

Affordable Housing
Community Improvement Plan (AHCIP)

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Prepared by
Town of Fort Erie Planning, Building and By-law Services Department



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Section 1 Introduction

1.1 What is a Community Improvement Plan?

A Community Improvement Plan (CIP) is a tool that allows a municipality to take actions to support improvements and redevelopment within a specifically defined project area. Section 28 of the *Planning Act* gives municipalities the ability to prepare CIPs. Through a CIP, municipalities can:

- Identify changes needed to land use planning policies, zoning, and/or other by-laws, policies, and practices;
- Direct funds for improvements to public infrastructure and public space;
- Acquire land, rehabilitate buildings or clear land, and sell land for community improvement;
- Provide or direct funds for the provision of affordable housing;
- Improve energy efficiency;
- Provide grants and loans to owners and tenants for specific actions; and
- Establish a vision, goals, and objectives to provide focus and direction for continuous community improvement.

The Affordable Housing Community Improvement Plan (AHCIP) is a tool intended to incentivize the development of affordable housing in the Town of Fort Erie by both public and private sectors. In accordance with Section 28 of the *Planning Act*, the Affordable Housing CIP encourages investment by providing financial incentives that may be applied to eligible properties for purposes that conform to the goals, objectives, and policies of the CIP. Eligible properties must be located within the Community Improvement Project Area as designated by Council By-law following the adoption of the AHCIP.

1.2 Purpose of this Community Improvement Plan

During the development of the 2023-2026 Strategic Plan, Council emphasized the importance of comprehensive housing options, recognizing the need for safe, stable, and appropriate housing that is affordable for all ages, abilities, and income levels. The creation of an AHCIP remains a critical priority identified in the Town's updated strategic objectives.

The provision of affordable housing continues to be a top priority in the Town of Fort Erie. The Federal and Provincial governments have taken steps to address affordable housing, but the responsibility of determining the best methods for creating affordable housing ultimately lies with upper and lower-tier municipal governments. The Region of Niagara, through Niagara Region's Housing Services, is the Service Manager responsible for providing a range of programs and services to meet local housing

needs. The Town of Fort Erie has initiated this AHCIP to complement the existing services and programs offered by the Region.

The 2023-2026 Strategic Plan includes several key strategies to address affordable housing:

1. Update Town Planning and Policy Documents: Reflecting core housing needs such as adequacy, suitability, and affordability, and ensuring a proper housing mix and options.
2. Advocate for Innovative Funding Models: Seeking support from other levels of government to promote community-based solutions for homelessness, social housing, independent living, and supportive housing options.
3. Create a Policy Framework: Supporting and incentivizing the development of a broader mix of affordable and attainable housing options.
4. Leverage Development Charges and Community Benefit Programs: To incentivize affordable housing construction.

Both the Town's Housing Action Strategy and Housing Needs Study recognize a CIP as an effective tool in addressing affordable housing constraints in the municipality. The Town remains committed to fostering partnerships and leveraging resources to achieve these strategic housing goals.

1.3 Private Sector Investment

In order to encourage private investment in affordable housing, this AHCIP will provide financial incentives that will provide a grant to offset the costs of planning and building application fees within the Affordable Housing Community Improvement Plan Project Area and will be furthermore encouraged in those areas identified as Strategic Growth Areas in the Official Plan. The opportunities to create affordable housing may include new development, redevelopment of underutilized properties, or conversion from non-residential uses.

1.4 Non-Profit Sector

While some exemptions currently exist for eligible non-profit development, the incentive-based programs are extended to the non-profit sector which has been a valuable contributor through its ongoing housing development and management efforts and do not qualify for other programs through the Town or Region. All non-profit agencies will need to meet the eligibility requirements as outlined in [Section 7](#) within the [AHCIP Project Area](#).

1.5 How this AHCIP was Prepared

The following tasks were completed to build a foundation for the preparation of the AHCIP:

- Review of relevant Provincial and Municipal Policy Documents;
- Review of existing CIPs in Fort Erie;
- Best Practices from other Ontario Municipalities ([refer to Appendix A](#))
 - Table 1 provides a summary of various municipal affordable housing programs; and
 - Table 2 details those municipalities that provide incentives for Additional Dwelling Units, Affordable Housing Studies, and Per Door Grants);
- Through the preparation of the Town's Housing Needs Study 2019 and review of the 2024 Growth Management & Housing Needs Assessment, consultation with the Town's Affordable Housing Committee, Niagara Region's Housing Services, the Region of Niagara, other key agency stakeholders, and the public to identify opportunities to develop affordable housing units.

1.6 Study and Project Area

When a CIP is being prepared, a Study Area is established to focus the project scope and establish the community that is being considered for potential improvement through the various means identified under Section 28 of the *Planning Act*. From the Study Area, a Project Area is then identified as the specific area requiring improvement. The Housing Needs Study identified a need for affordable housing units throughout the entire Town of Fort Erie which was the basis for the AHCIP Study Area. Provincial regulations state that the Project Area is based on an area that, in the opinion of Council, is desirable for improvement based on age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings, or for any other environmental, social, or community economic development reason, including affordable housing. In accordance with Subsection 28 (4) of the *Planning Act*, the Community Improvement Project Area was designated by a by-law prior to Council approving the Community Improvement Plan.

As the AHCIP will be available to any applicant with a property in the Town of Fort Erie that is designated and zoned to permit residential uses and is contained within one of the Town's Urban Area Boundary limits; the Town's Urban Area Boundary is designated as the Affordable Housing Community Improvement Plan Project Area Figure 1. Furthermore, preference will be given to those applications within the Strategic Growth Areas as identified in the Official Plan.



Affordable Housing Community Improvement Project Area



Figure 1 Affordable Housing Community Improvement Plan (AHCIP) Project Area

1.7 Need for Incentives

Fort Erie Council has determined that encouraging the creation of affordable housing requires a more participatory role by the Town. There is no single planning tool, municipal investment project or Council decision that by itself will result in the elimination of the wait for affordable housing in Fort Erie. It requires an array of tools and programs that provide enough incentive for developers to create more affordable units. As noted, all programs and policies provided in the AHCIP will complement the work being done by Niagara Region's Housing Services as the Service Manager for Niagara.

Creating affordable housing projects can be expensive thus municipal incentives that offset some of these costs will be administered through the programs in this AHCIP.

1.8 Program Areas and Eligibility

Within the Project Area, there may be one or several new programs established such as grant or loan incentive programs, to encourage a certain action by landowners. There may be similar or overlapping incentives that relate to a specific property because the Town has a number of CIP's and CIP related incentive programs. Each financial incentive program has its own Council approved guidelines that detail the program requirements and how the programs operate. Applicants are to consult the specific program guidelines and confirm eligibility requirements with the Town prior to undertaking any works.

Section 2: Legislative Authority

The legislative authority for Community Improvement Plans, related incentives and powers is derived from the *Planning Act* and the Municipal Act.

2.1 The *Planning Act*

The *Planning Act* is the primary vehicle and provides for the establishment of Community Improvement Project Areas where the Town's Official Plan contains provisions relating to community improvement and the "Community Improvement Project Area" is designated by By-law pursuant to Section 28 of the *Planning Act*.

Under Section 28 of the *Planning Act*, "Community Improvement" means:

"The planning or re-planning, design or re-design, re-subdivision, clearance, development or re-development, 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."

For the purposes of carrying out a Community Improvement Plan that has come into effect, a municipality may engage in the following activities within the Community Improvement Project Area:

- a. Acquire, hold, clear, grade or otherwise prepare land for community improvement;
- b. Construct, repair, rehabilitate or improve buildings on land acquired or held by it in the Community Improvement Plan;
- c. Sell, lease or otherwise dispose of any land and buildings acquired or held by it in the Community Improvement Plan Project Area to any person or government authority for use in conformity with the Community Improvement Plan; and
- d. 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.

Section 28 (7.1) of the *Planning Act* provides for grants and loans for eligible costs established in an approved CIP related to:

- Environmental site assessment;
- Environmental remediation;
- Development;

- Redevelopment; and
- Construction and reconstruction of land and buildings for rehabilitation purposes.

The *Planning Act* restricts the total value of all grants and loans made under the *Planning Act* and tax incentives under the Municipal Act (where applicable) from exceeding the eligible costs defined in the CIP.

Section 28 of the *Planning Act* allows municipalities, if they have provisions in their Official Plans relating to community improvement, to designate by by-law a “Community Improvement Project Area” and prepare and adopt a Community Improvement Plan for such an area.

The *Planning Act* defines a “Community Improvement Project Area” as a portion of the municipality or the entire municipality itself, where municipal council deems community improvement is needed given reasons of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

Subsection 28 (4) of the *Planning Act* requires that the Community Improvement Project Area be designated by a by-law prior to approving a Community Improvement Plan. On December 16, 2024, Council passed By-law 128-2024] designating the entire municipal boundary as a Community Improvement Project Area for the AHCIP, pursuant to Section 28 (2) of the *Planning Act*.

2.2 Municipal Act

Pursuant to Section 106 (3) of the Municipal Act, municipalities are exempt from the prohibition of aiding through the granting of bonuses when exercising its authority under Sections 28 (6), (7), or (7.2) of the *Planning Act* within Community Improvement Areas. Bonusing includes: giving or lending any property of the municipality including money, guaranteed borrowing, leasing or selling any municipal property at below fair market value; giving a total or partial exemption from any levy, charge or fee.

Section 3: Guiding Planning Policies

3.1. Provincial Planning Statement 2024

The Provincial Planning Statement, 2024 (PPS) strengthens the emphasis on affordable housing by expanding the definition to include a wider range of housing options and setting higher targets for regional market areas. It speaks to the need to coordinate land use planning for housing with Service Managers to address a full range of housing options including affordable housing needs. The PPS promotes all types of residential intensification, including the development and re-development of underutilized commercial and institutional sites (e.g, shopping malls and plazas) for residential use, and development and introduction of new housing options within previously developed areas.. The update also prioritizes streamlined approval processes for affordable housing projects and links affordability with climate resilience. These changes require municipalities to revise their planning and zoning frameworks, enhance collaboration with stakeholders, and ensure accountability in meeting affordable housing goals.

3.2 More Homes, More Choice: Ontario's Housing Supply Action Plan

The More Homes, More Choice: Ontario's Housing Supply Action Plan is a comprehensive strategy introduced by the Ontario government in 2019 to address the housing supply crisis. It serves as the overarching framework that informs and supports the legislative changes outlined in the provincial acts related to affordable housing:

More Homes, More Choice Act (Bill 108) - 2019

- Objective: Increase housing supply and streamline the development process.
- Key Provisions: Changes to the *Planning Act*, *Development Charges Act*, *LPAT*, and *Ontario Heritage Act*.

Supporting Recovery and Competitiveness Act (Bill 276) - 2021

- Objective: Support economic recovery and competitiveness post-pandemic.
- Key Provisions: Amendments to facilitate affordable housing development and streamline land use planning processes.

More Homes for Everyone Act (Bill 109) - 2022

- Objective: Increase housing supply and affordability.
- Key Provisions: Reforms to reduce barriers in planning and development processes.

More Homes Built Faster Act (Bill 23) - 2022

- Objective: Accelerate housing development.
- Key Provisions: Simplified planning approvals and reduced development charges for affordable housing projects.

Overall Impact:

- Framework Implementation: Municipalities are essential in implementing the Housing Supply Action Plan.

- Process Changes: Adaptation to streamlined approval processes affecting local operations.
- Revenue Adjustments: Changes in development charges impacting municipal budgets.
- Collaboration: Working closely with provincial programs to achieve housing supply and affordability goals.

3.3 Niagara Official Plan

Niagara Regional Council adopted the Niagara Official Plan in June 2022, and the Minister of Municipal Affairs and Housing approved the plan with modifications in November 2022. Section 2.3 in the Regional Official Plan aligns with the Region's Housing and Homelessness Action Plan; the policies support the provision of a range and mix of housing options that are essential for the creation of complete communities and support the regional economy. The Niagara Official Plan's housing policies offer a framework for Fort Erie's AHCIP. Emphasizing a diverse housing stock that includes affordable options, the plan encourages Fort Erie to set local targets for housing mix and affordability. It promotes the development of affordable housing through incentives and regulatory flexibility, aligning with regional goals to ensure a percentage of new housing units are affordable. The plan also prioritizes locating affordable housing near amenities and transit, while discouraging the demolition of rental units without replacement options. This framework supports Fort Erie in developing strategies that meet community housing needs, foster sustainable urban development, and monitor progress towards achieving regional housing targets.

3.4 Niagara Region Housing and Homelessness Action Plan (HHAP)

The Niagara Region launched its Housing and Homelessness Action Plan (HHAP) in 2014 and updated it in 2019 to reflect progress and priorities from 2014 to 2018. This plan outlines a strategy to address affordable housing and homelessness in Niagara through 2023. It aligns efforts to enhance affordable housing access, reduce homelessness, and eliminate chronic homelessness in the region. December 31, 2023 marked the end of the 10-year Action Plan; the process has started to develop a new plan for 2024 to 2033.

The HHAP provides a strategic framework that Fort Erie can align with in its AHCIP. By focusing on housing affordability, retention, and increasing options for low- and moderate-income households, Fort Erie's AHCIP can contribute to regional goals outlined in the HHAP. This includes implementing policies and initiatives that support housing stability and accessibility, leveraging local resources to enhance housing options, and collaborating with regional stakeholders to improve the efficiency and effectiveness of housing and homelessness services.

3.5 Town of Fort Erie Official Plan

The Town of Fort Erie's Official Plan supports the development of an AHCIP through specific provisions outlined in Section 6. The Official Plan designates Community Improvement Project Areas based on criteria such as inadequate infrastructure, obsolete buildings, and high commercial vacancy rates (Section 6.2). Within these designated areas, the Plan enables the provision of public funds for various activities, including physical remediation, residential infill, affordable housing development, heritage preservation, and commercial revitalization (Section 6.3). The Official Plan emphasizes public participation in the preparation and amendment of CIPs, ensuring that these plans reflect community needs and priorities (Section 6.4). Additionally, it mandates that developments participating in CIP programs conform to the Official Plan, Zoning By-law, Maintenance and Occupancy By-laws, and other related policies, while actively seeking financial assistance from federal, provincial, and regional programs to support community improvement initiatives (Section 6.5). These provisions collectively facilitate the creation and implementation of a focused AHCIP to address housing needs in Fort Erie.

3.6 Town of Fort Erie Secondary Plans

Each of the Town's eight Secondary Plans addresses affordable housing with the following directive:

“An appropriate level of affordable housing and senior citizen’s housing shall be considered by the Town when reviewing development applications in the Neighborhood, in keeping with Provincial Policy. Such developments shall be integrated with other forms of housing rather than segregated and isolated, in order to provide a more cohesive and inclusive neighborhood and environment.”

While this policy does not mandate the provision of affordable housing, it emphasizes that any affordable housing developments should be integrated with other housing types to create a cohesive and inclusive community.

3.7 Town of Fort Erie Zoning By-law

The Town’s Zoning By-law includes provisions supporting the creation of affordable housing opportunities.

- **Additional Dwelling Units (ADUs) Allowed:** It is now permitted to add additional residential units within a home or on a property, such as basement apartments or small backyard houses, in many residential zones. This change facilitates the creation of more living spaces.
- **Simplified Requirements for ADUs:** The rules for creating these additional residential units have been relaxed. For instance, parking requirements

have been reduced, and certain zoning barriers have been removed to make it easier to add these units.

- **Support for Mixed-Use Development:** Regulations now encourage the combination of residential units with commercial spaces, such as apartments above shops, promoting lively, multi-purpose neighbourhoods.
- **Reduced Restrictions on Building Size:** Some restrictions on the size and placement of buildings, including setbacks and height limits, have been eased, allowing for greater flexibility in development.

Section 4: Definitions

4.1 Defining Affordable Housing

Affordable housing refers to housing that can be rented or purchased at market rates without relying on income security aspects of regionally-run housing programs. This definition includes housing that costs less than or equal to the "average market rent" or "average purchase price," but excludes regionally-run community housing or other community housing programs. Under this definition, "affordable" means housing for households whose earnings are too high to qualify for income security programs but not sufficient to pay market rates without spending more than 30% of their pre-tax income.

This definition aims to encourage the development of units rented or sold at or below average market rates, addressing the gap between municipal housing program eligibility and the income required to pay market rents. AHCIP programs may further refine the definition of "affordable" based on specific program objectives, with detailed criteria included for each program.

The province has determined Average market rent or purchase price based on the 'Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin' effective June 1, 2024 and is applicable across Ontario. The affordable residential units bulletin sets out the market-based and income-based thresholds for purchase prices and rents that are to be used to determine the eligibility of a residential unit for an exemption from development charges and exclusions from the maximum community benefits charge and parkland dedication requirements. However, for the purposes of implementing this program and incentivizing as much affordable housing units as possible Town Staff will determine a "Made in Fort Erie" threshold for affordability based on local real estate market trends.

The "Made in Fort Erie" threshold has been established using the Canada Mortgage and Housing Corporation (CMHC) data for Average Market Rent (AMR) and The Canadian Real Estate Association (CREA) Average Residential Sale Price. The threshold will apply the AMR for rental units and 70% of the Average Residential Sale Price for owned dwellings. The AMR is provided for the Town of Fort Erie whereas the Average Residential Sale Price is provided by area, in this case for all Southern Ontario which includes the Niagara Region. Given that the CMHC data is provided from Statistics Canada (Census of Canada and National Household Survey) and through the annual Rental Market Survey conducted by CMHC; the Town will update this threshold as Statistics Canada and CMHC publish new reports/data. Similarly, the Town will update its threshold annually to reflect the annual data provided by CREA for the Average Residential Sale Price. [Refer to Appendix B](#) which illustrates the Average Market Rent (AMR) and Average Residential Sale Price of Owner-Occupied Dwellings

for the Town of Fort Erie at the time of developing the Affordable Housing Community Improvement Plan. The Town will revise these values annually to remain in alignment with the annual data released by CMHC and CREA. The threshold affordable housing rates should encompass the cost of condo fees to ensure they better reflect the financial burden for potential renters/homeowners.

For the AHCIP, "affordable housing" refers to market and non-profit housing developments costing less than or equal to the "Made in Fort Erie" threshold, excluding income security aspects of regional programs for the following:

- Home Ownership: Affordable housing is defined as housing with a purchase price at or below the "Made in Fort Erie" threshold purchase price of a resale unit in the Town of Fort Erie.
- Rental Housing: Affordable housing is defined as a unit with rent at or below the "Made in Fort Erie" threshold.

4.2 Defining Core Housing Need

Core housing need is assessed based on three criteria: Adequacy, Affordability, and Suitability. A household is considered to be in core housing need if its current housing situation fails to meet one or more of these standards, and if meeting those standards would require the household to pay more than 30% of its pre-tax income toward shelter costs.

- Adequate: The housing does not require major repairs, as reported by the residents.
- Affordable: The total shelter cost (including rent, mortgage, condominium fees, property tax, and utilities) is less than 30% of the household's pre-tax income. This is the income-based definition of affordability.
- Suitable: The housing provides a sufficient number of bedrooms for the size and composition of the household.

4.3 Defining Local Residents

For the purpose of this Affordable Housing Community Improvement Plan "local residents" refers to individuals who reside within the municipality or the designated geographic area of the community improvement plan or those who identify Fort Erie as their municipality of residence. This includes people who have established their primary residence within the area for a minimum of six months prior to the application start date. Local residents also include those who work, own property, or have demonstrated significant ties to the community, such as participation in local organizations or services. The intent of this definition is to prioritize those who are directly impacted by local housing conditions and who contribute to the social and economic fabric of the area.

Section 5: Determining Affordable Housing Needs in Fort Erie

Fort Erie's Growth Management & Housing Needs Assessment (2024); was completed by Parcel Economics as part of the Official Plan review and identifies several local housing priorities, local housing demand, and housing gaps.

- **Population Growth:** Fort Erie has experienced a modest population increase, with a growth rate of 4.5% between the 2016 and 2021 census. While this growth is slower than that of Niagara Region and Ontario, it still contributes to a rising demand for housing, including affordable options.
- **Demographics:** A significant portion of Fort Erie's population is aging, with 37% of residents being over the age of 60. This demographic trend creates a demand for seniors-friendly housing, including smaller, accessible units and dedicated seniors' housing, which are often more affordable.
- **Migration:** Many new residents are migrating to Fort Erie from areas with higher household incomes and housing prices. This influx can increase housing demand and drive up prices, making it more difficult for lower-income residents to find affordable housing.
- **Income Levels:** Fort Erie has a higher proportion of lower-income households (earning less than \$100,000 per year) compared to Niagara Region and Ontario. This demographic faces greater challenges in accessing affordable housing, particularly as housing costs rise.

The current state of housing in Fort Erie highlights the challenges:

- **Home Ownership vs. Renting:** While most households in Fort Erie own their homes (80%), a significant minority (20%) rent. However, the lack of purpose-built rental units forces many renting households to rely on the secondary rental market, which may not meet their needs.
- **Housing Stock:** The majority of Fort Erie's housing stock consists of single-detached houses (83%), which are typically larger and more expensive. This type of housing may not be affordable or suitable for smaller households or those with lower incomes.
- **Over-Housing:** Many households in Fort Erie are "over-housed," meaning they have more bedrooms than needed for the number of occupants. This indicates a mismatch between housing stock and the needs of the population, particularly for smaller, more affordable units.
- **Limited Non-Market and Seniors Housing:** There is a shortage of non-market (community) housing and seniors housing in Fort Erie. This gap makes it challenging for low-income residents and seniors to find affordable and appropriate housing options.

Overall, the combination of population growth, an aging population, migration patterns, and income disparities underscores the urgent need for more affordable and diverse housing options in Fort Erie

Section 6: Goals and Objectives

6.1 Goals

Based on the results of the Town's Housing Needs Study, the goals for the AHCIP are to:

- Reduce financial barriers to developing affordable housing units;
- Promote and encourage the creation of affordable units;
- Support the policies of the Town's Official Plan, the Region of Niagara Official Plan, and Provincial and Federal policies;
- Support opportunities for residential infill and intensification;
- Assist in the regeneration of aging neighbourhoods and underutilized lands;
- Promote housing retention and promote aging in place;
- Promote the creation of additional bachelor and one-bedroom rental units;
- Supplement the work of the Region of Niagara as the upper tier housing provider; and
- Encourage environmental, social and financial sustainability for the Town and its residents through strategic investments in affordable housing initiatives.

6.2 Objectives

The following objectives are identified as means to achieve the goals of the AHCIP based on ongoing monitoring and measurement of the AHCIP:

- Provide incentives to encourage the creation of more affordable housing units and provide relief from financial barriers to construction of affordable housing;
- Enable the creation of mixed-use buildings and walkable communities;
- Create more affordable housing supply by being strategic about servicing; and
- Create affordable units at various levels of affordability, various levels of intensification and able to accommodate various family sizes.

Section 7: Community Improvement Programs

7.1 Affordable Housing Per Door Grant (APD)

The Per Door Grant is a flexible per-unit grant to support the creation of new affordable rental and ownership housing units, and new purpose-built rental buildings, by allowing applicants to apply for funding to offset project development costs. Applicants will be required to submit estimated project costs, a request for a per-unit dollar amount, and justification for the requested grant amount, taking into consideration requirements such as level of affordability and duration of affordability, unit mix and type of development. The intent of the Per Door Grant is to simplify the incentive process by providing one single capital grant in place of tying incentives to specific fees and charges, such as cash-in-lieu fees, application fees or other charges. It also will allow the Town more flexibility to assess the feasibility and merits of a specific project and offer more subsidy if it is warranted.

Application priority is as follows:

1. Projects within Strategic Growth Areas.
2. Purpose built rental units.
3. Projects that include a higher percentage of affordable housing units.
4. Projects proposing greater affordability levels (more affordable than the minimum requirements).
5. Projects guaranteeing affordability for more than 25 years.
6. Projects that do not impede *local residents* from renting or purchasing at least 50% of the units to be constructed.

7.1.1 Program Description

In order to quantify the affordable housing incentive eligibility for applicants, an incentive matrix has been established. The Affordable Housing Incentive Matrix is based on three key affordability factors:

1. Level of Affordability
2. Percentage of Affordable Units or Value of Dwelling
3. Years of Affordability Commitment

The Town of Fort Erie Affordable Housing Matrix has been based off the Canada Mortgage and Housing Corporation (CMHC) data for Average Market Rent (AMR) and The Canadian Real Estate Association (CREA) Average Residential Sale Price. The Affordable Housing Matrix has been included as [Appendix C](#).

Applicants will be required to justify how the criteria within the Affordable Housing Matrix are being met and Town staff will use this to determine eligibility for the identified incentive.

When reviewing applications, Town staff will comprehensively consider the Affordable Housing Incentive Matrix together with basic eligibility criteria, the program specific criteria as noted below, the present value of the rent or ownership differences (market versus affordable) over the life of the agreement, financial details ([refer to Appendix B](#)), and additional costs that may be incurred to meet the affordable rent or ownership rates required.

Grant money can be utilized towards any eligible project development costs up to \$20,000 per unit and \$500,000 per project, and cannot exceed total costs of development or redevelopment, or be used towards operational costs.

If awarded a grant, an agreement between the Town and the owner (registered or assessed owners of lands/buildings) will be required, which will set out the terms, duration, and default provisions of the grant provided; this agreement will be required to be registered on title of the subject lands. Should ownership of the lands change throughout the duration specified within the agreement; the new owner will need to recognize the agreement as registered on title. Should contravention of the agreement occur at any time, the owner of the lands will be responsible for partial or full reimbursement, plus interest, of any financial incentive received.

The Town may discontinue or rescind any financial incentive, plus interest, where there is no compliance with an executed agreement, including reporting requirements to ensure affordability is maintained per the agreement.

7.1.2 Additional Requirements for Non-profit and Charitable Organizations

For applicants that are a non-profit or charitable organization, the following requirements must be met:

- **Minimum number of affordable units:** Projects must result in at least one (1) new affordable housing unit. Projects that include a higher percentage of affordable housing units will be given preference. For projects that provide shared living arrangements, an increase in shelter capacity, bedrooms, or beds provided will qualify as one (1) new affordable housing unit.
- **Affordability:** Affordable units must meet the applicable affordable “made in Fort Erie threshold” rent or ownership criteria established from the most current data provided by CMCH and CREA. Projects proposing greater affordability levels (i.e., more affordable than the minimum requirements) will be given preference.

- **Type of housing permitted:** There is no restriction on the specific built form, but projects must be new construction, addition to an existing building, or conversion of an existing building resulting in new dwelling units. Projects can be standalone residential development or mixed-use. For projects that provide shared living arrangements, an increase in shelter capacity, bedrooms, or beds provided will qualify as one (1) new affordable housing unit. The entirety of the shared living space will be considered as a whole unit to qualify as one new affordable housing unit. Simply adding extra rooms or beds within a shared living arrangement will not count separately; only the overall shared living setup will be counted as one affordable unit.
- **Housing tenure permitted:** Rental housing (where there is a landlord-tenant relationship and tenants are recognized by the *Residential Tenancies Act*), nonprofit co-operatives (under the *Co-operative Corporations Act*), ownership housing, and other affordable housing (e.g. emergency or transitional housing units, shared living accommodations, etc.) are all permitted.
- **Affordability Period:** Affordable units are encouraged to remain affordable for a minimum of 25 years following initial occupancy. Projects guaranteeing affordability for more than 25 years will be given preference.

7.1.3 Additional Requirements for For-profit/Market Developers

For applicants that are a market/for-profit developer, the following requirements must be met.

- **Minimum number of affordable units:** Projects should meet the minimum targets in the Official Plan (20 per cent of all new rental housing is to be affordable; and 10 per cent of all new ownership housing is to be affordable) or 1 affordable dwelling unit, whichever is higher. Where the application of the per cent minimum results in a numeric fraction, fractions shall be rounded down to the nearest whole number if 0.49 or under, and rounded up to the nearest whole number if 0.5 or above. Projects that include a higher percentage of affordable housing units will be given preference.
- **Affordability:** Affordable units must meet the applicable affordable “made in Fort Erie threshold” rent or ownership criteria established from the most current data provided by CMCH and CREA. Projects proposing greater affordability levels (i.e., more affordable than the minimum requirements) will be given preference.
- **Type of housing permitted:** The development must be medium or high-density residential development. There is no restriction on the specific built form, but projects must be new construction, addition to an existing building, or conversion of an existing building resulting in new dwelling units. Projects can be standalone residential development or mixed-use.

- Housing tenure permitted: Rental housing (where there is a landlord-tenant relationship and tenants are recognized by the *Residential Tenancies Act*), nonprofit housing co-operatives (under by the *Co-operative Corporations Act*), ownership housing, and other affordable housing (e.g. emergency or transitional housing units, shared living accommodations, etc.) are all permitted.
- Affordability Period: Affordable units are encouraged to remain affordable for a minimum of 25 years following initial occupancy. Projects guaranteeing affordability for more than 25 years will be given preference.

If co-applying with a non-profit or charitable organization to provide the affordable units, the requirements of for-profit organizations should be followed.

7.2 Affordable Housing Study Grant (ASG)

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 Housing Study Grant must include a study plan and a cost estimate, and identify who will carry out the study. The grant will be paid only after a study or plan is completed and an electronic copy is provided to the Town.

7.3 Additional Dwelling Unit Grant (ADU)

The Accessory Dwelling Unit (ADU) Program provides a one-time grant to help offset project costs for:

- the construction of an (interior) accessory apartment dwelling unit within an existing principal dwelling unit or as an addition thereto;
- the construction of an (exterior) accessory apartment dwelling unit within an existing or new detached accessory structure.

This grant is intended to support a greater mix and size of housing types in the Town, and the increased availability of affordable rental housing accommodation.

7.3.1 Eligibility

a) Only on properties in compliance with the location and regulatory use permissions established in the Official Plan and Zoning By-law for accessory dwelling units;

b) The property owner shall not be in arrears of any property taxes, local improvement charges, outstanding work orders, property standard orders or any other arrears or charges from the Town, Region or the Province.

7.3.2 Grant Value

After successful completion of the project, the applicant may receive a one-time grant from the Town, as follows:

- the value of the grant is up to 70% of eligible project costs incurred, to a maximum of \$20,000, for the construction of an interior or detached accessory dwelling unit.

Additional financial incentives may be secured for the same project from other government agencies, non-profit groups, or other agencies and associations. The amount, duration and provider of the incentives, including conditional approvals, must be declared to the municipality as a condition of rebate payment. Where the value of all other incentives, combined with the Town incentive, is greater than total project costs incurred, the value of the ADU incentive will be decreased accordingly to ensure that all incentives provided for the project do not exceed total project costs incurred.

7.3.3 Eligible Project Costs

Eligible Project Costs that may be claimed for an ADU grant are set out below.

- Only eligible project costs that are consistent with, and incurred after the Building Permit for the accessory apartment unit has been issued by the Chief Building Official, may be claimed for the ADU grant;
- Eligible project costs include building materials, labour costs, and new or upgraded HVAC systems and plumbing where required under the Building Permit to facilitate construction of the additional dwelling unit;
- Ineligible costs include, but are not limited to: household appliances, decorative amenities, and financing, consulting fees, and fees to prepare building permit plans.

7.3.4 Application intake/requirements

A complete ADU application must be made within 30 days of a Building Permit issued by the Chief Building Official for the additional dwelling unit, and are received on a first come basis.

Minimum Requirements to submit a complete application:

- **Submission Materials**
 - A copy of the Building Permit plans approved by the Chief Building Official for the construction of the accessory apartment unit.
 - Estimated Project Costs: An itemized estimate of total project costs, and component project costs, including proposed service providers.
 - Picture documentation of the proposed building area to be retrofitted or constructed for the accessory dwelling unit, taken at time of application.
 - Applications for a detached accessory apartment unit must also include a site plan of the property, including all building dimensions and yard setbacks of the applicable detached accessory structure, and other applicable regulations established in the Zoning By-law, and may include the requirement for a grading plan or other plans.

7.3.5 Project approval/ timeline

Approval Authority

- Approval authority for ADU grant applications is delegated to municipal staff;
- Complete applications will be processed on a first come basis;
- The ADU Grant Program is subject to a Council approved annual budget allocation. Application approval is contingent on the program budget allocation, and the number of approvals that may have already been granted.

Project Timeline

- An approved project must be completed to the satisfaction of the municipality within 12 months from the date of issuance of the applicable Building Permit.

7.3.6 Summary requirements for commencement of ADU grant

Prior to disbursement of the grant payment, the property owner must satisfy all ADU program requirements, including the following:

- That all municipal property taxes levied on the property are paid in full;
- A final inspection has been made, and an occupancy permit has been issued by the municipality for the accessory dwelling unit;
- Picture documentation of the accessory dwelling unit, taken at time of project completion;
- Submission of an Eligible Costs Form setting out in itemized detail all project costs incurred by the property owner, and broken down by project components, including but not limited to: detailed invoices, contracts, service /material provider, materials supplied, purchase orders, proof of payment;
- Declaration of any grants or financial incentives that have been secured, or received conditional approval, for the same project from other government agencies, non-profit groups, or other agencies and associations. The amount, duration and provider of the incentives must be set out in the declaration.

- Declaration of no outstanding work orders, no tax arrears, local improvement charges or any other charges of the Town of other agencies and property standards compliance.

Section 8: Implementation and Monitoring

8.1 Funding

This Community Improvement Plan will be administered by the Town of Fort Erie. The AHCIP will be implemented through the policies of the Official Plan and Section 28 of the *Planning Act*. Overall implementation will be subject to Council review and approval of program details and budgetary allocation. The AHCIP and associated programs will be administered by the Department of Planning, Building and By-law Services, Division of Community Planning, in consultation with the Finance Department. The provision of any program of this AHCIP shall be administered based on merit and the limit of funding available in accordance with administrative rules governing the grant program(s).

The success of this AHCIP relies heavily on partnerships. Collaboration with various stakeholders, including developers, non-profit organizations, community groups, and other levels of government, is crucial for achieving the Town's affordable housing goals. By working together, we can leverage resources, expertise, and innovative solutions to address the affordable housing needs in our community.

Additional specific details regarding various incentive programs, applications, and administration procedures shall be set out in the grant application forms and may change from time to time without the need for an amendment to this AHCIP. The following is applicable to any grants issued through the AHCIP programs:

Agreements: All applicants may be required to enter into an agreement with the Town specifying the amount to be paid by the Town and the payment period. In all cases, the property owner must consent to the agreement in writing. The legal agreement between the applicant and the Town regarding the provision of any affordable housing units will contain a clause to ensure that the eligible affordable housing units remain affordable in accordance with the definition in this AHCIP for the agreed upon period. The funding agreement will outline any required construction timelines (e.g., when a Building Permit application needs to be submitted by).

Forgivable Loans: Any of the grant programs or financial incentives may be structured as loans or forgivable loans if necessary, to secure Town interests.

Property Ownership: The project lands do not need to be owned by the applicant at the time of the application. There is a requirement that the lands are owned by either the applicant or a related/affiliated organization. The Town will be looking for additional

information from the applicant regarding the ownership of the lands, and whether a transfer/sale is anticipated as the owner of the land will be a party to the contribution agreement.

Change in Property Ownership: AHCIP grants will be available to a property owner only. The Town may extend the original grant payment schedule to a new owner subject to an amended agreement with the new owner.

Transferability: Assistance granted under any financial incentive or other program for a particular applicant is not transferable to any other property.

8.2 Grant Payments

Payment of grants will occur following the applicant entering into an agreement with the Town and the provision of the applicable documentation to demonstrate that the work has been completed, as required. Applicants are required to pay the necessary fees and charges, as required, at the time of making *Planning Act* applications and Building Permit applications, unless otherwise specified under the program, or otherwise exempt through other Town programs.

Grants may be awarded for a lesser amount than what was applied for based on merit or limited funding. Grant payment for the Affordable Housing Per Door Grant will be assessed using the incentive matrix in [Appendix B](#). Grant payment for the Additional Dwelling Grant will be evaluated based on the submission of invoices for eligible project costs as identified in Section 7.3.3. If an application is approved under any of the programs, the timing of the grant payments for each program shall generally be as follows:

8.2.1 Per Door Grant

Where the applicant is a non-profit or charitable organization, the Per Door Grant will be paid out as follows:

- 50 percent of the grant will be provided up front following approval and execution of a funding agreement with the Town.
- The remaining 50 percent of the grant will be paid at the time a final Occupancy Permit is granted.

Where the applicant is a market/for-profit developer, the Per Door Grant will be allocated per affordable housing unit and paid out as follows:

- The grant will be paid at the time a final Occupancy Permit is granted.

Recipients of the Per Door Grant are required to provide annual reporting to confirm the eligible affordable housing units remain affordable over the agreed upon affordability period.. Requirements for reporting will be clearly outlined in the agreement between

the owner and the Town. Failure to maintain affordability requirements, or other terms of the agreement, may result in the required repayment of all or a portion of the grant.

8.2.2 Affordable Housing Study Grant

Where the applicant is a non-profit or charitable organization, or a market/for-profit developer:

- The studies, plans, or designs must provide new site-specific information in support of a potential improvement project.
- Eligible studies must be completed by a licensed and/or qualified professional as confirmed by the Town.
- The cost to complete any of the following types of studies, plans, or designs may be eligible for the Study Grant:
 - Conceptual plans;
 - Structural analysis;
 - Traffic Impact Assessment/Study or parking studies;
 - Site plan drawings.
- All completed studies, plans, or designs must comply with the description of the project provided in the grant application form.
- The grant will be provided upon successful completion of the approved study, plan, or design. The grant will be paid in a lump sum as a reimbursement of up to 50% of eligible costs incurred, or the maximum value of the grant, whichever is less.
- One electronic copy of the completed studies, plans, or designs shall be submitted to the Town.
- All completed studies will become the shared property of the Municipality and applicant.

8.2.3 Additional Dwelling Unit Grant

To commence the grant payment, the applicant must:

- provide written notice to the municipality within 30 days after project completion requesting to trigger the grant payment; and
- satisfy all requirements of the ADU program, and those set out in [Section 7.3.6](#).

8.2.4 Recovery of Funds for Non-Compliance

The applicant will enter into an agreement with the Town for full recovery of funds given by the Town, to the Town in the event that an applicant fails to meet the obligations under any of grant programs in the AHCIP.

8.3 Financing of Incentives

Council has the authority to determine whether to fund programs through one pool of funding, or to allocate a set amount of the AHCIP Reserve Funds to specific programs. Council may approve an annual budget for the AHCIP Reserve Fund exclusively for funding Financial Incentives. In the event that not all of the available funding has been allocated at the end of the year, any unused funding will carry over into the following year within the AHCIP Reserve Fund. Should funding amounts from other levels of government fluctuate some programs may be put on hold.

8.4 Monitoring

Monitoring of the AHCIP will be based on the following sets of measures and indicators, used to evaluate the level of success of meeting the goals and objectives:

Objective	Monitoring/Measurement
Provide incentives to encourage the creation of more affordable housing units and provide relief from financial barriers to construction of affordable housing	# of affordable projects and # of units created that use the AHCIP programs (annual) # of new residential units created through the AHCIP Vacancy rates Levels of affordability Average Market Rent vs. income
Enable the creation of mixed-use buildings and communities	# of affordable projects and mixed-income/mixed tenure projects created (annual)

An annual review and monitoring report of the AHCIP program will be provided to Town Council as part of the Planning, Building and By-law Services annual statistical reporting. Information on the above-listed indicators will be collected at the individual project level and aggregated. The aggregated information will be used as the basis for annual reporting to Council. The annual reports are intended to be used to inform decisions related to adjustments to this AHCIP, as well as any budget decisions related to the incentive program.

8.5 Plan Revisions and Amendments

- Additions of other community improvement project areas and additions of grant or loan programs shall require an amendment to this Plan in accordance with the *Planning Act*.
- The Town may discontinue or temporarily place on hold any program without requiring an amendment to this Plan.
- The administrative details of the specific programs may be amended by Council without requiring a formal amendment to the Community Improvement Plan.

Minor or technical amendments, such as correcting typographical errors, revisions to definitions, and administrative details of specific programs (including application intake periods), may be made without Council approval.

- Major or substantive amendments may be made by amendment, subject to the statutory process under the *Planning Act*, which includes public consultation and Council approval.

The following adjustments constitute a major or substantive change:

- Modifications to the Community Improvement Project Area;
- Addition of a new incentive program;
- Changes to the types of eligible projects or an addition of a new eligible project; and
- Changes to eligibility criteria.
- When making any amendments to the AHCIP, the Town must pass a by-law to adopt such amendments.

Appendix A

Table 1: Various Municipal Affordable Housing Programs

Municipality	Population	Per Door Grant	Additional Dwelling Units	Affordable Housing Study	Tax Increment Grant	DC Grant	Municipal Fees Grant	other
Blue Mountains	9,390		x	x	x	x	x	x
Cambridge	138,479				x	x	x	
Goderich	7,881			x	x	x	x	
Peterborough	83,651				x	x	x	
Port Colborne	20,033	x						
Lincoln	23,787		x		x	x	x	
Barrie	147,829	x	x		x	x	x	
Welland	58,491		x	x	x			
Sudbury	166,004	x	x	x	x		x	x
St. Catharines	144,829		x					
Aylmer	7,699				x	x	x	
Cobourg	20,519		x		x	x	x	x
Belleville	55,071		x		x			
Hamilton	569,353		x			x		x
Kitchener	256,885	x					x	
Kingston	132,485		x					
Sarnia	97,592	x		x	x		x	
Leeds	9804							
Brighton	12,108		x		x	x		x
Smith Falls	9,254	x			x	x	x	

**Table 2: Various Municipal Incentives for
Additional Dwelling Units, Affordable Housing Study Grant and Per Door Grant**

	Additional Dwelling Unit	Affordable Housing Study	Per Door Grant
Fort Erie (proposed)	Grant amount: Up to 70% of eligible project costs, to a maximum of \$20,000	equal to 50% of the cost of the study up to \$7,500	Max \$20,000 per unit up to \$500,000 per project, cannot exceed total costs of development/ redevelopment
Barrie	currently \$15,000		amount determined based on applicant's justification
Kitchener	75% of cost up to \$15,000		Not-for-profit affordable rental and co-op housing grant for \$10,000 per unit (up to a max of 50 units per project) (pilot*)
Sarnia	Up to \$20,000	Up to \$10,000	purpose-built affordable rental housing of five (5) units or more
Welland	up to 70% to max \$35,000	up to 50% of cost of the study up to \$7,500	
St. Catharines	up to 70% to max \$40,000 for interior ADU and \$80,000 for exterior ADU		
Belleville	up to \$2,500 new construction	up to \$500 and up to \$2,000 for a \$30,000 construction	
Cobourg	up to 50% cost \$10,000 max		
Hamilton	up to \$2,000		
Goderich		50% of cost to max \$10,000	
Leeds Thousand Islands	50% of costs, up to \$5,000		
Brighton	max \$500		
Smith Falls	Varies up to \$25,000		

Appendix B

CMHC and CREA Housing Data for Fort Erie	Value
CMCH Average Market Rent (AMR)	\$1,067
CREA Residential Average Price (Southern Ontario)	\$779,669 70% = \$545,768

Figure 2: CMHC and CREA Housing Data for Fort Erie

Key Financial Details Considered:

- Development Costs: Land acquisition, construction, soft costs (e.g., permits, legal fees), and contingency.
- Financing: Loans, grants, equity investment, and other funding sources.
- Operating Expenses: Maintenance, property management, utilities, and insurance.
- Income Projections: Rent or sale prices, rental income, and other revenue.

Appendix C

FORT ERIE AFFORDABLE HOUSING INCENTIVE MATRIX (Up to \$20,000 per unit to a max of \$500,000 per development)				
Criteria	Incentive Breakdown	Weighting	Rental Based off CMHC Average Market Rent (AMR)	Ownership Based off CMHC Average Owner- Occupied Dwelling Value
Level of Affordability	Up to \$10,000 per unit	50%	At or below AMR: \$10,000	At or below Average Owner-Occupied Dwelling Value: \$10,000
Percentage of Affordable Units or Value of Dwelling	Up to \$5,000 per unit or dwelling	25%	10% of units affordable: \$2,500 20 % of units affordable: \$4,000 30% or more: \$5,000	10% of units/dwelling affordable: \$2,500 20 % of unit/dwelling affordable: \$4,000 30% or more: \$5,000
Years of Affordability Commitment	Up to \$5,000 per unit	25%	10-year commitment: \$2,000 15-year commitment: \$3,500 25-year commitment: \$5,000	An agreement with the Town of Fort Erie must be entered into and registered on title indicating that the dwelling will remain affordable for an agreed term and any transfer of ownership will maintain the agreed commitment of affordability. (Refer to the rental affordability commitment matrix for incentive eligibility)

Figure 3: Town of Fort Erie Affordable Housing Incentive Matrix for APD

