

City of Welland

Affordable Rental Housing Community Improvement Plan

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1. Introduction

1.1. Background

The City of Welland, in 2022, is a growing community that is experiencing increased demand and costs for housing of all types. A key need is to address affordable housing. The City is looking at opportunities and new tools to improve social and economic outcomes through the provision of affordable rental housing. One such opportunity is an Affordable Housing Community Improvement Plan (“CIP”) with a focus on providing financial assistance for affordable housing developments at a variety of scales.

Welland is a growing community. The City saw population growth of 6.6% between 2016 and 2021 to a current population of 55,750. Supplementing the Niagara Region Official Plan forecasts is work the City has done for its Development Charges Study. The City’s 2022 Development Charges Background Study & By-law forecasts that the City will grow even more rapidly. The 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. 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.

In 2021, 4,002 Welland households (approximately 17%) faced core housing need according to Niagara Region’s analysis. 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.

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 percentage 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 analysis prepared of the housing market need in Welland demonstrates the need for more affordable rental housing in Welland. The focus of this CIP is on affordable rental housing to address the rental market which is a priority for new housing. The analysis includes the Housing Need and Environmental Scan prepared as background analysis for this CIP as well as the analysis completed by Niagara Region in preparation of the new Official Plan. The definitions of affordable rental are intended to support the creation of rental units affordable to the 30th decile of incomes as these households can afford

rents of \$1,155 per month or less. It is this defined need that the CIP is to address using tools and opportunities to support additional affordable rental housing in Welland.

1.2. What is a Community Improvement Plan?

A Community Improvement Plan (“CIP”) is a tool provided in the *Planning Act* to enable municipalities to direct funds and take actions to support community improvements within the entire municipality or designated areas within it.

Through a CIP, municipalities can implement policy initiatives and/or stimulate development and redevelopment. The intent can be to target areas for revitalization initiatives that renew public spaces and encourage the repair, rehabilitation, and/or redevelopment of private properties.

CIPs can assist in facilitating community change by coordinating planning activities and public sector investments. They can also encourage and incentivize private and non-profit sector investment through tax incentive and grant programs.

1.3. Relationship to Other Community Improvement Plans

Incentive programs administered through this Plan are specifically targeted to the development of affordable housing. It is recognized, however, that other CIPs have been approved by the City of Welland and that a development could be eligible for incentives under multiple CIPs. Applicants are strongly encouraged to consult with City of Welland staff to understand the relationship between the Affordable Rental Housing CIP and other CIP’s. For full details please consult the City’s website. As of the preparation of this CIP, the City also has the following CIP’s:

Downtown Health and Wellness Cluster CIP

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. There are a range of financial grants available for properties within the defined CIP area. Tax Increment Grants are available as well as housing grants. These are available for a maximum of 4 units per property. Reduction of fees and charges are also available.

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 financial incentives available focus on addressing environmental contamination and remediation of contaminated sites. This includes programs for environmental site assessments, remediation, and tax freezes and tax increment grants to support redevelopment of brownfield sites.

Niagara Economic Gateway Zone and Centre CIP

This CIP focuses on employment lands and is generally not applicable to affordable rental housing.

1.4. Niagara Region as Partner

There is a long successful history in Niagara Region of partnerships between the Region and each local municipality through CIP's and financial incentives. This started with the "Smarter Niagara Incentives Program" which was a series of programs and funding incentives to support downtown redevelopment and brownfield redevelopment. Through experience and the continuing partnership, the funding programs from Niagara Region are used to support local priorities. Although Niagara Region does not have its own Affordable Housing CIP, there are potential funding programs available such as reduction in development charges for new affordable housing. Niagara Region does update its programs regularly. Applicants are encouraged to review opportunities through Niagara Region.

1.5. Outline of this Plan

This Plan is comprised of nine parts. The parts are described below:

Part 1: Introduction provides some background information on the nature of affordable rental housing need in Welland, a background on Community Improvement Plans, and general details to assist the reader.

Part 2: Legislative Authority and Policy Framework provides background information regarding the legislative authority for Community Improvement Plans, the policies that support these Plans, details on the City's policies, and relationships to other Plans in the City.

Parts 3 and 4: Community Improvement Area, Purpose, and Objectives describes the area in the City of Welland to which the Plan applies. Part 3 is an operative component of the Plan as it describes the CIP program area.

Part 5: Incentive Programs provides general eligibility requirements applicable to all proposed financial incentive programs, and eligibility requirements that are applicable to specific financial incentive programs. Part 5 is an operative component of this Plan.

Part 6: Implementation establishes policies to address how the Plan will be implemented. The administration policies are important for those interested in applying for incentives and should be read thoroughly. Monitoring of the CIP programs and their effectiveness, including the experience of Applicants, is important to ensuring that the programs achieve their intended goals. Monitoring will be used to update the Plan on a regular basis.

Part 7: Glossary provides definitions to various terms that are used throughout this Plan. The definitions are provided to assist in the interpretation of the Plan.

Part 8: Bibliography provides a list of reference documents.

Part 9: Appendices provides background information and documents to assist with understanding and interpreting the Plan.

1.6. How to Use this Plan

This CIP establishes the City's commitment to supporting the creation of new affordable housing in partnership with a variety of housing providers. This CIP increases opportunities to leverage federal and provincial affordable housing funds for the City of Welland. The focus is on affordable housing to serve and support those with the greatest housing need. This CIP and the programs created from the Plan are a series of financial incentive programs to private property owners and non-profit housing providers interested in developing affordable housing. The financial incentive programs outlined in this Plan will largely be used by the developers/owners of new affordable housing, including those in the private and non-profit sectors.

Readers and those interested in this CIP and its programs are to read the plan in its entirety. Every effort has been made to ensure consistency and alignment of policies, programs, and requirements. The authority to interpret and implement this Plan will be with the Director of Planning and Development Services.

This CIP identifies funding programs to support the creation of affordable housing in Welland. Funding is to be provided through the City's annual budget. Funding will be reviewed on an annual basis so that the priorities for Council and the community can be reflected in the City's budget.

The long-term development of affordable housing will take many different forms and will require the participation of the City, Niagara Region, the public, individual homeowners, non-profit housing providers, developers, potentially the federal and provincial governments and various stakeholders. The Plan recognizes that housing achieved through the various CIP initiatives will contribute to addressing the City's forecasted need for affordable housing.

Interested proponents of affordable housing are encouraged to review this Plan and contact the City to confirm their eligibility, discuss their project, and to identify the types

of financial incentives that could be applicable. Please refer to the specific sections on application requirements for more details. Early engagement with the City is highly recommended so that interested property owners and developers of affordable housing can understand the opportunities for funding and the requirements of the City. Guidance through the process will be available from the City as well.

2. Legislative Authority and Policy Framework

2.1. Legislative Authority

The legislative authority to prepare an Affordable Rental Housing CIP are established under Section 28 of the *Planning Act*. The authority to provide financial incentives is provided by Section 106 or Section 365.1 of the *Municipal Act* and Sections 28(6) and 28(7) of the *Planning Act*.

The process for developing and establishing a CIP is provided for in Section 28 of the *Planning Act*, with “community improvement” defined in Section 28(1) as,

... 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 therefor, as may be appropriate or necessary.

For greater certainty, Section 28(1.1) of the *Planning Act* states that “community improvement” includes the provision of affordable housing.

Of note, there have been a number of changes to legislation affecting affordable housing with Bill 23, More Homes Built Faster Act, 2022 receiving Royal Assent on November 28, 2022. These changes have been taken into account in drafting this Community Improvement Plan, however, further guidance from the Province may impact incentives and programs.

2.2. Policy Framework

In preparing this CIP, a review of all applicable policies was completed. This policy review can be found in the “Housing Needs Assessment and Environmental Scan” completed for the CIP. There are numerous policies supporting the provision of affordable housing in Ontario, Niagara Region, and the City of Welland. A full list of the applicable documents is found in the Bibliography of this CIP.

Critical to the preparation of this CIP is the enabling policies in the City of Welland Official Plan. 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 Official Plan contains provisions related to Community Improvement, the provisions 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.

3. Community Improvement Project Area

Section 28(1) of the *Planning Act* defines a Community Improvement Project Area (“CIPA”) as follows:

... 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.

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

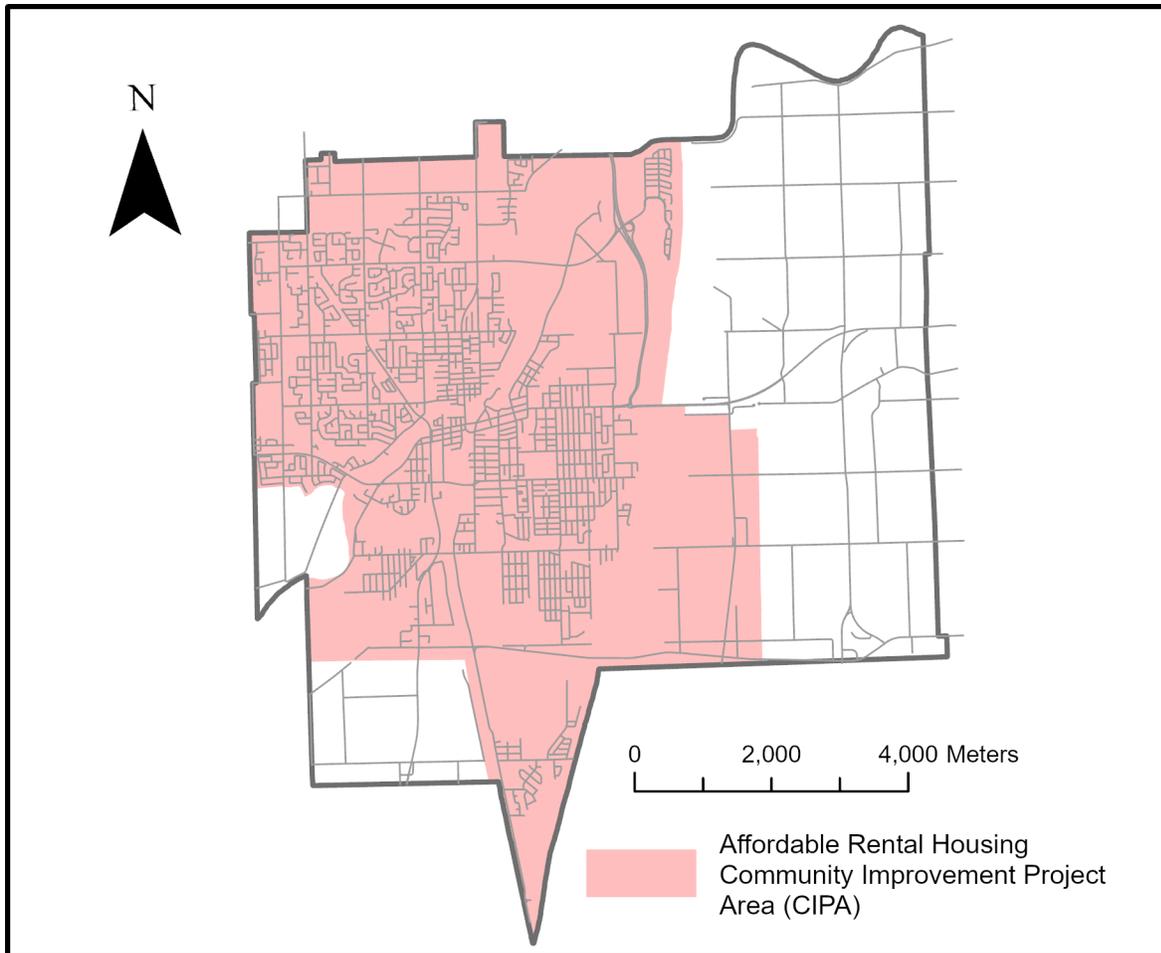
Where there is an official plan in effect in a local municipality or in a prescribed upper-tier municipality that contains provisions relating to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improvement area.

The following map (Figure 1) shows the Affordable Rental Housing CIPA. Properties within the Urban Area Boundary identified in the City of Welland Official Plan which are eligible for program incentives under the CIP subject to any general eligibility requirements and incentive program specific eligibility requirements that apply.

While intensification is encouraged throughout the Built-up Area, strategic intensification areas are identified on Schedule A of the City of Welland’s Official Plan (“OP”). The City’s OP states the most appropriate locations for intensification are within the Downtown, on brownfield sites, along the Welland Recreational Waterway, and along key transit corridors within the City. This is important information for applicants to understand where

affordable rental housing projects could be located. Generally, the intensification areas in the City are accessible to transit.

Figure 1 – CIP Project Area



4. Purpose and Objectives

The purpose of this Community Improvement Plan (“CIP”) is to assist in the development of affordable housing in the City of Welland. One of the challenges to increasing the supply of affordable housing, especially affordable purpose-built rental housing, is financial viability. Strategically targeted incentives can reduce costs incurred and increase the likelihood of affordable rental housing units being constructed.

This CIP has been prepared with the provision of affordable rental housing as a priority and supports the benefits of urban intensification. Though affordable rental housing is prioritized, the role of additional dwelling units in supporting homeowners is acknowledged. Additional dwelling units create rental housing within existing neighbourhoods utilizing existing infrastructure.

The objectives of this CIP are as follows:

- To increase the supply of affordable rental housing throughout the Urban Area;
- To support the building of complete communities and cost-efficient development patterns;
- To encourage a continuum of affordable rental housing options, including a diversity of housing units by size and number of bedrooms, be provided; and,
- To promote the construction of affordable additional dwelling units.

To ensure the objectives of this CIP are achieved, a monitoring and evaluation program is recommended as part of this CIP including quarterly report to City Council and the community. Applicant feedback on the programs and their administration is always welcomed.

5. Incentive Programs

5.1. Overview

The Affordable Rental Housing CIP offers one (1) tax incentive programs and six (6) grant programs. Eligibility of projects is outlined in the following table.

Tax Incentive Programs

- Tax Increment Grant Program (TIG)

Grant Programs

- Affordable Housing Study Grant (AHG)
- Affordable Residential Forgivable Loan (ARFL)
- Extended Benefit Grant (EBG)
- Municipal Fees Grant (MFG)
- Special Lands Program (SLP)
- Affordable Housing Reserve Fund

Eligibility

Type of Program	Multi-Unit Residential Affordable Rental Housing	Additional Dwelling Units
Tax Increment Grant Program	Yes	No
Affordable Housing Study Program	Yes	No
Affordable Residential Forgivable Loan Program	Yes	Yes
Extended Benefit Grant Program	Yes	Yes
Municipal Fee Program	Yes	Yes
Special Lands Program	N/A	N/A
Affordable Housing Reserve Fund	N/A	N/A

5.2. General Program Eligibility and Requirements

Applicants/property owners providing new, eligible affordable rental housing accommodation within the Affordable Rental Housing CIPA can apply to any of the incentive programs offered subject to funding availability, meeting specific criteria, and satisfying the following:

1. Applicants may be required to enter into an agreement with the City of Welland that is registered on title and binding on heirs, successors and assigns that includes:
 - i. The number of units required to meet the definition of affordable and be maintained as affordable and will not be used for short-term rental accommodation or for student housing;
 - ii. The term of agreement which shall not be less than the minimum specified for incentive program(s) for which funds are granted;
 - iii. The applicant/property owner will provide a statement to the City of Welland annually confirming the affordable dwelling units remain affordable for the term of the agreement. As well as a statement or other evidence as identified to show that the units are in good repair. The City may also require an annual audit from a certified third party at the expense of the applicant confirming the affordable dwelling units were rented to a tenant and at an affordable rate for the term of the agreement. No grant payment will be made until confirmation is approved by the City. As part of the implementation of this CIP, the City

will prepare a document that must be completed to the City's satisfaction;

- iv. Benefits conveyed under the agreement are to be repaid to the City of Welland, together with any applicable costs and interest, if obligations under the agreement are not carried out by the applicant/property owner;
 - v. Improvements made to buildings or lands shall be made pursuant to a building permit and constructed in accordance with the Ontario *Building Code* and all applicable Zoning By-law requirements, Council approved design guidelines, and any other necessary approvals; and,
 - vi. Such other contractual provisions which are required based on the fundamental contractual drafting principles satisfactory to the City of Welland.
2. Application for the incentive programs contained in this Plan cannot be made on a retroactive basis. This has two meanings. First, the City will accept applications for the financial incentive programs contained in this CIP only after this CIP has been formally adopted by City Council and approved. Second, this also means that an application for any financial incentive program contained in this CIP must be submitted to, and fully approved by the City, prior to the commencement of the eligible studies or eligible works that are the subject of the application;
 3. The programs which currently require the applicant to enter into an agreement are:
 - i. Tax Increment Grant
 - ii. Affordable Residential Forgivable Loan
 - iii. Extended Benefits Grant
 - iv. Special Lands Program
 - v. Affordable Rental Housing Reserve Fund
 4. The total cost of an incentive provided shall not exceed eligible project costs less any grants or subsidies up to specified program maximums
 5. Where incentives are combined within this or another CIP, including incentives not provided by the City of Welland, the total value shall not be greater than the total eligible project costs.
 6. Individual condominium units are not eligible for these programs. Affordable housing projects being built on leased land may be eligible for the Affordable

Rental Housing CIP. Minimum terms at which the land may be leased to be eligible for the CIP will be specified in the Agreement.

7. Prior to any grant being paid:
 - i. Any outstanding building code, fire code or property standards orders or any other order applicable to the property(s) or the project by any governmental authority shall be rectified; and,
 - ii. Any tax arrears on the subject property(s) as well as tax arrears on other properties owned by the Applicant within the City of Welland shall be paid.
8. Applicants/property owners are required to provide a statement to the City of Welland annually in accordance with Clause 1, iii) above for the term of any agreement. The statement shall provide the following:
 - i. Confirmation that the unit(s) remain as rental units; and,
 - ii. Confirmation that the rental price meets the City of Welland definition of affordable.
 - iii. The City may require documentation to support the above two items.
 - iv. Photographic proof that the units are in place prior to occupancy
 - v. All units must be maintained to the satisfaction of Part XIV of the Residential Tenancies Act (2006)
9. Applicants/property owners who do not complete the annual statement, do not provide any other documentation as required by the City, or who do not maintain the units as affordable for the duration of the agreement will be found in default of the agreement and all grants will cease subject to possible repayment.
10. Properties that contain existing rental housing units shall:
 - i. Provide existing tenants with the right to return to the unit at the existing rent level in accordance with the *Residential Tenancies Act* of Ontario (or successor legislation); and,
 - ii. Confirm that there is a net increase in the number of affordable rental units in the project in accordance with the Eligibility Requirements of the incentive program.

Properties within the Affordable Housing CIPA may be eligible for one or more of the incentive programs in this CIP. The City of Welland and Niagara Region have additional CIPs and incentive programs. Each CIP and incentive program has its own eligibility and

program requirements. For programs administered by the Niagara Region all information should be sought directly from the Niagara Region. Eligible applicants can apply for one, more or all of the incentive programs contained in this CIP or another of the City's CIPs , but no two programs may be used to pay for the same eligible costs.

Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, CMHC, Federation of Canadian Municipalities, etc...) that can be applied against the eligible costs are anticipated or have been secured, these must be declared as part of the application, and accordingly, the grant from the City may be reduced on a pro-rated basis.

In order to avoid any confusion or double dipping between the Affordable Housing Tax Increment Grant (TIG) Program available under this CIP and other TIG programs available under the City's other CIPs, application can be made for only one of these TIG programs.

Applicants should review specific program guidelines and confirm eligibility requirements with the City of Welland. Applications will be submitted for review by City of Welland staff. Decisions shall be made in accordance with the decision-making process in Section 6 of this CIP.

5.3. Incentive Programs

5.3.1. Tax Increment Grant Program (TIG)

To encourage rehabilitation or renovation of existing buildings or redevelopment of vacant or under-utilized sites for affordable rental housing, this program offers a percentage rebate on the annual municipal property taxes (City portion only) derived from the increased assessment value generated by an eligible project.

An eligible project must result in an increase in the assessed value and taxes on the property involved. An eligible project must create at least 5 new affordable rental units and a minimum 30% of the total residential units built must be affordable units. The Tax Increment Grant Program does not apply to Additional Dwelling Units. Any non-profits or other tax exempt bodies may not be eligible for the Tax Increment Grant. This TIG will only apply to the residential portion of any development, with the exception of a project located within the Downtown and Health and Wellness Cluster CIP Area which will be eligible to receive the TIG on the whole development.

The increase in property taxes generated by an eligible project shall be determined by the difference between pre- and post-project completion municipal property taxes levied as a result of the revaluation of the property by Municipal Property Assessment Corporation (MPAC).

Percentage of Affordable Units ¹	Tax Increment Percentage	Duration
30% - 54%	60%	10 Years
55% - 79%	70%	10 Years
80% - 100%	80%	10 Years

¹For assessment, percentages will be rounded down to the next whole number. E.g. 54.6% will become 54%

Eligible costs will be equal to the proportion of the number of proposed affordable housing units to the total number of units after development multiplied by the total costs for eligible works for the project, with the exception of a project located within the Downtown and Health and Wellness Cluster CIP Area in which 100% of all eligible works may be considered as eligible costs.

The grant provided cannot exceed eligible costs, which may include:

- Demolition of buildings and structures, removal and disposal of materials and debris/abandoned infrastructure;
- General improvements for structural safety to satisfy property standards and minimum requirements of the Ontario Building Code;
- Lot preparation, construction or improvement or relocation of services;
- Capital expenditures for new building construction, and renovation, reuse, rehabilitation, alteration and expansion of existing buildings to be retained on the property;
- Streetscaping, landscaping improvements, public realm improvements, and sustainability initiatives;
- Upgrades to provide accessibility features are eligible costs;
- MPAC Assessment Estimate and Supplementary Assessment; and,
- Legal Fees, consulting fees and financing costs as they relate to preparation of a complete application and to eligible costs identified above for this incentive program.

The grant will be paid annually once:

- The eligible project is complete;
- Final building inspections have taken place;
- An occupancy permit has been issued (as applicable);
- All deficiencies have been addressed;
- The property has been reassessed by the MPAC; and,
- The new property taxes have been paid in full for the year.
- The confirmation documentation for each year has been submitted to and approved by the City

This grant may be combined with other CIPs in the City (not including other Tax Increment Grants) however the grant shall in no instance exceed the eligible costs.

5.3.2. Affordable Housing Study Grant (AHG)

To encourage the creation and maintenance of affordable rental housing, subject to availability of funding, a grant equal to 50% of the cost of studies or plans up to a maximum of \$7,500 undertaken to establish one or more of the following:

- the feasibility of including at least 30% affordable rental housing units within a new development on a vacant or under-utilized property, or rehabilitation/retrofit of an existing building; or,
- the feasibility of incorporating building materials or systems that reduce life cycle costs.

Funding must be approved prior to the preparation of any study or plans. An application for the Affordable Rental Housing Study Program must include a study plan and a cost estimate, as well as identify who will carry out the study. The grant will be paid only after a study or plan is completed and copies are provided to the City of Welland.

5.3.3. Affordable Residential Forgivable Loan (ARFL)

To encourage the creation of new affordable rental housing, eligible properties may receive a one-time forgivable loan to offset costs incurred to construct affordable rental dwelling units where permitted by the City's Zoning provisions within the CIP Area. For greater certainty, affordable Additional Dwelling Units are one of the types of dwellings eligible for this program.

A forgivable loan acts the same as an upfront one time grant. The applicant will apply with their eligible costs and receive their eligible amount, as defined below. The applicant is required to enter into an agreement with the City at the time of approval which will include program criteria which must be satisfied. No interest or repayment of the loan is required for the duration of the agreement and upon successful satisfactory completion of the program criteria the loan shall be forgiven at the end of the agreement term, requiring no repayment by the applicant. If at any time the applicant is found to be in breach of the agreement or fails to meet the program criteria, the applicant is required to repay the loan back to the City.

The forgivable loan may cover up to 70% of eligible project costs incurred up to a maximum:

- a) loan of \$20,000 per affordable dwelling unit;
- b) of two (2) affordable dwelling units per property; and,
- c) total loan of \$35,000.00 per property.

The grant provided cannot exceed eligible costs, which may include:

- Building materials and labour required to construct the unit(s);
- New or upgraded HVAC systems;
- Plumbing where required under the Building; and,
- Upgrades to provide accessibility features.

An application for the Affordable Residential Forgivable Loan must include any required documentation as prescribed in the program guide.

The grant will be paid once:

- A final inspection has been made, and occupancy permit has been issued by the municipality for the affordable rental unit;
- Picture documentation of the affordable rental unit taken at the time of completion has been provided to and reviewed by the City of Welland;
- Proof through a lease or other documentation as required by the City that the dwelling unit is occupied by an arm's length tenant at an affordable rent;
- Itemized list detailing all project costs incurred by the property owner with supporting materials including but not limited to invoices, contracts, receipts, and purchase orders are provided to and reviewed by the City of Welland; and,
- Confirmation the property has no outstanding work orders, taxes arrears, local improvement charges, or any other charges of the City or other agencies.

5.3.4. Extended Benefit Grant (EBG)

To encourage the creation of deeply affordable rental housing, eligible projects may receive the Extended Benefit Grant. The goal of this grant is to bridge the gap between the rent levels which are the prescribed definition of affordable and the deep level of affordability that some individuals require. There are many different situations which could lead someone to needing a deeper level of affordability. The EBG program aims to support the provision of rents as deeply as 20% of AMR through to 60% of AMR unless otherwise defined in the program guide. The program guide will be available online and is subject to a yearly review and update by City Staff to include the most up to date CMHC data or other similar data. Only one (1) application per property and/or project can be made for this program.

The grant will provide:

- a) A maximum \$6,000.00 per affordable rental unit per year;
- b) for up to 10 units per property;
- c) for a period of five (5) years.

Funding for this program is subject to availability and applications are taken on a first come basis. The property owner of the eligible unit will receive the difference between the 80% CMHC AMR and the rent level of the unit in a lump payment equivalent to a 12 month rental period. The grant will be paid annually once the required documentation confirming the affordable dwelling units were rented to a tenant at the specified affordable rent is submitted to City Staff. The submission of required documentation is the responsibility of the property owner. Upon approval the applicant will enter into an agreement with the City.

Project eligibility requirements:

- Only projects which have been approved for and met all requirements of the Tax Increment Grant (TIG) Program and/or Affordable Residential Forgivable Loan (ARFL) Program, including completion of the approved eligible works, construction of the proposed building project, and substantial building occupancy, may apply for this program.
- Must be a purpose built rental unit;
- The rent must be 60% of AMR or below to a limit of 20% AMR, or at a level identified in the program guide;
- At the start of the tenancy agreement the tenant household must have a household income which is not greater than the Household Income Limits for low and moderate income households who are eligible to apply for financially assisted housing through Niagara Regional Housing;
- The unit may be a new or existing unit that meets the rent level requirements (grants will not be paid retroactively);
- The unit must be physically maintained as agreed to within a signed agreement between the City and the program applicant;

The grant will be paid once:

- A final inspection has been made, and occupancy permit has been issued by the municipality for the unit in the event of new or redevelopment;
- Proof through a lease or other documentation as required by the City that the dwelling unit is occupied by an arm's length tenant at an affordable rent is submitted by the property owner;
- The required proof of rental level is submitted to the City and City Staff give approval
- Confirmation the property has no outstanding work orders, taxes arrears, local improvement charges, or any other charges of the City or other agencies.

5.3.5. Municipal Fees Grant (MFG)

For eligible affordable rental housing projects, a grant of up to 100% of fees paid for required planning and building applications may be provided. The grant may apply to most fees related to eligible development, including, but not limited to:

- Official Plan Amendments;
- Zoning By-law Amendments;
- Consents;
- Minor Variances;
- Site Plan Control;
- Building and Demolition Permits.

The total Grant will be equal to the proportion of the number of proposed affordable housing units to the total number of residential units after development multiplied by the total eligible fees for the project. Only projects which have been approved for and met all requirements of either the Tax Increment Grant (TIG) Program, Affordable Residential Forgivable Loan (ARFL) Program, and/or Extended Benefits Grant (EBG) Program, including completion of the approved eligible works, construction of the proposed building project, and substantial building occupancy, may apply for this program.

5.3.6. Special Lands Program (SLP)

The City will maintain a list of surplus City owned lands available for purchase for affordable development. Certain properties may be identified as being in a beneficial location for affordable housing projects due to proximity of services, transportation and/or employment opportunities.

Non-profit developers looking to produce affordable housing on a surplus City owned land may be eligible to receive a low cost long term lease on that land subject to Council approval. Any applications for a lease from non-profit developers will be required to make a presentation to the Affordable Housing Committee.

The City will take appropriate measures to ensure that any sale or lease of City owned lands will be contingent on the development of affordable housing on the subject property.

5.3.7. Affordable Housing Reserve Fund

The City will maintain an annual reserve fund to assist affordable housing projects that require funding which is beyond the funding made available under the City's Community Improvement Plans. Projects that wish to receive funding from the Affordable Housing Reserve Fund must submit their request to the Director of Planning and Development Services. Any project that is deemed eligible and is to be considered for the Affordable Housing Reserve Fund may be asked to make a presentation to the Affordable Housing

Advisory Committee and/or to City Council. City Council, or its designate will have the authority to allocate funding from the Affordable Housing Reserve Fund, unless otherwise determined.

6. Implementation

6.1. Decision Making

The following will be the decision-making authority on applications for incentive program funding:

Type of Program	Welland City Council	Director of Planning and Development Services
Affordable Housing Study Program		Yes
Tax Increment Grant Program		Yes
Additional Dwelling Unit Program		Yes
Extended Benefit Program		Yes
Municipal Fee Program		Yes
Special Lands Program	Yes	
Affordable Housing Reserve Fund	Yes	

6.2. Administration

Program guides will be made available for each of the Affordable Housing CIP Programs. The guides may be reviewed and updated by staff each year to reflect changes in the market. The program guides will be an operational part of this CIP and reflect the most accurate and up to date requirements, eligibility and administrative protocols. In the event of conflict between this CIP document and a program guide, the discrepancy shall be reviewed by City Staff who will determine the resolution to the conflict.

The Affordable Housing CIP will require the allocation of resources and staff time to implement. Dedicated staff time will be allocated to respond to inquiries about the CIP and handle applications. Staff duties including but not limited to:

- respond to inquiries about the CIP;
- receive applications;
- collect and maintain data about applications;

- review applications, prepare recommendations, and provide reports and presentations to staff and Council;
- draft any necessary by-laws and agreements;
- liaise with and submit required documentation to Niagara Region;
- administer grant payments for approved projects;
- track the progress of approved projects and financial health of the CIP;
- create and maintain performance indicators for the CIP; and,
- market the City's annual budget for the Affordable Rental Housing CIP Incentive Programs.

6.3. Program Adjustments

The individual incentive programs contained in this CIP can be activated, deactivated, reduced or discontinued without amendment to this Plan. Increases in funding provided by the financial incentives contained in this CIP, or the addition of any new incentive programs to this CIP, will require a formal amendment to this Plan in accordance with Section 28 of the Planning Act. The City may periodically review and adjust the terms and conditions of any of the programs contained in this Plan, without amendment to the Plan. Such minor changes will be provided to the Minister of Municipal Affairs and Housing for information purposes only.

6.4. Monitoring and Evaluation

Monitoring and evaluation of the programs offered under the Affordable Rental Housing CIP should include data collection and indicator development to track applications received, projects funded, and outcomes, as well as to measure the effectiveness of programs and the CIP.

Monitoring shall be an ongoing, continuous aspect of implementing the CIP and provide support for annual or semi-annual reporting on the CIP to Council and the public.

Records of all applications received, and incentives provided shall be maintained.

The following data or information shall be recorded:

- applications received for each program, approval or denial, reasons for approval or denial, and the location of properties involved;
- value of funds granted and the programs under which funds were granted;
- construction value of each project awarded fundings through the CIP;

- timing of project completion;
- number of new housing units, including affordable dwelling units, and their tenure;
- Property tax assessment before and after completion of funded projects (this shall not apply to Additional Dwelling Units); and,
- Site photos, plans and other materials related to projects awarded funding.

The above data shall be used to assess the impact of Affordable Rental Housing CIP funding. Indicators should be derived from the data to track the effectiveness of the Affordable Rental Housing CIP and assess its programs relative to the goals and objectives.

7. Glossary

Affordable means

A residential unit intended for use as a rented residential premises shall be considered an affordable residential unit if it meets the following criteria:

1. The rent is no greater than the lesser of 80 per cent of the average market rent based on CMHC data or the Provincial definition of affordable, as determined in the *More Homes, Built Faster Act, 2022*.
2. The tenant is dealing at arm's length with the landlord.

Additional Dwelling Unit means a second or third dwelling unit in a single-detached house, semi-detached house or rowhouse, or the creation of a residential unit in an accessory building to the single-detached house, semi-detached house or rowhouse.

Applicant unless otherwise indicated, means a registered owner, assessed owner or tenant of lands and buildings within the community improvement project area who has a right to apply for one or more financial incentive(s) in accordance with the policies of this Plan.

Arm's Length the two parties, unit owner and renter, are unrelated and unaffiliated and are acting in self-interest.

Base Year means the municipal property tax assessment of a lot at time of complete application submission.

City means the City of Welland.

Commencement Year means the municipal property tax assessment of a lot after project completion and based on the date of the Municipal Property Assessment Corporation (MPAC) Supplementary Property Tax Assessment.

Community Improvement unless otherwise specified, is as defined in accordance with its definition under Section 28 of the *Planning Act*.

Community Improvement Plan unless otherwise specified, is defined in accordance with its meaning under Section 28 of the *Planning Act*.

Community Improvement Project Area unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

Deeply Affordable means any unit rented at a minimum 60% below the average market rent or any unit rented at the CMHC Social and Affordable Housing Survey rates.

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.

(PPS, 2020)

Regional Market Area means the City of Welland.

Tax Increment means the difference between property tax assessment at the *Base Year* and *Commencement Year*.

8. Bibliography

City of Welland, Official Plan

City of Welland, Zoning By-Law

Niagara Region, Official Plan

Niagara Region, Smarter Niagara Incentives Program

Province of Ontario, A Place to Grow – Growth Plan for the Greater Golden Horseshoe

Province of Ontario, Provincial Policy Statement

Tim Welch Consulting and NPG Planning Solutions, Housing Needs Assessment and Environmental Scan, Affordable Rental Housing CIP Background Report, City of Welland.

9. Appendices