

City of Sault Ste. Marie

**Housing Community Improvement Plan**

Draft for Consultation

November 2023

## Land Acknowledgement

### **Robinson-Huron Treaty Territory**

The City of Sault Ste. Marie acknowledges this area as part of the traditional lands of the Ojibway people. This location is known as Bawating and is the ancestral home of Batchewana First Nation, Garden River First Nation and the Historic Sault Ste. Marie Métis Council. The City of Sault Ste. Marie recognizes the significance of the Robinson-Huron Treaty of 1850 which established a relationship between First Nation and European ancestors on the basis of respect for one another.

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# 1. Introduction

## 1.1 CIP Background

This Community Improvement Plan (“CIP” or “Plan”) is a community revitalization tool that responds to the housing needs of the City of Sault Ste. Marie’s (“City”). It directly implements Action 3 of the Housing Action Plan, to “provide financial incentives for housing”. In doing so, the Plan establishes a range of financial incentive programs intended to facilitate broad investment in the City’s housing stock to meet current and future housing demand. It also establishes one non-financial incentive program that focuses on providing access to surplus land to the Not-for-Profit sector.

## 1.2 Purpose of this Plan

The purpose of this Plan is to provide financial incentives that promote, encourage, and facilitate housing development within the City. The Plan implements Action 3 of the Housing Action Plan and responds to the needs and opportunities identified in the Housing Needs Assessment.

Like many municipalities across Canada and in Ontario, the supply adequate and affordable housing has emerged as a critical challenge. As of 2023, the City estimates that approximately 3,115 new housing units will be required by 2036 to meet projected housing demand. The Province of Ontario (“Province”) has also identified a housing target for the City of 1,500 new units by the year 2031.

The City therefore plans to meet or exceed the Provincial housing target by 2031, as well as satisfy the housing demand that is projected by the year 2036. This Plan is intended to have a key role in achieving these housing targets.

Importantly, the City will require housing that responds to changing demographics, economics, and market conditions.

Therefore, housing within the City will need to provide opportunities for people with housing needs and aspirations.

## 1.3 Objectives of this Plan

The objectives of this Plan are in response to the identified housing needs and opportunities within the City, while similarly advancing the priorities of the Housing Action Plan. Therefore, the objectives of this Plan are to:

1. Support implementation of the Housing Action Plan, specifically Action 3, which states “Provide Financial Incentives to Housing”.
2. Implement the housing policies of the City’s Official Plan.
3. Increase the overall inventory of housing stock.
4. Develop an appropriate mix of housing with regards to type and tenure.
5. Prioritize the development of affordable housing.
6. Focus housing development within strategic areas of the City that have the greatest identified need.
7. Respond to the diverse housing needs of current and future residents.

Proposed community improvement works that benefit from the financial incentive programs of this Plan must be consistent with these objectives. These objectives are also a critical component to the monitoring and evaluation framework of this Plan, and therefore should be evaluated regularly to inform future updates.

#### 1.4 Community Improvement Project Area

Properties eligible to apply for the financial incentive programs established by this Plan are shown on the CIPA. The CIPA is established as a separate by-law from this Plan and may be amended from time to time at Council's discretion. It is therefore important for eligible applicants to consult with the Plan Administrator to determine if a property or building is within the CIPA before applying.

#### 1.5 Legislative Authority

This Plan has been prepared and enacted in accordance with Section 28 of the *Planning Act*. Pursuant to Section 28, the City may issue financial incentives to eligible applicants within a designated Community Improvement Project Area ("CIPA"), and where a CIP has been prepared.

This Plan is also permitted under Section 106 of the Municipal Act, 2001, which generally prohibits municipalities from directly or indirectly assisting manufacturing, business or other industrial or commercial enterprises. An exception to Section 106 is made under Section 106(3) for municipalities exercising powers under

Section 28 (6) or (7) of the Planning Act, being to adopt a CIPA and CIP.

#### 1.6 Structure of this Plan

This Plan is organized into four parts:

1. **Part 1** introduces the CIP, including relevant background information, purpose, and legislative authority.
2. **Part 2** identifies the programs of this Plan which includes the description, purpose, and interpretation for each program.
3. **Part 3** establishes the general eligibility criteria for programs.
4. **Part 4** provides detailed implementation policies that inform how this Plan is monitored and evaluated.

## 2. Financial Incentive Programs

### 2.1 Purpose

This Plan establishes a range of financial incentive programs to advance the housing objectives of the Plan. The programs are intended to respond to a broad range of housing needs and opportunities within the community.

### 2.2 Financial Incentive Programs

Under this Plan, a total of six programs are established:

1. Municipal Fees Rebate Program;
2. Per-Door Grant Program;
3. Tax Increment Equivalent Grant (TIEG) Program;
4. Feasibility Study Grant Program;
5. Down Payment Loan Program; and
6. Access to Land Program.

Specific details of the financial incentive programs are established under sections 2.4 through 2.9 of this Plan.

### 2.3 Interpretation of the Programs

The financial incentive programs are presented in sections to assist with interpretation and administration, as follows:

1. **Purpose:** Identifies the purpose of the financial incentive program and how it benefits applicants and the community.
2. **General Program Availability:** Specifies the types of housing and

tenure that are eligible for the program based on the CIPA.

3. **Eligible Costs:** Provides details for which types of community improvement works are considered eligible in the calculation of a financial incentive program value.
4. **Financial Incentive Program Value:** The maximum potential value of financial incentive programs is shown on Appendix A. Additional program-specific financial incentive values are identified in this section.
5. **Payment of Financial Incentive Program:** Describes how and when a financial incentive is to be paid or deemed complete.
6. **Specific Eligibility Criteria:** Provides program-specific details of applicable criteria that applicants must satisfy in order to be eligible to apply for a Program. These eligibility criteria must be read in conjunction with Part 3 General eligibility of this Plan.

### 2.4 Municipal Fees Rebate Program

#### 2.4.1 Purpose

The Municipal Fees Rebate Program offers a grant equal to a portion of municipal fees paid to the City related to an application made under the *Planning Act*, the Ontario Building Code, and other selected municipal services. The Program is intended to reduce the soft costs of constructing new residential units; particularly those that meet the definition of “affordable” as defined by this Plan.

## 2.4.2 General Program Availability

The availability of the Municipal Fees Rebate Program depends on whether the housing is developed as affordable or market rate, and depending on tenure, as follows:

1. **Affordable:** Where affordable dwelling units are proposed, the Program is available in all three precincts.
2. **Market Rate:** Where market rate dwelling units are proposed, the Program is only available in Precinct 1.
3. **Tenure:** Both freehold housing and rental housing are eligible for this Program.

Additionally, only lands designated Downtown, Residential, or Commercial by the Official Plan shall be eligible for this Program.

## 2.4.3 Eligible Costs

The following costs shall be eligible under the Municipal Fees Rebate Program:

1. Development or redevelopment of a mixed-use or multi-unit residential building that results in new additional dwelling units;
2. Development of a vacant property for a mixed-use or multi-unit residential building that results in new additional dwelling units;
3. Redevelopment of an existing non-residential building for a mixed-use or multi-unit residential building that results in new additional dwelling units;

4. Additions, reconfiguration, and renovations to an existing mixed-use or multi-residential building;
5. Development of an accessory dwelling unit on existing lots with a single detached dwelling, semi-detached dwelling, or multiple attached dwelling;
6. In Precinct 1 only, the redevelopment of an existing low density dwelling, provided that at least one additional dwelling unit is also proposed, and that additional dwelling unit meets the definition of affordable, as defined by this Plan; and
7. Professional services of an engineer, architect, or planner, to a maximum of 15% of the eligible costs above.

## 2.4.4 Financial Incentive Program Value

The total maximum value of the Financial Incentive Program is as shown in Appendix A to this Plan. The following additional requirements shall apply:

1. Precinct 1: the total value of the Program shall be up to a maximum of 90% of the total eligible fees.
2. Precinct 2: the total value of the Program shall be up to a maximum of 70% of the eligible fees.
3. Precinct 3: the total value of the Program shall be up to a maximum of 50% of the eligible fees.

In all cases, where at least 50% of the new dwelling units are deemed to be affordable as defined by this Plan, the total financial program value may be increased by a



maximum of 10%, at the sole discretion of the City.

#### 2.4.5 Payment of Financial Incentive Program

Applicants are required to initially pay any applicable fees as an upfront cost under this Program. Subsequent payment of a financial incentive shall be in accordance with the following:

- **Planning Act:** Payment of a financial incentive under this Program that involves an application made under the *Planning Act* shall only be issued upon completion of the approved development.
- **Building Permit:** Payment of a financial incentive under this Program that involves a Building Permit shall only be issued when final site inspection is complete, and the work undertaken is deemed compliant with the Ontario Building Code and is in accordance with the Building Permit.

#### 2.4.6 Specific Eligibility Criteria

Eligible applicants must satisfy the requirements of Section 3 General Eligibility Criteria, as well as the following program specific eligibility criteria:

1. Section 3: General Eligibility Requirements shall apply.
2. The following fees shall be eligible for this Program:
  - a. Planning Application Fees, including Zoning By-law Amendments, Minor

Variances, Consents to Sever Land, and Site Plan Control;

- b. Building Permit Fees; and
  - c. Services of a qualified professional, up to a maximum of 15% of the total eligible costs.
3. For clarity, planning application fees and building permit fees are not eligible costs but shall be used as a basis to calculate the value of the grant.
  4. Under no circumstances does a decision by the City to approve an eligible application for incentives associated with an application made under the *Planning Act* be interpreted to represent a position or opinion on the *Planning Act* application itself.
  5. Where affordable housing is proposed, the City may require successful applicants to enter into an agreement with the City to maintain the housing as affordable.
  6. The City requires eligible applicants to provide a cost estimate or quote in advance of the services being rendered by a qualified professional. The cost estimate or quote shall include a detailed breakdown of tasks and associated costs. At its discretion, the City may require additional cost estimates or quotes to be provided, and in this case, the payment of this portion of the grant shall be the lesser of the cost estimates provided.

## 2.5 Per-Door Grant Program

### 2.5.1 Purpose

The Per-Door Grant Program provides a one-time grant to small-scale developments that propose up to five new dwelling units. The Program is intended to support a greater mix, size, and tenure of housing within the City, while also contributing to an increase in the overall availability of affordable housing options, particularly missing middle housing options. Successful applicants may be required to enter into an agreement with the City to maintain the housing as affordable, in accordance with the specific eligibility criteria of this Program.

### 2.5.2 General Program Availability

The availability of the Per-Door Grant Program depends on whether the housing is developed as affordable or market rate, and depending on tenure, as follows:

1. **Affordable:** Where affordable dwelling units are proposed, the Program is available in all three precincts.
2. **Market Rate:** Where market rate dwelling units are proposed, the Program is only available in Precinct 1 and Precinct 2.
3. **Tenure:** Both freehold housing and rental housing are eligible for this Program.

Additionally, only lands designated Downtown, Residential, or Commercial by the Official Plan shall be eligible for this Program.

### 2.5.3 Eligible Costs

The following costs shall be eligible under this Program:

1. Development or redevelopment of a mixed-use or multi-unit residential building that results in new additional dwelling units;
2. Development of a vacant property for a mixed-use or multi-unit residential building that results in new additional dwelling units;
3. Redevelopment of an existing non-residential building for a mixed-use or multi-unit residential building that results in new additional dwelling units;
4. Additions, reconfiguration, and renovations to an existing mixed-use or multi-residential building;
5. Development of an accessory dwelling unit on existing lots with a single detached dwelling, semi-detached dwelling, or multiple attached dwelling;
6. In Precinct 1 only, the redevelopment of an existing low density dwelling, provided that at least one additional dwelling unit is also proposed, and that additional dwelling unit meets the definition of affordable, as defined by this Plan; and
7. Professional services of an engineer, architect, or planner, to a maximum of 15% of all eligible costs.

In all cases, the maximum number of new dwelling units that are eligible for this Program shall be five.

#### 2.5.4 Financial Incentive Program Value

The maximum value of the Financial Incentive Program is as shown in Appendix A to this Plan. The following additional requirements shall apply:

1. Precinct 1: the total value of the Program shall be up to a maximum of 40% of all eligible costs per dwelling unit.
2. Precinct 2: the total value of the Program shall be up to a maximum of 30% of all eligible costs per dwelling unit.
3. Precinct 3: the total value of the Program shall be up to a maximum of 20% of all eligible costs per dwelling unit.

In all cases, where at least 50% of the new dwelling units are deemed to be affordable as defined by this Plan, the total financial program value may be increased by a maximum of 10% per dwelling unit, at the sole discretion of the City.

#### 2.5.5 Payment of Financial Incentive Program

The grant shall be paid upon completion of works related to the eligible costs, to the satisfaction of the City, and in accordance with the requirements of this Plan.

#### 2.5.6 Specific Eligibility Criteria

Eligible applicants must satisfy the requirements of Section 3 General Eligibility Criteria, as well as the following program specific eligibility criteria:

1. Section 3: General Eligibility Requirements shall apply.

2. Where affordable housing is proposed, the City may require successful applicants to enter into an agreement with the City to maintain the housing as affordable for a minimum period of time.
3. The City requires eligible applicants to provide a cost estimate or quote in advance of the services being rendered by a qualified professional. The cost estimate or quote shall include a detailed breakdown of tasks and associated costs. At its discretion, the City may require additional cost estimates or quotes to be provided, and in this case, the payment of this portion of the grant shall be the lesser of the cost estimates provided.

### 2.6 Tax Increment Equivalent Grant (TIEG) Program

#### 2.6.1 Purpose

The Tax Increment Equivalent Grant (TIEG) will provide an annual grant to reimburse a portion of the municipal property tax increase resulting from residential development on a property over a fixed number of years. The Program is intended to encourage significant investment in new housing within the City. Only applications that propose a total of five new dwelling units or greater are eligible for this Program.

#### 2.6.2 General Program Availability

The Tax Increment Equivalent Grant is available to both affordable dwelling units and market rate dwelling units in all three precincts. However, the Program is

structured differently depending on tenure, as follows:

1. **Freehold:** Financial incentives for units defined as freehold by this Plan are eligible in Precinct 1 only.
2. **Rental:** Financial incentives for dwelling units defined as rental by this Plan are eligible in Precinct 2 and Precinct 3 only.

Additionally, only lands designated Downtown, Residential, or Commercial by the Official Plan shall be eligible for this Program.

### 2.6.3 Eligible Costs

The following costs shall be eligible under this Program:

1. Development or redevelopment of a mixed-use or multi-unit residential building that results in new additional dwelling units, where the development results in an increase in the assessed value and taxes on the property;
2. Development of a vacant property for a mixed-use or multi-unit residential building that results in new additional dwelling units, where the development results in an increase in the assessed value and taxes on the property;
3. Redevelopment of an existing non-residential building for a mixed-use or multi-unit residential building that results in new additional dwelling units, where the development results in an increase in the assessed value and taxes on the property;
4. Additions, reconfiguration, and renovations to an existing mixed-use or

multi-residential building, where the development results in an increase in the assessed value and taxes on the property;

5. Infrastructure improvements or upgrades required to service eligible development or redevelopment, as identified above; and
6. Professional services of an engineer, architect, or planner, to a maximum of 15% of eligible costs above.

### 2.6.4 Financial Incentive Program Value

The maximum value of the Tax Increment Equivalent Grant is calculated as the difference between pre-project municipal taxes and post-project municipal taxes. The total potential value of the Financial Incentive Program is as shown in Appendix A to this Plan.

The following additional requirements shall apply:

1. In Precinct 1, the total value of the Program shall be up to a maximum of 40% of all eligible costs.
2. In Precinct 2, the total value of the Program shall be up to a maximum of 30% of all eligible costs.
3. In Precinct 3, the total value of the Program shall be up to a maximum of 20% of all eligible costs.

In all cases, where at least 50% of the new dwelling units are deemed to be affordable as defined by this Plan, the total value of the grant may be increased by a maximum of 10% for all eligible costs, at the sole discretion of the City.

### 2.6.5 Payment of Financial Incentive Program

1. The Tax Increment Equivalent Grant will only be issued subsequent to completion of approved eligible works.
2. The grant will be paid annually by the City to the eligible applicant subsequent to payment of all property taxes.
3. The standard grant period shall be ten years, but at its sole discretion, the City may define an alternative grant period depending on the nature and merit of the development application itself.

### 2.6.6 Specific Eligibility Criteria

Eligible applicants must satisfy the requirements of Section 3 General Eligibility Criteria, as well as the following program specific eligibility criteria:

1. The Tax Increment-Equivalent Grant program shall not be combined with any other financial incentive program of this Plan, except the Access to Land Program.
2. The minimum number of new dwelling units required for a development to be eligible for this Program shall be five.
3. The City may evaluate the merit of an application based on considerations for achieving specific actions as part of the Housing Action Plan.
4. The applicant must demonstrate that a substantial increase in municipal property taxes will occur due to development or redevelopment.

5. A grant administered under the Tax Increment Equivalent Program shall represent a percentage of increased taxes payable resulting from the improvements.
6. The applicant shall provide to the City a post-improvement assessment. The post-improvement assessment will be used by the City to determine the difference between the amount of municipal taxes prior to the development or redevelopment and the amount of municipal taxes to be paid after the development is complete.
7. A grant issued under this Program will be issued in accordance with a grant schedule and provided to the registered owner of the property on an annual basis.
8. A grant may be issued on an annual basis in accordance up to a maximum period of ten years. The value of the grant issued in any given year is at the sole discretion of the City, but ultimately the amount will be reduced until it reached 0%.
9. An annual grant shall not be issued until all property taxes owing for each year are fully paid. If a property tax installment is missed or payment is late, the City reserves the right, without notice and at its own discretion, to withhold or terminate all future grant payments.
10. Changes in occupancy rates shall not have bearing on the value of an annual grant.

- 11. An annual grant shall not be recalculated based on tax increases resulting from general re- assessments, or changes in tax legislation.
- 12. If the property is sold or there is otherwise a change in ownership, the City reserves the right to withhold or terminate future grants.
- 13. The City shall not issue an annual grant that is of greater value than the municipal tax collected in a given year on the increased assessed value of the property.
- 14. At it's discretion, the City may suspend or discontinue this Program. However, existing agreements between the City and landowners will be recognized, whereby grants will continue to be issued subject to the agreement.

**2.7 Feasibility Study Grant Program**

**2.7.1 Purpose**

The Feasibility Study Grant Program offers a grant to fund studies that assess the feasibility of building "missing middle" housing on a property that is owned by a Not-for-Profit agency. The feasibility study would facilitate development at the concept stage to identify steps and resources needed to make the development a reality.

**2.7.2 General Program Availability**

The Feasibility Study Grant Program is available in all three precincts where proposed development includes residential uses.

Further, only lands designated Downtown, Residential, Commercial, or Institutional by the Official Plan shall be eligible for this Program.

**2.7.3 Eligible Costs**

A feasibility study consisting of any combination of the following shall be deemed eligible work under this Program:

- 1. Market analysis, including a Housing Needs Assessment, or a variation thereof;
- 2. Financial analysis and feasibility assessment, or associated business development related studies and plans, including development pro-forma;
- 3. Building conditions report, where an existing building is proposed to be repurposed or significantly modified or renovated;
- 4. Capital conditions assessment and replacement plan, including costing; and

**2.7.4 Financial Incentive Program Value**

The maximum grant value of the Program is as shown in Appendix A to this Plan. The following additional requirements shall apply:

- 1. Where a minimum of 50% of new dwelling units are defined as affordable by this Plan, the maximum value of the Program shall be 50% of all eligible costs.
- 2. In all other cases, the maximum value of the Program shall be 40% of all eligible costs.

### 2.7.5 Payment of Financial Incentive Program

1. A grant may be paid upon submission of a feasibility study to the City, provided it is to the City's satisfaction.
2. At its sole discretion, the City may elect to make payment of the grant upon completion of the development.

### 2.7.6 Specific Eligibility Criteria

Eligible applicants must satisfy the requirements of Section 3 General Eligibility Criteria, as well as the following program specific eligibility criteria:

1. Applicants must be a registered Not-for-Profit agency.
2. Applications that propose affordable housing units may be prioritized for funding under this Plan, at the discretion of the City.
3. If the project is deemed feasible, applicants may be eligible for other financial incentive programs of in this Plan. For clarity, applicants shall not be eligible to apply for any other financial incentive program if combined with this Program, until such time that it can be demonstrated to the City that the proposed development is feasible.

## 2.8 Down Payment Loan Program

### 2.8.1 Purpose

In collaboration with the District of Sault Ste. Marie Social Services Administration Board ("DSSMSSAB"), the City will offer low-interest or zero-interest loans to assist with

the down payment for a home. The program will enable low to moderate income earners to enter the housing market, while easing the demand for rental housing.

### 2.8.2 Program Availability

The availability of the Down Payment Loan Program depends on whether the housing is developed as affordable or market rate, and depending on tenure, as follows:

4. **Affordable:** Where an affordable dwelling unit is being purchased, the Program is available in Precinct 1 and Precinct 2.
5. **Market Rate:** Where a market rate dwelling unit is being purchased, the Program is only available in Precinct 1.
6. **Tenure:** Only freehold dwelling units are eligible for this Program.

### 2.8.3 Loan Value

This program will provide a loan up to a maximum of 5% of the purchase price, or \$20,000, whichever is less.

### 2.8.4 Payment of Loan

The loan shall only be paid upon demonstration that the eligible applicant has been pre-approved for a mortgage equal to or less than the value upon which the minimum down payment has been calculated.

### 2.8.5 Specific Eligibility Criteria

Eligible applicants must satisfy the requirements of Section General Eligibility

Criteria, as well as the following program specific eligibility criteria:

1. The application can not be for a dwelling in which the buyer or any member of the buyer's family has an ownership interest.
2. A loan made under this Program will be registered on Title.
3. The City shall require a home inspection at the applicants expense prior to approving an application. At the sole discretion of the City, it shall determine if the home inspection assessment is satisfactory.
4. An eligible dwelling must be the principal residence of the applicant, and this must be demonstrated to the City's satisfaction.
5. The applicant shall be required to repay the loan in full over a 20-year period.
6. Where a dwelling is sold within the 20-year period, it shall be required that the entirety of the loan value be reimbursed to the City, in addition to a portion of the capital gains.
7. Loans, including any terms and conditions, will be registered on title, and may be secured through a lien against the title of a property.

## 2.9 Access to Land Program

### 2.9.1 Purpose

The City will grant municipally owned land that has been declared surplus to applicants intending to develop housing. Applications that propose the development of affordable housing will be preferred by the City. Applicants interested in this Program are

encouraged to contact the Plan Administrator as a first step.

### 2.9.2 General Program Availability

The availability of the Access to Land Program shall be in accordance with the following requirements:

1. The Program is available as in all three precincts.
2. The Program is available to applications that propose affordable housing and market rate housing, or a combination of both.
3. The Program is also available to applications that propose either freehold and rental dwelling units, or a combination of both.
4. Successful applicants will be required to enter into an agreement with the City that requires the affordable housing to be maintained as affordable for a minimum period of time.

All lands within the Urban Settlement Area shall be eligible for this Program, at the City's sole discretion.

Additional program specific eligibility requirements apply in accordance with Section 3 of this Plan.

### 2.9.3 Eligible Costs

1. Development or redevelopment of a mixed-use or multi-unit residential building that results in new additional dwelling units;
2. Development of a vacant property for a mixed-use or multi-unit residential



building that results in new additional dwelling units;

3. Redevelopment of an existing non-residential building for a mixed-use or multi-unit residential building that results in new additional dwelling units;
4. Additions, reconfiguration, and renovations to an existing mixed-use or multi-residential building;
5. Professional services of an engineer, architect, or planner, to a maximum of 15% of all eligible costs.

#### 2.9.4 Grant Value

The entire surplus property will be granted to the successful applicant if approved for the Program.

#### 2.9.5 Payment of Grant

The surplus lands will only be transferred on title at time when an executed agreement has been entered into with the City.

#### 2.9.6 Specific Eligibility Criteria

Eligible applicants must satisfy the requirements of Section General Eligibility Criteria, as well as the following program specific eligibility criteria:

1. At the sole discretion of the City, applicants may be required to submit a comprehensive plan detailing the development proposal for the land.
2. Where multiple applications are made on the same property, applications will be ranked based on criteria identified by the City. Without limiting the generality of

the foregoing, this may include, for example:

- a. The overall number of housing units proposed;
  - b. How the development proposal responds to the housing needs of the more immediate community; or
  - c. The number of affordable housing units that are proposed.
3. If the development proposal accepted in principle, applicants may be eligible for other incentives outlined in this Plan, including the Tax Increment Equivalent Grant.

### 3. General Eligibility Criteria

#### 3.1.1 Housing Objectives

All eligible works must be deemed by the City to be consistent with the objectives of this Plan, and the Housing Action Plan.

#### 3.1.2 Eligible Applicants

1. Eligible applicants are deemed to be the registered landowner, an agent of the landowner, or a tenant of a property.
2. Where an application is made by someone other than the registered landowner, the applicant is required to provide written authorization from the landowner prior to the submission of an application or before undertaking of any community improvement works.
3. Only properties within the designated CIPA shall be deemed eligible properties, and further, applications must meet all eligibility criteria of this Plan to be deemed eligible.

#### 3.1.3 No Retroactive Incentives

1. Works that have already been commenced or completed prior to entering into an agreement with the City are not eligible for any financial incentive program established by this Plan.

#### 3.1.4 Timing of Approved Works

1. The City shall stipulate a maximum period of time in which approved works associated with a financial incentive

program under this Plan must be initiated by the applicant.

2. The City may further stipulate a maximum period of time in which the approved works funded by a financial incentive program under this Plan is required to be fully completed and/or occupied.
3. At its discretion, the City may elect to extend the maximum period of time in which approved works must be initiated and/or completed.
4. If the approved works are not initiated and/or completed within the stipulated timeframe, the City may reduce or otherwise revoke the agreement and/or grant.

#### 3.1.5 Site Inspection

1. The City's reserves the right to visit a property or building prior to issuing a decision on an application.
2. The City also reserves the right to visit a property or building once the approved works are completed, but prior to making payment of the grant, to ensure all works have been completed in accordance with the approved application.

#### 3.1.6 Compliance

1. Eligible applications are required to comply with all applicable by-laws, standards, procedures, and guidelines of the City in order to be deemed eligible.
2. Eligible applications are also required to conform to the Official Plan and be in

accordance with applicable land use regulations, including the Zoning By-law. The exception to this is where an amendment to the Zoning By-law is identified as an eligible cost by this Plan.

3. The City may determine that eligible applications are conditional subject to receiving necessary approvals, including but not limited to, permits from Provincial and Federal authorities.
4. Any conditions associated with required approvals or permits may be included in an agreement between the applicant and the landowner.

### 3.1.7 Completed Works

1. Any community improvement works that are undertaken and funded in whole or in part by this Plan must be consistent with the approved application agreement between the applicant and the City.
2. Where community improvement works are not undertaken in accordance with the approved application agreement, the City may delay, reduce, or cancel the approved agreement, and may require repayment for costs otherwise incurred by the City.

### 3.1.8 No Arrears

An applicant is not eligible for a financial incentive program if they are in arrears with regard to tax payments or any accounts receivable with the City at the time of an application or when payment of the grant is made. This eligibility criterion is to be included as a condition on the agreement between the City and the applicant.

### 3.1.9 Change in Ownership

Any agreement entered into under this Plan between the City and a landowner(s) shall be considered binding and registered on title and shall continue to be upheld where the property has been sold or has otherwise changed ownership.

### 3.1.10 Additional Information

At its discretion, the City may request additional information that it deems necessary to render a decision on an application, or to satisfy any of the eligibility criteria of this Plan.

### 3.1.11 Total Value of Financial Incentives

The total amount of all grants shall not exceed the total eligible costs of community improvement works that benefit from this Plan's financial incentive programs.

### 3.1.12 Maximum Grant Value

The total value of an individual grant shall not be greater than 50% of the calculated eligible costs for that grant.

### 3.1.13 Minimum Grant Value

The minimum grant value shall not be less than \$1,000. For clarity, where the total value of a grant is calculated to be less than \$1,000, the application may be denied by the City.

### 3.1.14 Minimum Affordability Period

1. Affordable housing developed under this Plan must be maintained in accordance

with the definition of affordable under this Pla for a minimum period of time, as indicated on an agreement between the City and landowner.

2. The default minimum attainability period shall be 15-years, unless otherwise specific by this Plan. At its discretion, the City may enter into an agreement for a minimum affordability period that is different the default period required by this Plan.
3. An agreement between the City and landowner shall be required regarding the minimum attainability period, with the agreement being registered on title. It is the City's expectation that landowners will be responsible for costs associated with registering the agreement on title.
4. An agreement regarding the minimum affordability period shall include terms and conditions should the housing no longer meet the definition of affordable, and this may include full or partial repayment of any grants that have been paid.
5. An annual statement shall be provided to the City demonstrating that any housing subject to an agreement regarding affordability is being maintained and offered as affordable per the definition of this Plan. The City may require additional documentation or evidence to corroborate the statement.
6. Where the conditions of an agreement are not upheld by the landowner, the City may exercise it's authority to terminate the agreement and further,

require that the entire amount of the incentives, including any associated costs and interest, be fully repaid to the City.

### 3.1.15 Permanent Improvements Only

Eligible costs must involve permanent improvements only. For greater clarity, any costs associated with lifecycle replacement, housewares, or appliances, shall not be deemed an eligible cost.

### 3.1.16 Disclosure of Funding

1. Applicants are required to fully disclose all funding sources at time of application, or when otherwise requested by the City.
2. If in the City's opinion an applicant has received additional funding for the same community improvement works, at its sole discretion, the City may reduce the value of a grant, or otherwise deny an application.
3. Without limiting the generality of the foregoing, additional funding may include grants made available through other Community Improvement Plans, commercial loans, seed funding, or other similar financial assistance.

### 3.1.17 Number of Applications

Properties shall only be eligible for one application per financial incentive program over the horizon of the Plan.

### 3.1.18 Greenfield Development

Greenfield development projects are not eligible for the financial incentive programs of this Plan unless represented by infill development. For clarity, only community improvement works related to revitalization or redevelopment of existing buildings or properties are prioritized.

### 3.1.19 Combining Financial Incentives

1. With exception of the Tax Increment Equivalent Grant, all financial incentive programs are permitted to be combined, provided all eligibility criteria are satisfied.
2. The Tax Increment Equivalent Grant shall only be permitted to be combined with the Access to Land Program. For clarity, the TIEG shall not be combined with any other financial incentive program of this Plan.
3. Where financial incentive programs are combined, in no case shall the total value of all financial incentives exceed the total value of all eligible costs.

### 3.1.20 Relationship to Other Community Improvement Plans

1. The financial incentive programs of this Plan may be combined with other CIP's administered by the City.
2. Where financial incentive programs are combined between this Plan and another CIP, in no case shall funding be made available for the same eligible cost.

3. At its sole discretion, the City may determine that an application is non-eligible to receive funding through a financial incentive program of this Plan and another CIP.

### 3.1.21 Heritage Properties and Buildings

Community improvement works to a property or building designated under the *Ontario Heritage Act* or listed by the City may be required to submit additional information to the City in support of an application.

### 3.1.22 Short-term Rentals

1. A dwelling unit developed with a grant issued under this Plan shall not be used for a Short-term Rental, as defined by By-law 2022-178. For additional clarity, financial incentive programs established by this Plan shall not be used for the development or redevelopment of a dwelling unit that is used, or may be used, for a Short-term Rental.
2. The City shall require this as a condition in any agreement entered into with eligible applicants.
3. Failure to uphold this requirement may result in termination of the agreement by the City. The City may also exercise its powers to recuperate a portion or the total value of any grant(s) issued under this Plan from the landowner.

### 3.1.23 Council Discretion

At its discretion, Council may determine that certain financial incentive programs of this Plan be discontinued, or the value of the

grants to be modified, provided that the value does not exceed the amount shown in Schedule A.

## 4. Implementation

### 4.1 General

1. This Plan is intended to be implemented over a 10-year horizon, with regular review and/or update as informed by the plan monitoring and evaluation framework of this Plan.
2. If through consultation with the Plan Administrator it is deemed by Council that this Plan has achieved its objectives, a by-law to dissolve this CIP and Community Improvement Project Area may be passed at any time, in which case a new CIP and Community Improvement Project Area may be enacted by a new by-law.
3. Interpretation and administration of this Plan is at the sole discretion of the Plan Administrator, or their delegate, or Council, as the case may be.
4. This Plan must be read, interpreted, and administered in its entirety.

### 4.2 Community Improvement Project Area

1. Only properties within the designated Community Improvement Project Area shall be deemed to be eligible for the financial incentive programs of this Plan.
2. Where a portion of a lot is within the designated Community Improvement Project Area, it shall be interpreted that the entirety of the lot is within the Community Improvement Project Area.
3. The Community Improvement Project Area is established separately from this

Plan as a by-law of Council. Any modification to the Community Improvement Project Area shall therefore be subject to a new by-law of Council.

4. A total of three precincts are identified within the Community Improvement Project Area. Modifying the boundary of a precinct(s) shall only be permitted through an amending by-law of Council. Further, any change to the availability of a financial incentive program within a precinct shall require an amendment to this Plan.
5. Any modification to the Community Improvement Project Area or a precinct(s) boundary should be informed based on the findings of the plan monitoring and evaluation framework of this CIP.

### 4.3 Plan Administration

1. Upon enactment of this Plan, Council shall designate a member of City staff to be the Plan Administrator.
2. The Plan Administrator shall have responsibility to implement all aspects of this Plan, including the application process.
3. The Plan Administrator, at their discretion, may identify an alternate Plan Administrator, should the principal plan administrator become unavailable.
4. By default, the Plan Administrator shall be the approval authority of applications to financial incentive programs established by this Plan.

5. At the Plan Administrators discretion, an application may be presented to Council for direction or decision, as may be appropriate from time to time.
6. The Plan Administrator shall be responsible for ensuring the monitoring and evaluation framework of this Plan is fully implemented over the Plan horizon.
7. Applications shall be submitted and processed in accordance with the policies of this Plan. The Plan Administrator shall be responsible for ensuring that the review and decision process is undertaken in a timely manner.
8. Where the Plan Administrator refuses an application, the applicant is afforded the opportunity to appeal that decision to Council. Where an application is appealed to Council, the City reserves the right for staff to submit supplementary information or reporting to Council on why an application was refused.

#### 4.4 Financial Incentive Program Values (Schedule A)

1. Schedule A establishes the maximum value for all financial incentive programs of this Plan.
2. Schedule A forms an operative part of this Plan.
3. Schedule A may be modified without amendment to this Plan, provided that the modified value does not exceed the original maximum financial incentive program value.

4. A resolution of Council shall be required where the financial incentive values established by Schedule A are modified to exceed the original maximum value.

#### 4.5 Financial Incentive Program Funding

1. Council shall establish an annual budget for this Plan, including for each of the financial incentive programs.
2. Council reserves the right to fund all or none of the financial incentive programs under this Plan in any given budgetary year.
3. Based on monitoring and evaluation of this Plan, Council may decide that certain financial incentive values need to be modified to ensure that the programs function as intended, and to be responsive to the evolving housing needs of the City.
4. An amendment to this Plan shall not be required where Council modifies the value of a financial incentive program under this Plan.

#### 4.6 Application Process

##### **Step 1: Pre-consultation**

1. Eligible applicants are encouraged to arrange a pre-consultation meeting with the Plan Administrator to discuss the nature of their application.
2. As an outcome of the pre-consultation meeting, the Plan Administrator will confirm if the application satisfies the eligibility criteria of this Plan, and will also identify supporting information, documents, and/or studies that will be



required to process and render a decision on the application.

3. The Plan Administrator may circulate the initial application to other City departments or external agencies, as may be needed.

### **Step 2: Application Submission**

4. All eligible applicants are required to submit a complete application, which must include all relevant documentation as identified by the Plan Administrator as an outcome of the pre-consultation meeting.

### **Step 3: Complete Application**

5. The Plan Administrator will assess the application to ensure that it is complete, and that all relevant information has been provided to the City's satisfaction. Should an application be deemed incomplete by the Plan Administrator, it will be deemed so and returned to the applicant. Applicants shall have a subsequent opportunity to re-apply, provided that the discrepancies with the initial application have been addressed.

### **Step 4: Application Review**

6. The Plan Administrator will review the complete application and assess it against all eligibility criteria of this Plan. At their discretion, the Plan administrator may circulate the complete application to other City departments or external agencies for further evaluation and assessment.

### **Step 5: Application Decision**

7. Upon review of the application, the Plan Administrator shall issue a decision on

the application. At their discretion, the Plan Administrator may seek formal direction from Council regarding a decision.

8. Where an application is refused, the applicant is afforded an opportunity to resubmit the application or appeal the refusal to Council. The applicant shall only have one opportunity to appeal the decision to Council per application.

### **Step 6: Financial Incentive Agreement**

9. Where an application is approved, the City will prepare a formal notice of approval that will be issued to the applicant. At the City's discretion, the notice may identify certain terms and conditions of the approval.

### **Step 7: Financial Incentive Agreement**

10. The City will prepare a formal financial incentive agreement that shall be executed by the applicant and the City. The financial incentive agreement will identify the specific terms and conditions for payment of the grant and for the works to be undertaken. At its discretion, the City may include additional terms and conditions, depending on the nature of the approved application.

### **Step 8: Community Improvement Works**

11. Once the financial incentive agreement has been fully executed, and all terms and conditions satisfied, the applicant shall be permitted to undertake the approved works in accordance with the agreement.

12. It is the sole responsibility of the applicant to notify the Plan Administrator upon completion of the approved works, and to provide any documentation that may be required to further substantiate this.

**Step 9: Site Inspection**

13. The Plan Administrator, or delegate, may conduct a site visit to ensure the completed works have been undertaken in accordance with the financial incentive agreement. As an alternative to a site inspection, the Plan Administrator may request photographs or similar evidence of the completed works.

**Step 10: Grant Payment**

14. Upon approval from the Plan Administrator that the completed works have been undertaken in accordance with the financial incentive agreement, the City will issue payment of the grant.

**Step 11: Non-compliance**

15. Where the Plan Administrator determines that the completed works have not been undertaken in accordance with the financial incentive agreement, or any of the eligibility requirements of this Plan, the City, at its discretion, may delay, reduce, or refuse to make payment of the grant.

16. Where a grant has been issued in advance of the approved works being undertaken, and it is determined by the Plan Administrator the works have not been completed in accordance with an executed financial incentive agreement, the City may require full or partial repayment of the grant value.

**4.7 Plan Monitoring and Evaluation**

**4.7.1 General**

1. It is recognized that this Plan is a tool to facilitate housing development within the City and will therefore need to respond to evolving market forces, economic conditions, and financial resources to remain relevant. Therefore, Plan monitoring and evaluation is critical to the long-term success of this Plan and the financial incentive programs.
2. The Plan Administrator will dedicate the City’s available resources to ensure that this Plan is regularly monitored and evaluated in accordance with the policies of this section.
3. The overall objectives of the monitoring and evaluation framework of this Plan are to:
4. Ensure the financial incentive programs are advancing the objectives of this Plan and achieving their individual intended outcomes.
5. Adjust aspects of the financial incentive programs, including their maximum values, as may be identified, or needed to ensure they are best positioned to respond to the evolving housing needs and opportunities of the City.

**4.7.2 Baseline Conditions**

1. Upon enactment of this Plan, the Plan Administrator will collect baseline information regarding key housing data and indicators within the Community Improvement Project Area.

2. It is recommended that key housing data and indicators used to prepare the Housing Needs Assessment be initially used for this purpose.

#### 4.7.3 On-going Monitoring

1. On-going monitoring of this Plan and the baseline conditions are critical to informing future updates to this Plan or specific financial incentive programs.
2. At a minimum, the following indicators will be monitored by the Plan Administrator:
  - a. The number of new affordable and market rate housing units that have been developed;
  - b. The tenure of new housing units that have been developed;
  - c. The location of new housing units;
  - d. The length of time the new housing units will be maintained as “affordable”;
  - e. Indicators pertaining to housing unit vacancies or where there is heightened demand;
  - f. Demographic and economic indicators related to the definition of “affordable” or may otherwise have bearing on the value of the financial incentive programs;
  - g. Indicators related to developer and purchaser costs of housing units that have been developed under this Plan;
  - h. The approved/denied value of the grant and the total value of construction (the total public investment versus private investment);

- i. The projected and actual increase in property assessments and property taxes, as may be applicable; and
- j. Indirect indicators including economic indicators, qualitative indicators and other indicators which speak more generally to the success of the City, and which may or may not be directly attributed to the influence and success of this Plan.

#### 4.7.4 Reporting

1. The Plan Administrator shall prepare an annual report detailing the indicators that are being monitored. The annual report should be made publicly available and presented to Council.
2. The annual report shall include an assessment of each individual financial incentive program, to ensure that sufficient analysis is included to inform potential updates to specific aspects of each program.
3. The annual report shall also make recommendations on potential adjustments to this Plan based on its findings. This may include, for example:
  4. Adjustments to the annual funding of this Plan;
  5. Revisions to the CIPA boundary;
  6. Adjustments to the financial incentive programs, including discontinuation of certain programs in response to funding constraints or low performance, or where otherwise necessary.
  7. Modifications to the eligible costs, or eligibility criteria;

8. Necessary modifications to the plan administration, including the monitoring and evaluation framework.
9. The annual report may also include an analysis or review of potential sources of funding for this Plan, and required actions or initiatives that must be undertaken by the City to pursue that funding or otherwise be considered eligible.

#### 4.8 Definitions

1. “Affordability means:
  - a. In the case of ownership housing, means housing which the purchase price is at least 10-percent below the average purchase price of a resale unit in the regional market area.
  - b. In the case of rental housing, means a unit for which the rent is at or below the average market rent of a unit in the regional market area.
2. “Applicant” means the registered landowner, an authorized agent of a registered landowner, or tenants of lands or buildings with written authorization from the registered landowner.
3. “City” means the City of Sault Ste. Marie.
4. “Community Improvement” is as defined in Section 28 of the *Planning Act*.
5. “Community Improvement Project Area” is as defined in Section 28 of the *Planning Act*.
6. “Council” means the Council of the City of Sault Ste. Marie.

7. “Eligible Applicant” means an applicant (as defined above) who meets all general and specific eligibility requirements of this Plan and prepares and applies for a financial incentive program established by this CIP.
8. “Official Plan” means the City’s Official Plan.
9. “Qualified Professional” means an individual who is a registered professional with an accredited institution, trade union, or recognized regulatory body.
10. “Zoning By-law” means the City’s zoning by-law.