



Affordable and Purpose-Built Rental Housing Community Improvement Plan

As amended, September 19, 2025 and June 25, 2026

263 MAIN STREET, ODESSA ON, K0H 2H0



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1 INTRODUCTION AND LEGISLATIVE / POLICY BASIS

1.1 Housing Accelerator Fund

In late 2024, Loyalist Township learned that its application to the Housing Accelerator Fund was approved. The Housing Accelerator Fund (HAF) is a federally funded program managed by the Canada Mortgage and Housing Corporation (CMHC). HAF is part of Canada's National Housing Strategy with a program goal to help municipalities:

- Remove barriers to building housing
- Speed up the approval and construction of new homes
- Support the development of affordable, low-carbon, and inclusive communities

The agreement between the Township and CMHC includes housing permit targets for 615 new dwelling units by the end of 2027. To achieve this target, Loyalist Township is implementing an Action Plan including eight HAF Initiatives, including a Community Improvement Plan (CIP) for Affordable and Purpose-Built Rental Housing. A portion of the approved HAF support is being dedicated to develop and implement this CIP.

1.2 What is a Community Improvement Plan?

A CIP is a tool provided under the *Planning Act* that allows municipalities to identify and implement strategies for revitalizing and improving specific areas within their communities. Through a CIP, a municipality can establish policies and programs that encourage the rehabilitation of buildings, infrastructure upgrades, environmental remediation, and economic development.

These plans are often used to stimulate private sector investment, enhance public spaces, and address local priorities such as **affordable housing** or downtown renewal. By designating a "community improvement project area," municipalities can offer financial incentives such as grants or loans to support these improvements.

A Community Improvement Plan (CIP) is a planning and economic development tool that sets out a framework to assist in community revitalization and aims to achieve economic, community planning and urban development goals.

1.3 Housing Needs in Loyalist Township

Historical residential land use in Loyalist Township reflects a rich blend of Indigenous heritage, Loyalist settlement, agricultural development and modern suburban growth. Post-World War II, Loyalist Township began to see more suburban-style residential development, particularly in areas closer to Kingston. The amalgamation of Amherst Island, Bath, and Ernestown into Loyalist Township in 1998 helped streamline planning and development activities. Residential zoning expanded to accommodate population growth, with subdivisions and modern housing developments emerging in Amherstview, Bath, and Odessa.

Loyalist Township is currently experiencing a significant need for affordable and **purpose-built rental** housing precipitated by population growth, limited rental stock, and affordability pressures. According to the Prince Edward Lennox and Addington Social Services (PELASS) Housing Assessment Resource Tools (HART) report, Loyalist Township has a notable proportion of **households** in **core housing need (CHN)**, particularly among renters and lower-income families. The report highlights that most of these **households** require 1- and 2-bedroom units, which are currently undersupplied in the local housing stock. In 2021, almost 500 or 7% of all **households** in Loyalist Township were in **CHN** as outlined in [Table 1](#). Many of these **households** are also facing affordability challenges, with a significant portion spending more than 30% of their income on shelter costs. The HART analysis emphasizes that the **CHN** is most acute among non-family **households** and seniors, who often require smaller, accessible, and affordable units.

Table 1 - Households in Core Housing Need - Loyalist Township - 2021

Income	Households in CHN	Total # of households
Very Low	90	120
Low	355	1,020
Moderate	50	1,370
Median	0	1,830
High	0	2,415
Total	490	6,765

Based on the PELASS HART report, the household size of those in **CHN** in Loyalist Township in 2021 reveals a clear trend: smaller **households** are disproportionately affected as demonstrated in Table 2 below.

Table 2 - Households in Core Housing Need - Loyalist Township - 2021

Household Size (persons)	Households in CHN
1	235
2	140
3	85
4	30
5 or more	0
Total	490

Specifically, 1-person **households** represent the largest portion of **CHN** within the Township making up nearly half of all **households** in **CHN** within Loyalist. Two-person **households** also make up over 30% of the total number in **CHN** within the Township. In contrast, larger **households**, particularly those with four or more members, had much lower rates of **CHN**. This data suggests that housing affordability and suitability challenges are most acute for individuals living alone.

Furthermore, the gap between housing supply and need appears to be worsening, according to current data and ten-year projections analyzed within the PELASS HART report:

“Overall, we see a growing disconnect between the existing housing options in the service regions of PELASS and the expected composition of new **households** in the region over the next few years. The current housing stock is comprised of mostly single-detached homes with 3-or-more bedrooms, while future housing need is concentrated among 1- or 2-bedroom units.”

1.4 Legislative and Policy Basis

1.4.1 Provincial Legislation

Sections 106(1) and (2) of the Municipal Act, 2001 prohibit municipalities from directly or indirectly assisting any manufacturing business or other commercial enterprise through the granting of bonuses. Prohibited actions include:

- i) giving or lending any property of the municipality, including money;
- ii) guaranteeing borrowing;
- iii) leasing or selling any property of the municipality at below fair market value; or
- iv) giving a total or partial exemption from any levy, charge or fee.

Section 106 (3) of the Municipal Act, 2001, provides an exception to this bonusing rule for municipalities exercising authority under Section 28 (6), (7) or (7.2) of the Planning Act.

Section 28 of the Planning Act allows municipalities with provisions in their official plans relating to community improvement to designate by by-law a community improvement project area and prepare and adopt a community improvement plan for the community improvement project area. Once the community improvement plan has been adopted by the municipality and comes into effect, the municipality may exercise authority under Section 28(6), (7) or (7.2) of the Planning Act or Section 365.1 of the Municipal Act in order for the exception in Section 106(3) of the Municipal Act to apply.

According to Section 28(1) of the Planning Act, a “community improvement project area” is defined as, “a municipality or an area within a municipality, the community improvement of which, in the in the opinion of council, is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic reason”.

Section 28(1) of the Planning Act defines “Community Improvement” as:

“...the planning or replanning, design or redesign, re-subdivision, 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, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary.”

The Planning Act further identifies provisions with respect to grants, loans, agreements and maximum eligibility. Some of the most relevant paragraphs from Section 28 are highlighted below.

Once a community improvement plan has come into effect, a municipality may:

- i) acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3));
- ii) construct, repair, rehabilitate or improve buildings on land acquired or held by it in the community improvement project area (Section 28(6));
- iii) sell, lease or otherwise dispose of any such buildings acquired or held by it in conformity with the community improvement plan (Section 28(6)); and

- iv) make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan (Section 28(7)).

Eligible costs are stipulated in Section 28(7.1) and reads:

“For the purposes of subsection (7), the eligible costs of a community improvement plan may 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.”

Section 28(7.3) of the Planning Act specifies that the total of all grants and loans made in respect of particular lands and buildings under Sections 28(7.1) and 28(7.2) of the Planning Act and tax assistance under Section 365.1 of the Municipal Act, 2001 in respect of the land and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings. The incentive program identified in Section 2.0 of this CIP has the required safeguards.

The More Homes Built Faster Act, 2022 amended the Planning Act to promote making small changes in residential areas through permitting **additional residential units** to add more housing units without changing the character of the neighbourhood. The law applies province-wide in urban settlement areas with full municipal water and sewage services. It takes precedence over local land use rules such as zoning bylaws and official plans that would otherwise restrict this. Specifically, it permits three (3) units on residential lots in the urban serviced area if other local land use planning requirements are met. These units can be configured as three (3) units in the primary building, or two units in the primary building and one in an ancillary structure.

1.4.2 Provincial Planning Statement

The Provincial Planning Statement (2024) (PPS), which came into effect on October 20, 2024, is adopted under Section 3 of the Planning Act. The PPS provides direction to municipalities regarding matters of provincial interest in land use planning including but not limited to residential development and supporting infrastructure. The PPS seeks to strike a balance in municipal land use planning between efficient development and land use patterns, strong communities (fiscally, socially, and environmentally), transit and

other public services, long-term economic growth, cultural heritage, agriculture, and natural resources.

Enabling municipalities to plan for and support development and increase the housing supply across the province is a central element in the Province's provision for Land Use Planning. It specifically identifies the need to achieve 1.5 million new homes by 2031, and is reflected within the PPS Vision as follows:

"Ontario will increase the supply and mix of housing options, addressing the full range of housing affordability needs. Every community will build homes that respond to changing market needs and local demand. Providing a sufficient supply with the necessary mix of housing options will support a diverse and growing population and workforce, now and for many years to come."

Section 2.2 of the PPS requires the following policies to be pursued with respect to Housing:

"Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected needs of current and future residents of the regional market area by:

- a) establishing and implementing minimum targets for the provision of housing that is affordable to low- and moderate-income **households**, and coordinating land use planning and planning for housing with Service Managers to address the full range of housing options including **affordable housing** needs;
- b) permitting and facilitating:
 - 1. all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including additional needs housing and needs arising from demographic changes and employment opportunities; and
 - 2. all types of residential intensification, including the development and redevelopment of underutilized commercial and institutional sites (e.g., shopping malls and plazas) for residential use, development and introduction of new housing options within previously developed areas, and redevelopment, which results in a net increase in residential units in accordance with policy 2.3.1.3;
- c) promoting densities for new housing which efficiently use land, resources, infrastructure and public service facilities, and support the use of active transportation;"

Additionally, the PPS now permits up to two **additional residential units** on prime agricultural land where a primary residential dwelling is already allowed, provided certain criteria are met as identified in Section 4.3.2.5. This policy change aims to support housing flexibility in rural areas while maintaining the agricultural use of the land.

As the PPS seeks to promote the development and redevelopment to improve access to housing, Loyalist Township's Affordable Housing and Purpose-Built Rental Housing CIP is in alignment with this provincial policy direction.

1.4.3 Lennox & Addington County Official Plan

The County of Lennox & Addington Official Plan 2018 (County OP), supports the development of a CIP for affordable and **purpose-built rental** housing through a combination of guiding principles, housing policies, and implementation tools.

The County OP emphasizes the importance of directing development to urban and rural settlement areas (A2.3), ensuring a diverse mix of housing types for all income levels and household sizes (A2.5), and promoting cost-effective, efficient land use (A2.8). These principles are reinforced in Section B14.2, which outlines the County's commitment to intensification, redevelopment, and the provision of **affordable housing**. Specifically, it calls for municipalities to set targets for **affordable housing**, support all forms of housing including special needs and intensification, and ensure development occurs where infrastructure and services are available. Section B14.4 further strengthens this by setting a minimum target of 25% for **affordable housing** across the County.

Section F5 of the County OP explicitly enables the use of CIPs to achieve these housing goals. It encourages municipalities to designate Community Improvement Project Areas to support a range of objectives, including the provision of diverse housing types and densities (F5.1.e), and the renewal of older housing stock (F5.1.g). The implementation policies (F5.2) provide a clear framework for municipalities to adopt CIPs, conduct background studies, and access County-level financial support. Together, these policies create a strong foundation for lower tier municipalities to develop targeted CIPs that address the growing need for affordable and **purpose-built rental** housing in Lennox & Addington.

The County also leads the Prince Edward and Lennox & Addington Social Services (PELASS) governing body which periodically assesses housing needs across the two counties, develops the Long-Term Housing and Homelessness Plan (HHP) and delivers associated support programs. It is expected that an updated housing needs assessment

and HHP will be completed by PELASS in 2026 which will provide additional housing context and targets for increasing the supply of **affordable housing** units in the area.

1.4.4 Loyalist Township Strategic Plan

The Loyalist Strategic Plan 2024 - 2027 adopted in 2024 established a mission as follows:

To promote a balanced quality of life for residents and businesses, through the effective delivery of services and good governance, while ensuring fiscal responsibility and environmental sustainability.

The Guiding Principles of the plan include fiscal responsibility, environmental sustainability, service excellence, and innovative practices. The Strategic Priorities of the plan are summarized below.



Figure 1. Loyalist Township Strategic Plan 2024 - 2027

Under each priority, there are Strategic Objectives, several of which are the underlying foundation that drive the CIP. The most relevant Strategic Objectives to this CIP are included below:

Strong Communities

- Strengthen and promote quality of life, health and wellbeing in our community

- Foster welcoming and inclusive communities

Balanced Growth

- Ensure appropriate infrastructure and resources are in place for growth
- Plan for more affordable and attainable housing

1.4.5 Loyalist Township Official Plan

The Loyalist Township Official Plan (Township OP) establishes policies of the Township with respect to land use development and redevelopment. The Township OP provides a comprehensive and integrated policy framework that supports the development of a CIP focused on affordable and **purpose-built rental** housing. These sections collectively address growth management, land use planning, housing diversity, and implementation strategies—each reinforcing the Township’s commitment to inclusive, sustainable development.

Sections 3 and 4: Goals and Growth Management establish the overarching goal of creating complete, livable communities that offer a range of housing types accessible to all residents. It emphasizes compact, energy-efficient development in fully serviced areas and encourages intensification in the urban settlement areas of Amherstview, Bath, and Odessa. These policies support the strategic use of CIPs to direct investment and redevelopment in areas where infrastructure already exists, maximizing cost-efficiency and minimizing environmental impact.

Section 7.3: Housing recognizes the need for a variety of housing forms and tenures, including affordable and rental options, and supports their integration into both urban and rural contexts. The Township OP permits secondary units in a wide range of settings—including rural and prime agricultural areas—providing flexibility to increase the rental housing supply while preserving community character and minimizing servicing demands. This section also directly addresses affordability and rental housing needs. It sets a target for 25% of new residential development to be affordable to low and moderate-income **households** and encourages innovative housing solutions such as **additional residential units** and non-profit housing. The Township OP also includes protections for existing rental stock and promotes the use of surplus municipal lands for **affordable housing** development. These policies align closely with the objectives of the CIP by identifying specific tools and targets to guide housing investment.

Section 8: Community Improvement provides the legal and procedural framework for implementing a CIP. It identifies **affordable housing** as a key criterion for designating Community Improvement Project Areas and outlines a phased approach to prioritizing areas for investment. The Township OP empowers Council to use a wide range of tools

to support housing development, including land acquisition, financial incentives, and integration with broader municipal initiatives. It also encourages public participation and intergovernmental collaboration, ensuring that community improvement efforts are inclusive, transparent, and aligned with long-term planning goals.

Together, these sections of the Township OP create a strong foundation for a CIP that addresses the growing need for affordable and **purpose-built rental** housing in Loyalist Township.

1.5 Purpose and Objectives of this CIP

The Loyalist Township Affordable and Purpose-Built Rental CIP is created in accordance with provincial legislation and policy direction, along with both County and Township Official Plans with respect to governing financial incentive programs for residential development.

Loyalist Township aims to utilize the CIP to attract the development of affordable and **purpose-built rental** housing within the Township to support:

- Increased supply of rental housing, including both affordable and market options;
- Greater affordability, including bridging the gap between market rents and affordable rents;
- Diversified housing types supporting more inclusive neighbourhoods to meet the needs of different household types;
- Advancement of infill and intensification targets included in the Loyalist Township and County of Lennox and Addington Official Plans as well as the Provincial Planning Statement, 2024;
- Maximized use of existing services and infrastructure;
- Increased private and non-profit sector engagement and participation in rental housing projects by reducing risk; and,
- Alignment with broader housing strategies such as those outlined in Ontario's Housing Supply Action Plans and the federal Housing Accelerator Fund.

The CIP links the Township's wider land use and economic development policies with Loyalist's Strategic Priority of Balanced Growth. It satisfies the objective of planning for more affordable, and attainable housing and the existing policies contained within the Township's Official Plan. The purpose of the CIP is to provide incentives to encourage the development of diverse residential land use and types of housing throughout the Township specifically focussed on affordable and **purpose-built rental** housing.

*The CIP will act as a stimulus to broaden the availability of housing options within Loyalist Township by incentivizing the development of **purpose-built rentals** and **affordable housing** within the community.*

By offering targeted financial incentives, the CIP can help reduce the upfront costs and financial risks associated with constructing new rental units. This makes it more feasible for both private and non-profit developers, as well as existing homeowners, to build housing that meets the needs of moderate- and low-income **households**. Additionally, by encouraging development on underutilized or vacant lands, a CIP supports efficient land use and aligns with broader municipal goals for intensification and sustainable growth. Collectively, these measures contribute to a more diverse and inclusive housing supply, helping to address affordability challenges and improve access to secure, long-term rental options.

The objectives of the Township's Purpose Built Rental and Affordable Housing CIP are:

- Providing public sector investment in affordable and rental housing opportunities.
- Stimulating private and non-profit sector investment in the provision of affordable and rental housing.
- Promoting the renovation and reuse of underused properties.

The specific incentives offered within the CIP are described further in Section 2.0 including eligibility requirements. Section 3.0 addresses administration of the incentive programs including the application process and performance monitoring to assess the efficacy of the CIP. Sections 4.0 and 5.0 provide the references used throughout this document as well as the appendices to the CIP respectively.

2 CIP PROGRAM

2.1 Project Area

Designation of the Community Improvement Project Area is in accordance with Section 8.2. of the Township's OP.

The Township passed By-law 2022-056 designating the entire municipality as a Community Improvement Project Area meaning the entire geographic area of the municipality could be included in the CIP, so long as they are zoned appropriately to support the proposed project. However, some incentives within the CIP may have a more defined eligible geographic area related to provision of municipal water and wastewater servicing as further outlined within section 2.3.

2.2 Eligibility

The following lists include mandatory applicant and project eligibility criteria required for accessing incentives included in the CIP. The listed criteria are not exhaustive, and the Township reserves the right to include additional eligibility requirements or other conditions on a site-specific basis as deemed appropriate.

2.2.1 Applicant Eligibility

- Developer/Builder applicants may be private or not-for-profit developers or housing providers. Partnerships between private and not-for-profit groups are also permitted and encouraged.
- Applicants must be in good standing with the Township with respect to by-laws, property taxes or other financial obligations to the municipality (including water and sewer) and not be involved in ongoing litigation with the Township.
- All registered property owners must sign the incentive application and applicable agreements. For the purposes of interpretation, the owner(s) shall also include an entity that has entered into a binding purchase and sale agreement with the Township to acquire municipally owned and appropriately zoned lands.

Applicants may consider stacking funding from other government sources¹ such as the Canadian Housing and Mortgage Corporation (CMHC), Canada-Ontario Community Housing Initiative (COCHI), Ontario Priorities Housing Initiative (OPHI), Homelessness Prevention Program (HPP)) subject to eligibility of these other funding sources.

2.2.2 Project Eligibility

- All ~~incentive~~ applications for incentives funding offered by this CIP must be for residential development within Loyalist Township and meet the housing types as ~~further~~ defined within this CIP.
- Affordability of rentals is to have the meaning as defined in the County of Lennox and Addington Official Plan and included herein. This specifically refers to at or below 100% of the current Average Market Rent (AMR) of a unit within the municipality (County). The AMR is illustrated in Table 3 using available data for the County and is updated annually.²

Table 3 - AMR by Bedroom Type in Lennox & Addington County (2025/2026)

Unit Type	100% AMR
Bachelor	\$ <u>964</u> 1,046
1 -bedroom	\$1, <u>247</u> 420
2 -bedroom	\$1, <u>323</u> 273
3 -bedroom+	\$1, <u>858</u> 795*

*** The 3 bedroom+ AMR is from the adjacent County of Hastings due to insufficient data for L & A County**

This requirement will be included in the CIP agreement between the applicant and the Township for incentives with affordability requirements. The affordable rental units are intended to particularly serve **households** that are currently spending more than 30% of their before taxable income on rent.

- Rental Tenure: Any ~~purpose-built or affordable rental units, including additional residential units, projects~~ receiving incentives under this CIP must be

¹ See <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/cmhc-housing-solutions-table>

² Annual updates to the AMR, and Tenant Household income maximum thresholds (section 2.3.2 Affordable Rental Incentive) will be provided by the Prince Edward and Lennox & Addington Social Services (PELASS) and posted on Loyalist Township's website, Engage page as well as notifications sent to its subscribers and the interested parties and development community distribution email list.

maintained as a **Rental Housing** unit for a minimum of fifteen (15) years. This requirement is applicable, and must be disclosed, to any future owners if the subject property is sold and will be included in the agreement between the applicant and the Township.

- Mixed-Income Units: The project may be a mixed income development that includes affordable units and market units.
- Mixed-Use Buildings: The project may contain residential use and non-residential uses such as commercial or community uses. Grants would only apply towards the residential use.
- Project Feasibility: The Township reserves the right to require project proforma to demonstrate project feasibility.
- Eligible costs: For greater clarity on eligible costs in accordance with Section 28(7.3) of the Planning Act, no grant or incentive approved under this CIP will exceed the cost of construction for applicable residential unit(s) as included in the Building Permit for which the incentive is granted.
- Works completed prior to approval of an application under this CIP by the Township are not eligible. For greater clarity, an application for incentives described within this CIP must be submitted to the Township prior to the issuance of final Building Permit(s) from the Township for the associated housing development.
- Development projects must conform to approved Zoning By-law, Ontario Building Code, Fire Codes, all other municipal by-laws, and legislation and supporting regulations/approvals by other levels of government.

All proposed development or re-development of lands located adjacent to and in the vicinity of a provincial highway within the Ministry of Transportations (MTO's) permit control area under the Public Transportation and Highway Improvement Act (PTHIA) will be subject to MTO approval. Early consultation with MTO is encouraged to ensure the integration of municipal planning initiatives with provincial transportation planning.

Any new areas in the municipalities identified for future development that are located to or in the vicinity of a provincial highway or interchange/intersection within the MTO permit control area will be subject to MTO's policies, standards and requirements. Direct access will be discouraged and often prohibited.

Development driven highway improvements are sole responsibility, financial or otherwise, of the proponent. These responsibilities include construction of the triggered

improvements to Ministry standards as well as associated works such as property acquisition, servicing connections, utility relocations and additional regulatory approvals.

2.3 Available Incentives

Subject to meeting the requirements as outlined within this CIP, the following financial incentives are offered to qualifying applicants and projects.

- **Purpose-Built Rental (PBR) Grant**
- Affordable Rental Incentive (ARI)
- **Additional Residential Units (ARU) Grant**
- Tax Increment Equivalent Grant (TIEG)
- Municipal Property Acquisition and Disposition

Table 4 below provides a general summary of the eligible applicants, with further details described within section 3 of this CIP.

Table 4 - Incentive Types and Eligible Applicants

Incentive	For Profit Developer	Not-for-Profit, Affordable or Co-op Housing Provider	Resident Homeowner
PBR Grant	X	X	
ARI	X	X	X
ARU Grant	X	X	X
<u>TIEG</u>	X	X	
Municipal Property Acquisition and Disposition	X	X	X

Any incentive values included within this CIP should be considered maximums and cannot exceed the eligible costs associated with constructing the applicable rental housing units as further described within the following incentive programs. All grants and incentives offered under this CIP are subject to meeting all permitting, planning, building and other legislative requirements as indicated in section 2.2.2.

Any ~~new PBR housing units or ARU project~~ built with incentives from this CIP are prohibited for use as short-term accommodation that is less than one month in duration.

~~All grants and incentives offered under this CIP are subject to meeting all permitting, planning, building and other legislative requirements as indicated in section 2.2.2.~~

2.3.1 Purpose-Built Rental Housing Grant

The **Purpose-Built Rental (PBR)** Housing Grant reduces upfront costs of development by providing \$17,500 per dwelling unit. This is approximately equal to the costs of Development Charges, Building Permit and Connection (Impost) Fees paid for new construction of **PBR** apartment units.

The type of residential development eligible for this grant is new **PBR** housing as defined within this CIP. For clarity, eligible developments must form part of a multiple unit residential complex that has at least four (4) residential dwelling units to a maximum of four (4) stories or less, per land parcel. (Administrative *amendment, September 19, 2025*)

Developments that are ineligible for this grant include:

- Condominium units
- Single-unit housing
- Duplexes
- Triplexes
- Owned houses situated on leased land and sites in residential trailer parks
- Renovation of an existing residential complex

The maximum **PBR** Grant per parcel is \$350,000 unless 25% of multi-residential units are deemed affordable as further defined in section 2.3.2 of this CIP.

The applicable geographic area eligible for the **PBR** Grant is the portion of the Township that is serviced by municipal water and wastewater infrastructure and within the urban settlement areas of Amherstview, Bath and Odessa (see Appendices A, B, and C for maps illustrating the approximate applicable area).

2.3.2 Affordable Rental Incentive (ARI)

This is a stackable incentive that can be used in conjunction with eligible **PBR** and ARU grants. The ARI provides a supplementary grant of up to \$12,500 per unit if the owner(s) of the property commit to the following requirements:

- Maintain rents at or below the 100% AMR as defined within this CIP (see Section 2.2.2 Project Eligibility~~Project Eligibility~~) for a minimum of 5 years; and,
- Ensuring the AMR does not exceed 30 percent of the tenant’s gross annual household income (as described below).

To meet those in need of **affordable housing**, rental of affordable units receiving an ARI grant from the Township must be to tenants that have a combined gross annual household income that do not exceed the following allowable maximums as indicated in Table 5. The tenant’s household income will be verified in accordance with the CIP procedures, as established by the **Director**, prior to the commencement of the initial tenancy period.

Table 5. Gross Annual Household Income Levels for tenancy in an ARI unit
(~~2025~~2026)*

Bachelor Unit	1-bedroom	2-bedroom	3-bedroom	4-bedroom
\$32,000	\$ 42 46,000	\$ 49 52,500	\$ 53 56,000	\$ 65,000 2,5,000

(*Provided by Lennox & Addington County as set out in the provincial *Housing Services Act* and to be updated on annual basis)

Property owners building eligible and approved **PBR** housing projects that include a minimum of 25% newly constructed affordable Rental Housing units would receive the additional ARI per unit and the **PBR** grant above and beyond the maximum \$350,000 limit per development.

For example, an eligible 32-unit low-rise PBR apartment building, with less than 25% of units deemed affordable, could receive a maximum of \$350,000 as the full \$17,500 x 32 units **PBR** grant of \$560,000 exceeds the maximum incentive threshold per development. If 8 units of the building (25% of 32 units) are affordable rentals as defined by this CIP, the full \$560,000 + \$100,000 (8 x \$12,500) would be available in incentives for approved projects complying to this CIP.

Applicants who are not-for-profit, **affordable housing** providers or housing co-operatives, can request the combined ARI and **PBR/ARU** grants for disbursement in part (40%) upon the Township’s issuance of a Building Permit, with the remainder paid

at receiving an Occupancy Permit. This progress payment aids these project proponents to help offset a portion of the upfront costs of construction and applicable development fees associated with building the rental units.

The applicable geographic area eligible for the ARI is the same as the **PBR and ARU Grants** respectively.

2.3.3 Additional Residential Unit (ARU) Grant

The **ARU** Grant reduces upfront costs of development by providing financial support to assist with the cost of creating **additional residential units** within or attached to an existing or new home as part of the property owners' principal residence. (Administrative *amendment, September 19, 2025*) This could be in the form of an additional internal fully contained unit within a single detached, semi-detached, or townhome or an extension of these existing dwellings. Alternatively, an **ARU** could also be an additional external unit (i.e. located in an accessory building or structure) on properties with an existing primary dwelling where the property owners reside. All **ARUs** are subject to planning, servicing and zoning requirements.

The **ARU** incentive offers a one-time grant for 20% of construction costs³ up to \$12,500 - \$25,000 to help reduce some of the financial and design barriers to this kind of development on existing or new developed residential properties.

An approved applicant could receive a grant up to \$12,500 to convert interior housing space into a separate residential rental dwelling unit or by constructing an addition attached to an existing residential dwelling to house a separate residential dwelling unit.

An approved applicant could receive a grant of up to \$25,000 to construct an additional residential unit in a detached accessory structure on the same lot as the principal dwelling.

The ARU grant can be stacked with the ARI if the affordability requirements are adhered to as described in Section 2.3.2. For clarity, this includes the rental unit meeting the established AMR, tenure requirements and tenant income thresholds. In this regard, the ARI provides an additional \$12,500 incentive on top of the ARU grant for those units complying to the **affordable housing** requirements as defined within this CIP.

Non-profit developers or housing providers or individual homeowner applicants with projects deemed eligible for this incentive can request an interim disbursement of up to

³ As indicated on the Building Permit issued by Loyalist Township.

40% of the total incentive upon achieving a Building Permit, with the remainder paid upon receiving an Occupancy Permit from the Township.

The applicable geographic area eligible for the **ARU Grant** is the entire Township subject to meeting all permitting, planning and zoning requirements and consideration of servicing capacity of available municipal infrastructure in the urban area or private systems in the rural area.

2.3.4 Tax Increment Equivalent Grant (TIEG)

The TIEG is a rebate incentive program for the development of multi-residential rental development projects with a minimum of 7 units per land parcel. The TIEG provides a partial rebate of the Township portion of property taxes, after they are paid in full, for eligible projects that meet the program conditions (i.e. the property owner is not exempt from paying property taxes). This is a grant that is meant to assist in reducing operating costs to the owner of the multi-residential units over multiple years.

There are three components to the TIEG:

1. The incremental property tax increase resulting from development;
2. The duration of the rebate; and,
3. The percentage (%) of the incremental tax increase rebated for eligible projects.

The rebate is on the incremental tax increase as a result of improvements made to the property once the development is complete and when the Municipal Property Assessment Corporation (MPAC) has completed their value assessment for the property.

There are two tiers of duration and percentage (%) rebate for the TIEG as follows:

- Market rate units - TIEG rebate @ 100% of incremental tax increase in year 1, declining by 20% each year for a total of 5 years.
- Affordable units –TIEG @100% of incremental tax increase in year 1, declining by 10% each year for a total of 10 years.

Example:

An 18-unit low-rise rental apartment building is developed on a vacant lot resulting in a \$1.4 million incremental tax increase in property value as assessed by MPAC. All units are rented at market rate levels. The New Multi-Residential property tax rate for the Township in 2026 is 0.0094073.

<u>Duration & % Grant</u>	<u>TIEG</u>
<u>Year 1 - 100%</u>	<u>\$13,170</u>
<u>Year 2 - 80%</u>	<u>\$10,536</u>
<u>Year 3 - 60%</u>	<u>\$7,902</u>
<u>Year 4 - 40%</u>	<u>\$5,268</u>
<u>Year 5 - 20%</u>	<u>\$2,634</u>
<u>Total</u>	<u>\$39,511</u>

If that same development included 5 affordable rental units that comply with the applicable rent and maximum tenant household income thresholds described within this CIP, the TIEG would be structured as follows:

<u>Duration & % Grant (Affordable / Market)</u>	<u>TIEG (5 affordable units)</u>	<u>TIEG (13 market rate units)</u>	<u>Total TIEG</u>
<u>Year 1 - 100% / 100%</u>	<u>\$3,658</u>	<u>\$9,512</u>	<u>\$13,170</u>
<u>Year 2 - 90% / 80%</u>	<u>\$3,293</u>	<u>\$7,609</u>	<u>\$10,902</u>
<u>Year 3 - 80% / 60%</u>	<u>\$2,927</u>	<u>\$5,707</u>	<u>\$8,634</u>
<u>Year 4 - 70% / 40%</u>	<u>\$2,561</u>	<u>\$3,805</u>	<u>\$6,366</u>
<u>Year 5 - 60% / 20%</u>	<u>\$2,195</u>	<u>\$1,902</u>	<u>\$4,097</u>
<u>Year 6 - 50%</u>	<u>\$1,829</u>		<u>\$1,829</u>
<u>Year 7 - 40%</u>	<u>\$1,463</u>		<u>\$1,463</u>
<u>Year 8 - 30%</u>	<u>\$1,098</u>		<u>\$1,098</u>
<u>Year 9 - 20%</u>	<u>\$732</u>		<u>\$732</u>
<u>Year 10 - 10%</u>	<u>\$366</u>		<u>\$366</u>
<u>Totals</u>	<u>\$20,121</u>	<u>\$28,535</u>	<u>\$48,657</u>

For any mixed-use development, tax assistance is offered to the residential portion of the building only. The non-residential portion is not eligible for this TIEG.

The applicable geographic area eligible for this incentive is the portion of the Township that is serviced by municipal water and wastewater infrastructure and within the urban settlement areas of Amherstview, Bath and Odessa (see Appendices A, B, and C for maps illustrating the approximate applicable area).

2.3.5 Municipal Property Acquisition and Disposition

Loyalist Township may acquire and prepare property, including land and buildings, for the purposes of development/redevelopment within the Affordable and Purpose-built Rental Housing Community Improvement Project Area. The Township may also dispose, including sale, lease, or otherwise, of municipal land and buildings within the CIP Project Area for the purpose of achieving the goals and objectives of this Plan. These dispositions may be below market value or for nominal consideration in the case of the development providing additional affordable housing within the Township.

This incentive involves looking for new opportunities to provide Township-owned lands that have been declared surplus for below-market rental and affordable ownership housing. The Township will seek to work directly with affordable housing providers to access the lands and collaborate on the delivery of affordable housing projects. This may also involve the Township utilizing such lands for long-term leases to not-for-profit affordable rental and affordable housing providers.

All discounted or donated surplus land dispositions under this incentive will require Council approval with respect to applicable conditions to be incorporated within an Agreement of Purchase and Sale to fulfill the objectives of this CIP.

The applicable geographic area eligible for this incentive is the entire Township.

3 ADMINISTRATION

3.1 Implementation

Applications for these incentives will only be accepted by Township staff after the following milestones have occurred:

- Loyalist Township Council adoption of the CIP program, including meeting all provincial requirements for notification and mandatory public consultation;
- Loyalist Township Council approval of the budget support for each incentive; and
- The development of the administrative implementation details is complete, and Loyalist's online application process is launched (including associated public notification).

3.2 Administration and Delegated Authority

Administration on the CIP will be in accordance with the procedures as established by the **Director**. The **Director** has delegated authority to confirm eligibility in accordance with Section 2.2.

The CAO has delegated authority to approve all necessary agreements on behalf of the Township to facilitate this CIP. For the purposes of this CIP, agreements that include incentives exceeding \$250,000 will require Loyalist Township Council approval.

In the event of a disagreement between a property owner and the **Director** about eligibility of a property, Township Council will make the determination about its eligibility, as part of the CIP administrative procedures. For further clarity, applicants of projects deemed ineligible will need to inform the Township's CAO of their request to appeal the decision within 15 days of being informed the proposed project is ineligible, at which time the CAO will, at the next available Council meeting, prepare and submit a Memo for Council's final determination.

3.3 Application Process, Timelines, and Approvals

To assist with efficient implementation of the CIP, ~~an a step-by-step application guide and/or checklist will be made publicly available to ensure all current terms and eligibility requirements are met when preparing and submitting the incentive application to the Township and illustrative diagram is posted on the Township's Housing CIP webpage at : www.loyalist.ca/housinggrants .~~ These guidance tools will help to ensure clarity and efficiency for applicants while maintaining alignment with the Council's policy objectives.

The Township's review and approval of CIP applications will be on a first come first serve basis, subject to availability of funding as approved by Loyalist Township Council. Applications will be processed through an online platform and initially reviewed by Township staff for completeness. All required information and accompanying documentation will be necessary to avoid undue delays in the review and approval process.

Review and evaluation of an application and supporting materials against program eligibility requirements will be done by the Township. Applicants will be informed of the results of the review in writing in accordance with the **Director's** administrative procedures for the CIP.

As a condition of approval of an application for an incentive, the property owner will be required to enter into an Agreement with the Township. This Agreement will specify the terms, duration and default provisions of the grants and registered on title of the property in accordance with Section 28(11) of the Planning Act to the satisfaction of the Township. The Township has the absolute discretion to approve or refuse any incentive in the CIP program.

All CIP grants and incentives approved by Loyalist Township will be disbursed to qualifying applicants/projects upon receiving an Occupancy Permit from the Township unless otherwise stated within this CIP and the associated agreement.

The Township may discontinue the incentive programs contained in this CIP at any time, but Owners with approved grants will still receive said grant, subject to the meeting the general and program specific requirements.

3.3.1 Timelines

The current incentives described within this CIP, with the exception of the TIEG, must be approved by December 1, 2027. All approved incentive-PBR and ARU Grant applications must have been issued a Building Permit from the Township by this date for the associated development and receive an Occupancy Permit within 18 months of receiving the Building Permit for **PBR/ARU** grants and nine (9) months of receiving the Building Permit for **ARU** grants.

If the allocated budget for these incentives is exhausted prior to this date, applications for the incentives will not be considered until additional budget resources are approved for their continuance.

3.4 Financial Considerations

The initial CIP implementation period to December 1, 2027, is entirely based on the approved HAF grant which is paid out to Loyalist Township in 4 installments, each representing 25% of the federal funding awarded to the Township. The final installment of the HAF support is based on reaching the target of 615 building permits issued by Loyalist Township during December 2024 – December 2027. Achieving this target is expected to be supported by implementation of all eight HAF initiatives as outlined within the CIPs introduction.

Failing to reach this target may proportionately reduce the final HAF installment and consequently impact funds available for the CIP incentives. If this CIP does not incentivize the anticipated increase in the number of newly permitted rental units, the

Township may choose to utilize other sources of funding to offset the costs of providing this program.

The CIP will be evaluated prior to the 2028 budget to recommend continuation or amendments, as required. Section 3.5 establishes performance indicators that the Township will use to gauge the effectiveness of the program and to inform modifications to program requirements if deemed necessary. Continued financial support for this program beyond 2027 is at the sole discretion of Loyalist Township Council.

3.5 Monitoring and Amendments

The purpose of the Monitoring Program is to periodically assess the performance and impact of the incentive programs of the CIP. This information will be used to:

- Measure progress against HAF targets
- Measure effectiveness of incentives including the value of development stimulated by the CIP
- Identify the need for adjustments to the incentive programs to help ensure that the purpose and objectives of the CIP are successfully accomplished.

In addition, the rental required tenure of rental units receiving PBR Gany grants, and affordability requirements or incentives described within the ARI and ARU grants this CIP will be monitored for compliance, the details of which will be included within the formal agreement between the project proponent and the Township. The agreement will also outline the options available to the Township if these requirements are not met, such as rent increases beyond AMR or if there are changes in the use of the unit during the required tenure. In the case of non-compliance, these options may include, but are not limited to, requiring repayment of the incentive and registering that amount on the property tax roll.

3.5.1 Performance Indicators

This CIP is not intended to be a static planning document. It is intended to be an evolving plan to promote affordable and rental housing development and redevelopment within the Township. Therefore, monitoring of the uptake and performance of the incentive programs should be done on an annual basis, and the results of the monitoring should be utilized to help ensure that the incentive programs be as effective as possible for targeted projects.

The following performance indicators address output, outcome and efficiency aspects of program implementation and will be monitored upon commencement of the CIP through to December 2027 as it is utilized over time towards achieving its stated goals and objectives:

- Total annual # of residential permits compared to previous 1 - 3 years
- Number of residential units permitted using CIP incentives by eligible type of housing (i.e. **PBRs** and **ARUs**) and the year-over-year change
- The number of units deemed affordable rentals as defined within this CIP, including those that maintain affordable status during the 5-year tenure.
- Units permitted per \$100,000 of CIP incentives awarded
- Value of private sector investment contributed towards projects receiving CIP incentives
- Ratio of the value of CIP incentives awarded and the value of private sector investment contributed towards associated projects

3.5.2 Program Amendments

The individual incentive programs contained in this CIP can be activated, deactivated or discontinued by Council without amendment to this Plan. The Township may also periodically review and adjust the terms and eligibility requirements of the program contained in this Plan without amendments to the Plan. Such administrative changes or discontinuation of the programs will be provided to the County of Lennox and Addington for information purposes only and reported to the Minister of Municipal Affairs and Housing for transparency.

However, any increases in the financial incentives and/or the addition of any new incentive programs to this CIP will require a formal amendment to the CIP in accordance with Section 28 of the Planning Act. Consequently, the CIP will require the Township's Council to pass a by-law to adopt such amendments for them to be considered in force.

This approach to program modifications over time will enhance the Township's ability to respond to changing housing and development trends, ensuring that the CIP remains an effective tool for stimulating affordable and rental housing development while maintaining Council's oversight on major funding decisions.

3.6 Interpretation

Interpretation of this CIP is at the sole discretion of the **Director**.

3.7 Definitions

Additional Residential Units (ARUs) - shall mean a separate and self-contained dwelling unit that is either within or attached to a principal dwelling or within an accessory building or structure on the same lot as the principal dwelling. For the purposes of offering grants through this CIP, the ARU must be on the same property as the owner's primary residence. (*Administrative amendment, September 19, 2025*)

Affordable Housing - based on the County of Lennox and Addington Official Plan, a unit is affordable if:

In the case of rental housing, the least expensive of:

- A unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income **households**; or
- A unit for which the rent is at or below the average market rent of a unit in the municipality (County).

In the case of home ownership – the least expensive of:

- Annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or
- At least 10 percent below the average purchase price of a resale unit in the regional market area.

Core Housing Need (CHN) - Core housing need is a two-stage indicator. It helps to identify **households** living in dwellings considered unsuitable (needs major repairs), inadequate (doesn't have enough bedrooms for the number of tenants residing in the dwelling unit), or unaffordable (a household pays more than 30% of their pre-tax income towards shelter costs). It also considers if income levels are such that they could not afford alternative suitable and adequate housing in their community.

Director – means Loyalist Township's **Director** of Corporate Services, Strategy & Innovation, or their designate, in the event of organizational changes, the **Director** of the appropriately titled department.

Household - defined as a person or group of persons residing in a dwelling.

Purpose Built Rental (PBR) - defined as residential buildings specifically constructed to be rented out, rather than sold as individual units. These buildings are designed to provide long-term rental housing and, for this CIP, must form part of a multiple unit residential complex that has at least four (4) residential dwelling units to a maximum of four (4) stories per land parcel. (Administrative *amendment*, September 19, 2025) **PBRs** are intended to meet the needs of renters rather than homeowners.

Rental Housing – defined as where there is a landlord-tenant relationship and tenants are recognized by the Residential Tenancies Act.

DRAFT

4 REFERENCES

4.1 References

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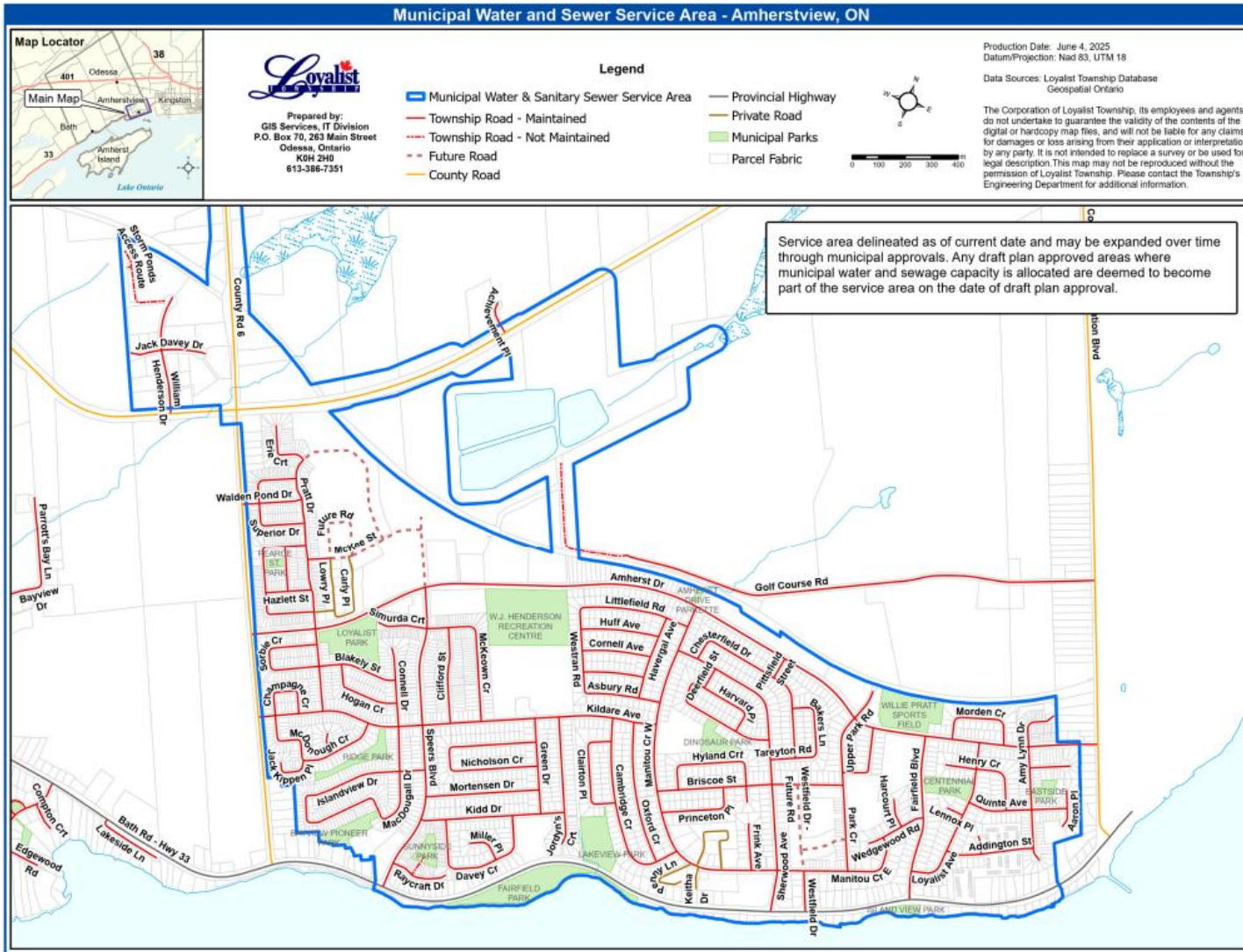
5 APPENDICES

Appendix A – Approximated water and wastewater service areas for Amherstview

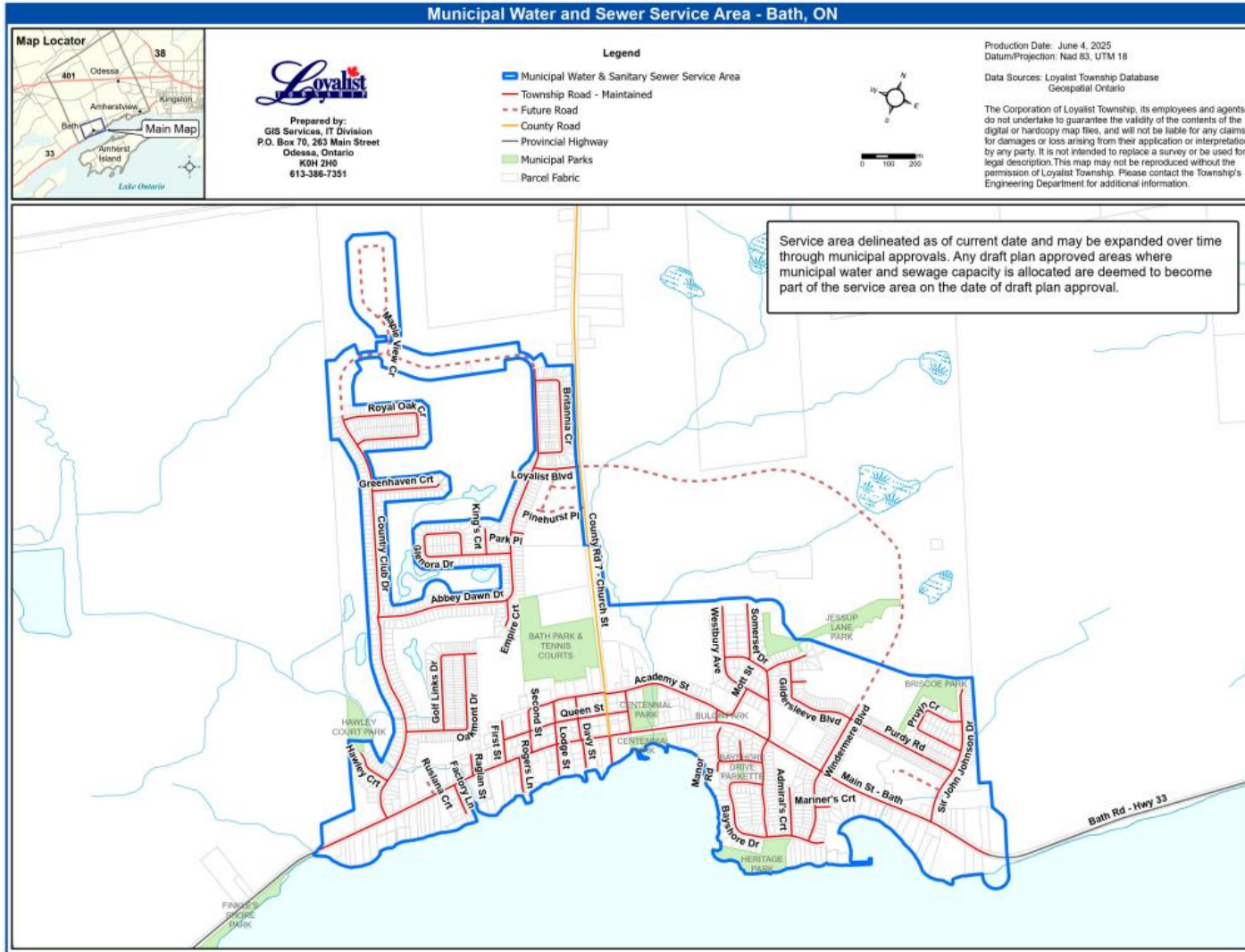
Appendix B - Approximated water and wastewater service areas for Bath

Appendix C - Approximated water and wastewater service areas for Odessa

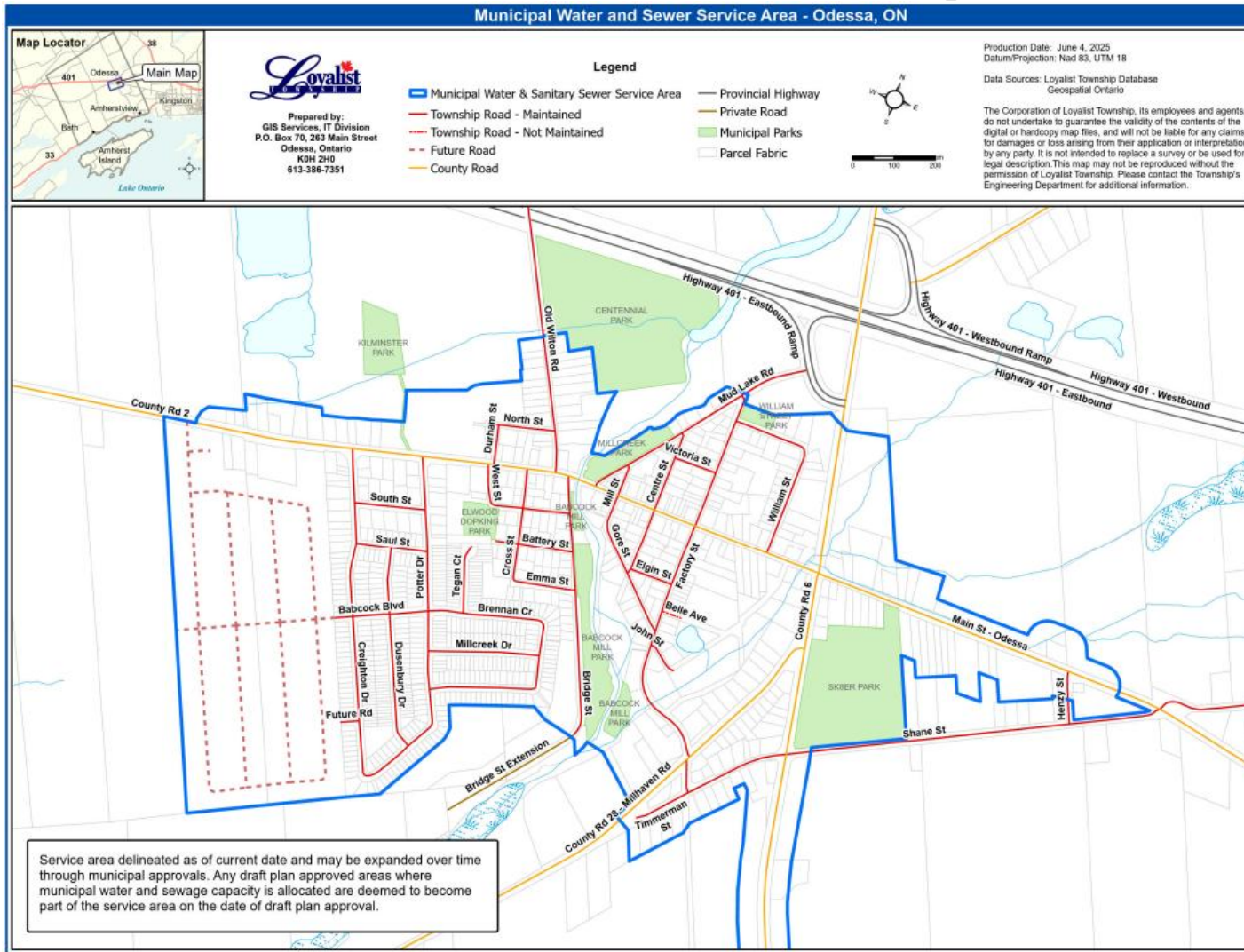
Appendix A - Water & Sewer Service Area for Amherstview



Appendix B - Water & Sewage Service Area for Bath



Appendix C - Water & Sewage Service Area for Odessa



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