



**SAULT STE. MARIE**

City of Sault Ste. Marie

# Housing Community Improvement Plan

August 2024



## Land Acknowledgement

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

The City of Sault Ste. Marie acknowledges this area as part of the Robinson-Huron Treaty territory and is the traditional territory of the Anishinaabe and known as Bawating. Bawating is the home of Garden River First Nation, Batchewana First Nation, the Historic Sault Ste. Marie Metis Council and today is home to many Urban Indigenous people from across Turtle Island.

**Contents**

- 1. Introduction ..... 1
  - 1.1 Purpose of this Plan ..... 1
  - 1.2 Objectives of this Plan..... 1
  - 1.3 Community Improvement Project Area (CIPA) .....2
  - 1.4 Legislative Authority ..... 3
  - 1.5 Structure of this Plan..... 3
- 2. Financial Incentive Programs .....4
  - 2.1 Purpose.....4
  - 2.2 Financial Incentive Programs.....4
  - 2.3 Interpretation of the Programs.....4
  - 2.4 Per-Door Grant Program ..... 5
  - 2.5 Tax Increment Equivalent Grant (TIEG) Program..... 7
  - 2.6 Feasibility Study Grant Program..... 10
- 3. General Eligibility Criteria ..... 12
- 4. Implementation ..... 17
  - 4.1 General..... 17
  - 4.2 Community Improvement Project Area ..... 17
  - 4.3 Plan Administration ..... 17
  - 4.4 Financial Incentive Program Funding ..... 18
  - 4.5 Plan Monitoring and Evaluation ..... 18
  - 4.6 Definitions ..... 20

# 1. Introduction

## 1.1 Purpose of this Plan

This Community Improvement Plan (“CIP” or “Plan”) is a community revitalization tool that responds to the housing needs of the City of Sault Ste. Marie (“City”). It directly implements Action 3 of Sault Ste. Marie’s Housing Action Plan 2023-2028, to “provide financial incentives for housing”. In doing so, the Plan establishes a range of financial incentive programs intended to facilitate broad investment in the City’s housing stock to meet current and future housing demand.

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

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

Importantly, the City will require housing that responds to changing demographics, economics, and market conditions. Therefore, housing within the City will need to provide opportunities for people with housing needs and aspirations.

## 1.2 Objectives of this Plan

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

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

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

### 1.3 Community Improvement Project Area (CIPA)

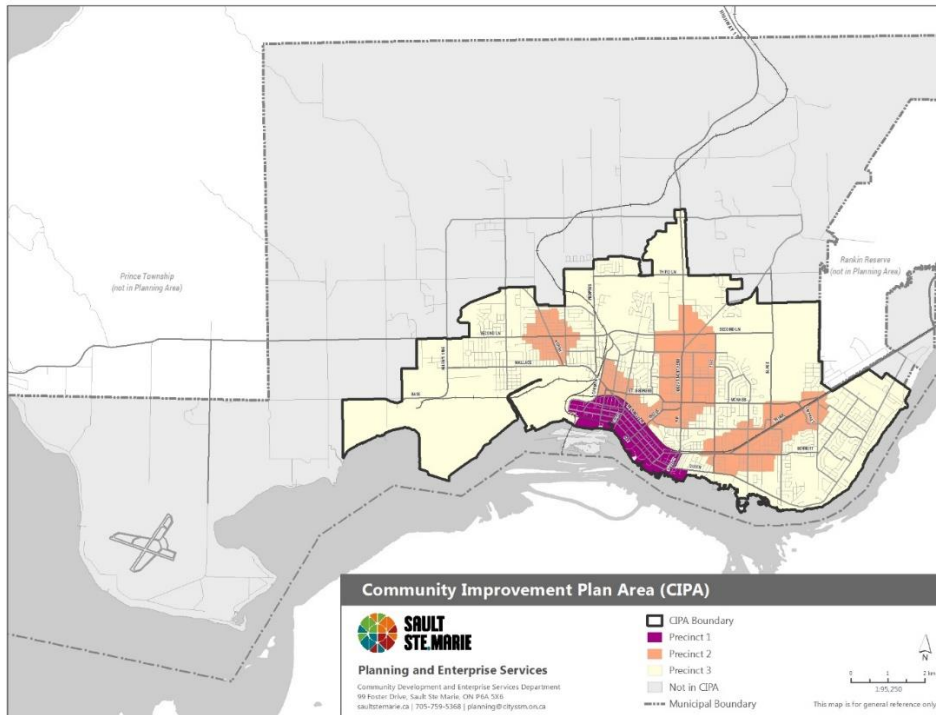
Properties eligible to apply for the financial incentive programs established by this Plan are shown on the CIPA. The CIPA is established as a separate by-law from this Plan and may be amended from time to time at Council's discretion. It is therefore important for eligible applicants to consult with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

The CIPA delineates distinct "Precincts", wherein this Plan contemplates some of the financial incentive programs differently in response to the housing priorities throughout the City. The Precincts are generally described as follows:

1. **Precinct 1:** This Precinct corresponds to the Strategic Development Areas – First Neighbourhoods as identified in the Official Plan. Precinct 1 includes some of the City's first established residential neighbourhoods, as well as the Downtown and is an area that demonstrates a heightened and unique need for adequate and affordable housing.
2. **Precinct 2:** This Precinct corresponds to the Strategic Development Areas – Other as identified in the Official Plan. Precinct 2 includes areas of the City that are within a safe-walkable distance to a variety of services and amenities. Over time, areas within Precinct 2 will experience residential growth and a resulting demand for new housing opportunities.
3. **Precinct 3:** This Precinct includes areas that are within the Urban Settlement Area of the City, but outside of Precincts 1 and 2.

The boundaries of the Precincts are delineated by the CIPA and may be subject to modification through a by-law as enacted by Council. The CIPA is shown in Figure 1.

Figure 1: Community Improvement Project Area (CIPA)



## 1.4 Legislative Authority

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

This Plan is also permitted under Section 106 of the *Municipal Act, 2001*, which generally prohibits municipalities from directly or indirectly assisting manufacturing, business or other industrial or commercial enterprises. An exception to Section 106 is made under Section 106(3) for municipalities exercising powers under Section 28 (6) or (7) of the *Planning Act*, being to adopt a CIPA and CIP.

## 1.5 Structure of this Plan

This Plan is organized into four sections:

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

## 2. Financial Incentive Programs

### 2.1 Purpose

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

### 2.2 Financial Incentive Programs

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

1. Per-Door Grant Program;
2. Tax Increment Equivalent Grant (TIEG) Program; and
3. Sault Foundations - Feasibility Study Grant Program.

Specific details of the financial incentive programs are established under sections 2.4 through 2.6 of this Plan.

### 2.3 Interpretation of the Programs

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

1. **Purpose:** Identifies the purpose of the financial incentive program and how it benefits applicants and the community.
2. **General Program Availability:** Specifies the types of housing and tenure that are eligible for the program based on the CIPA.
3. **Eligible Costs:** Provides details for which types of community improvement works are considered eligible in the calculation of a financial incentive program value.
4. **Financial Incentive Program Value:** This section identifies program-specific financial incentive values and maximum grant values.
5. **Payment of Financial Incentive Program:** Describes how and when a financial incentive is to be paid or deemed complete.
6. **Specific Eligibility Criteria:** Provides program-specific details of applicable criteria that applicants must satisfy in order to be eligible to apply for a Program. These eligibility criteria must be read in conjunction with Section 3 General eligibility of this Plan.

## 2.4 Per-Door Grant Program

### 2.4.1 Purpose

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

### 2.4.2 General Program Availability

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

1. **Affordable:** Where affordable dwelling units are proposed, the Program is available in all three Precincts.
2. **Market Rate:** Where market rate dwelling units are proposed, the Program is only available in Precinct 1.
3. **Tenure:** Both freehold housing and rental housing are eligible for this Program, however freehold housing is limited to not-for-profit ownership in Precincts 2 and 3.

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

### 2.4.3 Eligible Costs

The following costs shall be deemed eligible for the purpose of calculating the total value of the grant:

1. Any development that results a net increase in the total number of dwelling units shall be eligible for this Program.
2. Where a development consists of a mixed-use format, only the residential component of the development shall be eligible.

### 2.4.4 Financial Incentive Program Value

The structure of the Per-Door Grant Program, including the per-unit grant value, is as shown in Table 1:



Table 1: Per-Door Grant Program Structure

Housing Category	Precinct	Tenure Types	Maximum Grant Value (per unit)
Affordable	1	Purpose-Built Rental, Freehold (private and not-for-profit)	Bachelor: \$30,000 1 Bedroom: \$35,000 2 Bedroom: \$40,000 3+ Bedroom: \$45,000
	2 or 3	Purpose-Built Rental, Freehold (not-for-profit)	Bachelor: \$30,000 1 Bedroom: \$35,000 2 Bedroom: \$40,000 3+ Bedroom: \$45,000
Market Rate	1	Purpose-Built Rental, Freehold (private and not-for-profit)	\$20,000

The maximum amount of incentive provided under this program to any approved eligible property will not exceed \$180,000 (which corresponds to a four-unit development with all 3-bedroom units that meet the definition of affordable).

#### 2.4.5 Payment of Financial Incentive Program

The grant shall be paid upon completion of works related to the eligible costs and when an occupancy permit is issued, or otherwise to the satisfaction of the City, and in accordance with the requirements of this Plan.

#### 2.4.6 Specific Eligibility Criteria

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

1. Where affordable housing is proposed, the City will require successful applicants to enter into an agreement with the City to maintain the housing as affordable for a period of 20 years.
2. The City requires eligible applicants to provide a cost estimate or quote in advance of the services being rendered by a qualified professional. The cost estimate or quote shall include a detailed breakdown of tasks and associated costs. At its discretion, the City may require additional cost estimates or quotes to be provided, and in this case, the payment of this portion of the grant shall be the lesser of the cost estimates provided.
3. Applications will be assessed and prioritized using a Per-Door Grant scorecard.

## 2.5 Tax Increment Equivalent Grant (TIEG) Program

### 2.5.1 Purpose

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

### 2.5.2 General Program Availability

The TIEG is available for affordable dwelling units in all three precincts. However, the Program is structured differently depending on tenure, as follows:

1. **Purpose-Built Rental:** Financial incentives for dwelling units defined as rental by this Plan are eligible in all Precincts.
2. **Freehold:** Financial incentives for units defined as freehold by this Plan are eligible in Precinct 1 only (for example, a condominium with 5 or more units).

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

### 2.5.3 Eligible Costs

The following costs shall be deemed eligible for the purpose of calculating the total value of the grant:

1. Any development that results in a net increase in 5 or more dwelling units shall be eligible for this Program.
2. Where a development consists of a mixed-use format, only the residential component of the development shall be eligible.

### 2.5.4 Financial Incentive Program Value

The maximum value of the TIEG is calculated as the difference between pre-project municipal tax assessment and the post-project municipal tax assessment.

As shown in Tables 2 to 4, the total length of the TIEG (in years) will be determined by the percentage of new affordable units within the development and the Precinct where the development is located.

A TIEG will typically contain a fixed number of years at 100% of the municipal portion of the tax increment, decreasing to 75% in the third last year, 50% in the second last year, and 25% in the final year. The grant ceases thereafter.

Table 2: Percentage of Property Tax (Municipal Portion) Rebated for Developments in Precinct 1

Affordable Units (%) ▶	None	1-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-100%
Year 1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 2	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 3	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 4	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 5	25%	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Year 6	0%	25%	50%	75%	100%	100%	100%	100%	100%	100%	100%
Year 7	0%	0%	25%	50%	100%	100%	100%	100%	100%	100%	100%
Year 8	0%	0%	0%	25%	75%	100%	100%	100%	100%	100%	100%
Year 9	0%	0%	0%	0%	50%	75%	100%	100%	100%	100%	100%
Year 10	0%	0%	0%	0%	25%	50%	75%	100%	100%	100%	100%
Year 11	0%	0%	0%	0%	0%	25%	50%	100%	100%	100%	100%
Year 12	0%	0%	0%	0%	0%	0%	25%	75%	100%	100%	100%
Year 13	0%	0%	0%	0%	0%	0%	0%	50%	100%	100%	100%
Year 14	0%	0%	0%	0%	0%	0%	0%	25%	75%	100%	100%
Year 15	0%	0%	0%	0%	0%	0%	0%	0%	50%	100%	100%
Year 16	0%	0%	0%	0%	0%	0%	0%	0%	25%	75%	100%
Year 17	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	75%
Year 18	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%
Year 19	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%
Year 20	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Length (Years)	5	6	7	8	10	11	12	14	16	18	19

Table 3: Percentage of Property Tax (Municipal Portion) Rebated for Developments in Precinct 2

Affordable Units (%) ▶	None	1-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-100%
Year 1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 2	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 3	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 4	25%	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Year 5	0%	25%	50%	75%	100%	100%	100%	100%	100%	100%	100%
Year 6	0%	0%	25%	50%	100%	100%	100%	100%	100%	100%	100%
Year 7	0%	0%	0%	25%	75%	100%	100%	100%	100%	100%	100%
Year 8	0%	0%	0%	0%	50%	75%	100%	100%	100%	100%	100%
Year 9	0%	0%	0%	0%	25%	50%	75%	100%	100%	100%	100%
Year 10	0%	0%	0%	0%	0%	25%	50%	100%	100%	100%	100%
Year 11	0%	0%	0%	0%	0%	0%	25%	75%	100%	100%	100%
Year 12	0%	0%	0%	0%	0%	0%	0%	50%	75%	100%	100%
Year 13	0%	0%	0%	0%	0%	0%	0%	25%	50%	100%	100%
Year 14	0%	0%	0%	0%	0%	0%	0%	0%	25%	75%	100%
Year 15	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	75%
Year 16	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%
Year 17	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%
Year 18	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 19	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 20	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Length (Years)	4	5	6	7	9	10	11	13	14	16	17

Table 4: Percentage of Property Tax (Municipal Portion) Rebated for Developments in Precinct 3

Affordable Units (%) ▶	None	1-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-100%
Year 1	75%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 2	50%	75%	75%	75%	100%	100%	100%	100%	100%	100%	100%
Year 3	25%	50%	50%	75%	100%	100%	100%	100%	100%	100%	100%
Year 4	0%	25%	25%	50%	75%	100%	100%	100%	100%	100%	100%
Year 5	0%	0%	0%	25%	50%	75%	100%	100%	100%	100%	100%
Year 6	0%	0%	0%	0%	25%	50%	75%	100%	100%	100%	100%
Year 7	0%	0%	0%	0%	0%	25%	50%	75%	100%	100%	100%
Year 8	0%	0%	0%	0%	0%	0%	25%	50%	75%	100%	100%
Year 9	0%	0%	0%	0%	0%	0%	0%	25%	50%	75%	100%
Year 10	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%	75%
Year 11	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%
Year 12	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%
Year 13	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 14	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 15	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 16	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 17	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 18	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 19	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Year 20	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Length (Years)	3	4	4	5	6	7	8	9	10	11	12

### 2.5.5 Payment of Financial Incentive Program

1. The TIEG will only be issued subsequent to completion of approved eligible works, final inspections are complete, and an occupancy permit has been issued.
2. The grant will be paid annually by the City to the eligible applicant subsequent to payment of all property taxes.

### 2.5.6 Specific Eligibility Criteria

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

1. The TIEG program shall be eligible to be combined with the Feasibility Study Grant Program of this Plan but not the Per-Door Grant program.
2. The City may evaluate the merit of an application based on considerations for achieving specific actions as part of the Housing Action Plan.
3. The applicant must demonstrate that a substantial increase in municipal property taxes will occur due to development or redevelopment.
4. The applicant shall provide to the City a post-improvement assessment. The post-improvement assessment will be used by the City to determine the difference between the

amount of municipal taxes prior to the development or redevelopment and the amount of municipal taxes to be paid after the development is complete.

5. A grant issued under this Program will be issued in accordance with a grant schedule and provided to the registered owner of the property on an annual basis.
6. An annual grant shall not be issued until all property taxes owing for each year are fully paid. If a property tax installment is missed or payment is late, the City reserves the right, without notice and at its own discretion, to withhold or terminate all future grant payments.
7. An annual grant shall not be recalculated based on tax increases resulting from general re-assessments, or changes in tax legislation.
8. If the property is sold or there is otherwise a change in ownership, the City reserves the right to withhold or terminate future grants.
9. The City shall not issue an annual grant that is of greater value than the municipal tax collected in a given year on the increased assessed value of the property.
10. At its discretion, the City may suspend or discontinue this Program. However, existing agreements between the City and landowners will be recognized, whereby grants will continue to be issued subject to the agreement.

## 2.6 Sault Foundations - Feasibility Study Grant Program

### 2.6.1 Purpose

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

### 2.6.2 General Program Availability

The Sault Foundations Program is available in all three precincts where proposed development includes an increase in residential units.

### 2.6.3 Eligible Costs

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

1. financial analysis and feasibility assessment, or associated business development related studies and plans; and
2. technical reports or studies, such as a building conditions report, where an existing building is proposed to be repurposed or significantly modified or renovated.

#### 2.6.4 Financial Incentive Program Value

The maximum grant value of the Program is \$30,000.

#### 2.6.5 Payment of Financial Incentive Program

1. A grant may be issued to an eligible applicant in advance of the eligible costs being undertaken, at the City's sole discretion.
2. An application must be formally approved by the City before undertaking or initiating the eligible costs. The City may request that the applicant provide at least one quote from a prospective consultants who will conduct the study. Consultants must be qualified professionals.
3. The City may require that the study be completed within a specific timeframe. Further, the City may require full repayment of the total grant value should the study not be completed within the established timeframe.
4. The specific timeframe for which the study is completed will be determined through an agreement entered into between the City and an applicant. At its sole discretion, the City may extend this timeframe upon request of the applicant, provided advance notice is given, and justification for the extension is provided.

#### 2.6.6 Specific Eligibility Criteria

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

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

### 3. General Eligibility Criteria

#### 3.1.1 Housing Objectives

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

#### 3.1.2 Eligible Applicants

1. Eligible applicants are deemed to be the registered landowner, an agent of the landowner, or a tenant of a property. The following exception to this requirement shall apply:
  - a. For the purpose of the Sault Foundations Program, an eligible applicant shall be deemed to be a Not-for-Profit agency and must own the subject property.
2. Where an application is made by someone other than the registered landowner, the applicant is required to provide written authorization from the landowner prior to the submission of an application or before undertaking of any community improvement works.
3. Only properties within the designated CIPA shall be deemed eligible properties, and further, applications must meet all eligibility criteria of this Plan to be deemed eligible.

#### 3.1.3 No Retroactive Incentives

1. Works that have already been commenced or completed prior to entering into an agreement with the City are not eligible for any financial incentive program established by this Plan. At its sole discretion, the City may make an exception to this policy by awarding an incentive retroactively, provided the merit for doing so can be satisfactorily demonstrated to the City by the applicant.

#### 3.1.4 Timing of Approved Works

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

### 3.1.5 Combining Financial Incentives

1. The Sault Foundations Program is permitted to be combined with other grants in this Plan, provided all eligibility criteria of this Plan are satisfied. The Tax Increment Equivalent Grant and the Per Door Grant Program shall not be permitted to be combined.
2. Where financial incentive programs are combined, in no case shall the total value of all financial incentives exceed the total value of all eligible costs and in no case shall eligible costs be counted more than once across one or more grants or applications.

### 3.1.6 Site Inspection

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

### 3.1.7 Compliance

1. Eligible applications are required to comply with all applicable by-laws, standards, procedures, and guidelines of the City in order to be deemed eligible.
2. Eligible applications are also required to conform to the Official Plan and be in accordance with applicable land use regulations, including the Zoning By-law. The exception to this is where an amendment to the Zoning By-law is identified as an eligible cost by this Plan.
3. The City may determine that eligible applications are conditional subject to receiving necessary approvals, including but not limited to, permits from Provincial and Federal authorities.
4. Any conditions associated with required approvals or permits may be included in an agreement between the applicant and the landowner.

### 3.1.8 Completed Works

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



### 3.1.9 No Arrears or Defaults of City Requirements

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

### 3.1.10 Change in Ownership

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

### 3.1.11 Additional Information

At its discretion, the City may request additional information that it deems necessary to render a decision on an application, or to satisfy any of the eligibility criteria of this Plan. This may include additional information that demonstrates the applicant's creditworthiness and business track record.

### 3.1.12 Total Value of Financial Incentives

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

### 3.1.13 Maximum Grant Value

1. The total value of an individual grant shall not be greater than 100% of the calculated eligible costs for that grant.
2. Where two financial incentive programs are combined, in no case shall the value of an incentive be awarded for the same eligible costs between those combined programs.

### 3.1.14 Minimum Grant Value

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

### 3.1.15 Minimum Affordability Period

1. Affordable dwelling units must be maintained in accordance with the definition of affordable under this Plan (see Section 4.6.1) for a minimum of 20 years, as indicated on an agreement between the City and landowner. The definition of affordable may be subject to change over this period of time as stated below.
  - a. For *affordable rental units*, the initial rental rate of any incentivized unit will be set at or below the affordable rental rate contained in the most recent Affordable

- Residential Units bulletin. The rental rate will be permitted to be raised annually based on the annual percentage rate amount approved by the Provincial Government for the duration of the affordability period.
- b. For *affordable ownership housing*, any freehold unit that has been incentivized must be sold at or below the affordable purchase price in the most current Affordable Residential Units bulletin if sold at any time during the affordability period.
2. An agreement prepared by the City, between the City and landowner shall be required regarding the minimum affordability period, with the agreement being registered on title. It will be a condition of this agreement that landowners will be responsible for costs associated with registering the agreement on title.
  3. An agreement regarding the minimum affordability period shall include terms and conditions should the housing no longer meet the definition of affordable, and this may include full or partial repayment of any grants that have been paid.
  4. An annual statement shall be provided to the City demonstrating that any housing subject to an agreement regarding affordability is being maintained and offered as affordable per the definition of this Plan. The City may require additional documentation or evidence to corroborate the statement.
  5. Where the conditions of an agreement are not upheld by the landowner, the City may exercise its authority to terminate the agreement and further, require that the entire amount of the incentives, including any associated costs and interest, be fully repaid to the City.

### 3.1.16 No Implications on Approval

Under no circumstance does a decision by the City to award a financial incentive under this Plan imply the merit of an application made under the *Planning Act* or a permit pursuant to the Ontario Building Code, or otherwise obligate the City to approve same in any manner.

### 3.1.17 Permanent Improvements Only

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

### 3.1.18 Disclosure of Funding

1. Applicants are required to fully disclose all funding sources at time of application, or when otherwise requested by the City.
2. If in the City's opinion an applicant has received additional funding for the same community improvement works, at its sole discretion, the City may reduce the value of a grant, or otherwise deny an application.

3. Without limiting the generality of the foregoing, additional funding may include grants made available through other Community Improvement Plans, commercial loans, seed funding, or other similar financial assistance.

#### 3.1.19 Relationship to Other Community Improvement Plans

1. The financial incentive programs of this Plan may be combined with other CIPs administered by the City.
1. Where financial incentive programs are combined between this Plan and another CIP, in no case shall funding be made available for the same eligible cost.
2. At its sole discretion, the City may determine that an application is non-eligible to receive funding through a financial incentive program of this Plan and another CIP.

#### 3.1.20 Heritage Properties and Buildings

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

#### 3.1.21 Short-term Rentals

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

#### 3.1.22 Funding Discretion

1. At its discretion, Council may determine that certain financial incentive programs of this Plan be discontinued or the value of the grants to be modified.
2. The City is not bound to accept any application. The City reserves the right to consider any, none or all of the applications, to accept applications in whole or in part, and to elect not to proceed with this process at any given time.
3. Eligibility to programs does not guarantee funding of projects.
4. Grants and incentives are subject to budget.

## 4. Implementation

### 4.1 General

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

### 4.2 Community Improvement Project Area

1. Only properties within the designated Community Improvement Project Area shall be deemed to be eligible for the financial incentive programs of this Plan.
2. Where a portion of a lot is within the designated Community Improvement Project Area, it shall be interpreted that the entirety of the lot is within the Community Improvement Project Area.
3. The Community Improvement Project Area is established separately from this Plan as a by-law of Council. Any modification to the Community Improvement Project Area shall therefore be subject to a new by-law of Council.
4. A total of three precincts are identified within the Community Improvement Project Area. Modifying the boundary of a precinct(s) shall only be permitted through an amending by-law of Council. Further, any change to the availability of a financial incentive program within a precinct shall require an amendment to this Plan.

### 4.3 Plan Administration

1. Upon enactment of this Plan, Council shall designate a member of City staff to be the Plan Administrator.
2. The Plan Administrator, at their discretion, may identify an alternate Plan Administrator, should the principal plan administrator become unavailable.
3. Council shall be the approval authority of applications to financial incentive programs established by this Plan, however they can delegate approval authority to the Plan Administrator.

4. The Plan Administrator shall be responsible for ensuring the monitoring and evaluation framework of this Plan is fully implemented over the Plan horizon.
5. Applications shall be submitted and processed in accordance with the policies of this Plan. The Plan Administrator shall be responsible for ensuring that the review and decision process is undertaken in a timely manner.

#### 4.4 Financial Incentive Program Funding

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

#### 4.5 Plan Monitoring and Evaluation

##### 4.5.1 General

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

##### 4.5.2 Baseline Conditions

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

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

#### 4.5.3 On-going Monitoring

1. On-going monitoring of this Plan and the baseline conditions are critical to informing future updates to this Plan or specific financial incentive programs.
2. At a minimum, the following indicators will be monitored by the Plan Administrator:
  - a. The number of new affordable and market rate housing units that have been developed;
  - b. The tenure of new housing units that have been developed;
  - c. The location of new housing units;
  - d. Indicators pertaining to housing unit vacancies or where there is heightened demand;
  - e. Demographic and economic indicators related to the definition of “affordable” or may otherwise have bearing on the value of the financial incentive programs;
  - f. Indicators related to developer and purchaser costs of housing units that have been developed under this Plan;
  - g. The approved/denied value of the grant and the total value of construction (the total public investment versus private investment);
  - h. The projected and actual increase in property assessments and property taxes, as may be applicable; and
  - i. Indirect indicators including economic indicators, qualitative indicators and other indicators which speak more generally to the success of the City, and which may or may not be directly attributed to the influence and success of this Plan.

#### 4.5.4 Reporting

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

- d. Modifications to the eligible costs, or eligibility criteria;
  - e. Necessary modifications to the plan administration, including the monitoring and evaluation framework.
4. The annual report may also include an analysis or review of potential sources of funding for this Plan, and required actions or initiatives that must be undertaken by the City to pursue that funding or otherwise be considered eligible.

## 4.6 Definitions

1. “Affordable”, “Affordability” or “Affordable Housing” means:
  - a. In the case of ownership housing, a unit would be considered affordable when the purchase price is at or below the lesser of:
    - i. Income-based purchase price: A purchase price that would result in annual accommodation costs equal to 30% of a household’s gross annual income for a household at the 60th percentile of the income distribution for all households in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing; and
    - ii. Market-based purchase price: 90% of the average purchase price of a unit of the same unit type in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin.
  - b. In the case of rental housing, a unit would be considered affordable when the rent is at or below the lesser of:
    - i. Income-based rent: Rent that is equal to 30% of gross annual household income for a household at the 60th percentile of the income distribution for renter households in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing; and
    - ii. Market-based rent: Average market rent of a unit of the same unit type in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin.
2. “Affordable Residential Units bulletin” means the bulletin entitled the “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin that is published by the Minister of Municipal Affairs and Housing on a website of the Government of Ontario and is amended from time to time.
3. “Applicant” means the registered landowner, an authorized agent of a registered landowner, or tenants of lands or buildings with written authorization from the registered landowner.
4. “Dwelling Unit” shall have the same meaning as defined in the City’s Zoning By-law.

5. “Eligible Applicant” means an applicant (as defined above) who meets all general and specific eligibility requirements of this Plan and prepares and applies for a financial incentive program established by this CIP.
6. “Eligible Costs” shall have the same meaning as used in subsection 28 (7.1) of the *Planning Act*: “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.”
7. “Mixed-use” means any combination of two or more category of uses in a single development as permitted by the City’s Zoning By-law.
8. “Not-for-Profit” means organizations that are, agencies, associations, clubs, or societies that are not charities and are organized and operated exclusively for social welfare or civic improvement, or any other community benefit purpose except profit.
9. “Purpose-Built Rental” means housing built specifically for long-term rental accommodation.