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CITY OF BELLEVILLE

Desta McAdam, Manager, Policy Planning
Engineering and Development Services Department
Report No. PP-2020-66
December 7th, 2020

To: Belleville Planning Advisory Committee

Subject: Staff Recommendation Report to Approve New Community Improvement Plan (CIP) for the City of Belleville

File: Community Improvement Plan

1. Recommendation:

That the Planning Advisory Committee recommends the following to City Council:

“THAT pursuant to the Manager, Policy Planning Report to Approve a New Community Improvement Plan (CIP) for the City of Belleville, the CIP, Final Draft be approved.”

2. Highlights:

- Following the 2019 Housing Summit, City Council passed a number of resolutions to prioritize the development of affordable rental housing;
- One very important action item was to develop a new affordable rental housing Community Improvement Plan (CIP) and update the existing Brownfield and Downtown CIPs;
- Primary objective of the project was to designate the entire municipality as a Community Improvement Project Area and develop a Community Improvement Plan (CIP) that would focus on the provision and maintenance of affordable rental housing throughout the municipality to meet the needs of the community;
- A new Draft CIP has been developed to serve as a master document that co-ordinates the new Affordable Rental Housing CIP with the updated Brownfield and Downtown CIPs;
- The Draft CIP provides seventeen (17) programs in total to incentivize new development, redevelopment and brownfield remediation;
- The Draft CIP enables the programs within the CIP to be used in combination to provide increased financial incentives for affordable rental housing;

- The number of projects and the amount of programs that can be utilized for each program is dependent upon the longer-term budget commitment and the number of projects received by the City that are ready for investment;
- The Draft CIP provides the City more discretion on how to distribute funding through the programs of the CIP, and the flexibility to make changes as priorities change over time;
- City Council will need to consider longer-term budget commitments in order to activate available programs and award funding;
- Financial analysis for the CIP determined that the CIP could incentivize the creation of 544 new affordable rental units, which will assist Council in reaching its target of 1000 new rental units (both affordable and market rate) by 2025;
- Initial consideration of projects will commence in Spring, 2021;
- All public comments received regarding the first draft of the CIP have been received and considered by Staff and the project consultants in preparation of the final draft; and
- The Draft CIP aligns with existing municipal and regional strategic priorities to promote redevelopment and new development projects that will contribute towards increasing the supply of affordable rental housing across the municipality.

3. Background

i. Community Improvement Plans

A Community Improvement Plan (CIP) is a planning tool that enables municipalities to establish financial incentives to encourage certain types of development or improvements within a defined study area.

The Provincial Policy Statement (PPS), 2020 provides broad policy direction that supports the establishment of CIPs that encourage the provision of a diverse housing supply, which includes affordable housing, brownfield remediation and the revitalization of downtowns.

The City's current Official Plan enables the Council to pass a By-law to identify a part of, or the whole of the municipality as a community improvement area. The new Draft Official Plan which has recently been released for public review and comment, designates the municipality as a community improvement policy area, and gives specific priority to improvement initiatives in the City Centre, Bayshore Planning Area, Point Anne Planning Area and intensification areas. The Official Plan also describes initiatives that can be activated through a Community Improvement Plan, and provides a number of techniques that can be employed to achieve desired improvements, including the giving of grants, loans or other financial

incentives to finance improvements to privately owned buildings and properties.

The City of Belleville currently has a Brownfield CIP and Downtown CIP. The Brownfield CIP provides the municipality a set of planning tools to promote the investigation, remediation and redevelopment of brownfield sites, and the Downtown CIP consists of the Façade Improvement Plan and Downtown Tax Rebate Program which together promote the upgrading and restoration of downtown buildings. The existing CIPs currently operate independent of one another and have separate budget allocations and funding options.

ii. 2019 Housing Summit

In March 2019, the City of Belleville convened a Housing Summit to address the affordable housing crisis being experienced locally and in municipalities across the province.

A major goal that emerged from the Housing Summit was for the City to approve 1000 new rental units (both affordable and market rate) by the year 2025. The table below shows the number of approved apartment units and second units since the Housing Summit.

Apartment Units	Second Units	Total Units
508	17	525

* Condominium units are not included in the unit totals.

Additionally, City Council passed a number of resolutions that represented seven (7) key action items to prioritize the development of affordable housing across the city. One very important action item emerging from the Housing Summit was to develop an Affordable Rental Housing Community Improvement Plan (CIP) and update the existing Brownfield and Downtown CIPs.

The primary objective in the development of a new Affordable Rental Housing CIP was to focus on the provision and maintenance of affordable rental housing throughout the municipality to meet the needs of the community as identified through the Belleville Housing Summit as well as Hasting County's 10-Year Housing Plan and the City's Official Plan Update process. Moreover, a new Affordable Rental Housing CIP will help contribute to the goal of the City adding 1000 new rental units (both affordable and market rate) by 2025.

Sierra Planning & Management was retained to review and update the existing Brownfield CIP and provide coordination assistance, and Dillon Consulting was contracted to prepare the new Affordable Rental Housing CIP, update the Downtown CIP and develop an innovative master document

that co-ordinated the new Affordable Rental Housing CIP with the updated Brownfield and Downtown CIPs.

An initial public meeting was held in accordance with the requirements of the Planning Act on November 2, 2020. The purpose of this meeting was for Committee Members to formally hear and receive public comments on the Draft CIP.

The Planning Advisory Committee reviewed Report No. PP-2020-50 and accepted it as information. Now that input from the public, commenting agencies, and municipal departments had been received, assessed, and addressed to the satisfaction of the Engineering and Development Services Department, the project consultants have prepared a final draft for the proposed CIP, included as **Attachment #1**, and Staff have prepared a recommendation report in support of the final draft.

4. Discussion:

i. New Draft CIP

It is not the intent of this report to repeat the information contained in the Draft CIP, which provides a comprehensive overview of the Draft CIP goals and programs. Rather, the below discussion provides a brief overview of the new and enhanced programs within the Plan, and how they will be implemented to ensure maximum community benefit and ultimate realization of the CIP's four key goals.

The new master CIP document is a planning toolkit consisting of seventeen (17) program options that promote and incentivize new development, redevelopment and brownfield remediation projects throughout the City, giving priority to the development of affordable rental housing. The new affordable rental housing programs were developed using the results of a trends and best practices analysis which considered incentives offered by other municipalities' affordable housing CIPs, and public input gathered through broad public consultation and engagement. The housing programs are intended to provide a multi-pronged approach to increasing the supply of affordable rental units across the City.

The programs existing under the Downtown CIP and Brownfield CIP have also been updated and enhanced to work synergistically with the new Affordable Rental Housing CIP. Specifically, the updated Downtown CIP maintains the façade program, while also providing additional incentive programs towards the construction of new residential units above commercial ground floors. The Brownfield CIP has been streamlined to consider one priority area, updated programs, and a new priorities list to

ensure brownfield sites that meet the eligibility criteria of the Affordable Housing programs or the Downtown programs will be prioritized for assistance.

Together, the programs under the new master CIP provide a variety of funding options that can be utilized individually or bundled, depending on eligibility and program conditions. The strategy to combine the programs into one master CIP provides the City with more flexibility and opportunity to direct investment towards projects that best meet the City's overall community improvement needs as they evolve over time. For example, a project that involves the development of 100% affordable rental housing on a brownfield site with the City's downtown could be eligible to receive maximum funding through the available CIP programs, however this does not exclude the opportunity for Council to prioritize budget allocation for different eligible projects, such as second units.

Applications to utilize the CIP programs will be considered in two intake periods each calendar year. Applications received in the first intake period would be subject to a competition and evaluation period to ensure that the applications represent projects that are both viable and meet the goals of the CIP. There is a potential that the limit of the available funding could be awarded in the first intake. Should there be CIP funding remaining at the conclusion of the approvals resulting from the Spring Intake period, additional applications may be received and evaluated as part of the second intake. Any unspent funds at year-end may be placed in reserves to be used in subsequent years. This structure will help facilitate the submission of more competitive, high value applications, and will benefit applicants with "shovel ready" projects with strong potential for timely realization. The structure will also allow the City the flexibility of choosing projects that best address Council priorities as they grow and evolve over the course of the CIP's implementation period. The first intake is proposed for Spring, 2021.

ii. Governance

Effective approval processes require timely responses and decisions to ensure that key investment opportunities for the City are not missed. To address this critical consideration, the project consultants were required to undertake an evaluation of best practices in CIP governance as part of the Terms of Reference for the project. As part of this evaluation, the consultants considered what governance structure would assure the most efficient and timely approvals process for this CIP, where multiple programs across three CIPs could potentially be considered in one application.

The consultants recommended that a working group of senior City staff be created to consider applications made under the new CIP. A benefit of

having a staff-based working group is that members of the group will be able to meet applicants as plans are being developed in order to ensure that the goals of the CIP are being met. Additionally, the working group will be composed of members with the necessary resources and expertise to ensure that applications are thoroughly considered with the goals of the CIP and priorities of the municipality in mind. For example, an integral part of the staff-based working group would be a senior member of the Finance Department. This would ensure that any application approvals are made with strong financial oversight, and based on Council's approved budget for the CIP programs.

If any applications are recommended for multi-year financial commitments, they will be referred to Council for consideration and final approval.

iii. Monitoring

Monitoring is a critical factor to ensuring that the funded projects meet the goals of the CIP. There are two primary purposes for monitoring:

- Monitoring to ensure that funding is used as intended. This specifically applies to affordable rental housing, downtown residential and second unit projects where the applicant is committed to provide a specific housing type that has the potential to be converted after CIP approvals and funding are granted, if not monitored.
- Monitoring to determine the success of the CIP and its programs. This will be critical for Council when determining the budget allocation for individual programs in the future.

The following tools will help ensure appropriate and astute monitoring can occur:

Application Form(s)

Correct applicant information is crucial to monitoring and tracking program approvals, especially those that span over a number of years. Staff will create a new application form to ensure that accurate applicant and property information is maintained on file for each application.

Agreements

Registered agreements that include monitoring and enforcement clauses are a legal mechanism to ensure that an approved project maintains its commitment to fulfilling the CIP program requirements. For example, if a 25-unit purpose built 100% affordable rental building is approved to receive funding through CIP program(s), an agreement will be registered against the

title of the property outlining the terms of funding. The agreement will enforce the program requirements for the property owner to provide proof of the affordable housing units on a yearly basis. Should the property be in contravention of the agreement at any time, the City can pursue legal action, based on the terms outlined in the agreement.

Staff will refresh existing agreements used for Brownfield and Downtown CIP programs, and will also consult with the municipality's solicitor in the formation of new agreement(s) for the Affordable Rental Housing CIP programs.

Other Enforcement/Monitoring Mechanisms

Where it is not practical or appropriate to register an agreement against the title of the subject property for monitoring or enforcement purposes, it is essential that other appropriate mechanisms are in place to ensure that a project meets the program requirements. For example, if a new second unit receives funding under CIP program 4 or 5, it may not be practical to register a legal agreement against the title of the property to bind the applicant to the program terms. However, the unit must remain a long-term rental unit for at least five (5) years, and the new second unit cannot be converted into a short term vacation rental (i.e. Airbnb, VRBO, etc.). If it is discovered that a new second unit funded under the CIP has been converted into something other than a long-term rental housing unit, the City needs to ensure that the legal recourse to require the repayment of City funds for the contravention occurs. Staff will work with the municipal by-law enforcement team and our municipal solicitors to determine the best way to monitor and enforce CIP program requirements in situations where a registered agreement is not practical.

Program Approval Expiry Dates

The inclusion of expiry dates on program approvals, where appropriate, can help ensure that that Council committed funds are used by the applicant for an approved project in a timely manner, as intended. If the project is not in a position to utilize the approved program(s) by the expiry date, Staff or Council have the opportunity to close the application. Any allocated funds for that project could then be available for utilization by other eligible applicants during the next intake period.

Tracking Reports to Council

Tracking reports will assist Council and the public in reviewing all projects approved under the new CIP as it progresses through its ten (10) year lifespan. The tracking reports will provide valuable information to help

determine the effectiveness of the CIP programs, and the costs of incentivizing various types of development, redevelopment and remediation projects.

iv. Marketing

It is essential that information regarding the new CIP and its offerings is widely distributed so that the City can attract the investment needed to fulfill the goals of the CIP. Planning staff will work with the City's communications team to create a marketing plan to disseminate information regarding the new CIP and the incentive programs offered by the plan. The marketing plan could include the following:

- Refresh and update marketing materials for the Brownfield and Downtown CIPs with up-to-date program information;
- Create new marketing materials for the Affordable Rental Housing CIP;
- Identify marketing material distribution opportunities;
- Coordinate media releases and newspaper advertisements leading up to Spring and Fall CIP intake periods;
- Update website to include CIP application and program information; and
- Public speaking opportunities.

v. Existing CIPs

Brownfield CIP

Most former Brownfield CIP approvals provided approval for utilization of Program 3. The purpose of Program 3 is to assist with the initial investigation costs associated with likely contaminated properties. Many of the Brownfield CIP approvals also provided an approval in principle to utilize other available programs that could assist with eligible costs associated with any required environmental remediation, subject to strict eligibility requirements. Based on this approach, there are a number of technically outstanding "approvals in principle" under the existing Brownfield CIP that must be resolved. This is a relatively straightforward exercise because an approval in principle only qualifies a property for consideration of funding, based the application meeting strict eligibility requirements, and any further consideration of funding is at the sole discretion of Council. Most of the outstanding approvals also apply to properties with applications now considered "inactive" by Staff. The table below outlines all approvals granted under the existing Brownfield CIP.

File No.	Program Approvals	Property Address	Status
B-85-10-2	Program 1	161 Bridge Street East	Closed (Paperwork never filed by applicant)
B-85-10-4	Programs 1 & 3	138 Bleecker Avenue	Inactive
B-85-10-4	All Programs	24 Starling Street (Railway Terrace)	Closed (Funding received under Programs 1, 3, 5, 4)
B-85-10-5	All Programs	621 Dundas Street East	Inactive (Funding received under Program 3 & Green Municipal Fund)
B-85-10-6	Programs 3 & 4	197 Putman Industrial Road	Inactive (Funding received under Program 3)
B-85-10-7	All Programs	510 Dundas Street East	Inactive (Funding received under Program 3)
B-85-10-8	All Programs	24 Dundas Street West	Open (Funding received under Program 3, eligible costs submitted to City for other program funding)
B-85-10-9	All Programs	135 Station Street & 50 Albion Street	Closed (Funding received under Program 3)
B-85-10-10	All Programs	2 Dundas Street West	Closed (Funding received under Program 3)
B-85-10-10	All Programs	170 & 180 Coleman	Open (Program 3 funding only)

Upon approval of the new CIP, Staff will compose and deliver a letter to existing Brownfield CIP applicants with inactive applications detailing that their application is now closed, and should they wish to reapply under the new Brownfield CIP, they may do so, subject to the eligibility requirements of the new plan.

As described above, there are only two properties with outstanding approvals under the existing Brownfield CIP, which can be considered still "active" and should remain eligible for some program funding.

170 & 180 Coleman Street: Staff have been in correspondence with the applicant and their consultants. Staff recommend that eligibility for funding through Program 3 should be made available to this applicant for a period of six (6) months. Should the applicant not be able to satisfy the requirements of Program 3 before June 7, 2020, their application will be closed, and they will be invited to reapply under the new Brownfield CIP. With respect to other programs under the existing Brownfield CIP, the applicant will need to reapply under the new CIP, and has been notified of this requirement already.

24 Dundas Street West: 24 Dundas was approved for utilization of the Brownfield CIP programs in 2019. Their approval included the utilization of Program 3 and approval in principle for all other programs of the CIP, subject to strict eligibility requirements. The applicants have met the requirements for additional funding consideration under the other Brownfield CIP programs. Specifically, the applicant has remediated the subject property, and is close to completion of a seniors' residence. Upon full occupancy, the remediation and development of the subject property will significantly increase the municipal tax revenue for the subject property. Full occupancy is expected in early 2021.

The applicant has made consistent progress with respect to the remediation and redevelopment of the subject property. Accordingly, Staff will be recommending that Council utilize Program 1 under the existing Brownfield CIP to provide a tax increment rebate that will repay the costs associated with the environmental remediation over a ten-year period. The costs associated with this program would be funded through the existing Brownfield CIP Reserve, as well as through new commitments within new Brownfield budgets.

Downtown CIP

The following properties have existing approvals under the current, approved Downtown CIP, Façade Improvement Program:

File No.	Address	Grant	Date of Approval	Date of Expiry	Status
84	207-211 Front Street	\$15,000	28-Nov-16	25-Dec-20	Active
104	19 Campbell Street	\$12,574.64	3-Jul-18	25-Dec-20	Active
105	52 Bridge Street	\$20,000	9-Jul18	25-Dec-2020	Active
109	276 Front Street	\$20,000	24-Sept-18	31-Dec-2020	Active
111	300 Front Street	\$15,000	24-Sept-18	31-Dec-2020	Active
112	212-214 Front Street	\$20,000	13-Nov-18	31-Dec-20	Active

113	280-282 Front Street	\$13,965.37	13-Nov-18	25-Dec-20	Active
114	15 Campbell Street	\$20,000	27-May-19	27-May-21	Active
115	265 Front Street	\$20,000	9-Sept-19	9-Sept-21	Active
117	240 Front Street	\$15,000	12-Aug-19	12-Aug-21	Active
119	293 Front Street	\$4,113.85	9-Sept-19	9-Sept-21	Active
122	314 Front Street	\$15,000	28-Oct-19	28-Oct-21	Active
123	233 Front Street	\$15,000	28-Oct-19	28-Oct-21	Active
124	296 Front Street	\$15,000	13-Oct-20	13-Oct-22	Active
125	48 Bridge Street East	\$6,475	23-Nov-20	23-Nov-22	Active
126	363 Front Street	\$17,500	23-Nov-20	23-Nov-22	Active
127	249-253 Front Street	\$16,250	23-Nov-20	23-Nov-22	Active
128	200 Front Street	\$18,705.38	Recommended for Approval 13-Dec-20		Active

The properties listed in the above table are still within the two year time frame to complete their respective facade work; therefore, they are considered "active" by Staff. Most properties listed above also have agreements with the City confirming the funding commitment.

Once these approvals expire, they will be required to reapply under the new CIP. Correspondence will be provided to open applications informing them of this requirement to reapply under the new program, should they fail to meet the approved timeline to complete their projects.

The funding for these projects has already been approved by Council through previous budgets and will be placed into a reserve until the project(s) are completed.

Repeal of Existing CIPs

It is recommended that the existing Brownfield CIP and Downtown CIP be repealed once all described outstanding approvals are resolved, through final approval (granting of eligible funding or expiry of agreement). No new applications shall be accepted under the existing CIPs.

5. Financial Considerations:

A successful CIP requires strong financial oversight. Dillon Consulting completed a financial modeling exercise to help project a potential budget for the CIP, over the course of its planned ten-year lifespan. Using the Council target of creating 1000 new rental units (both affordable and market rate) by 2025 as part of their considerations, Dillon Consulting estimated that ideally, the CIP could directly incentivize the creation of 544 new rental

units through its programs. The estimated creation of 544 new rental units through this CIP, in addition to the 525 new rental units (both market and affordable) already approved by the Building Department as identified in the Background of this report, should help the City reach its target.

The projected 544 new affordable units consist of a mix of rental unit types, including mid-to-high rise purpose built rental apartments, second units in new houses, second units in existing houses, affordable units in Downtown buildings, and other residential units in Downtown buildings. The financial model considered that different programs offered by the CIP would be accessed in order to achieve this mix and number of unit types. The model also considered that if an applicant was approved for TIER funding, a ten-year program, the commitment period by Council could extend up to nine years beyond the ten-year lifespan of the CIP. For example, if an approved project entered into an Agreement with Council, and received its first year of funding under a TIER program in the last (tenth) year of the CIP, this cost would be repeated for nine additional years after the completion of the CIP.

Based on the above considerations, and on a number of assumptions and estimates, the total estimated cost to utilize the full breadth of the CIP housing programs, and support the development of various types of units over a potential nineteen (19) year commitment period, is \$13,470,282.46. Using the assumed total of 544 new affordable rental units, the average cost per new housing unit would be \$24,568.53. This excludes the costs associated with non-residential unit based incentives, and Brownfield program costs. These would be additional budget considerations.

Council, during preparation of its annual budget, will need to determine the contribution to be made available to the various programs under this CIP. The financial incentive programs available under this CIP will then be administered by City staff within the budget established by Council. Any unspent funds at year-end may be placed in reserves to be used in subsequent years. Reserve funds are essential to budgeting for long term program costs that extend beyond a budget year. Furthermore, projects will not be approved that result in over-expenditure to what has been allocated to the CIP's active program(s) by City Council.

In the case of the TIER programs, approved properties are guaranteed to receive their eligible tax refund for the full duration of their program (i.e. ten years), subject to meeting the program conditions, and entering into an agreement with the Municipality. In order to determine how to best utilize the TIER programs, Council will need to consider a longer-term budget which considers the full, ten year duration of the program. Best practices call for a By-law to establish a financing model that could accommodate for the use of the TIER programs. If Council wishes to establish their intention to provide a

ten-year budget commitment, Staff can refer to this when making recommendation for the utilization of TIER programs, and recommend for Council to enter into a Commitment Agreement with the applicant. Should Council at any time wish to cancel this budget allocation, Council would have the ability to cancel any portion of the budget not already committed to a property through an Agreement.

To protect the longer-term financial sustainability of the CIP and ensure the greatest number of projects can be realized with the available funding, Staff recommend that Council focus on providing commitments under the TIER programs available in the CIP. The TIER programs allow the costs of the program funding to be recouped over time using the municipal tax revenue earned from the redevelopment or development of the property.

For example, a property that is currently being developed under the City's existing Brownfield CIP with a new seniors' home is now in the final stages of construction. The total eligible costs associated with the remediation of the property were \$473,521. Since this property represents a highly successful use of the Brownfield CIP, Staff will be bringing forward a report to Council to recommend the use of the current tax increment equivalent grant program to fund the eligible costs. The current annual municipal tax bill for this property is approximately \$13,974, and after completion of the building construction and the granting of full occupancy, the estimated annual taxes are \$402,257. By incentivizing the applicant to remediate and redevelop the property through the Brownfield CIP, the City will gain an annual municipal tax increment of approximately \$388,283. Although there is an expense involved to recommit part of the initial tax revenue for the property back to the applicant to cover the eligible costs for the project, the increased taxes achieved here may not have been realized without the Brownfield incentives.

Staff recommend that Council consider a yearly budget for the CIP as well as a longer-term budget that considers the ten-year duration of the Plan and the intent to utilize the TIER programs offered under the CIP, where possible.

6. Communication and Public Engagement:

An enhanced public engagement process was followed with the vision of creating a plan which was based on community input. The public, landowners, developers, interest groups and other key stakeholders were dynamically engaged and broadly consulted which included:

1. The consulting team met with stakeholders and the public in December 2019 in order to discuss key priorities and needs that should be addressed for both the Affordable Rental Housing CIP and the

Downtown CIP. The project team also met with developers, landlords, and members of the Planning Advisory Committee (PAC), housing agencies, community groups, Belleville Downtown Improvement Area (BDIA), and the Façade Committee.

2. On December 11, 2019, a Public Information Centre (PIC) was held to provide the public with an opportunity to learn more about the project and to provide input on the CIPs. The PIC had a number of activity stations where feedback could be recorded. These are summarized within the Engagement Summary that was included in the Interim Report published in January 2020, by Dillon Consulting. All written public comments received in the initial consultation and CIP development stage are included as **Attachment #2**.
3. An interested parties list was developed by Staff to ensure that interested parties, including interested members of the public, would be notified on further advancements in the Draft CIP.
4. In September 2020, the draft CIP was published on the City's website, and a press release was issued notifying the public of where to find the document and how to provide feedback.
5. On October 9, 2020, a Notice of Public Meeting was published in the Belleville Intelligencer, and delivered to the parties who registered their interest with the City.
6. On November 2, 2020, a Public Meeting was held to introduce the Draft CIP and gather comments.

Since the publication of the Draft CIP and the Public Meeting, Staff have received public correspondence pertaining to the following topics:

- Potential for existing development or redevelopment projects to retroactively apply for the CIP programs;
- Definition of affordable and affordability;
- façade improvement program;
- 5-year wait period to re-apply to façade grant program;
- Definition of planning approval; and
- Consideration for funding support for residential units on ground floors of commercial buildings downtown.

All written correspondence received regarding the Draft CIP is included in **Attachment #3**.

The comments received regarding the Draft CIP fall under three general groupings:

- Technical Comments
- Affordable Rental Housing CIP
- Downtown CIP

i. Technical Comments:

Retroactive CIP Approvals

Comments were received by Staff with respect to the request to adjust the eligibility requirements for the CIP programs so that existing and/or approved projects have the opportunity to retroactively receive funding under the CIP programs.

Staff Response: Staff appreciate that the CIP offers attractive incentives for development and redevelopment across the City. However, the main purpose of the CIP programs is to incentivize development that would not otherwise have occurred. Given that the intent of the CIP is clear in this regard, the concept of retroactively funding already approved projects would not be in alignment with the CIP. Programs offered through this CIP will activate new projects across the City.

Definition of Planning Approval

Staff received a request to clarify what stage of the planning and building approvals process constitutes “planning approval,” as this could impact eligibility for certain programs.

Staff Response: New language was added to the CIP to clarify that “planning approval” constitutes Site Plan Approval. New language was also added to make it possible for new applicants to apply for Site Plan Approval in advance of making a CIP application, since the CIP intakes only occur bi-annually. Provided that Site Plan Approval is not yet granted, an applicant will remain eligible to apply for CIP funding consideration during the regular CIP intake periods.

Definition of Affordable and Affordability

Comments were received regarding how the term “affordable” was defined in the CIP. Additionally, there were comments relating to how affordability should be calculated. For example, using the average asking rental rate instead of the average market rate to consider affordability.

Staff Response: Affordability is a dynamic issue, and there are many methods to measure it. The availability and applicability of data is a strong consideration when implementing a ten (10) year CIP. Staff and Council need reliable, verifiable data that can be readily applied.

To enhance clarity, and ensure consistency, the definition of affordable rental housing unit in the new CIP was amended, and is now defined as “a unit for which the rent is at or below the average rent of a unit in the regional market area as determined by the Canada Mortgage and Housing Corporation (CMHC).”

Additionally, reference to a “Guideline on Affordable Rental Rates” was added to the CIP. The Guideline on Affordable Rental Rates will be a document prepared and updated annually by City staff that establishes a future year’s rental rates for different types of affordable rental units. Every development which receives a benefit through the affordable rental housing program(s) must have units that meet these guidelines.

Finally, reference to the Provincial Policy Statement definition of affordable in Section 4.2 was removed for clarity.

ii. Affordable Rental Housing CIP

Second Unit Programs

Comments were received regarding the disparity in funding between Program 4 Second Units in New Construction Housing Rebate and Program 5 Second Units in Existing Housing Rebate. Inquiry was made into the possibility of equalizing the incentive across both programs to \$2,500.00.

Staff Response: The second unit incentive provides a rebate to the owner of a home who decides to either a) include a second unit as part of a new development purchase (Program 4), or b) construct a new second unit in an existing dwelling (Program 5). Originally, Staff considered the costs of renovating an existing dwelling to be higher than adding a second unit as part of a new construction; therefore, a higher incentive was provided for Program 5 to reflect the additional costs involved with a home renovation.

Since receiving the above comments, Staff directed the project consultants to contact a local builder for insight on the costs to add a second unit as part of a new construction. The estimate from the local builder provided Staff and consultants new insight into the costs of adding a second unit to a new construction dwelling. Changes have been made to the Draft CIP to equalize the total amount of available rebates for both Program 4 and Program 5 to \$2,500. For Program 5, the rebate is divided into a maximum \$500 rebate for costs related to necessary studies/drawings needed for a Building Permit for the new unit, and a maximum of \$2000 towards construction costs, if more than \$30,000 is spent in labour and eligible materials. Staff are of the opinion that this change represents a fair and consistent approach to incentivizing second units.

Affordable Home Ownership

Comments were received to consider other routes to affordable housing in the Affordable Rental Housing CIP, including programs that could support affordable home ownership.

Staff Response: The Housing Summit in 2019 focused on what could be done at a municipal level to effect change in the housing continuum. It was determined that maximum impact could be achieved by focussing on affordable rental housing, as this housing tenure provides more control for the municipality. **Figure 1** below illustrates the conventional “housing continuum” approach, which follows a single, linear transition from homelessness to homeownership. The traditional housing continuum model supposes that people will start somewhere on the axis and then move from left-to-right.



Figure 1: Housing Continuum, Credit: Canada Mortgage and Housing Corporation (CMHC)

Staff recommend that should Council wish to explore opportunities to incentivize affordable home ownership in the future, a new, separate CIP could be considered.

iii. Downtown CIP

Residential Units in Commercial Building Ground Floors

Staff received a request to include new ground floor residential units in commercial buildings as an eligible project for the Downtown CIP. Currently, the Downtown CIP has a program to incentivize new residential units above commercial ground floors only.

Staff Response: Enabling policies have been added to the Draft Official Plan to consider ground floor residential uses in commercial buildings in the City Centre, in specific situations. Once the Draft Official Plan is approved, the Zoning By-law will also need to be updated to reflect these policy changes. Not all Downtown commercial buildings are appropriately sized or situated to

accommodate ground floor residential units. Appropriate care must be taken when considering where and under what circumstances residential units on the ground floor of commercial buildings in the Downtown should be permitted.

Staff is not recommending that programs to incentivize ground floor residential units in Downtown buildings be included in the CIP programs since approvals in both the Official Plan and Zoning By-law are not in place.

Façade Improvement Programs

Questions were raised generally regarding the updated façade improvement programs. Questions related to the following:

- Can applicants who received approvals and funding under the previous CIP's façade improvement program apply under the new CIP?
- Can an applicant apply for the rear façade program only?

Staff Response: The questions received regarding the proposed updated façade improvement programs prompted Staff and consultants to add clarifying language to assist potential applicants in determining if they are eligible to apply if they had received funding under the previous façade improvement program. An applicant who received funding under the previous CIP's façade improvement program may apply under the new CIP if five (5) years has passed since the approved façade renovations were completed.

Additionally, Program 12, Façade Improvement Renovation Rebate – Rear Façade was amended to be stand-alone program, rather than being a “top up” program to the Program 11, Façade Improvement Renovation Rebate. This change will permit applicants to apply solely for a rear façade improvement rebate.

The feedback received to date concerning the Draft CIP also prompted Staff and project consultants to explore further opportunities to enhance the clarity and effectiveness of the CIP.

A summary of all changes made to the CIP is provided in **Attachment #4**.

7. Input from Departments/Sources:

i. External Agency Circulation

The Draft CIP was circulated to all external agencies and organizations who either attended the 2019 City of Belleville Housing Summit, or requested to be added to the interested parties list.

As of November 20, 2020, no comments have been received from external agencies.

ii. Internal Department Circulation

The Draft CIP was circulated to the City's Executive Management Team, as well as Committees of Council for comment.

Staff have received comments from the Accessibility Coordinator, which were considered in the preparation of the final draft. Additionally, Staff will work with the Accessibility Co-ordinator in determining requirements for universal design standards for Program 6 Accessibility Top-Up Rebate.

As of November 20, 2020, no other comments or concerns have been received from internal Departments, or Committees of Council.

8. Strategic Priorities:

The CIP was strategically developed to respond to municipal and regional strategic priorities, and to enhance synergies between existing plans so that priority action items that align with the CIP goals can be realized more expeditiously.

i. City of Belleville Strategic Plan, 2012-2032

The City of Belleville's Strategic Plan identifies nine (9) strategic themes. The CIP specifically aligns with the City's strategic objectives to provide for a variety of housing forms to reflect changing demographics and need for affordability, encourage the creation of a vibrant downtown, accented with pedestrian-friendly services and unique residential and commercial opportunities, and promote the City's core as a centre for government, financial, legal and related services.

More broadly, the CIP aligns with all nine (9) strategic themes of this Plan, as the new CIP is intended support the Strategic Plan's priorities to maintain economic stability, protect the health and security of our citizens, and support growth. Furthermore, the CIP will assist towards achieving the community vision which underpins this Plan, being that the City of Belleville will be a healthy, progressive, diverse and economically vibrant community that invests in its future in a financially sustainable and environmentally responsible manner.

ii. Housing Summit Action Plan, 2019

Following the City of Belleville's Housing Summit in March, 2019, City Council developed an innovative and highly commendable action plan to take

tangible steps towards addressing the supply of affordable rental housing across the City. The action plan and status of each action item is provided in the table below.

Housing Summit Action Items		
#	Action Item	Status
1	Develop Affordable Rental Housing CIP and Update the existing Brownfield and Downtown CIPs	Final Draft Published for PAC & Council Consideration
2	Staff recommendation on housing strategy which includes the approval of 1000 rental units (both affordable and market rate by 2025)	Ongoing
3	Reduce Development Charges by 50% for all rental units with rents at or below Average Market Rate	Complete
4	Expand the Scope of the Official Plan Update to Include Modernizing Housing Policies, Intensification Policies, and Mixed Use Policies	Complete
5	Management to Prepare a Policy for Council Consideration Regarding Property Allotment	Ongoing including the donation of the former Police Station to Habitat for Humanity for the purpose of constructing a multi-residential complex
6	Update the Second Units Policy	Complete, ZBL updated and Draft CIP considers funding for second units in new and existing dwellings

City Council has already made significant progress in accomplishing the Housing Summit Action Items. The adoption of the new CIP, which prioritizes the provision of affordable rental housing across the whole of the municipality will complete Action Item #1. This would represent a significant accomplishment for City Council in the highly formidable task of delivering tangible incentives that can activate affordable rental housing projects that would have otherwise not occurred.

iii. Hastings County Housing and Homelessness Plan, 2014

The Hastings County Housing and Homelessness Plan is a 10-year plan which includes a number of recommendations and strategies to address the issue of affordable housing access and homelessness across the County. The new CIP aligns with the recommendations of this Plan to support the development of affordable housing in municipal planning documents, and to investigate the development of incentive programs to assist landlords willing to rent their units at affordable rates, including funding to retrofit these units for accessibility and health and safety.

Additionally, the CIP could support the realization of other recommendations under this Plan, including the recommendation to increase affordable family housing options by being “shovel ready” with new project proposals for future upper level of government funding opportunities.

iv. Belleville Downtown Improvement Area (BDIA) Strategic Plan, 2019

The BDIA Strategic Plan exists to position downtown Belleville as a vibrant community. The CIP aligns with the strategies of this Plan to rebrand the downtown as a vibrant hub of the community and to advocate and work with the City on policy development to support mutually beneficial projects in Downtown. The provision of more residential units in the downtown will assist in making downtown Belleville an attractive location for existing and potential commercial businesses.

v. Belleville Economic Development and Destination Development Committee 5-Year Strategic Plan, 2019

The Economic Development and Destination Committee 5-Year Strategic Plan provides goals and supporting strategic recommendations regarding the resources required to seize opportunities for sustained employment, destination development and business investment. The CIP supports this Plan’s goal to allocate adequate resources for physical and economic environmental assessments of serviced industrial land, as well as ensuring adequate supply of diverse housing options, including affordable rental housing to attract new employees to the city.

vi. Canada Mortgage and Housing Corporation (CMHC) National Housing Strategy

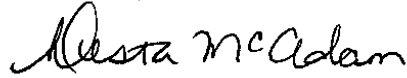
The CMHC Nation Housing Strategy is a 10-year, \$55+ billion plan for creating a new generation of housing in Canada. The CIP aligns with CMHC’s strategic initiatives to create new housing supply, and support the provision of affordable rental housing. The CIP promotes the ability for eligible applicants to receive joint funding through both CMHC and the CIP programs, and as a result, could attract eligible applicants with significant affordable rental housing projects to build in Belleville.

9. Conclusion:

The final draft of the CIP has been prepared, and is ready for final approval by Council. It is the opinion of Staff that the new CIP represents an innovative and comprehensive approach to achieving community

improvements across the City of Belleville, and represents good community planning.

Respectfully submitted,



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Engineering and Development Services Department

Attachments

- Attachment #1 – Community Improvement Plan, Final Draft
- Attachment #2 – Public Comments, Initial Consultation
- Attachment #3 – Public Comments, Draft CIP Public Meeting
- Attachment #4 – Summary of Changes to the CIP, Final Draft