

## Oakville Community Improvement Plan (CIP) Options Matrix

This matrix summarizes the range of CIP options being considered, with the goal of reducing the options to fit within the project budget by identifying, low value options for Council to consider, and higher value options to bring forward to Council.

**Program objectives** are based on the following housing gaps as described in the Town's Housing Needs Assessment:

GAP 1 – The need for housing that is affordable to moderate and low income households

GAP 2 – The need for more rental housing (preferably purpose built) stock

GAP 3 – The need for a variety of unit sizes, including more large-unit (i.e. three or more bedroom) that is affordable to moderate and low-income households, as well as smaller units geared to single-person households.

GAP 4 – The need for more housing options for low-income and priority households (with access to additional supports).

**Potential incentive programs** to address the housing needs gaps are assessed against the six evaluation criteria identified in the CIP Background and Options Report.

The assessments are presented in the following five tables:

- 1 Additional Residential Unit (ARU) incentive
- 2 Affordable Ownership of Large (3 Bedroom) Units incentive
- 3 Affordable Rental Geared to Non-Profit Providers incentive
- 4 Purpose Built Rental Housing incentive (1 – Capital Grants)
- 5 Purpose Built Rental Housing incentive (2 -Tax Increment Equivalent Grants(TIEG))

### NOTES

Within the tables, “affordable” is defined per the Provincial Planning Statement (PPS), unless otherwise noted. The PPS defines affordable based on a moderate income household (at the 60<sup>th</sup> percentile) not paying more than 30% of their annual household income on housing. This assessment is based on all households for ownership housing, and on renter households only for rental housing.

Existing Stackable Programs are based on programs presently in effect. Some CMHC programs are not currently available, and new programs provided by [Build Canada Homes](#) have yet to be developed.

**TABLE 1: Additional Residential Unit (ARU) Incentives**

**Program Description:** To incentivize addition of an ARU to an existing residence to create one or more new rental units.

NOTE: ARUs generally rent below full-market prices. They naturally trend near or below average market rent (AMR).

Criteria/Program Type	Fee Waiver (No affordability requirement)	Fee Waiver (Affordability required)	Capital Grant (No affordability requirement)	Capital Grant (Affordability required)	Forgivable Loan (No affordability requirement)	Forgivable Loan (Affordability required)
<b>Address two or more housing gaps</b>	Responds to Gaps (1) Affordability, (2) Rental, with affordability (generally) provided without enforcement, and Gap (3) diversified housing stock, and may support Gap (4) housing for priority households.					
<b>Incentive amount will promote program uptake</b>	The Town was getting uptake on ARUs, however the rate of uptake has declined. Decline may be owing to changes in Building Code. As such, waiver, grant or loan could catalyze new applications to assist with offsetting additional costs to ensure <b>legal</b> units are built. A small to modest incentive is best aligned with the reality of how ARUs are used. Growth in the number of potential rental units may be a higher policy priority than ensuring the unit is both rented and rented at an affordable price. Requiring homeowners to provide a rental unit for multiple years may not align with evolving household needs and may limit use of the unit by extended family members. ARUs provide an income stream for the homeowner, improving their affordability, and reducing the need for incentives to offset costs.					
	Fees would be limited to Building Permit (\$12/ sq. m.) and in some cases site alteration (\$2200), not likely substantial enough to be an incentive.	Grants could be scaled to cover initial upfront costs of construction or renovations.		CMHC provides loans for ARUs – Town need not duplicate an option already available.		
<b>Stackable with Existing Programs</b>	Waiver of local fees (i.e. DC and parkland) and no rezoning requirements (zoning for 3-units is as of right) apply for all programs. Federal loan insurance is stackable (see: <a href="#">CMHC Refinance for Building Secondary Suites  CMHC</a> )					
<b>Simple / Straightforward Administration</b>	Requires monitoring for rental period.	Requires monitoring for rental and affordability period	Staff would need to assess whether capital costs meet eligibility requirements and products are provided on site. Requires monitoring for rental period requirement.	Staff would need to assess whether capital costs meet eligibility requirements and products are provided on site. Also requires monitoring for rental and affordability period	Requires loan management and monitoring for rental period requirement.	Requires loan management and monitoring for rental and affordability period
<b>Financially viable given Town resources (per unit)</b>	Yes. Minor loss of fees		TBD – depends on Max. \$ value associated with grant.	TBD – depends on Max. \$ value associated with grant.	Yes. <b>if</b> Funds are repayable, so the primary costs are administrative. TBD - depends on Max. \$ value associated with forgivable loan.	
<b>Can be implemented anywhere within the Town’s urban area</b>	Permitted in RL, RUC and RM1 (Medium Density), GU (N.O) zones					
<b>Decision: Moving forward to next stage of analysis? (yes/no/TBD)</b>	No because fee amounts are likely insufficient to be an incentive for someone who was not already convinced to create the ARU.		Yes – addresses all four gaps, ensures legal ARUs are built. SHS to undertake analysis regarding range of grant that would be sufficient to incentivize existing homeowners to create ARUs.		No because CMHC is already offering loans.	

**TABLE 2: Affordable Ownership of Large (3 Bedroom) Units Incentives**

**Program Description:** To incentivize provision of **affordable ownership** 3-or-more bedroom units within apartment development, recognizing that current supply of 3+ bedroom units is available, but generally **not** affordable, even to some high-income households.

Criteria/Program Type	Capital Grant (60 <sup>th</sup> percentile household income)	Capital Grant (70 <sup>th</sup> percentile)	Capital Grant (80 <sup>th</sup> percentile)	TIEG (60 <sup>th</sup> percentile)	TIEG (70 <sup>th</sup> percentile)	TIEG (80 <sup>th</sup> percentile)
<b>Address two or more housing gaps</b>	Responds to Gap (1) affordable and Gap (3) diversified housing stock	Responds to Gap (1) affordable (to bottom end of high-income) and Gap (3) diversified housing stock.	Responds to Gap (1) affordable (to mid-end of high-income) and Gap (3) diversified housing stock.	Responds to Gap (1) affordable and Gap (3) diversified housing stock.	Responds to Gap (1) affordable (to bottom end of high-income) and Gap (3) diversified housing stock.	Responds to Gap (1) affordable (to mid-end of high-income) and Gap (3) diversified housing stock.
	Weak alignment with housing stock diversity (Gap 3). Weak affordability (Gap 1) if affordable to 60 <sup>th</sup> percentile households, and no alignment at 70 <sup>th</sup> or 80 <sup>th</sup> percentile incomes.					
<b>Incentive amount will promote program uptake</b>	Unclear why a developer would want to participate, unless the incentive is substantial enough to cover gap between market price and affordable; and/or guarantees sale of unit. Incentive may be attractive to non-profit developers such as Habitat or Options for Homes.			Unclear why a developer would want to participate, unless the incentive is substantial enough to cover gap between market price and affordable; and/or guarantees sale of unit. Incentive may be attractive to non-profit developers such as Habitat or Options for Homes.		
<b>Stackable with Existing Programs</b>	Yes, at 60 <sup>th</sup> percentile household incomes (exempt from Development Charges, Community Benefits Charges, and Parkland dedication requirement) No, at higher income targets.					
<b>Simple / Straightforward Administration</b>	Requires registration of agreements on title. Town must monitor resale of future units.					
<b>Financially viable given Town resources (per unit)</b>	High cost per unit supported, or low affordability impact. Incentive amount is the <b>difference</b> from market price and what a household in the stated decile can afford. Per 2025 costs and rates, incentives could be in the order of: <ul style="list-style-type: none"> <li>\$167,610 if geared to 80<sup>th</sup> percentile</li> <li>\$672,800 if geared to 60<sup>th</sup> percentile</li> </ul>			The incentive amount would need to be more than the annual property taxes for the unit. The gap between what the monthly mortgage cost would be (for a \$1.2M unit) and what is affordable is very large. The <b>monthly</b> TIEG, for 25 years, would need to be: \$1,273 (147% of property taxes) if geared to 80 <sup>th</sup> percentile, and \$5,110 (588% of property taxes) if geared to 60 <sup>th</sup> percentile, (per 2025 costs and rates)		
<b>Can be implemented anywhere within the Town's urban area</b>	In all areas where multi-residential apartment buildings are permitted.					
<b>Decision: Moving forward to next stage of analysis? (yes/no/TBD)</b>	None – Given observation that this is not likely to attract proponents and the cost is quite significant resulting in a low number of new affordable units or addressing only the low end of the high-income households.					

**TABLE 3: Affordable Rental Geared to Non-Profit Providers Incentives**

**Program Description:** To foster provision of **affordable rental housing** operated by non-profit organizations. Units may be in a stand-alone non-profit building or may be in a block of units within a market condominium building.

Criteria	Forgivable Loan (100% AMR)	Forgivable Loan (80% AMR)	TIEG (100% AMR)	TIEG (80% AMR)
<b>Address two or more housing gaps</b>	Strongly addresses all four gaps: (1) affordability, (2) rental, (3) diversified housing stock, and (4) priority populations.		Strongly addresses all four gaps: (1) affordability, (2) rental, (3) diversified housing stock, and (4) priority populations.	
<b>Incentive amount will promote program uptake</b>	Non-profit providers are motivated by the demand for the housing and services they provide. Any financial incentive that assists with securing new housing for their residents is welcome. In the case of new construction, this option may provide working capital during construction and can enable otherwise marginal developments.		There are no scenarios where this is a desirable program for a condominium developer (the CIP applicant). A post-construction income stream does not enable construction, and renting the unit is very unlikely to be viewed as preferable to selling the unit.	
<b>Stackable with Provincial or Federal Programs</b>	Yes. CMHC Loans for Not-For-Profit Organizations <u>Loans Administration and Direct lending</u> In relation to new development, all rental units are subject to DC deferrals, and discounted rates based on unit size. Affordable ownership/rental is exempt from DC, CBC and Parkland charges/fees.		Region currently offers a 40% tax rebate to Registered Charitable Organizations. In relation to new development, all rental units are subject to DC deferrals, and reduced rates based on unit size. Affordable rental is exempt from DC, CBC and Parkland charges/fees.	
<b>Simple / Straightforward Administration</b>	Non-profit providers have organisational infrastructure to provide ongoing monitoring reports to the Town.			
<b>Financially viable given Town resources (per unit)</b>	TBD		Between 30% and 160% of annual property taxes per year for a single unit.	Between 130% and 230% of annual property taxes per year for a single unit.
<b>Can implemented anywhere within the Town's urban area</b>	Anywhere housing is permitted within Town.			
<b>Decision: Moving forward to next stage of analysis? (yes/no/TBD)</b>	Yes – addresses all 4 gaps and champions non-profit organizations that are struggling to provide housing for priority households. Given eligibility is focused on non-profit, there is going to be limited uptake. <b>Can be used to purchase any type of existing units, thereby resulting in affordable housing immediately</b> (not tied to new construction). SHS to analyse for range of incentive needed to bridge gap between what the NFP can fund and market price.		No – NFPs are already subject to low property tax rates.	

## Purpose Built Rental Housing Incentives (1 – Capital Grants)

**Program Description:** To support construction of purpose built rental housing that is aligned with CMHC programs that require minimum percentage of units to be affordable, capital grant is geared to boost viability of development.

Criteria	Capital Grant (60 <sup>th</sup> percentile <i>all</i> household income)	Capital Grant (60 <sup>th</sup> percentile <i>renter</i> household income)	Capital Grant (100% AMR)	Capital Grant (80% AMR)
<b>Address two or more housing gaps</b>	Strongly addresses Gap (2) Rental housing.  Addresses Gap (1) Affordable - based on all household incomes (however, rents would be too high for to current renter households) and Gap (3) Diversified Housing Stock.	Strongly addresses Gap (2) Rental housing.  Addresses Gap (1) Affordable - based on affordability need of moderate income RENTAL households and moderate income ALL households, and Gap (3) Diversified Housing Stock.	Strongly addresses Gap (1) Affordable – based on affordability need of low end of moderate RENTAL households and moderate ALL households and Gap (2) Rental housing.  Addresses Gap (3) Diversified Housing Stock.	Strongly addresses Gap (1) Affordable - based on deep affordability need, Gap (2) Rental housing and Gap (4) Priority Households.  Addresses Gap (3) Diversified Housing Stock.
<b>Incentive amount will promote program uptake</b>	Unclear. The industry shift from condo to rental developments is a short term tactic, that may be underpinned by an assumption that the units can be sold in the near future – being required to retain rental may be undesirable.		Opportunity for an incentive that requires low rate of affordability may promote interest in rental development.	Incentive would be complemented by DC exemptions, which may improve overall project viability for builder already interested in rental development.  Incentive would need to be sufficient to offset the additional rent revenue loss.
<b>Stackable with Existing Programs</b>	Yes CMHC Apartment Construction Loan: <a href="#">Unlock opportunities with the Apartment Construction Loan Program   CMHC</a>  All rental units are subject to DC deferrals, and discounted rates based on unit size.		Yes CMHC Apartment Construction Loan: <a href="#">Unlock opportunities with the Apartment Construction Loan Program   CMHC</a> , loan improves with deeper affordability and larger proportion of units.  All rental units are subject to DC deferrals, and discounted rates based on unit size.  Affordable rental is exempt from DC, CBC and Parkland charges/fees.	
<b>Simple / Straightforward Administration</b>	Requires monitoring rents over the duration of the affordability period, in most cases affordability is monitored by CMHC. Ensuring units remain rental occurs via Town's <a href="#">Rental Housing Protection By-law</a> .			
<b>Financially viable given Town resources (per unit)</b>	TBD			
<b>Can be implemented anywhere within the Town's urban area</b>	In all areas where multi-residential apartment buildings are permitted.			
<b>Decision: Moving forward to next stage of analysis? (yes/no/TBD)</b>	No – while all programs are eligible for CMHC funding, these “affordable” rent thresholds would be comparable with “affordable” ownership housing, and not likely to meet market demand for rental housing.		Yes, addresses three and four of housing gaps, respectively.  SHS to undertake analysis to determine range of incentive required based on built form and unit type.	

## Purpose Built Rental Housing Incentives (2 -TIEGs)

**Program Description:** To support the operation of purpose built rental aligned with CMHC programs that require minimum percentage of units to be affordable, annual property tax grant is geared to bridge gap between market and affordable rent for necessary period of time.

Criteria	TIEG (60 <sup>th</sup> percentile <u>all</u> household income)	TIEG (60 <sup>th</sup> percentile <u>renter</u> household income)	TIEG (100% AMR)	TIEG (80% AMR)
<b>Address two or more housing gaps</b>	Strongly addresses Gap (2) Rental housing.  Addresses Gap (1) Affordable - based on all household incomes (however, rents would be too high for to current renter households) and Gap (3) Diversified Housing Stock.	Strongly addresses Gap (2) Rental housing.  Addresses Gap (1) Affordable - based on affordability need of moderate income RENTAL households and moderate income ALL households, and Gap (3) Diversified Housing Stock.	Strongly addresses Gap (1) Affordable – based on affordability need of low end of moderate RENTAL households and moderate ALL households and Gap (2) Rental housing.  Addresses Gap (3) Diversified Housing Stock.	Strongly addresses Gap (1) Affordable - based on deep affordability need, Gap (2) Rental housing and Gap (4) Priority Households.  Addresses Gap (3) Diversified Housing Stock.
<b>Incentive amount will promote program uptake</b>	Unclear. The industry shift from condo to rental developments is a short term tactic, that may be underpinned by an assumption that the units can be sold in the near future – being required to retain rental may be very undesirable. Purpose built rental operators, particularly community housing providers, will find this incentive highly desirable.		Opportunity for an incentive that requires low rate of affordability may promote interest in rental development.	Incentive would be complemented by DC exemptions, which may improve overall project viability for builder already interested in rental development.  Incentive would need to be sufficient to offset the additional rent revenue loss.
<b>Stackable with Existing Programs</b>	Yes CMHC Apartment Construction Loan: <a href="#">Unlock opportunities with the Apartment Construction Loan Program   CMHC</a>  All rental units are subject to DC deferrals, and discounted rates based on unit size.		Yes  CMHC Apartment Construction Loan: <a href="#">Unlock opportunities with the Apartment Construction Loan Program   CMHC</a> , loan improves with deeper affordability and larger proportion of units.  All rental units are subject to DC deferrals, and reduced rates based on unit size. Affordable rental is exempt from DC, CBC and Parkland.  If new <a href="#">Multi-Unit Affordable Rental property tax rate</a> is implemented by Halton Region, it would provide an additional property tax reduction for multi-unit affordable rental housing.	
<b>Simple / Straightforward Administration</b>	Requires administrative cost to manage disbursement of the annual grant. Requires monitoring rents over the duration of the affordability period, in most cases affordability is monitored by CMHC. Ensuring units remain rental occurs via Town's <a href="#">Rental Housing Protection By-law</a> .			
<b>Financially viable given Town resources (per unit)</b>	TBD			

Criteria	TIEG (60 <sup>th</sup> percentile <u>all</u> household income)	TIEG (60 <sup>th</sup> percentile <u>renter</u> household income)	TIEG (100% AMR)	TIEG (80% AMR)
<b>Can be implemented anywhere within the Town's urban area</b>	In all areas where multi-residential apartment buildings are permitted.			
<b>Decision: Moving forward to next stage of analysis? (yes/no/TBD)</b>	No – while all programs are eligible for CMHC funding, these “affordable” rent thresholds would be comparable with “affordable” ownership housing, and not likely to meet market demand for rental housing.		<p>Yes, addresses three and four of housing gaps, respectively. As an annual grant, cost burden on Town is spread out over time, helps to support creation of more units compared to an upfront capital grant.</p> <p>SHS to undertake analysis and report on the relationship between the proportion of affordable housing units relative to the proportion of property tax reduction and the length of time required for the rate reduction to take place, that is sufficient to incentivize development of these units.</p>	