



Town of Whitchurch-Stouffville Affordable Housing Community Improvement Plan Background Report

September 2025

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1.0 Introducing the Affordable Housing CIP Study

The Town of Whitchurch-Stouffville is excited to introduce the Affordable Housing Community Improvement Plan (CIP) Study. It's being funded by the Government of Canada's Housing Accelerator Fund (HAF) program. As part of the \$8 million dollar commitment from the Federal government, the Town has agreed to develop an Affordable Housing Community Improvement Plan under Initiative 2 of the Town's approved Housing Action Plan.

There are many definitions of affordable housing. To begin, it is important to introduce the Affordable Housing CIP with a common understanding of what "affordable" means. For the purposes of this study, the term "affordable" will be consistent with York Region's definition:¹

Affordable: In the case of ownership housing, housing for which the purchase price results in annual accommodation costs not exceeding 30% of gross annual household income for low- and moderate-income households. In the case of rental housing, a unit for which the rent is at or below 125% of the average market rent of a unit in the regional market area, by bedroom type.

For the purposes of this definition, "low- and moderate-income households" means the lesser of: (1) households with incomes in the lowest 60% of the income distribution for the regional market area or, (2) households with incomes in the lowest 60% of the income distribution for the local market area.

The Town of Whitchurch-Stouffville currently supports a population of 51,400 residents.² The Town's population is projected to grow by 52,100 residents, reaching approximately 103,500 by 2051—a 101% increase. The Town's 2025 Housing Needs Assessment projects a need for approximately 18,020 new housing units to accommodate this growth, averaging 693 units per year.³ There is a clear need for more affordable housing options in the Town. Rapid growth, urbanization, and an aging population are placing increasing pressure on the local housing market. Rising home ownership costs have made it challenging for many Ontarians—particularly those with low-to-moderate incomes—to afford housing. This has led to longer commutes to

¹ Regional Municipality of York, *York Region Official Plan*, June 2024 Office Consolidation.

² Town of Whitchurch-Stouffville, Town of Whitchurch-Stouffville Official Plan for Council Adoption, October 2023. Accessed July 31, 2025.

³ Town of Whitchurch-Stouffville, Whitchurch-Stouffville Housing Needs Assessment, 2025.

more affordable areas.⁴ The Town is made up of 88% owner households and 12% renter households, indicating a lack of rental housing options⁵.

The 2022 Housing Needs Assessment, alongside the update provided to Council in 2025, identified priority groups that are disproportionately affected and experiencing core housing need, including women and children fleeing domestic violence; women-led households, especially single mothers; seniors aged 65+; young adults aged 18–29; Indigenous Peoples; racialized people; recent immigrants, especially refugees; LGBTQ2S+; people with physical health or mobility challenges; people with developmental disabilities; people dealing with mental health and addictions issues; veterans, and people experiencing homelessness.⁶

The vision contained of the Town’s Housing Strategy released in 2022 remains relevant today:

Housing that is dignified and affordable is available for all residents of Whitchurch-Stouffville no matter their age, family composition, or income.⁷

The Town’s Affordable Housing CIP presents one opportunity to assist the Town in realizing this vision. Through the HAF funding, the federal government and the Town of Whitchurch-Stouffville agreed to incentivize the construction of 225 homes over the next three years, supporting a broader goal of constructing 1,240 homes over the next decade. This CIP study represents one key initiative to addressing the Town’s housing needs and will identify opportunities to boost new affordable housing supply through targeted incentives and programs.

Defining a Community Improvement Plan (CIP)

Typically, under Section 106 (1) and (2) of the *Municipal Act, 2001*, municipalities are prohibited from providing direct or indirect assistance to any business or commercial enterprise through the allocation of bonuses. This includes actions such as granting or loaning municipal property, including funds; guaranteeing loans; leasing or selling municipal assets below their fair market value; and offering total or partial exemptions from fees, charges, or levies. However, Section 106 (3) of the *Municipal Act, 2001*, outlines an exception to this rule for Councils acting under Subsections 28 of the *Planning Act*; as is the case with this Affordable Housing CIP study.⁸

⁴ Town of Whitchurch-Stouffville, *Housing Needs Assessment, 2025*.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ Town of Whitchurch-Stouffville, *Whitchurch-Stouffville Housing Strategy, 2022*.

⁸ Province of Ontario. *Municipal Act, 2001*, S.O. 2001, c. 25. Last amended 2023. Government of Ontario.

Section 28 of the *Planning Act* provides the legislative authority for a Council to enact a Community Improvement Plan and is outlined in the Legislative Context section of this report.

A Community Improvement Plan (CIP) allows municipalities like such as the Town to offer financial and non-financial incentives to private landowners to encourage investment in key areas that support the Town’s development goals. Incentives can help fund certain types and forms of development/redevelopment that are prioritized through local strategic plans, the Official Plan, and other local plans and studies. A CIP can provide financial support for specific costs, including application/permit fees, feasibility and technical studies, construction expenses, and property tax increases, among others. Options for the Town’s Affordable Housing CIP are explored in this Background Study Report.

Study Process

To ensure a clear, transparent study that incorporates community and stakeholder input, as well as relevant background research, evidence, and technical analysis, the Affordable Housing CIP study has been divided into three distinct phases, with opportunities for feedback available throughout the CIP process.

Figure 1: Affordable Housing CIP Study Process



2.0 Legislative Context through Section 28

The Town does not have legal authority to require private developers to build affordable housing, and current market conditions make such development financially challenging. As such, to incentivize affordable housing, the Town must pursue pathways to make development more feasible and attractive for developers and non-profit organizations. This can be done through both financial and non-financial incentives. To circumvent the prohibition on bonusing set out under the *Municipal Act*. Part IV, Community Improvement of the *Planning Act* is the key enabling legislation that can be used to direct and channel investment in the community. Some key definitions enabled through Part IV are included below.⁹

Community Improvement

Section 28(1) of the *Planning Act* defines ‘community improvement’ as:

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

Section 28(2) states that:

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

Community Improvement Plan

Section 28(1) defines the term “community improvement plan” as “a plan for the community improvement of a community improvement project area” and Section 28(4) of the *Planning Act* states that once a “community improvement project area’ has been designated by By-law, “the Council may provide for the preparation of a plan suitable for adoption as a Community Improvement Plan for the Community Improvement Project Area”.

⁹ *Planning Act, R.S.O. 1990, c.P.13.* Government of Ontario.

Community Improvement Project Areas (CIPA)

Section 28(1) of the *Planning Act* defines the term “community improvement project area” as: “a Municipality or an area within a Municipality, the Community Improvement of which in the opinion of the Council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason”.

Community Improvement Tools

Once a municipality defines a Community Improvement Project Area, it may then prepare and use a “community improvement plan” to:

- Acquire, hold, clear, grade or otherwise prepare land (Section 28(3)(c));
- Construct, repair, rehabilitate or improve buildings on land acquired or held by the Municipality (Section 28(6)(a));
- Sell, lease or dispose of any land and buildings acquired or held by the Municipality (Section 28(6)(b)); and
- Make grants or loans to owners and tenants of land and buildings within the community improvement project area to pay for the whole or any part of ‘eligible costs’ related to community improvement (Section 28(7)).

Eligible Costs

“Eligible costs” are specified in Section 28 (7.1) of the *Planning Act*, and include costs related to: “environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities”.

Finally, Section 28 (7.3) states that the total of the grants and loans provided in respect of the lands and buildings shall not exceed the eligible cost of the community improvement project with respect to those lands and buildings.¹⁰

¹⁰ Province of Ontario. *Planning Act*, R.S.O. 1990, c.P.13. Government of Ontario.

3.0 Additional Legislation and Programs that Impact Housing Affordability

Planning Act

Municipalities can also use Section 69 of the *Planning Act*, which enables levying a fee to process planning applications, to support community improvement plans. Section 69(2) of the *Act* allows municipalities to reduce or waive planning application fees if Council, a planning board, or a committee deems it unreasonable to require payment. Notably, a CIP is not required to apply this tool. Alternatively, a municipality may collect fees and offer a partial or total rebate as a grant, but this must be done through a CIP.¹¹

Development Charges Act

Section 5 of the *Development Charges Act* allows a municipality (through its Development Charge By-law) to provide for full or partial development charge (DC) exemptions for certain types of development.¹² This tool is often incorporated into municipal CIPs; however, a CIP is not required to use it.

In accordance with the *Development Charges Act*, as amended by recent legislation to improve housing affordability and accelerate housing construction in Ontario, specific types of housing are now exempt from development charges or eligible for reductions. The following statutory exemptions/reductions apply as they relate to purpose-built rental housing:¹³

Provincial Additional Residential Unit Exemptions

- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the creation of the greater of one unit or 1% of the existing residential units will be exempt from a DC.
- Exemption for additional residential units in existing and new residential buildings – The following developments will be exempt from a DC:
 - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;

¹¹ Ibid.

¹² Province of Ontario. *Development Charges Act*, 1997, S.O 1997, c.27. Government of Ontario.

¹³ Ibid.

- A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units; and
- One residential unit in a building or structure ancillary to a detached, semidetached, or rowhouse on a parcel of urban land, if the detached, semidetached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.

Provincial Statutory Exemption for Long-Term Care Home Development

- All long-term care homes are exempt from DCs on development of any part of a building or structure used for the home.

Provincial Statutory Exemption for Non-Profit Housing

- Non-profit housing units are exempt from development charges and DC instalment payments due after November 28, 2022.

Statutory Exemptions for Affordable Units, Attainable Units, and Affordable Inclusionary Zoning Units

- Affordable units, attainable units, and Affordable inclusionary zoning units are exempt from the payment of development charges, as follows:
 - **Affordable Rental Units:** Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
 - **Affordable Owned Units:** Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing. Note: Section 1.4.13 provides further details of the Affordable Rental Unit and Affordable Owned Unit definitions, which have been modified through Bill 134.
 - **Attainable Units:** Excludes affordable rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller. Noting that “arms length” means persons who are not related persons to the seller, as defined in Section 251 of the *Income Tax Act* (Canada) ¹⁴.
- Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years.

¹⁴ Income Tax Act (Canada). (R.S.C., 1985, c. 1 (5th Supp.))

- **Inclusionary Zoning Units:** Affordable housing units required under inclusionary zoning by-laws are exempt from a DC. The Town is currently undertaking an Inclusionary Zoning feasibility study.

Provincial Rental Housing Discount

- Purpose-built rental housing that is considered affordable is exempt from DCs.
- The DCs payable for rental housing development is reduced based on the number of bedrooms in each unit as follows:
 - Three or more bedrooms – 25% reduction;
 - Two bedrooms – 20% reduction; and
 - All other bedroom quantities – 15% reduction.

Provincial Deferred Payment Options

- This option provides financial flexibility to developers by allowing them to postpone development charge payments under certain conditions. This is primarily outlined in Section 26.1 of the *Development Charges Act*.

York Region DC Deferral for Affordable Rental Buildings

- This program allows developers to postpone development charge payments for the development of affordable housing supply, subject to conditions.

Federal Programs

Federal GST/HST New Residential Rental Property Rebate

- This rebate allows for a 100% rebate on the GST or federal part of the HST paid on the purpose or supply of eligible new purpose-built rental housing, subject to conditions.

Canadian Mortgage and Housing Corporation, MLI Select

- A multi-unit mortgage loan insurance product focused on affordability, accessibility, and climate compatibility, subject to a range of criteria that meets these objectives.
- Flexibilities include higher loan-to-value ratios, increased amortizations, lower debt coverage ratios, and reduced premiums.

4.0 Policy Context for CIPs

Provincial Planning Statement (2024 PPS)

The 2024 Provincial Planning Statement's (2024 PPS) Vision states that Ontario will continue to be a great place to live, work, and visit. A place where all Ontarians enjoy a high standard of living and an exceptional quality of life. A key goal is the construction of at least 1.5 million new homes by 2031 to address housing demand and affordability.¹⁵

The Provincial Planning Statement (PPS), 2024 emphasizes that Ontario is a “fast growing province” and a prosperous and successful Ontario will increase the supply and mix of housing options, addressing the full range of housing affordability needs for all Ontarians.

The vision and policies of the 2024 PPS provide a clear direction for community improvement planning, encouraging the preparation of CIPs that align with broader provincial objectives.

Policy 2.2.1(b) requires planning authorities shall provide for an appropriate range and mix of housing options and densities by, among other things, permitting and facilitating all types of residential intensification. This includes the development and redevelopment of underutilized commercial and industrial sites such as shopping malls and plazas for residential use, development and the introduction of new housing options within existing urban areas, and redevelopment that results in a net increase of residential units.

Overall, the 2024 PPS supports the use of CIPs by emphasizing community revitalization and sustainable development, as reflected in the following policies:

- **Section 1.1.3 – Settlement Areas:** This section encourages municipalities to promote the revitalization of existing urban areas, supporting the use of CIPs to facilitate development and enhancing community character in targeted locations.
- **Section 1.1.4 – Housing:** The 2024 PPS underscores the need for a diverse range of housing types and improved affordability. CIPs can help meet these needs by providing financial incentives for the development and rehabilitation of residential properties in designated areas.

¹⁵ Province of Ontario. *Provincial Planning Statement, 2024*. Government of Ontario.

- **Section 1.7 – Long-Term Economic Prosperity:** This emphasizes the importance of planning for sustained economic growth and development. CIPs contribute by attracting investment to priority development areas through targeted incentives and improvements to public spaces.

Regional Official Plan CIP Policies

As a result of the Province of Ontario’s Bill 23 revocation of planning responsibilities from upper-tier municipalities, the York Region Official Plan (YROP) no longer functions as a regional Official Plan. It now serves as a local Official Plan, until such time it is amended or replaced by the Town. With that said, York Region remains the Provincially-designated service manager for housing across the Region.

The YROP continues to serve as a guiding document for land use planning in the Town. In its vision for the Region’s future, the YROP emphasizes the importance of developing complete communities (Section 2). A key component of this vision is ensuring access to housing for all residents, specifically:

“to promote an appropriate mix and range of housing options that meet the needs of residents and workers of all income levels, ages, abilities and stages of their lives.”

York Region has set a target of building at least 1,000 new purpose-built rental units annually across the Region through to 2051, with specific targets assigned to each local municipality. For Whitchurch-Stouffville, the targets (as outlined in Policy 2.3.42) include:¹⁶

- From 2021–2031: 500 total unit target
- From 2031–2041: 500 total unit target
- From 2041–2051: 750 total unit target

Housing options, such as affordable housing, market and community housing, emergency and transitional housing, co-housing, and purpose-built rental housing, shall be provided in partnership with local municipalities, senior levels of government, the development industry, community partners, and other stakeholders (Section 2.3.39).

¹⁶ Regional Municipality of York, *York Region Official Plan, 2022*.

Given York Region’s ongoing role as the Provincially-designated service manager for housing, this CIP will apply the Region’s definition of affordable housing, as outlined on page one of this report, to maintain consistency and policy alignment.

The YROP also identifies its own policies for CIPs, including Section 7.3.6, which grants York Region the authority to designate any part of York Region as a Community Improvement Project Area, enact a regional CIP, and participate in a CIP of a local municipality. At present, York Region has a Development Charges Deferral for Affordable Rental Buildings Policy,¹⁷ a Development Charges Deferral for Large Office Buildings Policy,¹⁸ and a range of Sustainable, Water Efficient Residential Development incentive programs.¹⁹ York Region will be a key stakeholder engaged in the development of the Town’s CIP, to ensure alignment of incentive programs.

Whitchurch-Stouffville Official Plan CIP Policies

The Town’s new Official Plan was adopted by Council on May 15, 2024. It is currently under ministerial review with the Ministry of Municipal Affairs and Housing for approval. Until the adopted Official Plan is approved, all planning documents, including the CIP, are required to conform with the 2000 Official Plan, despite the fact that the 2024 Official Plan provides a more modern framework for CIP adoption. As such, the Affordable Housing CIP will have regard for the 2024 policies but must conform with the in-force 2000 Official Plan. This section provides an overview of both.

Whitchurch-Stouffville Official Plan, 2000

The Town of Whitchurch-Stouffville Official Plan was adopted in 2000 and has since undergone several amendments and an Office Consolidation in 2024. While the Town has undergone the process of creating a new Official Plan which has been adopted by Town Council, the 2000 Official Plan CIP Policies remain in effect until the adopted Official Plan is approved by the Province.

¹⁷ Regional Municipality of York, *Development Charges Deferral for Affordable Rental Buildings Policy*, 2024.

¹⁸ Regional Municipality of York, *Development Charges Deferral for Large Office Buildings Policy*, 2024.

¹⁹ Regional Municipality of York, *Sustainable, Water Efficient Residential Development*, accessed June 2025.

CIP Policies

Through Section 6.3.2, the Town identifies the criteria for selecting areas in need of community improvement based on residential, commercial, industrial, and agricultural/rural areas, shown in Table 1 below.²⁰

Table 1: Town of Whitchurch-Stouffville Official Plan, 2000 Community Improvement Project Area (CIPA) Identification Criteria

i) Residential

Residential CIPA Identification Criteria:	
a)	Condition of structures, including accessory uses
b)	Condition of landscaping and neighbourhood maintenance
c)	Condition and adequacy of physical hard services, including water system, sanitary sewer system, storm water drainage, roads, sidewalks, and street lighting
d)	Condition and adequacy of municipal and private recreational facilities and services, including active and passive parks, arenas, pools, lawn bowling greens and tennis courts
e)	Condition and adequacy of municipal and private social and cultural facilities and services such as day-care centres, senior citizen homes, community halls, libraries and galleries
f)	Encroachment of conflicting land uses which deter and have a negative social impact on the existing neighbourhood

ii) Commercial

Commercial CIPA Identification Criteria:	
a)	All of the criteria listed in Section 6.3.2 i) (Residential CIPA Identification Criteria)
b)	Lack of easily accessible and good condition off-street parking and loading areas

²⁰ Town of Whitchurch-Stouffville, Town of Whitchurch-Stouffville Official Plan, 2000.

Commercial CIPA Identification Criteria:	
c)	Motor vehicle traffic delays in shopping areas
d)	Inadequate pedestrian walkways to shopping areas from parking locations and along store fronts
e)	Deficient amenities such as benches, bicycle racks, waste disposal containers and attractive floral and tree landscaping conducive to a pleasant shopping environment;
f)	Commercial vacancy rates greater than ten percent over a three month period
g)	Deteriorated building facades and signage

iii) Industrial

Industrial CIPA Identification Criteria:	
a)	All of the criteria listed in Section 6.3.2 i) (Residential CIPA Identification Criteria)
b)	Lack of easily accessible and good condition off-street parking and loading areas
c)	Motor vehicle traffic delays in industrial areas;
d)	Visual pollution including storage areas
e)	Environmental problems

iv) Agricultural / Rural Areas

Agricultural / Rural Areas CIPA Identification Criteria:	
a)	All of the criteria listed in Section 6.3.2 i) (Residential CIPA Identification Criteria)
b)	Promoting a viable tourism economy
c)	Ensuring local food security
d)	Provisioning of essential community services and infrastructure
e)	Other matters as deemed appropriate by the Town

Additional CIP policies in the Official Plan that this study must conform with include:

- Section 6.3.3 identifies the delineation of areas in need of community improvement;
- Section 6.3.4 identifies the phasing of improvements, including advancing the Town’s goals in corridor development, downtown rejuvenation, urban intensification, and rural advancement; and
- Section 6.3.5 outlines the means for implementation, which includes the engagement of the public, the Business Improvement Area Organization, and the Chamber of Commerce.

Whitchurch-Stouffville Official Plan, 2024

On May 1, 2024, the Town of Whitchurch-Stouffville Council adopted a new Official Plan, *Re-imagine Stouffville*. While Town Council has adopted the Plan, it is awaiting final approval by the Ministry of Municipal Affairs and Housing.

CIP Policies

Section 7.3.3, Community Improvement Planning, identifies the entire Town as a CIPA:²¹

The Town-wide Community Improvement Plan designates the entire Town as a Community Improvement Project Area under the provisions of Section 28 of the Planning Act. The purpose of a Community Improvement Area is to help revitalize areas within a community by designating a Community Improvement Plan area and providing programs, such as grants, in order to encourage implementation of the goals identified by the Town.

Section 7.3.3.1 recognizes additional actions that the Town will take in identifying areas that would benefit from community improvement through CIP studies, including:

- a) Identify areas that may benefit from community improvement by adopting Community Improvement Project Areas and Community Improvement Plans for specific areas of the Town or Town-wide;
- b) Support projects and programs that encourage placemaking, including improvements to the built, natural, and social environments;
- c) Maintain, enhance or facilitate the viability of mixed use, commercial, residential and employment areas within the Town;
- d) Address housing issues that may be particular to one community or Town-wide, including the promotion of affordable home ownership and rental housing;

²¹ Town of Whitchurch-Stouffville, Town of Whitchurch-Stouffville Official Plan – Re-Imagine Stouffville, 2024.

- e) Promote private initiatives to rehabilitate, restore, or redevelop property, while encouraging the conservation, restoration, adaptive re-use and improvement of cultural heritage resources;
- f) Encourage and support carbon reduction measures in development, redevelopment and built form that align with the climate change goals, objectives and priorities of the Town and this Plan;
- g) Promote on-farm diversified uses, agriculture-related uses or other measures to promote revitalization and economic activity in the rural areas of the Town, in accordance with the permitted uses in this Plan;
- h) Continue to improve the Town's physical, social and recreational facilities and services in a co-ordinated manner that may reflect localized or Town wide issues, while recognizing the Town's priorities and financial resources;
- i) Prioritize the improvement and make efficient use of public infrastructure, public services and utilities;
- j) Consider implementing the community improvement objectives of this Plan by:
 - i. Participating in available provincial, regional or other funding programs or opportunities to assist in the implementation of a Community Improvement Plan;
 - ii. Encouraging participation of the private sector in the implementation of a Community Improvement Plan, including infilling and redevelopment policies;
 - iii. Supporting and encouraging the participation of local community groups, service clubs and other public organizations in the implementation of the Community Improvement Plan;
 - iv. Improving, acquiring or disposing of land and buildings in a designated Community Improvement Project Area;
 - v. Applying the *Ontario Heritage Act* to support the preservation of historic or architectural significant buildings and the use of funding programs under the *Ontario Heritage Act*; and
 - vii. Undertaking regular performance review and monitoring of Community Improvement Plans and update the Community Improvement Project Areas or Community Improvement Plans.
- k) Prior to adopting a Community Improvement Plan, be satisfied that the Town can reasonably finance the Town's share of costs in its implementation; and
- l) Collaborate, participate, and consult with York Region to combine financial incentives to assist in the implementation of Community Improvement Plans.

Housing Policies

The Town's adopted Official Plan identifies CIPs as a tool to support a range of municipal priorities, including the redevelopment of brownfield sites, economic development, and the conservation of cultural heritage. With respect to housing, Section 3.2.1.1 of new the Official Plan, which focuses on the planning of complete communities, states:

Promote and leverage the Town-wide Community Improvement Plan as a tool to support the creation of a wider range of housing unit types and affordability.²²

Section 3.2 of the Town’s adopted Official Plan identifies policies for building affordable and attainable housing. The diversification of housing is important for cultivating a complete community. This mix of housing includes providing policy provisions for Additional Residential Units (ARUs), garden suites, a mix of medium and higher density to address the missing middle, purpose-built rental units, and housing that is accessible to support aging-in-place and located proximal to services. Furthermore, it identifies the opportunity to collaborate with York Region, the local school boards, community organizations, not-for-profits, and places of worships to create affordable housing within the community. This can be done through the identification and prioritization of surplus lands suitable for affordable housing, identifying brownfield and greyfield sites outside of employment areas for mixed-used residential intensification and affordable housing.

Affordable housing–related targets established in Section 3 of the adopted Official Plan include:²³

- Minimum housing targets (Section 3.2.1.1(a)):
 - New housing (market and affordable) – 16,710 units
 - New affordable housing units (all housing typologies) – 4,662 units
 - New purpose-built rental units (market and affordable) – 1,750 units
 - New affordable purpose-built rental units – 875 units
- Plan to achieve the following housing mix targets for new housing, residential intensification and redevelopment to provide for greater housing options (Section 3.2.1.1(b)):
 - 42% low density (includes singles and semi-detached)
 - 27% medium density (includes townhouses and apartments in duplexes)
 - 32% high density (includes apartment units)
- Achieve a minimum target of 25% affordable housing units for new residential development outside of MTSA (Section 3.2.1.1(p))
- Achieve a minimum target of 35% affordable housing units for the new residential development within an MTSA (Section 3.2.1.1(p))

²² Town of Whitchurch-Stouffville, Town of Whitchurch-Stouffville Official Plan – Re-Imagine Stouffville, 2024.

²³ *Ibid.*

- Meet the minimum purpose-built rental housing targets established by York Region which include: From 2021–2031: 500 total unit target (2021-2031), 500 total unit target (2031-2041), and 750 total unit target from 2041-2051 (Section 3.2.1.1(j))

The policies set out in the adopted Official Plan will inform the development of the Affordable Housing CIP and its respective incentive programs to support the creation of affordable and market-rate housing.

Other Town Plans, Policies, and Guidelines

Town of Whitchurch-Stouffville Strategic Plan

The Town of Whitchurch-Stouffville Strategic Plan outlines its strategic priorities over a five-year period (2022-2026). The vision, mission, and values of the Town are:

Vision

To be a welcoming community with a rural-urban dynamic, providing an exceptional quality of life

Mission

To continue building a vibrant community through excellent service.

Values

Service Excellence, Collaboration and Integrity.

Seven strategic priorities, or service themes, were identified:

1. A Town That Grows
2. A Town That Moves
3. A Healthy & Greener Town
4. An Engaging Town
5. A Safe Town
6. Good Governance
7. Organizational Effectiveness

This CIP study directly supports the first strategic theme, “A Town That Grows.” This theme focuses on creating complete communities and positioning the Town as an attractive place for

families, older adults, and businesses, while managing growth responsibly and meeting the needs of residents across all stages of life. This is guided by three objectives:

1. Improving development process efficiency in compliance with provincial regulations.
2. Continuing to foster economic development in Whitchurch-Stouffville.
3. Acquiring and identifying suitable sites for new and expanded programs and services.

Town of Whitchurch-Stouffville Housing Needs Assessment, 2025

Housing Needs Assessments (HNA) are useful tools for identifying community housing needs based on population and economic trends. They inform long-term planning, policy development, and decision-making, while also helping to ensure municipal policy directions align with housing forecasts and emerging trends.

The Town's HNA was first completed in 2022 alongside the Housing Strategy as part of the Town's Official Plan Review. Since then, the Town has also created a Housing Action Plan. An update to the 2022 HNA was conducted and approved by Council in April 2025.

Key highlights from the 2025 HNA include:

- The Town's population is primarily homeownership (88%), as opposed to renter households (12%);
- Owner households earn almost double the amount of tenant households (average \$155,400 owner households versus \$80,100 in comparison);
- Majority of the Town's population lives in a household within the median or high-income category (62%);
- There are a high number of couples with children;
- 19% of Town residents are within the low or very low-income category;
- 14.2% of the Town's labour force is employed in temporary positions;
- The Town's unemployment rate is 10.5%. Combined with reliance on temporary employment, this shows the need for policies that support affordable housing for lower income households and workers in precarious employment;
- Older adults in York Region are on the subsidized housing waitlist for approximately 7.9 years, in comparison to single adults (2.6 years) and families (2.5 years);
- Completed in 2025, only one new affordable rental building has been built in the Town over the last five years;
- Only one not-for-profit organization currently provides seniors' housing in the Town;
- Interviews conducted identified some developers interested in supporting the creation of low-density relatively affordable housing through ARUs;
- The Town currently has 272 subsidized housing units, but no cooperative housing or transitional housing options are available;

- Affordability is a key priority in MTSAs, where the goal is to have 35% of all housing designated as affordable;
- 25% of all housing affordable units exist outside of MTSAs;
- There is increasing demand for affordable, accessible, and appropriately sized housing for older adults;
- There is a significant shift towards higher-density units. Housing units in the development pipeline consist of 14% low-density, 22% medium-density, and 64% high-density dwelling units;
- 9.9% of households are in core housing need (1,590 of 16,115 households). Core housing priority groups include:
 - 13.8% of households are maintained by a senior over age 65;
 - 11.1% are recent immigrant households;
 - 25.4% are female-led single parent households;
 - 6.1% are households with veterans;
 - 11.6% are youth-led households; and
 - 6.1% are households with person(s) dealing with mental health and addiction issues.

The 2025 HNA provides a snapshot of the housing profile of the Town. The overarching theme was that there is a pressing need for more housing options and affordable housing, particularly geared towards older adults and younger families. The HNA provides background support for the need for more affordable housing within the Town, as well as insight into the resident groups that are most in need, which will inform the creation of the Affordable Housing CIP. Specifically, the creation of an ARU incentive program has the potential to target the broadest range of core housing priority groups.

Town of Whitchurch-Stouffville Housing Action Plan, 2024

The Town’s Housing Action Plan was created as part of the “Round 2” of the HAF program to identify action items in the Town achieving housing goals. Through this Action Plan, the Town identified seven initiatives to be implemented over the next 10 years. They include:

- #1: Medium- and High-Density Parking Study and Zoning By-law Amendment
- #2: Affordable Housing CIP
- #3: Expanding Missing Middle Housing Study, Guidelines, and Zoning By-law Amendment
- #4: Inclusionary Zoning Study and Zoning By-law Amendment 4
- #5: Growth Management Reporting and Tracking Software Tool
- #6: Expedited Site Plan Approval Process
- #7 Service Allocation Study and By-law

This CIP study directly responds to Initiative #2, but each initiative contributes to increasing the housing supply.

Town of Whitchurch-Stouffville Housing Strategy, 2022

The Town of Whitchurch-Stouffville undertook a Housing Strategy in 2022 as part of its Official Plan Review, to address the growing demand for housing. As a result, a total of 16 recommendations were made based on five themes: policy & zoning, incentives (financial & non-financial), advocacy, awareness & outreach, and monitoring. While each one affects housing development within the Town, there are four recommendations that closely align with the Affordable Housing CIP study. They include:

1. Develop a policy to review the suitability of surplus municipal land or buildings for affordable housing before selling/leasing or redevelopment
2. Explore viability of financial and non-financial incentives for affordable housing and purpose-built rental developments
3. Encourage discussions/negotiations with private developers to achieve affordable housing targets as part of the planning approvals process
4. Facilitate collaboration and partnerships between public, private, and non-profit groups to create housing

The Affordable Housing CIP will conform to the Town's current Official Plan and will have appropriate regard for the adopted Official Plan and promote a diversity of built forms and housing tenures targeted through financial incentives. It will also serve as a tool to attract investment from developers, non-profit organizations, community groups, and places of worship to invest in the affordable housing and rental housing market. Through stakeholder engagement, the CIP study intends to build support among Council, Town staff, local developers, and residents for new housing developments and alternative housing options.

Town of Whitchurch-Stouffville Comprehensive Zoning By-law

The *More Homes Built Faster Act, 2022*, required municipalities to amend their Official Plans and Zoning By-laws to allow for a maximum of three Additional Residential Units on parcels with detached, semi-detached, and townhouse dwellings within fully serviced settlement areas. As a result, the Town adopted By-law 2024-078-ZO to amend its Comprehensive Zoning By-law, introducing new policies and permission for additional residential units.

Section 3.28 of the Comprehensive Zoning By-law, originally titled “Second Suites,” was replaced with Additional Residential Units. Permitted ARU configurations include (3.28(i)): (one or two integrated or ancillary within a Single Detached Dwelling or existing accessory buildings):²⁴

- i. a maximum of two (2) 'integrated' ARUs are permitted in addition to the principal Dwelling located within a Single Detached Dwelling, Semi-Detached Dwelling, or Townhouse Dwelling Unit; or,
- ii. a maximum of one (1) 'integrated' ARU and one (1) 'ancillary' ARU are permitted in addition to the principal Dwelling located within a Single Detached Dwelling, Semi-Detached Dwelling, or Townhouse Dwelling Unit.

As a result, the Town has seen an increased number of permits issued for ARUs, indicating a clear interest in this form of accommodations and a need for increased affordable housing supply.

Table 2: Town-issued ARU Permits between 2023-2025

Year	Number of ARU Permits Issued
2023	12
2024	31
2025 (Year to Date as of June)	11

In recognition of the adopted Official Plan, the Town has recently initiated a comprehensive review of its Zoning By-law, bringing it into conformity with the new Plan upon Ministry approval. Part of this new Comprehensive Zoning By-law will include a mechanism for the Town to manage the acceleration housing development through broadening as-of-right development permissions.

²⁴ Town of Whitchurch-Stouffville, *By-law 2024-078-ZO, 2024*.

5.0 CIP Best Practices

Current Town of Whitchurch-Stouffville Community Improvement Plan, 2020

The Town's first CIP was first developed in 2009 to support the redevelopment and enhancement of public and private properties in downtown Stouffville. This was later superseded by the current Town-wide CIP, adopted in 2020, which introduced flexible incentive programs aimed at encouraging private investment in corridor development, downtown rejuvenation, urban intensification, and rural advancement.

Part of the scope of work for this project was a review of the current in-effect CIP and a summary of recommendations for its future. The CIP is not currently in operation, as there is no current source of funding for it. That said, it is recommended that Council repeal the existing CIP, and that its financial incentive programs be considered in a future CIP. Alternatively, the Town could keep the existing CIP in effect, but deactivated, until a funding source has been identified or it is replaced by another CIP.

If reactivating the CIP, overall recommendations for the existing CIP include general text revisions for clarity and consistency, as well as alignment across program documents and agreements. This includes standardizing terminology, improving the organization of incentive program content, and reassessing the relevance of certain program elements. These updates may reduce potential conflicts and improve overall implementation. Additional content recommendations include establishing a marketing plan and monitoring strategy to enhance communication and marketing efforts and track and evaluate the success of the programs.

Revisions to the existing application form are also recommended to streamline and simplify the document. These include:

- Separating the guidance content from the application form itself, as it currently duplicates the CIP contents.
- Streamlining the form itself to provide an explanatory section of the pre-consultation requirement and the application form (instead of it as an appendix). Removing the requirement for Commission Oath, as it is not a requirement under the *Planning Act* or regulations in Ontario.
- Revising the sign-off duties to the Commissioner of Development Services. Currently the Notice of Completion section of the application form is set up for sign-off by the Town's CAO. Revising this to the Commissioner of Development Services or Implementation Committee would decrease delays in the process, as the applications

are reviewed and ratified by the Committee. It is common amongst other municipalities for the Director or Commissioner of Development Services to be the party signing off on a housing-focused CIP application.

Separate from the Affordable Housing CIP, if there is interest in reviving the previous CIP, the above recommendations should be implemented. The above review of the Town’s existing CIP can serve as a path forward for any new CIP development and prove instructive in the development of this Affordable Housing CIP. Given the number of guiding plans and housing-focused policies introduced in recent years, as well as the presence of federal funding as part of the HAF commitment to develop an Affordable Housing CIP, this housing-specific CIP is now required.

Housing CIPs and Financial Incentives Elsewhere

Over the past two years, there has been a notable increase in housing-focused CIPs across Ontario municipalities, alongside similar initiatives emerging across Canada. This shift can be attributed to several factors, with the federal government’s HAF playing a key role in encouraging municipalities to prioritize housing delivery and innovation.

Ontario Housing CIP Scan

To understand how municipalities across Ontario are using Section 28 tools to incentivize a wider range of housing options, a scan of housing-focused CIPs was conducted. The following table (Table 3) is a summary of some of the key findings from the scan of Ontario CIPs, an analysis of the type and frequency of programs available, the range of grant values, and conclusions about the most common types of grants for housing. While it is too early to report on the outcomes of many programs, particularly those launched in 2024 and 2025, this scan still provides valuable insight into emerging trends and innovative approaches being explored across the province.

Table 3: Current Housing-focused CIPs in Ontario—Scan Findings

Municipality	Year Implemented	Number of Incentives	Summary of Program Types
Burlington ²⁵	2025	5	Capital grants, forgivable loans, support for ARU and missing middle housing.

²⁵ City of Burlington. Burlington Affordable Rental Community Improvement Plan, 2025.

Municipality	Year Implemented	Number of Incentives	Summary of Program Types
Wellesley ²⁶	2025	11	Capital grants for ARU development, commercial/housing conversion, tax-based grants.
Guelph ²⁷	2025	2	Capital grants for vacant space rehabilitation and new units.
Fort Erie ²⁸	2025	3	Capital grants for affordable housing units.
Brampton ²⁹	2024	2	Capital grants and non-reserve fund programs for garden suites.
Collingwood ³⁰	2024	2	Capital grants for rapid ARU development.
Mississauga ³¹	2024	2	Capital grants for affordable and below-market units.
Richmond Hill ³²	2024	4	Capital grants, tax-based grants, non-financial incentives.
St. Catharines ³³	2024	4	Non-reserve fund programs, capital grants for accessory dwelling units.
Hamilton ³⁴	2024	5	Capital grants, forgivable loans, support for ADUs and housing acceleration.
Barrie ³⁵	2024	9	Capital grants, non-reserve fund programs, forgivable loans, non-financial incentives.

²⁶ Township of Wellesley. Township of Wellesley Community Improvement Plan, 2025.

²⁷ City of Guelph. Affordable Housing Community Improvement Plan, 2025.

²⁸ Town of Fort Erie. Affordable Housing Community Improvement Plan (AHCIP), 2025.

²⁹ City of Brampton. City-wide Community Improvement Plan, 2024.

³⁰ Town of Collingwood. Rapid Additional Residential Unit (ARU) Initiative, 2024.

³¹ City of Mississauga. Affordable Rental Housing Community Improvement Plan, 2024.

³² City of Richmond Hill. Community Improvement Plan for Affordable Housing and Sustainable Design, 2024.

³³ City of St. Catharines. Community Improvement Plan, 2024.

³⁴ City of Hamilton. Housing for Hamilton CIP, 2024.

³⁵ City of Barrie. Housing Community Improvement Plan, 2024.

Municipality	Year Implemented	Number of Incentives	Summary of Program Types
Cambridge ³⁶	2024	3	Non-reserve fund incentives, including fee exemptions and tax increment grants.
Cobourg ³⁷	2023	11	Non-reserve fund programs, capital grants, loan programs.
Ottawa ³⁸	2023	1	Tax-based grant incentives for affordable units.
Welland ³⁹	2023	7	Non-reserve fund programs, capital grants, forgivable loans, non-financial incentives.
Blue Mountains ⁴⁰	2021	7	Capital grants, non-reserve fund incentives, surplus land programs.
Belleville ⁴¹	2021	4	Capital grants for rental housing, accessibility, and second units.
London ⁴²	2020	2	Loan programs for housing development and additional units.
Peterborough ⁴³	Unknown	3	Non-reserve fund programs, including fee exemptions and tax increment grants.

Types of Programs, Frequency, and Range of Grant Values

The following summarizes the most common categories of financial incentive programs included in the reviewed CIPs, with a brief explanation of their purpose and intended function. While

³⁶ City of Cambridge. Updated Affordable Housing Community Improvement Plan, 2024.

³⁷ Town of Cobourg. Affordable and Rental Housing Community Improvement Plan, 2023.

³⁸ City of Ottawa. Affordable Housing Community Improvement Plan, 2023.

³⁹ Town of Welland. Affordable Rental Housing Community Improvement Plan, 2023.

⁴⁰ Town of Blue Mountains. Housing Within Reach Community Improvement Plan, 2021.

⁴¹ City of Belleville. Community Improvement Plan, 2021.

⁴² City of London. Affordable Housing Community Improvement Plan, 2020.

⁴³ City of Peterborough. Affordable Housing Community Improvement Plan, n.d.

these represent typical program types, the specific eligible costs, uses, and geographic areas vary according to unique local circumstances and needs.

Capital Grants: Frequently offered across the municipalities scanned, these grants are designed to support new construction, rehabilitation, and conversion of spaces for affordable housing. By providing direct funding, municipalities can lower the financial burden on homeowners and developers, making it more feasible to create affordable units. This, in turn, encourages the development of projects that might otherwise be too costly to pursue, ultimately increasing the availability of affordable housing options in the community. The range of capital grants provided in CIPs vary significantly, with some programs offering grants up to \$95,000 for per ARU in Burlington and smaller amounts such as \$10,000 per ARU in Collingwood. Other capital grants range from \$130,000 per affordable unit in Mississauga to \$15,000 per attainable dwelling unit in Blue Mountain.

Non-Reserve Fund Incentives: This category includes tax increment grants, fee waivers, and deferral programs aimed at reducing upfront costs for developers. Tax increment grants allow developers to retain a portion of the increased property tax revenue generated by their new development, which can be reinvested into the project. Fee waivers eliminate or reduce fees associated with building permits and other municipal services, directly lowering project costs. Deferral programs allow developers to delay the payment of certain fees until the project is completed and generating income, improving cash flow during development. These incentives are crucial in making projects financially viable and attractive to developers. The range of tax increment grants are often tied to the increase in property taxes over a specified period (i.e., 10 years or 25 years), with no explicit maximum—other than the *Planning Act* requirement that no more money is provided than the equivalent of all eligible costs.

Forgivable Loans: These loans are offered to support homeownership and rental unit creation, with conditions tied to affordability and project completion. If the developer meets specific criteria, such as maintaining the units as affordable for a set period, the loan may be forgiven, effectively turning it into a grant. This approach encourages developers to commit to long-term affordability, ensuring that the housing remains accessible to low- and moderate-income households. Forgivable loans can significantly reduce the financial risk for developers while promoting the creation of much-needed affordable housing. The forgivable loan incentive typically covers a substantial portion of project costs, with examples such as the \$25,000 per unit forgivable loans in Hamilton.

Non-Financial Incentives: There are a range of non-financial incentives included in the CIPs that were scanned, including: the strategic use of surplus municipal land for affordable housing projects by providing access to land at reduced costs or even at no cost. By making land available for development, municipalities can remove one of the most significant barriers to

affordable housing—land acquisition costs. This incentive not only benefits developers by lowering their expenses but also fosters partnerships.

Reserve Funds: These are specific funds maintained by the municipality to assist with affordable housing projects beyond typical funding mechanisms. Reserve funds can be allocated to support various initiatives, such as gap financing for projects that may not fully meet funding requirements, or to provide additional resources for innovative housing solutions. By having dedicated funds set aside, municipalities can respond more flexibly and quickly to emerging housing needs, ensuring that opportunities for affordable housing development are not lost due to funding shortages.

Common Types of Grants for Housing

The following incentive programs are most frequently used, based on the case study review:

- **Capital Grants and Tax Increment Grants:** These are among the most offered programs across the municipalities reviewed, including Burlington, Guelph, Barrie, Blue Mountains, and Belleville. They are frequently used due to their direct fiscal impact on reducing development costs.
- **Fee and Charge Waivers:** Commonly implemented, these programs are used in Cobourg and Cambridge, for example, and reduce upfront costs associated with municipal processes and fees, such as zoning by-law amendments and building permits.
- **Non-Financial Incentives:** While less frequent compared to financial incentives, they are strategically used in municipalities such as Richmond Hill and Welland. The programs vary widely in terms of eligibility, scope, and the type of support offered, reflecting each municipality's specific housing needs and strategic priorities.
- **Targeted Support:** Some programs, such as the forgivable loans in Hamilton or Welland, target specific outcomes, such as maintaining long-term affordability or supporting non-profit developers.
- **Comprehensive Approach:** Municipalities employ a mix of financial and non-financial incentives to create a supportive environment for affordable housing development, addressing both immediate and long-term financial challenges faced by developers.

Overall, these programs collectively aim to enhance the availability of affordable housing by providing diverse support mechanisms tailored to various stages of housing development and rehabilitation.

Select Ontario Housing-Focused CIP Case Studies

The following section provides an overview of three recently completed housing-focused CIPs:

1. The City of Burlington Affordable Rental Housing CIP
2. The City of Richmond Hill CIP for Affordable Housing and Sustainable Design
3. The City of Welland Affordable Rental Housing CIP.

The programs identified in these CIPs provide strong examples of financial and non-financial incentives designed to support the development of affordable housing, providing valuable reference points for the Town to consider in the Affordable Housing CIP development.

The City of Burlington

The City of Burlington’s Affordable Rental Housing Community Improvement Plan, adopted in April 2025, is intended to increase the supply of affordable, purpose-built rental housing within the urban area of the City. A suite of financial incentives is provided to eligible non-profit and private-sector developments. CIP details include:

Eligibility
<ul style="list-style-type: none"> • Applicants must be located within the CIPA, be registered owners or tenants with legal permission by the registered owner, and have received confirmation of a complete application, and be a in good standing with the City. • Applications must result in the creation of one or more new affordable rental housing units in conformance to policies under the Official Plan and Zoning By-law. • Applicant must enter an agreement for development charges exemption in accordance with the Development Charges Act, requiring a minimum 25-year affordability period and other criteria as established in the Act and/or a minimum 10-year affordability period for a forgivable loan. • Tax Increment Equivalent Grants (TIEGs) are provided annually over a determined period (e.g., 10 years) in increments of up to 100% of the city portion of the property tax. • All incentive program recipients are required to enter into contribution agreements with annual reporting, tenant income verification, and compliance monitoring.
Incentives
<ul style="list-style-type: none"> • Pre-Development incentive programs, including a Municipal Fee waiver rebate and housing design and study grant program, as well as a brownfield tax assistance remediation and rehabilitation program. • New affordable rental unit incentive programs, including: <ul style="list-style-type: none"> ○ forgivable loans for ARU development, missing middle affordable rental units, and mid- to high-rise affordable rental units; ○ development charge assistance programs, including deferrals for affordable housing and waivers for the third ARU developments;

Eligibility
<ul style="list-style-type: none"> ○ tax increment equivalent grant for new affordable rental buildings with a minimum of three affordable units. ● A sustainable and accessible design top-up grant program and Municipal Fee Rebates, offering full or partial refunds of planning and building permit fees. Projects with deeper affordability or offering supportive housing are prioritized through a weighted evaluation system, and projects on surplus city land may be eligible for additional supports under separate Council direction.

The City of Richmond Hill

Adopted in 2024, The City of Richmond Hill’s Community Improvement Plan for Affordable Housing and Sustainable Design aims to support the delivery of affordable rental housing and incentivize sustainable building performance across the city. The CIP applies city-wide and targets purpose-built rental projects. CIP details include:

Eligibility
<ul style="list-style-type: none"> ● Mixed income units and buildings that include affordable units and market units. ● Purpose-built rental projects offering units at or below 125% of CMHC Average Market Rent (AMR), with a required minimum affordability duration of 25 years. ● Projects have at least 11 residential units (with 5 residential units meeting the definition of affordability). ● Satisfy the requirements of the City’s Sustainability Metrics Program (Silver level or higher). ● Be in good standing with the municipality.
Incentives
<ul style="list-style-type: none"> ● A Per Affordable Unit Grant of up to \$150,000 per unit for projects at or below 125% AMR. ● A Tax Increment Equivalent Grant rebating 100% of the city’s property tax increase for 10 years (for 101–125% AMR) or 25 years (for 100% AMR or lower). ● Competitive Capital Funding for projects offering deeper affordability (≤80% AMR), awarded via a scoring system. ● The use or disposition of Public Lands through competitive procurement processes. All incentives require contribution agreements outlining affordability terms, tenant

Eligibility

income verification, and annual reporting. Proposals are scored based on affordability depth, sustainability performance, project feasibility, and number of affordable units.

The City of Welland

The City of Welland 2023 Affordable Rental Housing Community Improvement Plan is designed to incentivize the development of affordable rental housing. Financial incentives are targeted at non-profit and private sector proponents. CIP details include:

Eligibility

- Affordability at or below 80% of AMR;
- Non-profit housing built on leased lands;
- Confirmation the units remain rental units, the rental price meets the definition of affordability and photographic proof of the units in place prior to occupancy;
- Annual reporting; and
- Compliance with *Residential Tenancies Act* of Ontario Maintenance Standards.
- Projects must also meet Welland’s Official Plan intensification goals and be located within the designated CIP project area.

Incentives

- Municipal Fees Grant covering up to 100% of planning and building permit fees.
- Affordable Housing Study Grant to support feasibility assessments.
- An Affordable Residential Forgivable Loan, offered on a one-time basis, available for new affordable units, including Additional Dwelling Units, and is forgiven if affordability and maintenance criteria are upheld over the term of the agreement.
- Tax Increment Grant that rebates a portion of the city’s municipal tax increase for a 10-year period, with the rebate amount scaled to the proportion of affordable units delivered (ranging from 60% to 80% of the tax increment for projects where 30% to 100% of units are affordable).
- Projects offering deeper levels of affordability may also qualify for an Extended Benefit Grant, provided annually per unit (up to 10 units, for 5 years) for units rented at 20%–60% of CMHC Average Market Rent.
- Special Lands Program offering surplus city-owned land to non-profits through long-term leases.

- An Affordable Housing Reserve Fund is also maintained to support projects needing gap funding beyond what standard CIP tools provide.

6.0 Areas of Interest for Applying the Affordable Housing CIP in Whitchurch-Stouffville

As part of this background report, a review was conducted to assess various areas within the Town where the Affordable Housing CIP could apply. The starting point for the study considered applying the Affordable Housing CIP broadly across the entire municipal boundary. Noting a large majority of land in the Town of Whitchurch-Stouffville is rural and designated within the Oak Ridges Moraine Conservation Plan Area, a refocusing of the potential study area was completed in consideration of the following Areas of Interest:

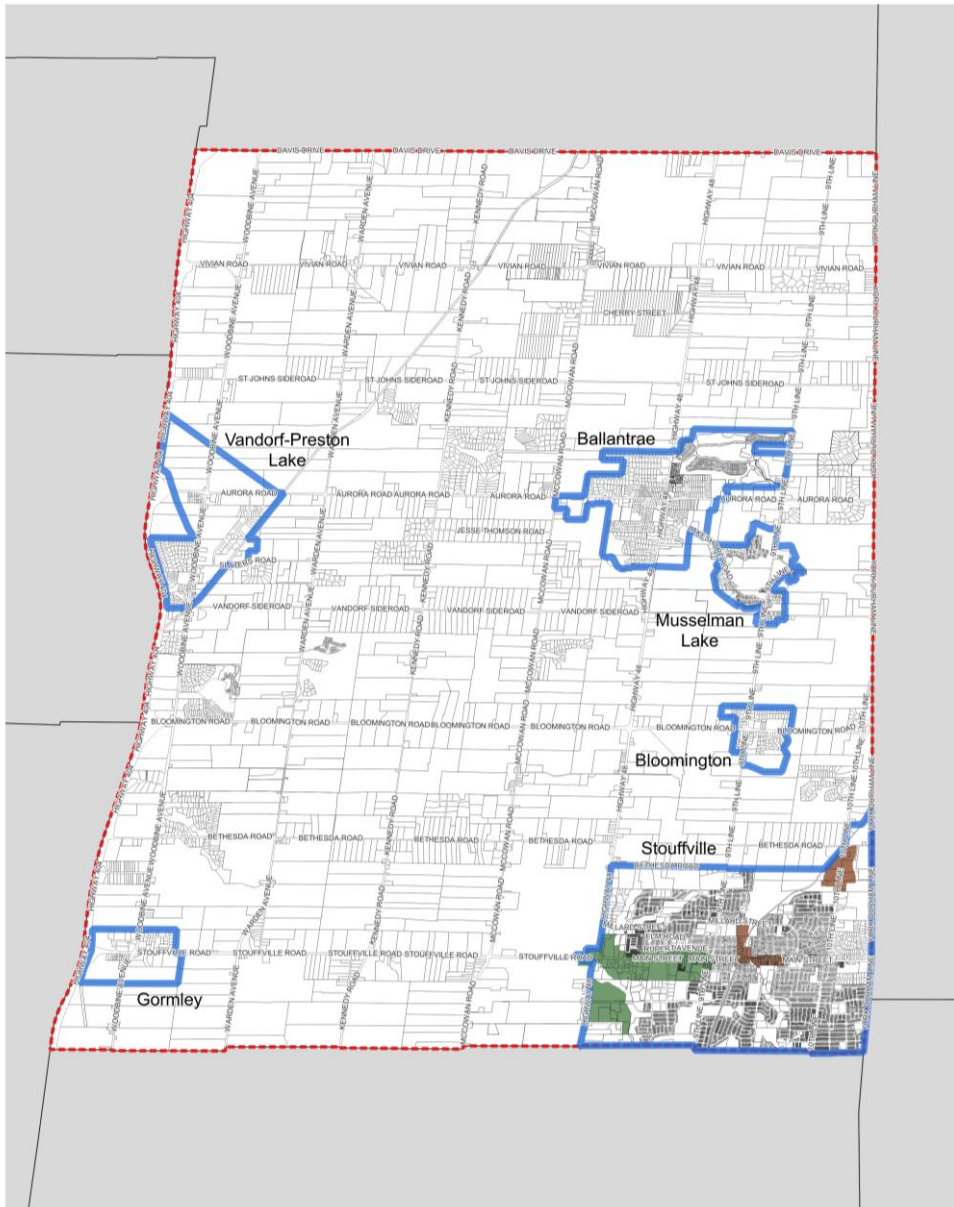
- Stouffville
- Ballantrae
- Musselman Lake
- Gormley
- Vandorf-Preston Lake
- Bloomington

These Areas of Interest comprise of the Town's settlement areas. Figure 2 below outlines the boundary of the Town in red and the boundaries of each of the Areas of Interest in blue.

Figure 2: Town of Whitchurch-Stouffville Areas of Interest for the Affordable Housing CIP

Town of Whitchurch-Stouffville
Areas of Interest for the Affordable Housing CIP

 Municipal Boundary
  Parcels
  Settlement Area Boundaries
  MTSA
  Strategic Growth Area



Upon review of land use designations, growth patterns, relevant Official Plan policies and infrastructure capacity, it is recommended that the Affordable Housing CIP be focused on incentivizing affordable housing within the Community of Stouffville Area of Interest. This Area of Interest is the identified Urban Area of the Town, and is the only area fully serviced by municipal infrastructure (sewage services and municipal water services), making it the most suitable area to implement the majority of incentives proposed under the Affordable Housing CIP.

The Community of Stouffville has been planned, in both the adopted and current Official Plans, to accommodate the majority of the Town's future population growth. As shown on Figure 2 above, the Community of Stouffville includes two Major Transit Station Areas (MTSAs), Old Elm GO and Stouffville GO, as well as the Town's only Strategic Growth Areas (SGAs). The adopted Official Plan identifies that:

- SGAs are intended to accommodate the highest concentration of growth (Section 2.1.1.2).
- Missing middle housing options can be accommodated in SGAs, enabled through as of right zoning (Section 2.2.6.2).
- MTSAs are key locations for high-density development, infill and intensification, and where inclusionary zoning may be leveraged to help the Town achieve its affordable housing goals (Section 2.2.2.4).
- At least 35% of the housing units developed in a MTSA will satisfy the criteria for the provision of affordable housing (Section 2.2.2.4(c)).

The condition and adequacy of services, including the water system and sanitary sewer system is a required criterion for the current Official Plan (Section 6.3.2(i)(c)). The Community of Stouffville meets this requirement. The remaining Areas of Interest face limitations that reduce their suitability for CIP incentives, primarily relating to housing-directed policies in the adopted Official Plan and their limited servicing capabilities:

- The Community of Ballantrae-Musselman Lake community is anticipated to accommodate only moderate population growth, appropriate to its servicing capacity available (Section 2.3.1.1).
- The Community of Gormley is anticipated to accommodate primarily employment growth (Section 2.3.4.4);
- The Community of Vandorf-Preston Lake is anticipated to accommodate primarily employment growth, however development and redevelopment of this area is prioritized to protect and enhance the natural environment (Sections 2.3.3.1 and 2.3.3.2).

- The Hamlet of Bloomington can accommodate limited growth on the basis of individual services (Section 2.4.1.1). The Hamlet of Bloomington and other areas of the Town within the Oak Ridge Moraine are subject to additional residential development restrictions.

While ARUs are permitted on partially serviced lands, there are limitations. Bill 23 identifies that three residential units be permitted on residential lots located in fully municipally serviced settlement areas. As such, the only area within the Town that is fully municipally serviced is the Community of Stouffville. The Town's Zoning By-law Amendment (No. 2024-078-ZO) allows one integrated or stand-alone ARU in the remaining Areas of Interest. This is due to their more limited servicing capacities. Countryside Areas within the Oak Ridge Moraine Conservation Plan and Greenbelt Plan regulation limits are further restricted to one ARU within a single detached dwelling (i.e., a basement ARU). Areas where an ARU is not permitted include the Natural Core Areas and Natural Linkage Area (Oak Ridge Moraine Conservation Plan), and Greenbelt Natural Heritage System (Greenbelt Plan).

Given these considerations, the Community of Stouffville is recommended to be the designated CIPA for the Affordable Housing CIP. It offers the necessary infrastructure, policy alignment, zoning permissions, and aligns with the Town's growth management priorities which can allow for a range of incentive programs. The CIPA will be subject to further consultation throughout **Phase 2** of the project, where additional geographical precincts could be identified as CIPA's or priority sites.

7.0 Options for an Affordable Housing CIP

The following is a set of options that have been identified for the development of the Town’s Affordable Housing CIP focused on market and affordable housing, based on the background information and research presented in this report. The options identified below will be the focus of upcoming engagement and consultation with members of the community and local development stakeholders.

Potential CIP Vision, Goals, and Objectives

Vision Statement

Whitchurch-Stouffville is building a complete community by supporting a diverse range of housing options that meet the needs of residents across all incomes, ages, and abilities. Advancing housing across the full continuum—from affordable to market rate—will help create a more inclusive, livable, and sustainable community for all.

Goals and Objectives

The overarching goal of the proposed Affordable Housing CIP is to provide targeted incentive programs that attract private and non-profit partnerships for the development of a diverse housing supply that accommodates the needs of Town residents today and in the future.

The following goals are proposed to be established for the CIP:

1. Expand and Diversify the Housing Supply

- Support a broad range of housing types and tenures to meet current and future needs.
- Increase the housing supply and meet the HAF Action Plan requirements and York Region housing directions.
- Diversify the housing supply and enhance the affordable housing market through targeted financial incentives.
- Address the need for more rental housing units.

2. Promote Accessible and Inclusive Housing Options

- Provide housing on a continuum that is designed for people of all ages, abilities, and income levels.
- Promote housing types and tenures that support aging in place and community stability (accessible, barrier-free units, life-lease, cohousing).

- Support opportunities for new housing supply to be inclusive, with universal, barrier-free and accessible design standards.

3. Strengthen Community Partnership and Collaboration Opportunities

- Create and foster partnerships with developers, homeowners, non-profit organizations, and community organizations.
- Provide incentives that are attractive to developers, homeowners, non-profit organizations, community organizations, and places of worship to support housing delivery.

4. Ensure Effective Implementation and Impact

- Identify implementation and monitoring criteria to ensure CIP effectiveness.
- Identify marketing strategies to raise community awareness of the incentive programs, eligibility requirements, and the application process.

Options for Financial Incentive Programs

The following financial incentive programs are a starting point for discussion. It is important to remember that CIP tools under the *Planning Act* are extremely flexible, and the Town has an opportunity to be as locally responsive as needed to ensure that the appropriate incentive programs, eligible uses, eligible costs, and grant values are identified and crafted into the Affordable Housing CIP. Of the options presented below, not all will be implemented in the Town. The preliminary options outlined below have been generated for discussion purposes and community engagement prior to development of the Affordable Housing CIP which will implement final Financial Incentive Options. Each preliminary financial incentive program option outlined in Table 4 would be able to be stackable with another incentive program provided through the CIP.

Table 4: Preliminary Financial Incentive Options

Potential Program	Purpose/ Description	Eligibility	Type of Incentive
Pre-Development			
1. Municipal Fees Waiver Program	To offset the initial costs of development by waiving a percentage of eligible planning and building application and permit fees.	<p>Available to homeowners, developers, and non-profit organizations.</p> <p>Uses: Any new housing development that includes affordable housing.</p> <p>Costs: Costs incurred to seek approvals for the development of new housing units, including:</p> <ul style="list-style-type: none"> • Site Plan Approval • Building Permit • Demolition Permit • Parkland Dedication fees • Community Benefit Charges <p>Planning application fees (e.g., pre-consultations, amendments, minor variances, etc.).</p>	Short-term capital grant
Affordable Rental Unit Incentive Programs			
2. Additional Residential Unit Affordable Rental Program	To offset costs incurred to construct additional residential units (internal or external); or bringing an illegal or noncompliant ARU up to code.	<p>Available to homeowners, developers, and non-profit organizations.</p> <p>Uses: ARU, interior, and exterior.</p>	Short-term capital grant

Potential Program	Purpose/ Description	Eligibility	Type of Incentive
	Provided for up to three years, in alignment with the pre-approved ARU design.	Costs: Costs incurred to construct an ARU where permitted. Applicants will be eligible to utilize the pre-approved design offered by the Town at no additional cost.	
3. Affordable Rental Unit Creation Grant	To offset construction/retrofit costs for the creation of new purpose-built rental units.	<p>Available to homeowners, developers, and non-profit organizations.</p> <p>Uses: Any new affordable housing project under the CIP (i.e., apartment building under 6 storeys, multi-plexes, cluster homes townhomes).</p> <p>Costs: Costs incurred to construct housing development where permitted.</p>	Potential for a Short or Long-Term (10-25 years) Annual Grant
4. Missing Middle Multiplex or Apartment TIEG	Tax Increment Equivalent Grant to cover the cost of tax increases for the development of missing middle (low to middle density) residential development, over a long-term period.	<p>Available to homeowners, developers, and non-profit organizations.</p> <p>Uses: Multi-unit residential, missing middle (4 storeys or lower).</p> <p>Costs: Costs incurred to construct.</p>	Yearly grant for a period of 10–25 years, or more
5. Infill Infrastructure Grant	To offset a percentage of costs associated with shared public infrastructure	This program would be in relation to specific Town-	Short-term capital grant

Potential Program	Purpose/ Description	Eligibility	Type of Incentive
	development and upgrades required to support the creation of new residential units on individual properties.	priority developments identified by the town. Uses: To upgrade or develop infrastructure for existing and new residential (including ARUs). Costs: Water, wastewater, stormwater management.	
Accessible Design Top-Up Incentive Program			
6. Accessible Design Top-Up Grant	A top-up/additional grant to incorporate a universal or barrier-free design that accommodates persons with accessibility issues and encourages aging in place.	Available to homeowners, developers, and non-profit organizations. Uses: Any residential units developed or upgraded to provide accessibility. Costs: Costs incurred on design and construction of an accessible unit.	Short-term capital grant

Option for “Enhanced” Grants

The Town could explore offering enhanced grants (or bonuses/top-ups to the basic value of the grant) to encourage projects that align with certain strategic priorities. These options aim to motivate developers to pursue projects that contribute to broader community and environmental goals. Here’s how these enhanced grants could be structured:

1. **Priority Areas and Project Characteristics:** The Town could consider prioritizing grants for projects that propose to:
 - **Increase Density and Scale:** Encourage developments that propose a minimum number of residential units on a single parcel, such as four or ten units. This option would support multi-unit housing developments, making efficient use of land resources and contributing to urban density.

- **Enhance Accessibility:** Offer incentives for projects that include accessible housing units for seniors and people with disabilities. This would promote inclusivity within the housing market, ensuring diverse community needs are addressed.
 - **Promote Affordability:** Focus on projects incorporating affordable rental or ownership units. This could help tackle housing affordability issues, ensuring access to suitable housing for lower-income families.
 - **Leverage Non-Profit and Charitable Partnerships:** Consider applications involving non-profit or charitable organizations. These partnerships could leverage additional resources and expertise to achieve social objectives and ensure long-term affordability.
- 2. Environmental and Innovative Practices:** The Town might explore supporting projects that:
- **Incorporate Low-Impact Development (LID):** Encourage designs that include LID practices to promote sustainable living and reduce environmental footprints.
 - **Implement Energy-Efficient Measures:** Support the upgrade for or provision of high-performance insulation, ventilation, and lighting that reduces energy consumption.
 - **Use of Innovative Construction Methods:** Consider incentivizing projects using innovative practices, such as mass timber construction and modular housing, which could improve sustainability and reduce costs.
- 3. Strategic Location and Funding:** The Town could prioritize projects based on:
- **Location:** Favour developments situated in strategic areas such as Downtown, Strategic Growth Areas, Major Transit Station Areas (MTSAs), or near rapid transit corridors. These locations are ideal for high-density developments that support public transit use.
 - **Creative Funding and Partnerships:** Encourage projects that are already funded by other government agencies or propose creative funding partnerships. This option ensures projects have a strong financial foundation and can leverage multiple sources for greater impact.
- 4. Rental Affordability:** Projects that offer rents below 125% of the Average Market Rent (AMR) to contribute to market affordability and ensure lower-income residents have access to housing.

These options for enhanced grants offer a strategic approach to guide development in alignment with the Town's housing and community goals.

Options for Non-Financial Incentive Programs

The Town could consider the following non-financial incentive programs to include in the CIP, which are proposed on top of the many other non-financial incentives being explored through the HAF Action Plan.

- 1. Surplus Lands Policy for Housing:** The CIP could include a policy indicating that the Council may choose to acquire, sell, lease, or prepare municipal properties or portions of municipal properties at or below fair market value to support the objectives of the Town's affordable housing policies, plans, and strategies. By leveraging surplus lands, this initiative can enhance financial incentive programs within the CIP. This strategy not only facilitates the availability of land for housing development but also encourages innovative affordable housing projects that align with community needs and potential partnerships. This policy can further support the creation of partnerships with landowners that have surplus lands (including school boards, places of worship and faith-based organizations, not-for-profit organizations).
- 2. Housing Reserve:** The CIP could state that the Town may establish an annual reserve fund dedicated to supporting housing initiatives that require additional funding beyond what is available through the existing HAF program. This reserve will act as a safety net for projects that address urgent housing needs, ensuring that financial barriers do not hinder the development of essential affordable units. It could be funded through the sale of surplus land, which would generate revenue that can be reinvested.
- 3. Housing-First Policy:** The CIP could recommend the implementation of a Town-wide Housing-First policy that would prioritize the provision of stable housing as a key strategy, ensuring that housing solutions are accessible and sustainable for all residents.
- 4. ARU Design Guides:** The CIP, primarily the ARU incentive program, will be further supported by the Town's "ready-to-use" design plans for detached ARUs. These designs were pre-designed by an architect and will be made available to interested applicants.
- 5. Inclusionary Zoning By-law:** The CIP will be supplemented by the ongoing Inclusionary Zoning By-law project, with the objective to increase affordable housing supply throughout the Town.
- 6. Marketing and Media Work:** The CIP may include marketing and media strategies for the Town to implement to promote uptake in the incentive programs, such as promotion through On the Road. One potential initiative is hosting a Prefabricated and Modular Homes showcase. This event would provide suppliers with an opportunity to display their products, educate the public on these housing options through demo walkthroughs,

discuss pricing information and permitting requirements, and scan residents/developers/non-profit organizations interested in adding such structures to residential properties. Opportunities for residents to learn about ARUs could be conducted similarly through walk-in open houses.

Implementation Options

The Affordable Housing CIP will focus on two key implementation time frames, short-term plus long-term incentives:

- 1. Short Term:** Identify immediate opportunities for 2026 to 2027 to incentivize the development of new units that align with HAF Missing Middle and Affordable Housing targets, aiming for completion by December 2027; and
- 2. Longer Term:** Building on the short-term programs, develop a post-HAF agreement strategy for the Town to consider during annual budget requests, to provide for the continuation of CIP incentive programs.

Sample considerations for the program are outlined in the following table, Table 5.

Table 5: Implementation Framework

		Short Term	Long Term
Market Rate		<ul style="list-style-type: none"> • Design and Study Grants • DC Rebates • Marketing and Media Work – Prefabricated / Modular Housing showcase 	<ul style="list-style-type: none"> • Missing Middle Multiplex or Apartment TIEG • Environmental and Innovative Practices • Marketing and Media
	Affordable	<ul style="list-style-type: none"> • ARU Affordable Rental Grant • Municipal Fees Waiver Program • Accessible Design Top-Up Grant • Town ARU Ready-to-Use Design Plans • Fast-Tracking Approvals • Inclusionary Zoning By-law • Marketing and Media 	<ul style="list-style-type: none"> • Municipal Fees Waiver Program • Affordable Rental Unit Creation Grant • Infill Infrastructure Grant • Fast-Tracking Approvals • Surplus Lands Policy for Housing • Housing Reserve Funds • Marketing and Media

8.0 Financial Analysis and Development Scenario

Costing

A financial analysis was conducted for four housing types to help the Town understand how to determine the appropriate grant/forgivable loan values during the development of the Affordable Housing CIP. The housing types include:

- **A Converted ARU** – an ARU converting a portion of an existing home into a 1-bedroom home, such as a garage or a basement, while not increasing the footprint;
- **A New Build ARU** – an ARU in a newly built accessory building with 1-bedroom;
- **A Townhouse** – townhouses with 55 units; and
- **A 6-Storey Apartment** – a 6-storey apartment building with 110 units.

The financial analysis takes the form of a Residual Land Value (RLV) analysis. The RLV represents the net revenues which can be used to pay for land, after all costs are accounted for. The RLV is compared to benchmark land costs to determine if the development is financially viable. If the net present value of the cash flows generated by the development after land costs is a positive number, then it is financially viable.

The RLV analysis begins by calculating the net present value of revenues for the development. Then, the net present value of hard costs (e.g., materials and labour) and soft costs (e.g., professional fees, government fees and taxes) are subtracted, using industry-standard benchmarks. A developer profit margin of 15% (pre-tax) is then subtracted. This profit margin is required to compensate developers for: the developments risk, the opportunity cost of investing in development instead of alternative investments, and to limit lender risk. After subtracting all of the costs and the profit margin, the final number is the RLV, which shows the financial viability of the development.

Example unit numbers for the townhome and 6-storey apartment housing types were used for testing purposes. These unit numbers (both market rate total and affordable units) would differ from project to project, and so the values presented should be used to guide a general sense of unit affordability. Two scenarios were developed on the four housing types selected for financial analysis. The first scenario provides an overview of the base case to identify what level of incentive would need to be provided for regular new home construction. The second scenario assumes, if the development was feasible, what additional level of incentive may be required to build or convert the housing types to be affordable.

Baseline Case for Incentivizing New Home Construction

The table below highlights the results of the RLV analysis for an applicant to develop each of the housing types in the Town of Whitchurch Stouffville, with all units being rented at market rate.

Table 6: Baseline – Housing Development Variables

Baseline – Housing Development Variables	Housing Types			
	Converted ARU	New Build ARU	Townhomes	6-Storey Apartment
# of Units	1	1	55	110
Residual Land Value	\$103,000	\$35,000	(\$2,479,000)	(\$10,892,000)
Net Present Value after Land Costs	\$43,000	(\$20,000)	(\$5,367,000)	(\$13,425,000)
Subsidy Needed/Unit	\$0	\$20,000	\$98,000	\$122,000

Summarized and preliminary highlights include:

- **Converted ARU:** An applicant could convert a basement or garage into a market-rate ARU without a subsidy. Land costs were valued at \$50/sq. ft., consistent with the other scenarios. The \$50 / sq. ft. value reflects the loss of personal use of the space (e.g. the basement or garage) and the additional responsibilities associated with becoming a landlord. While the actual value will vary widely across homeowners, it is important a value to these opportunity costs for analysis.
- **New Build ARU:** An applicant could build an ARU with a subsidy of approximately \$20,000 per ARU developed. Land costs were valued at \$50/sq. ft., consistent with the other scenarios. The \$50 / sq. ft. value reflects the loss of personal use of the space (e.g. the backyard), the additional costs for parking, driveway creation and other additional responsibilities associated with becoming a landlord. While the actual value will vary widely across homeowners, it is important a value to these opportunity costs for analysis. As ARUs have no DCs the applicant would not have these subjected costs to include.
- **Townhomes:** An applicant could build a market-rate townhouse with a subsidy of \$98,000 per unit.
- **6-Storey Apartment:** An applicant could build a market-rate 6-storey apartment building with a subsidy of \$122,000 per unit.

Additional Level of Incentives Required to Change a Market-rate Unit into an Affordable Unit

To test feasibility of incentivizing affordable units, Table 7 below showcases the costs for an applicant to develop one of the housing types in the Town with an affordability component to it. To make a project feasible, the below incentive values outlined in the line Additional Subsidy Needed per Affordable Unit would need to be stacked with the incentives outlined in the first scenario of the baseline case.

To calculate the subsidy needed to change a unit planned to be rented at market rates to one rented at affordable rates, the RLV is calculated for each housing type, assuming a certain number of affordable units. The difference in RLV between the first scenario of the baseline case and the affordable unit's scenario is the cost of providing those affordable units. This cost is converted to a per-unit amount to estimate the subsidy needed to change a market-rate unit to an affordable unit.

To note, this subsidy calculation assumes that the development would have been built anyway. If the above baseline case (without affordable units) is not financially viable, this subsidy would not be enough to make the development work. In these instances, to make a development viable, each unit (market-rate or affordable) of the housing type must be subsidized to make the development financially viable. The affordable subsidy would then be added on top of that. Alternatively, if the development is already viable, this subsidy may support the development without needing further subsidies.

The following analysis considers a 25-year affordability timeframe. This timeframe aligns with provincial guidelines for affordable housing. Further, developers have indicated that longer affordability periods may increase the difficulty of getting financing. The analysis calculates the financial impacts of units rented at affordable rates on a per-affordable unit basis. In the simplified model, the loss in net revenues per affordable unit does not change based on total number of affordable units. As such, a rounded number of affordable units for each housing type is used for convenience, which represents approximately 9% of units for the townhome and apartment housing types. It is notable that provincial regulations limit the set-aside rate on affordable units to 5% for Inclusionary Zoning policies, though higher rates can be provided voluntarily or as part of an agreement.

Table 7: Affordability for 25 Years – Housing Development Variables

Affordability for 25 Years – Housing Development Variables	Housing Types			
	Converted ARU	New Build ARU	Townhomes	6-Storey Apartment
# of Affordable Units	1	1	5	10
Residual Land Value	\$84,000	\$2,000	(\$2,690,000)	(\$11,201,000)
Net Present Value after Land Costs	\$26,000	(\$51,000)	(\$5,568,000)	(\$13,726,000)
Loss from Affordable Units	(\$17,000)	(\$31,000)	(\$201,000)	(\$301,000)
Additional Subsidy Needed per Affordable Unit	\$17,000	\$31,000	\$40,000	\$30,000

Highlights of the affordability scenario outlined above include:

- Converted ARU:** An applicant could convert a basement or garage into an affordable ARU with a subsidy of \$17,000. Although, additional incentive may be required to encourage the average applicant to consider building an affordable unit. Land costs were valued at \$50/sq. ft., consistent with the other scenarios. The \$50 / sq. ft. value reflects the loss of personal use of the space (e.g. the basement or garage) and the additional responsibilities associated with becoming a landlord. While the actual value will vary widely across homeowners, it is important a value to these opportunity costs for analysis. This housing type represents the most financially competitive option.
- New Build ARU:** An applicant could build an ARU and make it affordable with a subsidy of approximately \$31,000 per ARU developed. Land costs were valued at \$50/sq. ft., consistent with the other scenarios. The \$50 / sq. ft. value reflects the loss of personal use of the space (e.g. the backyard), the additional costs for parking, driveway creation and other additional responsibilities associated with becoming a landlord. While the actual value will vary widely across homeowners, it is important a value to these opportunity costs for analysis. As ARUs have no DCs the applicant would not have these subjected costs to include.
- Townhomes:** An applicant could turn a market-rate unit affordable with a subsidy of \$40,000 per unit. The total subsidy required for the development of a townhouse (with both market-unit (Table 6) and affordable conversion (Table 7)) would be \$138,000 per unit.

- **6-Storey Apartment:** An applicant could turn a market-rate unit affordable with a subsidy of \$30,000 per unit. The total subsidy required for the development of a 6-storey apartment (with both market-unit (Table 6) and affordable conversion (Table 7)) would be \$152,000 per unit. This housing type represents the least financially competitive option.

Key Takeaways for Financial Incentive Program Selection:

Residential development has become increasingly difficult due to the current market conditions. Construction costs remain high, while rents and sale prices have stabilized, though are still well above historical averages. As a result, many types of residential development are not financially viable, with some housing types facing severe feasibility challenges.

In these cases, the incentive required to make these developments financially viable can rapidly outstrip any reasonable budget for incentives. The Town must carefully consider how to treat address these situations.

One approach would be to focus on the housing types that are closer to financial viability while de-prioritizing others. This could involve providing a uniform level of incentives across the different housing types. While this may not be effective at incentivizing the more expensive housing types under current market conditions, it could help speed up recovery once market conditions improve. In addition, this strategy could aid developments with above-average financial viability.

Alternatively, the Town could consider offering incentives that do not have a direct budgetary impact. Major contributors to costs include long approval timelines, uncertainty in the approvals process, and the scarcity of land for higher-density residential development. These contributors especially impact smaller developments that are not allowed as-of-right, potentially preventing more cost-effective types of construction. In addition, zoning regulations can create barriers for innovative modular construction, limiting its ability to achieve the returns to scale needed to justify any high initial investments. Broadly increasing zoning permissions across the municipality could help reduce development costs without impacting the municipal budget.

The timing of an incentive can affect its efficiency. If the Town can borrow at a lower cost than the developer, it is more efficient to provide an upfront incentive. On the other hand, if the developer can borrow at a lower cost than the Town, then it is more efficient to provide a back-loaded incentive. These costs should consider the weighted average cost of capital for each party.

Usually, municipalities can borrow at lower costs than developers since they are usually less risky to lend to. In these cases, a front-loaded incentive would be preferred. These include

upfront grants, fee waivers, fee deferrals, and loans (forgivable or not). However, there are cases where municipalities have hit their borrowing limit, in which case a back-loaded incentive may be necessary. Examples of these include back-loaded grants (e.g., upon completion) or tax increment equivalent grants (TIEGs).

9.0 Next Steps for the Affordable Housing CIP

This Whitchurch-Stouffville Affordable Housing CIP Background Report will be presented to Council and shared with stakeholders and the public throughout the month of September 2025. Key opportunities to shape the project will be available through the following options:

- September 15, 2025: Technical Advisory Committee and Stakeholder Committee Meeting
- September 15, 2025: Public Open House
- September 17, 2025: Background Report Presentation to Council

This report provides background on the Town's Affordable Housing CIP Study and identifies a range of options that are relevant to the Town of Whitchurch-Stouffville. All feedback received on the background report will be documented and taken into consideration.

Following the September engagement on this report, the Draft Affordable Housing Community Improvement Plan will be prepared throughout the fall of 2025. Once completed, the draft CIP will be shared for additional feedback, including a Statutory Public Meeting scheduled for November 5, 2025. This will be held prior to Council adoption of the Affordable Housing Community Improvement Plan, which is tentatively scheduled for December 3, 2025.

Updates regarding the CIP study, including engagement event details, can be found on the Town's CIP engagement for the duration of the project: cometogetherws.ca/affordable-housing. The Town's website is the best way for anyone with an interest in this project to remain up-to-date on the project's progress.

10.0 Discussion Questions for Upcoming Engagement

The following questions are intended to guide discussion and support decision-making for the CIP, encouraging stakeholder input to inform the development of the first draft Affordable Housing CIP:

1. Do you have any thoughts about focusing the Affordable Housing CIP specifically within the Community of Stouffville? Can you think of any specific needs/opportunities that should be added?
2. Which potential financial incentive programs would you like to see included in the CIP?
3. Which potential financial incentive programs should be excluded?
4. Are there any financial or non-financial incentive programs that we missed, that should be included?
5. Do you think that there should be an “Enhanced Grant” option, which rewards applicants for meeting certain priority criteria? What should the criteria be?
6. How can the Town market and implement the CIP to experience successful uptake?
7. If you were eligible for one of the incentives, would you be interested in taking advantage of the funds to create one or more new housing units? Why or why not?
8. What are your thoughts on the Financial Analysis and Development Scenario Costing for each of the housing scenarios? Do those numbers make sense to you?