROP via By-law 2022-47 (new ROP). The new ROP has been submitted to Ontario's Ministry of Municipal Affairs and Housing for approval. Both the existing ROP and new ROP contain policies related to the development of an Affordable Housing CIP:

3.1. Existing Regional Official Plan

3.1.1. Residential Areas and Housing

Chapter 11.A of the existing ROP provides policies pertaining to residential areas and housing:

Policy 11.A.1 The Region encourages the provision of a variety of housing types within urban communities and neighbourhoods to serve a variety of people as they age through the life cycle.

Policy 11.A.6 The Region will encourage the local municipalities to adopt policies and zoning bylaws facilitating the creation of secondary suites throughout the urban area.

Policy 11.A.8 The Region supports, and encourages the local municipalities to support, not-for-profit housing agencies as well as the private sector in the development of affordable housing for low and moderate income households, individuals who have physical disabilities, and other special needs groups, including those living in a situation of absolute or relative homelessness.

Policy 11.A.9 The Region will work with local municipalities and housing agencies in preparing an inventory of potential sites for not-for-profit housing units.

Policy 11.A.10 The Region encourages the local municipalities to participate in providing incentives to contribute to the supply of affordable housing, and to participate in senior government programs to create new affordable housing.

Policy 11.A.11 The Region will consider, and encourages the local municipalities also to consider waiving, exempting, or providing grants-in-lieu of residential development charges, planning fees, and building permit fees for new affordable housing in return for a commitment by the developer to meet specified affordability targets and/or requirements under a senior government affordable housing program or a program of Niagara Regional Housing.

Policy 11.A.12 The Region encourages developers of affordable housing to consider using Regional and local incentives related to brownfields and downtown areas in conjunction with senior government funding programs to create new affordable housing. The Region particularly encourages using the Federal program in support of the creation of affordable housing.

Policy 11.A.13 The Region will investigate establishing an Affordable Housing Reserve Fund to provide incentives to private and community organizations for the creation of affordable housing and for other affordable housing purposes.

Policy 11.A.14 The Region will work with the local municipalities, school boards, federal, and provincial governments to identify surplus government lands and/or buildings that may be suitable for affordable housing purposes.

Policy 11.A.15 Where appropriate, the Region commits to, and encourages the local municipalities to also commit to, a 'housing first' policy for surplus municipal lands such that the first priority in the decision process regarding possible disposal of surplus lands shall be affordable housing, and that best efforts will be made to make the surplus property available for affordable housing purposes.

An Affordable Housing CIP would implement policies of the ROP with respect to Residential Areas and Housing. Through the CIP, consideration will be given towards waiving, exempting, or providing grants-in-lieu of residential development charges, planning fees, and building permit fees for new affordable housing.

3.1.2. Community Improvement

Policy 14.F.1 provides as follows with respect to Community Improvement:

- i. For the purpose of promoting healthy communities, the Region may support community improvement through the designation of Community Improvement Project Areas and the adoption of Regional Community Improvement Plans.*
- ii. The Region may establish programs for the provision of grants and loans to local municipalities for the purpose of achieving the goals of Community Improvement Plans.*
- iii. The Region will engage and meet regularly with Local Municipal Coordinators of Community Improvement to ensure consistency, up to date information, streamlining of administrative processes, and continuous improvement.*

Policy 14.F.4 provides that the Region will encourage the local municipalities to adopt implementation measures to support the objectives and policies of the ROP including CIPs.

The Region has in place many incentives to encourage the provision of affordable housing. The Region has recently completed a review of these incentives and has put in place a comprehensive Niagara Region Incentives Policy (NRIP). Regional Incentives and the NRIP are described in Section 7 of this report. An Affordable Housing CIP would complement the NRIP to contribute to the provision of affordable housing.

3.2. New Regional Official Plan

The new ROP will be in effect following approval by the Minister of Municipal Affairs and Housing. The new ROP provides updated forecasts related to growth and intensification to the year 2051. The following is a summary:

3.2.1. Forecasted Growth

Section 2.1 of the new ROP provides that the Niagara Region is planning to accommodate a minimum population of 694,000 people and 272,000 jobs by 2051. This represents an increase of over 200,000 people and 85,000 jobs compared to 2021. Effective and proactive growth management is needed to ensure there is appropriate housing, employment, and infrastructure available to support Niagara's growth. Table 2-1 of the new ROP provides a 2051 population forecast of 83,000. Statistics Canada, 2021 Census of Population, Census profile indicates that the 2021 population Census Profile, 2021 Census of Population indicates that the population for the City of Welland in 2021 is 55,750 people.

As per Section 2.1, the Region is anticipated to experience significant growth to the year 2051. The provision of Affordable Housing is necessary to meet these growth pressures and provide a range of housing options beyond market based housing.

3.2.2. Residential Intensification Targets

Policy 2.2.2.6 of the new ROP provides that local Area Municipalities shall establish intensification targets in their Official Plans that meet or exceed the targets identified in Table 2-2. Table 2-2 of the new ROP provides a minimum residential intensification target for the City of Welland of 10,440 units, representing an intensification rate of 75%. The intensification rate represents the amount of residential units occurring annually within the Built-up Area. Residential units constructed on Greenfield Lands or outside the Urban Area Boundary are not considered to be intensification.

3.2.3. Provide for a Mix of Housing Options

Section 2.3 of the new ROP provides as follows:

The provision of an adequate supply of housing is key to good quality of life.

Housing needs change throughout our lifetimes. A diverse housing stock with a range of tenures, sizes, types, and supports should be made available to meet the needs of our communities. As a priority, the Region must retain, protect, and increase the supply of affordable housing for low- and moderate-income households.

The following objectives apply:

- a) provide a mix of housing options to address current and future needs;*
- b) provide more affordable and attainable housing options within our communities; and*
- c) plan to achieve affordable housing targets through land use and financial incentive tools.*

Section 2.3.1 provides policies related to the provision of a mix of housing options as follows:

2.3.1.1 The development of a range and mix of densities, lot and unit sizes, and housing types, including affordable and attainable housing, will be planned for throughout settlement areas to meet housing needs at all stages of life.

2.3.1.2 Local Area Municipalities shall establish targets in Local official plans for an overall housing mix by density type and affordability based on consultation with the Region and the minimum affordable housing targets outlined in Policy 2.3.2.3.

An Affordable Housing CIP would implement policies in the new ROP pertaining to the provision of a mix of housing options to address current and future needs including affordable and attainable

housing options. The provision of a diverse range of financial incentives would provide for affordable housing throughout the housing continuum.

3.2.4. Provide for Affordable and Attainable Housing

Section 2.3.2 includes policies to achieve affordable and attainable housing. Of relevance, the following apply:

2.3.2.3 To encourage the development of affordable housing, the following minimum targets will be implemented to the horizon of this Plan, unless local targets are higher in which case those apply:

- a) 20% of all new rental housing is to be affordable; and*
- b) 10% of all new ownership housing is to be affordable.*

2.3.2.4 The Region will consult with Local Area Municipalities, school boards, and Federal and Provincial agencies to:

- a) identify surplus government lands and/or buildings that may be suitable for affordable and attainable housing development;*
- b) prioritize the sale or lease of suitable surplus Regional property for the development of affordable and attainable housing in accordance with the Region's Disposal of Land By-law; and*
- c) identify brownfield and greyfield sites, including underutilized commercial sites or strip plazas, outside employment areas for mixed-use residential intensification and affordable housing development.*

2.3.2.5 Affordable housing, specialized housing needs, and community housing should be located:

- a) in areas with existing or planned municipal water and wastewater services/systems and urban amenities;*
- b) near existing or planned transit, including higher order transit and frequent transit service, and active transportation facilities; and*
- c) near public service facilities, especially community hubs.*

As per the new ROP, a significant proportion of new housing will be required to be affordable. An Affordable Housing CIP provides for a range of options to achieve these targets. One such option that was identified in Policy 2.3.2.4 relates to the disposition of Regionally owned land. Through the development of the Affordable Housing CIP consideration should be given towards developing a comprehensive plan dealing with surplus lands.

Policy 2.3.2.5 of the new ROP identifies locations that are most appropriate for affordable housing, specialized housing needs, and community housing. These matters should be given consideration in designating a community improvement project area.

3.2.5. Planning Tools to Achieve Affordable and Attainable Housing

Section 2.3.3 describes Planning Tools to Achieve Affordable and Attainable Housing:

2.3.3.1 *The following tools will be considered to support the development of affordable and attainable housing:*

- a) flexibility in the scale, form, and types of residential uses permitted as-of-right, including additional residential units and other alternative housing forms;*
- b) streamlining of planning approvals for the development of affordable housing, attainable housing, and community housing, with a priority for developments receiving time-sensitive government funding;*
- c) financial incentive programs, such as grants, development charge deferrals, and property tax reductions that promote brownfield redevelopment and affordable housing options, including purpose-built rental housing;*
- d) the inclusion of a mix of unit sizes in multi-unit developments to accommodate a diverse range of household sizes and incomes;*
- e) site standards that facilitate the development of additional residential units, such as reduced setbacks, narrower lot sizes, and reduced parking standards;*
- f) inclusionary zoning provisions within protected major transit station areas and/or areas with an approved Community Planning Permit System, subject to the preparation of an assessment report as described in the Planning Act and Ontario Regulation 232/18; and*
- g) demolition control and residential replacement by-laws that would prohibit the demolition of existing rental units without replacement of the same or higher number of rental units.*

2.3.3.2 *Local Area Municipalities shall permit up to two additional residential units as-of-right within new or existing residential development, subject to Provincial legislation and appropriate land use, size, and locational criteria.*

2.3.3.3 *Local Area Municipalities, in consultation with the Region, are encouraged to develop local housing strategies that:*

- a) identify land use planning tools and other housing initiatives and programs, including those listed in Policy 2.3.3.1, that support housing need within the Local Area Municipality;*
- b) establish affordable housing targets that contribute to achieving targets outlined in Policy 2.3.2.3; and*
- c) identify performance indicators that monitor the achievement towards the strategy's targets and objectives.*

An Affordable Housing CIP would implement tools identified in the new ROP encouraging the provision of financial incentives to achieve affordable housing and purpose-built rental housing. An Affordable Housing CIP would also be able to augment policies related to housing diversity and additional residential units.

3.2.6. Community Improvement

Section 7.5 of the new ROP describes implementation tools for achieving its policies as follows:

7.5.1.1 For the purpose of promoting healthy communities, the Region may support community improvement through Regional programs enabled by plans, policies and by-laws it may establish, and by participation in eligible programs in Local Area Municipalities.

7.5.1.2 The Region will regularly engage with Local municipal staff regarding administration and enhancement of programs designed to promote community improvement.

7.5.4.1 The Region will encourage the Local Area Municipalities to adopt implementation measures to support the objectives and policies of this Plan including:

g) community improvement plans;

4. Official Plan

The City of Welland Official Plan defines the community's vision for long-term growth and development in the City. To support this vision, the Plan contains goals, objectives, and policies to guide growth and development, and promote a good quality of life for the citizens of Welland while considering important environmental, economic, cultural, and social factors. While the Official Plan is intended to be a long-term document with a 20-year horizon, it is generally viewed as a "living document" that may change as the City evolves and the plan is reviewed on a regular basis. The current Official Plan was approved on September 15, 2011, by the Region of Niagara. The City of Welland is in the process of updating its Official Plan.

4.1 Official Plan Update

The City of Welland is in the process of updating its Official Plan. As the City continues to grow and evolve, the City's Official Plan requires a review and update of its current policies, goals and objectives. As part of the Official Plan Update initiative, the City of Welland has completed background reviews in the following areas:

- Complete Communities Background Review
- Economy Background Review
- Growth Management Background Review
- Natural Heritage Background Review
- Policy Background Review

Section 7.10.3 of the City's current Official Plan set out the criteria for new CIPs

7.10.3.1 Criteria for New Areas

In considering the establishment of a new Community Improvement Plan Area, the City will consider any of the following criteria:

i. Conditions of existing buildings; ii. Land use issues; iii. Aesthetic issues; iv. Transportation or infrastructure issues; v. Natural or human-made environmental issues; vi. Social or community issues; vii. Economic issues; and, viii. Any other relevant issues which create barriers to the repair, rehabilitation or redevelopment of underutilized or dilapidated land/buildings.

7.10.3.2 Criteria for New Community Improvement Plans New Community Improvement Plans shall contain a statement of purpose, goals, objectives, a description of the Community Improvement

Project area, a description of all programs and/or projects, an implementation plan, and a technical appendix justifying the delineation of the area and the need for the programs. The preparation and adoption of new Community Improvement Plans shall meet the minimum requirements of the Planning Act for public consultation

The City of Welland has also completed a Policy Directions Report to build upon the topics, opportunities, constraints, and policy conformity gaps described in the background reviews to compile preliminary policy directions. Of most relevance is the Growth Management Background Review, as it provides updated forecasts related to population and housing. This matter is discussed in Section 5.3 of this report.

4.2 Strategic Objectives

The strategic directions form the foundation and basis of the Official Plan. It describes the strategic goals (what the community would like to achieve) and directions (how the community intends to achieve its goals) of the Plan. An overview of the Strategic Directions is included in Section 2.1.1 of the Official Plan, as follows:

Welland's Community Strategic Directions should be considered in their entirety and the order in which they are listed does not suggest that any one direction is more important than another. Welland is:

- i. A leadership community;*
- ii. A complete community;*
- iii. An economic gateway;*
- iv. A sustainable City;*
- v. A safe, healthy and accessible City;*
- vi. A proud and attractive City; and,*
- vii. A good neighbour.*

The provision of affordable housing fits within the strategic directions of “a complete community.” Section 2.3.1 provides a background to “a complete community”:

Complete communities meet all people's needs for daily living throughout an entire lifetime by providing convenient access to an appropriate mix of jobs, services, a full range of housing, and community infrastructure including affordable housing, schools, recreation and open space for their residents. Convenient access to public transportation and options for safe, non-motorized travel is also an important component of a complete community. Complete communities provide a lifetime of opportunities for living, working, wellness, education, entertainment and recreation. The City of Welland aspires to be a complete community.

The following strategic objectives identified in Section 2.3.2 specifically relate to housing:

- ii. Welland will promote social inclusion, improved access to housing, commerce, job opportunities and social services.*

iv. Welland will ensure that there is an adequate supply of different housing types which cater to the wide variety of its citizen's needs.

v. Welland will work with the Regional Municipality of Niagara to ensure that a sufficient supply of housing is provided which is affordable to low and moderate income households.

vi. Welland recognizes the importance of retaining youth, supporting families, and building a community which allows people to age-in-place.

ix. Welland will encourage residential and non-residential development which is considered attractive to youth and young families, supports family-building, and allows for aging-in-place.

4.3 Growth Management and Forecasts

Section 3 of the City of Welland Official Plan provides the City's Growth Management Strategy. The focus of the Strategy is to direct all urban growth to lands within the designated Urban Area Boundary. The Growth Management Strategy also supports growth and development within several strategic intensification areas. The City of Welland Official Plan provides Growth Forecasts as part of its Growth Management Strategy. These forecasts are being reviewed as part of the Official Plan update. The Growth Management Background Review provides relevant forecasts as follows:

Population and Housing Forecasts:

	2051	Change from 2021
Population Forecasts	83,000	+ 26,790
Housing Forecasts	37,540	+ 13,930

Growth in Housing by Type:

	Singles/Semis	Townhouses	Apartments
Built-up Area	+ 2,920 (28%)	+ 3,330 (32%)	+ 4,190 (40%)
Designated Greenfield Area	+ 2,630 (76%)	+ 720 (21%)	+ 100 (3%)

The remaining 40 units are forecasted to be constructed in the Rural Area.

Policy 3.3.5 provides that based on the population and housing forecasts within this Plan, or updates undertaken from time to time by the Region, the City will maintain, at all times, a minimum supply of 10 years' worth of residential development. The supply of residential lands shall comprise of a mix of intensification and greenfield lands.

4.4 City Structure

Section 3.4 of the Official Plan provides that Welland's current and future pattern is influenced by several large structural elements (see Schedule A: City Structure). The City is composed of an Urban Area and an Agricultural and Rural Area. These are described as follows:

- **Urban Area** - The Urban Area is defined by the Urban Boundary which establishes the limits of urban development and provides private sector investors with development certainty, as this Boundary clearly demarcates the lands which are intended to be served with full municipal services (and those which are not) within the timeframe of this Plan. Lands within this area are already serviced, or are intended to be serviced, with major roads, transit and piped sewer and water services. This supply of land is comprised of two sub-areas: the Built-Up Area within the Built Boundary; and Greenfield Area.
 - **Built-Up Area** includes lands which are already developed within the Built Boundary. The Built Boundary is important for measuring and monitoring intensification rates, as all growth which occurs within the Built Boundary is considered to be “intensification”.
 - **Greenfield Areas** are the lands within the Urban Boundary which are not built up and outside of the City’s Built Boundary.
- **Agricultural and Rural Area** provides a land base where rural and agricultural activities can occur in a stable and predictable environment. The predominant activity in this area is farming, but other limited non-farm activities can occur within the Agricultural Area.

4.5 Intensification and Housing

Policy 3.4.4.1.C of the Official Plan provides that intensification of residential and employment areas will be encouraged since it offers opportunities for economic development; is a viable approach to reducing the amount of Greenfield land needed for growth; takes advantage of already serviced but underutilized land; and helps to improve the vibrancy and aesthetics of Welland’s existing areas. Intensification is encouraged throughout the Built up Area, however, the strategic location for intensification projects should generally be within the Downtown, on brownfield sites, along the Welland Recreational Waterway and along key transit corridors within the City as these areas are considered to be the most appropriate locations for intensification.

Section 3.4.4.1.E provides a strategy for achieving the Official Plan’s intensification target. The following sub-policies are relevant:

- i. Designating lands with intensification potential in this Plan as Medium or High Density Residential, or as mixed-use through an Area Specific Policy;*
- iii. Providing Policies in this Plan which allow for appropriate infilling throughout the Built-Up Area;*
- iv. Providing Policies in this Plan which allow for the creation of secondary suites;*
- v. Providing financial incentives for reinvestment in strategic locations through Community Improvement Plans (Downtown Community Improvement Plan and Brownfield Community Improvement Plan)...*

4.6 Greenfield Development

A significant amount of new housing will be accommodated on Greenfield Lands. Policy 3.4.5.1.B provides that the City will maintain an adequate supply of Greenfield lands to accommodate planned future growth. Greenfield lands provide the City with an opportunity to build comprehensive, compact and integrated new neighbourhoods. Welland aspires to build compact, mixed use, transit

supportive neighbourhoods in these newly developed areas, supporting the City’s strategic direction to build a complete community.

Policy 3.4.5.1.D provides that Welland’s Greenfield Areas will be planned to support the achievement of an overall density target of 50 residents and jobs combined per gross hectare.

4.7 Urban Area Land Use Designations and Policies

Chapter 4 of the Official Plan provides Urban Area Land Use Policies and describes the different designations which apply to lands within the City’s Urban Boundary. These land use designations are identified on Schedule B of the City’s Official Plan. For residential and commercial lands, a further hierarchy of land use designations is provided on Schedules B1 and B2 respectively. The land use designations provided in the City’s Official Plan are as follows:

4.7.1 Downtown

As per Objective 4.1.1.3 the City supports a variety of compatible land uses in its Downtown which are mixed at both the block and building scale. The following apply to the Downtown designation:

Designation	Planned Function	Permitted Housing Types
Downtown Welland	intended to serve a variety of complementary functions. The Downtown is intended to accommodate the broadest diversity of uses and the greatest concentration of activity. The Downtown is the location for important institutional uses, niche shops and specialty retail uses, cultural and entertainment uses, businesses and offices, high density residential uses and parks and open spaces. The Downtown is also intended to function as a neighbourhood and include a variety of uses which support the population living in and around the downtown.	Low, Medium and High-Density Residential Uses

Of note, Policy 4.1.2.1.C of the Official Plan describes the scale of Downtown Development and states:

Downtown development should generally contain buildings which are medium (3 to 4 stories) and high-rise (5 to 8 stories) in height. High-rise buildings should be located away from stable neighbourhoods adjacent to the Downtown.

4.7.2 Housing and Residential

Objective 4.2.1.4 of the Official Plan provides that the City will encourage that housing be planned and developed which meets the needs of citizens at all levels of income and ensure that the land use policies discourage development forms / patterns which negatively impact affordability.

The Official Plan designates the following land use categories:

Designation	Planned Function	Permitted Housing Types
Low Density Residential	intended to provide housing for residential development at a minimum density of 15 dwelling units per net hectare of land and maximum density of 24 dwelling units per net hectare of land	single-detached; semi-detached; triplex; townhouse; and duplex
Medium Density Residential	intended to provide housing for residential development at a minimum density of 25 dwelling units per net hectare of land and a maximum density of 60 dwelling units per net hectare of land	triplex; four-plex; townhouse; stacked townhouse; and low rise apartment housing
High Density Residential	intended to provide housing for residential development at a minimum density of 61 dwelling units per net hectare of land and a maximum density of 125 dwelling units per net hectare of land	medium-rise apartment; and high-rise apartment

Section 4.2.3 of the Official Plan provides additional policies with respect to housing. A full range of equitable housing options are identified including:

- Live/Work Opportunities
- Affordable Housing
- Accessible Housing
- Group Homes
- Accessory Dwelling Units
- Garden Suites

- Student Accommodation

4.7.3 Employment Areas

Section 4.3.2.1 of the Official Plan identifies three distinct land use designations for Employment Areas, as follows:

Designation	Planned Function	Permitted Housing Types
General Industrial Area	to provide areas for employment for industrial activities, including those activities which may have adverse impacts associated with their operation.	Not permitted
Light Industrial Area	to provide areas for employment for industrial activities which are intended to have no adverse impacts associated with their operation.	Not permitted
Gateway Economic Centre	to be a specialized employment area for industries involved in the movement of goods, cross border trade and those businesses which require access or visibility associated with a 400 series highway.	Not permitted

Generally, residential uses are not permitted within employment areas. Policy 4.3.3.8 provides that an accessory residential use, such as a caretaker's residence, which is incidental to, and supportive of, the employment use, may be permitted subject to any appropriate mitigative measures required to conform with Provincial and/or Regional Policy the planning process.

4.7.4 Commercial Areas

As per Policy 4.4.2.1 of the Official Plan, the City of Welland's commercial structure is comprised of a distinct set of nodes and corridors. In addition to the Downtown, the Official Plan describes five (5) distinctive commercial nodes and corridors typologies.

Designation	Planned Function	Permitted Housing Types
Regional Shopping Node	to serve as the principal focus of commercial activity, providing retail commercial services, entertainment and office uses for residents within the	Not permitted

Designation	Planned Function	Permitted Housing Types
	regional trade area. The term regional refers to the trade area and not Niagara Region. The Regional shopping node serves an area which includes the City of Welland, the City Port Colborne, the Town of Pelham, the Township of Wainfleet and parts of the Township of West Lincoln and the City of Thorold.	
Eastern Approach	to serve as a regional focus of retail and service activity in the City in an unenclosed shopping centre with generally large scale freestanding facilities containing new large-format retail (“big box”) stores.	Not permitted
Community Commercial Nodes	to serve as a local focus for commercial activity at sites distributed across the City to serve community commercial functions with free-standing commercial uses and small plazas on larger lots that are generally anchored by supermarket facilities or a large retailer. Community Commercial Nodes will serve the needs of local residents in living in areas within relatively close proximity to the Node.	Permitted in a mixed-use format (such as residential units on the second storey of a two-storey building).
Community Commercial Corridors	to serve as a focus of commercial activity along major access corridors to serve the travelling public, on free-standing commercial uses and small plazas generally on relatively small lots.	Not permitted
Neighbourhood Commercial Nodes	to provide for daily or weekly convenience shopping and service needs of nearby residents.	Residential units are permitted above commercial uses within these buildings.

4.7.5 Institutional

There are two institutional designations that are identified in the Official Plan. Lands within these designations can provide accommodations, but when used for housing, unlike for residential designations, are specifically intended to serve socially disadvantaged groups. The following designations apply:

Designation	Planned Function	Permitted Housing Types
Institutional	to serve the immediate neighbourhood, a collection of neighbourhoods or the entire City, and provide social or cultural services such as education, health care, social housing, and religious worship for residents	social housing; assisted living; and care facilities and retirement homes for senior citizens.
Health and Wellness Cluster	includes a range of health and wellness related uses which are typically developed as a campus, which may involve one large main building with smaller subordinate buildings, intended to serve the City or region. The Health and Wellness Cluster is planned to function as Welland's premier location for health and wellness related activities. The area is designated to allow for the creation and evolution of a suite of similar activities which can potentially benefit from geographic proximity	housing related to the medical / health care use; long term care facilities; extended care accommodations; independent living; accommodations; social housing; and seniors housing.

As per Policy 4.5.3.3 both the Institutional and the Health and Wellness Cluster provide that accessory residential uses which are incidental and supportive of the institutional uses may be permitted.

4.8 Agricultural and Rural Area Land Use Designations and Policies

Chapter 5 of the Official Plan provides Agricultural and Rural Area Land Use Policies and describes the different designations which apply to lands within the City's Urban Boundary. These lands are identified on Schedule B of the City's Official Plan. The broad categories of land use designations are as follows:

Designation	Planned Function	Permitted Housing Types
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Agricultural	to provide land for farming and agriculturally related activities and to protect the City's prime agricultural lands	Farm residence; and Dwellings for farm help
Rural Employment	to provide farm or resource related places of work on lands which do not require municipally provided sanitary or water services	Not permitted
Rural	The predominant use of lands within the Rural designation shall be agriculture, but some non-farm related development will be permitted	Rural Residential Uses

Of note, while in some instance residential uses may be permitted, such uses are not generally encouraged. With Bill 108, some municipalities have considered the provision of additional dwelling units within agricultural and rural areas. This matter will need to be considered as part of the Official Plan update. The City will also need to consider the appropriateness of providing incentives in the rural and agricultural area.

4.9 Welland Recreational Waterway

Chapter 6 of the Official Plan provides Environment policies. There are three designations identified within the Environment Section of the Official Plan, being Core Natural Heritage System, Parks, Open Space and Recreation, and Welland Recreational Waterway. Residential uses are only permitted in the Welland Recreational Waterway designation, as follows:

Designation	Planned Function	Permitted Housing Types
Welland Recreational Waterway	to achieve a vision put forth in the Welland Recreational Waterway Master Plan	Medium and high-density residential development may be permitted subject to meeting land use planning criteria

Policy 6.2.3.1.A of the Official Plan provides as follows regarding parkland dedication:

Required Dedication or Contribution

In accordance with the Planning Act, as a condition of development approval, the City of Welland may require the applicant to dedicate up to 5% of the gross area for the provision of public open space, other than roads, in residential developments, and up to 2% for commercial or industrial developments. Also, in accordance with the Planning Act, as a condition of development approval, the City of Welland may require the applicant to dedicate one (1) hectare for every 300 dwelling units. This required dedication may take the form of land or as a cash-in-lieu payment to the City's reserve fund to be calculated as of the day prior to the issuance of a Building Permit.

There may be opportunities to rebate parkland dedication fees in exchange for the provision of affordable housing, through the Affordable Housing CIP.

4.10 Community Improvement Plans

Section 7.10 of the Official Plan provides that the *Planning Act* allows municipalities to identify Community Improvement Project Areas, prepare CIPs, and provide incentive programs which stimulate redevelopment of lands as a means to maintain the vitality of the municipality.

4.10.1 Existing Community Improvement Plans

The Official Plan contains policies pertaining to two CIPs, as follows:

Plan Name	Goals	Programs Eligibility and Funding
Downtown Community Improvement Plan	The goal of community improvement in the Downtown is to reinforce the importance of the Downtown, aid in stimulating private sector redevelopment, and guide private sector development and redevelopment.	<ul style="list-style-type: none"> i. Facade Restoration and Improvement Loan Program; ii. Development Charge Waiver/Exemption Program; iii. Refund of Local Planning and Building Fees Program iv. Residential Conversion and Intensification Loan Program; v. Property Rehabilitation and Redevelopment Tax-Increment Grant Program; and vi. Parking Requirements Reduction Program.
Brownfield Community Improvement Plan	The goal of community improvement on brownfield lands is to promote the remediation, rehabilitation, adaptive re-use, redevelopment and overall improvement of brownfield sites.	<ul style="list-style-type: none"> i. Environmental Site Assessment Grant Program; ii. Brownfields Tax Assistance Program; and; and iii. Brownfields Rehabilitation Grant Program.

4.10.2 Criteria for New Areas

Section 7.10.3.1 of the Official Plan provides criteria for identifying new CIP Areas:

In considering the establishment of a new Community Improvement Plan Area, the City will consider any of the following criteria:

- i. Conditions of existing buildings;*
- ii. Land use issues;*
- iii. Aesthetic issues;*
- iv. Transportation or infrastructure issues;*
- v. Natural or human-made environmental issues;*
- vi. Social or community issues;*
- vii. Economic issues; and,*

viii. Any other relevant issues which create barriers to the repair, rehabilitation or redevelopment of underutilized or dilapidated land/buildings.

4.10.3 Criteria for New Community Improvement Plans

Section 7.10.3.2 of the Official Plan provides criteria for identifying new CIPs, as follows:

New Community Improvement Plans shall contain a statement of purpose, goals, objectives, a description of the Community Improvement Project area, a description of all programs and/or projects, an implementation plan, and a technical appendix justifying the delineation of the area and the need for the programs. The preparation and adoption of new Community Improvement Plans shall meet the minimum requirements of the Planning Act for public consultation.

As Section 7.10.3.2 of the OP contains provisions related to Community Improvement, Section 28(2) of the *Planning Act* requiring Official Plan policies prior to designating a Community Improvement Project Area or preparing a CIP are met.

5. Zoning By-Law

The City of Welland Zoning By-law 2017-117 was passed on October 17, 2017 (“Zoning By-law”). The Zoning By-law implements the policies of the City’s Official Plan by regulating the use and character of lands, buildings and structures within the Town in conformity with the policies of the Official Plan. The following is most relevant with respect to the Affordable Housing CIP.

5.1 General Provisions

In its General Provisions, the Zoning By-law identifies three types of dwelling units that may be permitted with a main use. For residential uses, these include accessory dwelling units and garden suites. For commercial and mixed-use zones, these include apartment units.

5.1.1 Accessory Dwelling Units

Section 5.2 of the City of Welland Zoning By-law includes regulations pertaining to the Accessory Dwelling Units, as follows:

Notwithstanding any other provisions of this By-law, where an accessory dwelling unit is permitted by this By-law it shall be in accordance with *Planning Act*, as amended, Regulation O. Reg. 384/94 and the following provisions:

- a) *Only one accessory dwelling unit shall be permitted per lot.*
- b) *An accessory dwelling unit is permitted in association with a single-detached dwelling, two-unit dwelling and townhouse dwelling if no building or structure ancillary to the single-detached dwelling, two-unit dwelling or townhouse dwelling contains a residential dwelling unit.*
- c) *An accessory dwelling unit is permitted in a building accessory to a single-detached dwelling, two-unit dwelling or townhouse dwelling if the single-detached dwelling, two-unit dwelling or townhouse dwelling contains a single residential dwelling unit.*
- d) *Parking shall be in accordance with Section 6.*

As per the *More Homes, More Choice Act, 2019, S.O. 2019, c. 9 - Bill 108*, which amended the *Planning Act*, municipalities are required to permit the use of two additional residential units for lands containing a detached house, semi-detached house or rowhouse: one within the primary building, and one within a building or structure ancillary to the primary building. The above provision will need to be updated to reflect up-to-date *Planning Act* requirements.

5.1.2 Apartment Units in Commercial and Mixed-Use Zones

Section 5.4 of the City of Welland Zoning By-law includes regulations pertaining to apartment units in commercial and mixed-use zones, as follows:

Where permitted by this By-law an apartment unit permitted in Commercial and Mixed Use Zones shall be in accordance with the following provisions:

- a) Apartment unit(s) shall be located in the second or higher storey of commercial buildings.*
- b) An apartment unit shall be prohibited on the same lot as a motor vehicle body shop, motor vehicle dealership, motor vehicle repair establishment, motor vehicle service station or motor vehicle washing establishment.*
- c) Parking and loading requirements shall be provided for the apartment unit(s) in accordance with Section 6.*

5.1.3 Garden Suites

Garden suites are an alternative to accessory dwelling units that provides the opportunity for accommodation in a temporary building. The Zoning By-law defines garden suite as “a temporary one unit, detached residential structure containing bathroom and kitchen facilities that is ancillary to the existing residential structure and that is designed to be portable.” This form of dwelling is only permitted on a lot Zoned for a single-detached dwelling subject to a Temporary Use By-law passed under Section 39 of the *Planning Act*. As per Section 5.15(c) an accessory dwelling unit and a garden suite are not permitted on the same lot.

5.2 Zone Provisions

Sections 7 to 14 identify the uses that are permitted in each zone category. The effect of these zones is to only permit certain uses in various parts of the City. The only uses permitted in a zone are those that are specified in the By-law. If a use is not specifically mentioned as a permitted use in a Zone, then it is not permitted. Sections 7 to 14 also contain several regulations that control the placement, bulk and height of a building on a lot. This includes regulations such as minimum lot size, minimum frontage, maximum building height, or the maximum coverage of a building on a lot. The following are the Zoning Categories that apply to the City of Welland in which residential uses are permitted:

5.2.1 Residential Zones

Residential zones are contained within Section 7 of the Zoning By-law. There are four (4) residential zones in the City of Welland. These zones permit a large range of residential dwelling types:

Permitted Uses	Residential Low Density 1 (RL1)	Residential Low Density 2 (RL2)	Residential Medium Density (RM)	Residential High Density (RH)
Accessory Dwelling Unit	X	X	X	
Apartment Dwelling			X	X
Boarding and Lodging House			X	X
Garden Suite	X	X		
Group Home	X	X	X	X
Multiple Dwelling		X	X	
Retirement Home			X	X
Semi-detached Dwelling	X	X		
Single-detached dwelling	X	X		
Street Townhouse Dwelling		X	X	
Townhouse Dwelling (Block)		X	X	
Two-Unit Dwelling	X	X		

5.2.2 Commercial Zones

Commercial zones are contained within Section 8 of the Zoning By-law. There are five (5) Commercial zones in the City of Welland. Four (4) of these zones permit a large range of residential dwelling types:

Permitted Uses	Downtown Mixed-Use Centre (DMC)	Community Commercial Node (CC1)	Community Commercial Corridor (CC2)	Neighbourhood Commercial (NC)
Block Townhouse			X	
Boarding or Lodging House	X		X	
Dwelling, Accessory Unit	X			
Dwelling, Apartments	X	X	X	
Dwelling, Converted	X	X	X	

Permitted Uses	Downtown Mixed-Use Centre (DMC)	Community Commercial Node (CC1)	Community Commercial Corridor (CC2)	Neighbourhood Commercial (NC)
Dwelling, Multiple		X	X	
Dwelling Units Above Permitted Uses	X	X	X	X
Emergency Shelter	X			
Group Homes	X	X	X	X
Long Term Care Facility	X			
Residential Care Facility	X			
Retirement Home	X			

5.2.3 Open Space Zones

Open space zones are contained within Section 9 of the Zoning By-law. There are three (3) Open Space zones in the City of Welland. Only one (1) of the Open Space zones permit residential dwelling types.

Permitted Uses	Welland Recreational Waterway (WRW)
Accessory Dwelling Unit	X
Apartment Dwelling	X
Boarding or Lodging House	X
Group Home	X
Multiple Dwelling	X
Retirement Home	X
Street Townhouse Dwelling	X
Townhouse Dwelling (Block)	X
Two-Unit Dwelling	X

5.2.4 Institutional Zones

Institutional zones are contained within Section 11 of the Zoning By-law. There are two (2) institutional zones in the City of Welland, both of which permit residential uses as follows:

Permitted Uses	Institutional (INS1)	Health and Wellness (INSH)
Accessory Dwelling Units	X	X
Apartment Dwelling		X
Emergency Shelter	X	X
Group Home	X	X
Long Term Care Facility	X	X
Residential Care Facility	X	X
Retirement Home	X	X
Single-Detached Dwelling	X	X
Street Townhouse Dwelling	X	X
Two-Unit Dwelling	X	X

5.2.5 Agricultural and Rural Zones

Agricultural and Rural Zones are contained within Section 13 of the Zoning By-law. There are three (3) of these zones, all of which permit residential uses. However, these uses are generally intended to be accessory to agricultural, agricultural related and rural employment type uses. These residential uses are as follows:

Permitted Uses	Agricultural (A1)	Rural Residential (RR)	Rural Employment (RE)
Accessory Dwelling Unit	X	X	
Farm Labour Residence	X		

Garden Suite	X	X	
Group Home	X	X	
Single-Detached Dwelling	X	X	X
Single-Detached Dwelling (Principal Use on Existing Lot of Record)	X	X	

6. Current CIPs in Welland

6.1 Niagara Gateway Economic Zone and Centre CIP

The Niagara Gateway Economic Zone and Centre CIP (Gateway CIP) is intended to revitalize, diversify and strengthen the economy in Niagara by promoting development of the employment lands in the Gateway Economic Zone and Centre. The Gateway CIP provides a comprehensive framework for the introduction and implementation of financial incentive programs designed to attract investment and development in targeted strategic growth sectors to employment lands in the Gateway Economic Zone and Centre.

The Niagara Region led and coordinated the preparation of a “Master Gateway CIP” for employment lands within the five Local municipalities in the Gateway Economic Zone and Centre and all local municipalities (Fort Erie, Niagara Falls, Port Colborne, Thorold, and Welland) adopted this Master Gateway CIP to enable each municipality to offer grants that are partially funded by the Niagara Region. The CIP project focused on and includes only designated employment lands within the above listed municipalities.

There are several goals to the Gateway CIP, including the following:

- Revitalize, strengthen and diversify the Region’s economy;
- Create new employment and retain existing employment;
- Increase opportunities for cross border trade, movement of goods, and tourism;
- Promote efficient use of water and wastewater infrastructure;
- Strengthen business links to local institutions;

Three major incentive programs support the achievement of these goals:

1. Tax Increment Based Grant (TIBG)
 - Grant payments provided under the TIBG is increased to 10 years in areas that are shown as Strategic Locations for Investment, compared to 5 years in the Community Improvement Project Area.
2. Development Charge Grant Programs
 - A grant equivalent to Regional Development Charges paid on the project, but only for projects that achieve exceptional economic and environmental design performance levels.
3. City of Welland Planning Application Fee Grant Program
 - Grant program that would only be available to approved TIBG Program Applications that fall within a Strategic Location for Investment.

The Master Gateway CIP was prepared to provide a comprehensive framework for the implementation of financial incentive programs designed to attract investment and development into the Gateway Community Improvement Project Area. It is an example of a successful CIP partnership focused on shared goals.

6.2 Brownfield Community Improvement Plan

In May of 2007, the City of Welland adopted and implemented a Brownfield CIP. In 2017, Council approved an update of the Brownfield CIP. The purpose of the Brownfield CIP is to outline a framework of incentive programs, a municipal leadership strategy, and a marketing strategy designed to promote the assessment, remediation, risk management, adaptive reuse, development and redevelopment of brownfields by the private sector in Welland.

The Brownfield CIP features several goals, including:

- Improve the physical and visual quality of brownfield sites;
- Improve environmental health and public safety through remediation, risk assessment, and risk management of brownfield sites;
- Improve the potential profitability of brownfield sites;
- Retain and increase employment opportunities;
- Provide opportunities for housing and other uses in close proximity to Downtown Welland and the Welland Recreational Waterway;
- Increase property tax assessment and property tax revenues for the City of Welland, Region of Niagara, and the Province of Ontario;

An inventory of potential brownfield sites in Welland identified approximately two dozen brownfield properties. These properties include operating and non-operating heavy industrial uses, as well as a number of commercial uses, institutional uses and vacant lands. In total, the two dozen properties comprise over 202 ha (500 acres). While most of these properties have a moderate to high potential for contamination, they also have good redevelopment potential and are in close proximity to the Welland Recreational Waterway. Based on the location of potential brownfield sites in the City of Welland, the Community Improvement Project Area (CIPA) for this CIP is “the entire urban area of the City of Welland, as well as those lands included in the Northwest Planning and Servicing Study, as amended from time to time”.

The Brownfield CIP contains four incentive programs:

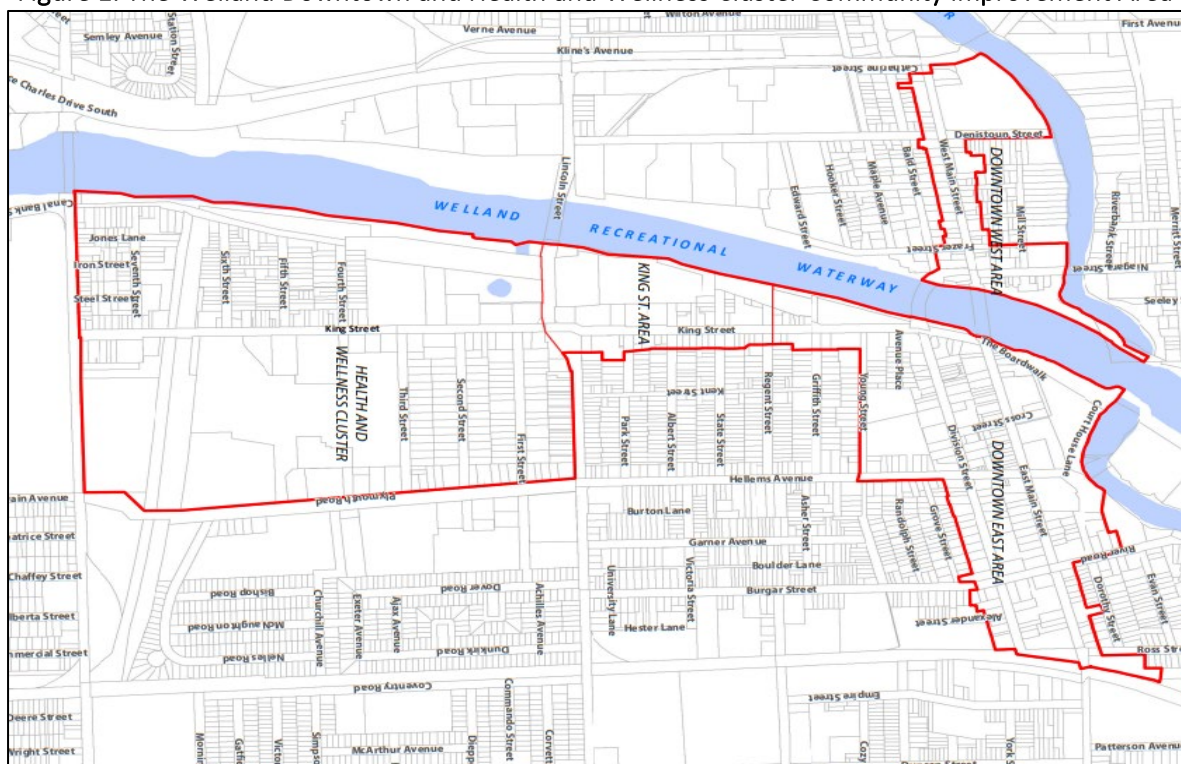
1. Environmental Study Grant (ESG) Program:
 - a) Grant is equal to 50% of the cost of an eligible environmental study to a maximum:
 - i. grant of \$20,000 per environmental study.
 - ii. of 2 studies per project.
 - iii. total grant of \$35,000 per project.
2. Brownfields Tax Assistance (BTA) Program:
 - a) Cancellation of Municipal (City and Region) and Education property taxes for up to 3 years, or up to the point in time where total tax assistance provided equals the total of actual eligible costs, whichever comes first.
 - b) Cancellation of Regional property taxes is subject to the approval of Regional Council or Regional Council’s designate.

- c) Cancellation of education property tax increase is subject to approval by the Minister of Finance and is a separate process from the CIP program application process.
- 3. Brownfields Tax Increment Grant (BTIG) Program:
 - a) If property is inside the Downtown and Health and Wellness Cluster Community Improvement Project Area, annual Grant is equal to 80% of the Municipal (City and Region) property tax increment created by the project for up to 15 years after project completion;
 - b) If property is outside the Downtown and Health and Wellness Cluster Community Improvement Project Area, annual Grant is equal to 80% of the Municipal (City and Region) property tax increment created by the project for up to 10 years after project completion;
 - c) If project achieves at least 3 of the City's 6 Development Charge Exemption criteria, the 80% in a) and b) above is increased to 100%.
- 4. Brownfields Fee Grant (BFG) Program:
 - a) Reimbursement type Grant equal to 100% of all planning and building permit fees.

6.3 Downtown and Health and Wellness Cluster Community Improvement Plan

The Welland Downtown and Health and Wellness Cluster CIP was created to develop a toolbox of incentive programs that can be offered by the City to stimulate private sector investment in the redevelopment of the Welland Downtown and Health Cluster Area.

Figure 1. The Welland Downtown and Health and Wellness Cluster Community Improvement Area



The CIP includes significant urban design and streetscape improvements within the CIP area. These improvements include active transportation improvements (bike lanes, crosswalks), greenspace improvements (street trees), private realm improvements (façade restoration, infilling), and lighting and road improvements. There is also an emphasis on creating new green connections such as trail

extensions, sidewalk extensions and safe street crossings, and public space upgrades such as mural restoration and renewal and the restoration of existing public spaces.

To implement the goals of the CIP, there are seven incentive programs are being offered:

- 1) Urban Design Study Grant Program
 - a. This grant is equal to 50% of cost for an urban design study and/or professional architectural/design drawing(s) to maximum grant of \$2,500 per property/project.
 - b. The duration of this program is approximately 10 years.
- 2) Façade Improvement Grant Program
 - a. This grant is equal to 50% of cost of eligible facade and storefront improvement/restoration works to commercial, institutional and mixed-use buildings to maximum grant per property/project of \$12,500. Region will help fund the maximum total grant of \$12,500 by matching the City contribution to the grant dollar for dollar up to a maximum contribution from the Region of \$6,250.
 - b. At discretion of Council, a separate grant equal to 50% of cost of eligible side and/or rear facade improvement/restoration works to commercial, institutional and mixed-use buildings up to a maximum grant of \$7,500 per property/project may be provided where side and/or rear facades are highly visible from a public road, public parking area and/or public open space.
 - c. The duration of this program is approximately 10 years.
- 3) Building Improvement Grant/Loan Program
 - a. Grant equal to 50% of cost of eligible building improvement works to commercial, institutional and mixed-use buildings to a maximum grant per property/project of \$12,500 OR loan equal to 70% of the cost of eligible building improvement works to commercial, institutional and mixed-use buildings to a maximum loan per property/project of \$30,000.
 - b. Region will help fund the maximum total grant of \$12,500 by matching the City contribution to the grant dollar for dollar up to a maximum contribution from the Region of \$6,250. Region will help fund the maximum total loan of \$30,000 by matching the City contribution to the loan dollar for dollar up to a maximum contribution from the Region of \$10,000.
 - c. The duration of this program is approximately 10 years.
- 4) Residential Grant/Loan Program
 - a. Grant equal to \$15 per sq. ft. of residential space rehabilitated or created to a maximum grant of \$15,000 per unit and a maximum of 4 units per property/project (maximum grant per property/project is \$60,000) OR loan equal to \$20 per sq. ft. of residential space rehabilitated or created to a maximum loan of \$20,000 per unit and a maximum of 4 units per property/project (maximum loan per property/project is \$80,000).
 - b. The Niagara Region will help fund the maximum total grant of \$15,000 per unit by matching the City contribution to the grant dollar for dollar up to a maximum contribution from the Region of \$5,000 per unit. The Region will help fund the maximum total loan of \$20,000 per unit by matching the City contribution to the loan dollar for dollar up to a maximum contribution from the Region of \$10,000 per unit.
 - c. The duration of this program is approximately 10 years.
- 5) Tax Increment Grant Program

- a. Annual grant equal to 80% of the increase in municipal property taxes for up to 10 years after project completion. The project must result in an increase in assessment and property taxes.
 - b. The Region will match the percentage of the City grant for the same time period.
 - c. The duration of this program is approximately 10 years.
- 6) Planning and Building Fees Grant
- a. Grant equal to 100% of the fees paid on planning/development applications, building permits and sign permits to a maximum total grant of \$5,000 per property/project.
 - b. The duration of the program is approximately 5 years with an option to extend for a second 5-year term.
- 7) Development Charge Reduction Program
- a. City development charges are automatically reduced by 75% for development and redevelopment projects in the Community Improvement Project Area. This 75% reduction to City development charges is applied at the time City development charges are normally paid.

The duration of this program is 5 years.

7. Niagara Region Smarter Niagara Incentives Program

The Region of Niagara approved its updated Niagara Region Incentives Policy (NRIP) on October 21, 2021. The purpose of the NRIP is to align Regional incentive programs with the four priority areas of Affordable Housing, Employment, Brownfield Remediation, and Public Realm identified by Regional Council, and to consolidate them under one policy. The following goals are identified:

To increase the amount of affordable housing in Niagara, particularly the supply of purpose-built rental housing, and to maintain existing affordable rental housing stock;

To attract and retain new businesses and full-time jobs to Niagara;

To encourage the remediation of contaminated sites for better environmental, economic, health and safety and urban planning outcomes; and

To improve the accessibility, sustainability and attractiveness of public spaces on Regional roads in core areas, and coordinate investment and workplans for major capital projects in the public realm.

Procedures related to the NRIP are presently being developed. These Procedures will relate to eligibility, application, approval, documentation, reporting, tracking, monitoring and payment requirements and practices for Regional incentive programs.

In addition to identifying the incentives noted above, the NRIP describes roles and responsibilities related to the implementation of the NRIP and also identifies transitional matters that relate to legacy Regional incentive programs.

The following programs are identified in the NRIP:

Program	Program Description	Grant Type
AFFORDABLE HOUSING		

Program	Program Description	Grant Type
Partnership Housing Program	Partnerships with for- and non-profits to generate more purpose-built rental and move clients off the housing waitlist by using a suite of Regional incentives customized by project	Suite of Incentives (e.g., TIGs, DC grants and deferrals) for Affordable Housing Capital Development
Affordable and Supportive Housing RDC Deferral	A deferral of Regional DCs for affordable or supportive housing units in projects having an agreement with a Regional department or agency for as long as the units remain affordable	Regional Development Charge Deferral
Non-Profit RDC-based Grant	A grant for up to 100% of DCs payable for eligible non-profit developments	Regional Development Charge Grant
Intensification RDC Grant	A grant providing DC relief to secondary suites created within or on the property of residential dwellings as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
Residential Rental Grant	A grant for the creation of secondary suites within or on the property of a residence which remain at affordable rental levels for at least 10 years	Regional Project Grant
Small Building Rental Grant	A grant for the construction of up to five units, up to \$15k/unit, provided units remain at affordable rental levels for at least 10 years	Regional Project Grant
NRH Welcome Home Niagara Home Ownership Program	A forgivable loan for downpayment assistance of 5% to a maximum of \$20,296 (purchase price not to exceed \$405,930), as amended from time to time, for renters at specific income levels purchasing a home	Forgivable Loan
NRH Niagara Renovates Homeownership	Forgivable loan over 10 years for repairs and accessibility modifications for low and moderate income households	Forgivable Loan
NRH Niagara Renovates Multi-residential	Forgivable loan over 15 years to fund repairs or provide accessibility for affordable units in multi-unit buildings	Forgivable Loan
NRH Non-Profit and Co-op Capital Repair Costs	Funding for capital repairs to non-profit and co-op housing providers having agreements with NRH	Forgivable Loan
NRH Housing Provider Capital Loan Program	Emergency loan program, with 25% forgivable over time, to support repairs to non-profit and co-op affordable housing providers having agreements with NRH	Loan and Grant

8. Urban Design Guidelines

8.1 City of Welland's Urban Design Guidelines

The City of Welland's Urban Design Guidelines (2014) ("City's UDG") provide high-level design principles as well as general site planning, built form and landscaping guidelines for various land uses and forms of development within the City's urban area. Housing developments need to consider guidelines established for the Residential Areas while mixed-use developments with housing components need to follow relevant guidelines for Commercial Areas and Downtown in the City's UDG.

The City's UDG, however, do not contain specific guidelines for accessory dwelling units, be it basement suites or laneway houses. These types of units play an increasingly important role in improving housing affordability in established neighbourhoods without altering the existing characters of these communities. In the absence of clear design direction, developers, homeowners and planning staff could look into the design objectives and relevant guidelines that are applicable in the Residential Areas to guide the development of accessory dwelling units.

Overall, the City's UDG support design principles that are beneficial to housing developments. For instance, the guidelines encourage a multi-functional and multi-modal streetscape network that promotes a variety of transportation modes. Having a public realm that is supportive of walking, cycling and public transit will benefit housing developments by providing residents with more affordable travel options beside cars. Additionally, the UDG promotion of a convenient and connected open space network will also provide residents with easy and affordable access to green space and recreational destinations. Moreover, the UDG ensure new housing developments integrate effectively into its surrounding context and complement the adjacent public realm. However, it is necessary to balance the desire for new housing developments/redevelopment to comply with every urban design standard and the need for cost-effective housing development. Design standards should not become too costly and burdensome that they deter the provision of affordable housing.

8.2 Niagara Region's Model Urban Design Guidelines (2005)

The Niagara Region Model Urban Design Guidelines (MUDG) were developed to guide development and redevelopment throughout the Region through the implementation of the ten Smart Growth principles. The Region's Smart Growth principles emphasize the creation of complete communities through walkability, sustainability, and cost-effective development. These Smart Growth principles and urban design guidelines have important implications for the creation of affordable housing with its emphasis on pedestrian-friendly neighborhoods and proper integration with open space and existing built forms. The vision for creating these complete communities is explored through guidelines for the public realm and private realm (residential developments).

Within the public realm, the MUDG touches on the design of neighborhood structure, roads, streetscaping, natural heritage, multi-use trails, sustainability, and stormwater management facilities. The guidelines emphasize safe, connected, and pedestrian-scaled design that promotes a sense of place and multi-modal options. These design guidelines for the public realm are important to consider in the development of affordable housing to ensure proper integration into the community and

access to community amenities, education, and employment opportunities. Affordable housing should promote inclusion and community connectivity for all residents through design.

Guidelines for residential developments facilitate creating high-quality architectural design that enhances the surrounding neighborhood, is appropriate for the immediate context, provides a variety of housing options for residents, fosters non-residential opportunities, and is environmentally sustainable. These guidelines are important considerations in providing housing choice for residents, fostering opportunities for social connections, and instilling a sense of pride in residents. Despite this, however, it is also important to ensure that the achievement of each of these guidelines will not hinder or delay the development of affordable housing developments.

9. Complete Streets Guidelines

The Niagara Region's Complete Streets Guidelines (June 2017) integrate land use planning and urban design with transportation planning to equitably and efficiently support mobility for people of all ages and abilities through the construction of Regional Roads and development of adjacent lands.

Active transportation is encouraged and integrated into every road typology as identified in the Guidelines through the inclusion of multi-use paths, cycle tracks and transit facilities within the roadways. Such design guidelines are intended to ensure convenient access to such infrastructure for residents of affordable housing who may rely on active modes of transportation, especially walking and cycling.

Additionally, the Guidelines provide design standards for safe, attractive, and comfortable pedestrian realms through of street furniture and cycling facilities. Universal design elements, e.g., raised crosswalks, auditory and textural aids in wayfinding, are also strongly encouraged to promote accessibility for people of all abilities. As the Institute for Research and Development on Inclusion and Society (IRIS) reports¹², people living with disabilities are twice as likely to live under the poverty line and are in core housing need. It is, therefore, essential to incorporate universal design into the design of not only attainable housing developments but also the adjacent public realm.

Moreover, public art is recommended for high use areas such as parks and plazas under the Guidelines to bring such public places to life. Incorporating public art into public realms adjacent to affordable housing developments could help lessen potential resistance from the surrounding community and integrate the development into the immediate neighbourhood more effectively. Incidentally, public art is also an investment that strengthens residents' sense of self and symbolizes the regional and municipal commitment in equitably supporting people with housing needs.

Overall, the Guidelines establish best practices for roadway and boulevard design for Regional Roads to promote active transportation and healthy communities. When appropriate, the City of Welland should consider adopting these standards for the design of municipal roadways.

¹² <https://www.homelesshub.ca/resource/looking-poverty-income-sources-poor-people-disabilities-canada>

10. Transportation Planning Study

The City of Welland Transportation Planning Study (TPS) was completed in April 2001 to evaluate the future development pressures on the City's transportation system for a 20-year period. Population and employment projections at the time forecasted largely greenfield development, with north Welland projected to accommodate most new development in terms of residential and employment growth, resulting in pressures on the transportation zones in this area. It should be noted that the current TPS is two decades old and addresses very different growth and housing pressures in the City than the present conditions. The City is currently undertaking an update to the Transportation Master Plan with an anticipated completion in December 2023. Given this, however, the following overview provides an understanding of the traffic conditions and improvement strategies that were undertaken in the TPS (2001) to 2021.

The TPS (2001) assessed the City's transportation infrastructure regarding operational issues through the review of existing background conditions and traffic/operational issues, assessment of future conditions, identification of alternatives, and the development of a recommendation plan outlining immediate, short-term, and long-term strategies that address the traffic operational problems. This report was conducted using available traffic/transportation data, engineering, and planning/environmental data from the City of Welland, the Regional Municipality of Niagara, and the Ministry of Transportation at the time.

The report recommended a series of roadway and traffic operational improvements that were categorized by timeframe, as well as a proposed roadway jurisdiction and reclassification scheme. The roadway reclassifications reflected the additional links in the roadway network that was developed due to Regional roadway downloading at the time. The immediate action plan outlines action items for 2000 to 2004, and consists of intersection improvements, updated traffic signals, and left-turn lane installations at all new traffic signals. The short-term action plan outlines action items for 2005 to 2011, which includes adding/widening lanes, road construction, and intersection reconfiguration. The long-term action plan outlines action items for 2012 to 2021 which consists of constructing new roadways, extending Highway 406, adding new lanes, and reviewing the need for future traffic intersection signalization through an ongoing annual traffic count program.

11. Parks, Open Space and Trails Master Plans

11.1 Parks, Recreation & Culture Master Plan (2019)

In 2019, the City of Welland initiated the Parks, Recreation & Culture Master Plan (PRC Master Plan). The PRC Master Plan contains a total of 47 recommendations to guide the City of Welland for the next 10 years. The PRC Master Plan has refined its vision to "Connecting Creativity and Play". The term "Connecting" refers to the residents' viewing parks, recreation and culture services as being interconnected and complementary to each other. It also reflects the ability of the system to bring people together. The term "Creativity" refers to Welland's talented, motivated and creative individuals that collectively form a strong arts and cultural community. Having a strong arts and cultural system will be a critical part of attracting new residents to the City and retaining existing residents. The term "Play" encompasses many activities and interests of residents participating in parks, recreation and culture.

The City of Welland's park system plays an important role locally as well as throughout the Niagara Region. The City of Welland classifies parkland into three categories based upon the function of the park: Regional Parks service the needs of all residents and tourists; City Parks serve the needs of multiple neighbourhoods; and Neighbourhood Parks serve the needs of residents living within walking distance of a park.

The City of Welland is closely intertwined with the Welland Recreational Corridor. The corridor consists of 242 hectares of the waterway and adjacent lands which are under the responsibility of the City. The PRC Master Plan makes several recommendations for the Welland Recreational Corridor to maximize the potential of the corridor and expands on the Welland Recreational Waterway Master Plan (2008):

The PRC Master Plan establishes solutions to address the increasing need for parkland within the upcoming years. This includes the acquisition of new parkland, major revitalization & renewal efforts of existing parks, and strengthening park experiences through investments in amenities. The PRC Master Plan also encourages the expansion of off-leash areas for dog parks, the expansion of community allotment gardens, and the expansion of the trail system through the creation of a Trails/Active Transportation Master Plan to implement the conceptual trails map contained in the PRC Master Plan.

Historically, the City of Welland has made significant investment in parks, recreation, and culture; therefore, the PRC Master Plan's recommendations have been able to focus on leveraging ongoing works and existing infrastructure. All recommendations within the report would be brought forward on an annual basis through the budgeting process once the City has the information needed to develop costs.

11.2 City of Welland Community Trails Strategy

The Community Trails Strategy (CTS): Cycling, Walking and City Recreational Trail 20-year Master Plan outlines an approach to expanding the City's cycling, walking, and recreational trails network over the next 20 years. The Plan aims to provide direction for an active transportation and trails network that is safe and accessible, providing connections between the downtown core, canal/river features, and community neighborhoods. The Community Trails Strategy project establishes a plan for infrastructure implementation and funding as well as outreach programming that will encourage transportation by walking, cycling, and other active modes in the City of Welland. Cycling, walking, and active modes play an important part in how residents and visitors explore Welland's history, communities, and natural areas.

The Community Trails Strategy identifies several goals it seeks to achieve:

- Guide Decision-making
 - The CTS is meant to inform the planning, design, implementation, funding, coordination and management of trail infrastructure (both on and off-road) in the City of Welland for the next 20 years.
- Build Connectivity

- The development of a continuous and connected system of on and off-road trails connects major and minor destinations within the City, creating economic development and tourism opportunities that support the City's plans to grow.
- Develop supportive partnerships and programs
 - The CTS focuses on the development of social infrastructure to support trails use in addition to the physical infrastructure.
- Build Equity into decision-making
 - The community trails network forms a safe and comfortable network that attracts a range of users for utilitarian and recreational trips.

Implementing the trails network will require funds and resources from the City and its partners. Annual funding for construction, maintenance, operation and programming should be identified in the annual budgeting process to strategically implement the network over time. The CTS encourages the City to seek additional funding sources, from the Provincial or Federal government or other organizations, to maximize budget efficiencies. The CTS lists potential funding sources including the Federal Active Transportation Fund, Canada Community-Building Fund/Provincial Gas Tax, Ontario Trillium Foundation, and more.

The CTS also establishes thorough design guidelines intended to improve accessibility to the trails for all residents. The CTS seeks to create parks and trail networks that support people of all abilities, based on the fundamental right to quality of life, individual empowerment, respect and dignity for all people, and the guarantee of equal access to and participation in society.

Parks and trails are important elements for all communities. A resident's level of income is directly correlated with frequency of participation meaning that residents who have more income to spend on parks and recreational activities will participate more than residents with lesser income. Recognizing that nearly 18% of residents in Welland live below the low-income measure it is essential that affordable housing developments consider parks and trails within their development and provide connectivity to parks and trails in the broader community.

12. Development Charges Background Study

The completion of a DC Background Study is required under Section 10(1) the *Development Charges Act* and must include as per Section 10(2):

- estimates of the anticipated amount, type and location of development;
- calculations for each service to which the DC By-law would relate;
- examination for each service, of the long-term capital and operating costs for the capital infrastructure required;
- consideration of the use of more than one DC By-law to reflect different needs for services in different areas;
- an asset management plan; and,
- such other information as may be prescribed.

Section 11 of the *Development Charges Act* allows that a DC By-law may only be passed within the year following the completion of the DC Background Study.

The City of Welland and the Region of Niagara approved new Development Charges By-laws on August 18, 2022 and August 25, 2022 respectively. The new Development Charges By-laws will be reflected in the Final Recommendations.

The *Development Charges Act* allows municipalities to impose development charges on new development to pay for the capital costs associated with meeting the increased service needs of growth. These increased service needs can include planned affordable/social housing and a DC By-law can include area specific rates; phase in charges; and/or provide exemptions or reduced charges for types of development. The *Development Charges Act* itself provides exemptions that pertain to industrial development, enlargement of existing residential units, creation of additional dwelling units and creation of second dwelling units in new residential buildings.

The City of Welland DC Background Study is silent on affordable housing other than to include the cost of the Affordable Housing CIP in 2022 and Update to the Affordable Housing CIP in 2027 as capital costs to be included in the DC calculation. The City of Welland's existing and proposed DC By-law includes a non-statutory exemption for non-profit residential development. The DC By-law defines "non-profit residential development" as meaning:

housing units of any type or tenure produced by an incorporated non-profit provider who has an agreement with any level of Government or its Agencies or Boards to provide affordable housing units, a) for a period of not less than 25 years, b) where the agreement specifies a recapture of equity equal to the applicable development charge for the purpose of ongoing affordability, or c) produced by a registered charity;

Brownfield and Downtown Area Exemptions have also been retained at the City level and affordable housing projects could benefit stacking if they are building in those CIP areas.

The Niagara Region DC Background Study is also essentially silent on affordable housing other than to note the existing DC By-law includes a non-statutory exemption for *lands and buildings used for affordable housing that receive funding through an agreement with the Niagara Region, provided that:*

- *The exemption shall only apply to the proportion or number of units in a development which are designated or identified as affordable housing, and*
- *The owner of the lands continues to use the lands and buildings for affordable housing.*

A review of best practices was prepared a Policy Report prepared for Niagara Region and a detailed review of incentives. The Niagara Region DC Background Study recommended all discretionary exemptions be removed from the proposed DC By-law. If desired, Niagara Region could replace the DC exemptions with grant programs. This approach, the DC Background Study notes, would give Regional Council the ability to outline eligibility parameters and specify program funding levels in the yearly budget.