



Carleton PLACE

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SUPPORTS FOR
AFFORDABLE
HOUSING
REPORT

Executive Summary

The Town of Carleton Place received funding through the Canada Mortgage and Housing Corporation's Housing Accelerator Fund which provides financial incentives to municipal governments across Canada to accelerate the supply of housing. As part of the Town's grant submission, it had to commit to completing seven (7) initiatives to accomplish the goal. This report is in support of Initiative 3 – Partnering with Private and Non-Profit Housing Providers to discuss their plans for housing development within Carleton Place, determine what they require from the Town to ensure their plans become a reality, obtaining Council and Board buy-in to formalize the partnerships and working towards assisting them where possible in the identified required areas.

This Summary Report for “Supports for Affordable Housing” builds upon the Town's “Community Housing Needs Assessment” which was completed in 2024. This report summarizes consultations the Town conducted with private developers and not-for-profit organizations to identify opportunities and barriers for the provision of affordable housing. The report also makes recommendations for Council's consideration regarding planning tools and funding opportunities to encourage the development of affordable rental housing by private and not-for-profit developers.



APPROACH

The first phase included a municipal lead information session with private and not-for-profit developers which highlighted current available support programs from the Federal (CMHC), and County (Provincial flow-through agency) levels of government. The second phase involved sessions that were held separately by the municipality with private and not-for-profit developers to understand their needs and to gain insight about what each group required to assist them in the construction of more affordable rental and ownership housing within the community.

In advance of the sessions, information was provided to participants which they were asked to:

1. Review

- a. The policy sections from the Town's Official Plan (attached in Appendix A to this report)
- b. The PowerPoint presentations from the Town, County and Canada Mortgage and Housing Corporation on current available funding programs to help with Affordable Housing
- c. The Town's Community Improvement Plan

2. Think about the various funding programs offered by the Town and the County in relation to potential affordable housing projects.

3. Come prepared to discuss:

- a. If they have any plans for housing development within Carleton Place in the next 5-10 years which may include affordable housing units?
- b. What they require from the Town to ensure their project comes to fruition?
- c. Are additional funding programs from the Town and/or County required over what are currently provided?
- d. Of the programs available through the Community Improvement Plan, which one do they think is most beneficial to their organization and why?
- e. Do they require any assistance from the Town in other ways? If so, how?

KEY HOUSING GAPS

The Community Housing Needs Assessment identified three (3) particular needs for the future of the community:

- the creation of homes for affordable homeownership;
- the construction of missing middle housing types for aging residents; and
- the development of more subsidized housing such as public housing, not-for-profit and co-operative housing, and rent supplement programs.

AFFORDABLE DEFINITION

For Lanark County affordable homeownership is the lesser of one (1) of these two (2) criteria:

1. Housing which is 10% below the average resale price: \$526,000
2. Annual accommodation costs equal to 30% of gross annual income of people in the 60th income percentile: \$373,700

For Lanark County, affordable rental housing is the lesser of one (1) of these two (2) criteria:

1. The average market rent (AMR) identified for the residential unit set out in the Affordable Residential Units bulletin:

- o AMR 1-bedroom: \$1,331
- o AMR 2-bedroom: \$1,466
- o AMR is not provided for any other unit in the County

2. 30% of the 60th percentile of gross annual income for the renter households in Lanark County: \$1,690



**THEREFORE,
AFFORDABLE HOUSING
HOMEOWNERSHIP IN
LANARK COUNTY IS
\$373,700**

THEREFORE, AFFORDABLE RENTAL HOUSING IN LANARK COUNTY IS:

- o Bachelor: \$1,331
- o 1-bedroom: \$1,331
- o 2-bedroom: \$1,466
- o 3-bedroom and above: \$1,690 (the \$1690 reflects 3-bedrooms and above because the income-based criteria have to be used as there isn't one for the average market rent on more than 2-bedrooms. The reason for this is that Lanark County only has a small sample size of rentals to compare the average market rent. There is only data available for one- and two-bedroom units.)

County of Lanark Financial Incentives

COUNTY RENT SUBSIDY OPTIONS

There are several rent subsidy programs available through the County with many programs supporting rents averaging \$1,500 in order to support the most number of households with the budget dollars allocated. They are as follows:

1. The County subsidizes the rent and looks for landlords who are willing to participate in the program. Under this program for example, if a unit is rented for \$1,535, the tenant pays 30% of their income towards rent, as low as \$109/month. The County subsidizes the difference in the rent up to 100%, with the amount subsidized being paid directly to the landlord. Under this program, the landlord doesn't get to choose the tenant. They are chosen directly from the County's centralized housing wait list, which includes some individuals who are in deep poverty. It is for this reason that participation from landlords is low. There are some limitations on the County's subsidy programs. In the program where the County subsidizes rent up to 100%, there is a \$500,000 budget allotted annually from County Council. The County undertakes due diligence to seek out units that are somewhat affordable as it would not be feasible to partner with a unit that has a rental rate of \$2,700 a month, for example, as it would limit the number of partnerships that could be achieved with the budget allocated each year.
2. The County pays a rent supplement directly to the tenant who is then responsible for using those funds to offset rental costs.
3. The County funds are paid directly to the landlord and the landlord is able to screen and select the tenant. This program is typically more attractive to private market landlords.
4. The County provides additional rental supports for individuals experiencing homelessness. Funds up to \$400.00 a month are provided directly to landlords to help cover rent costs for the placement of a recently homeless individual. Under this program, the landlord can choose the tenant with the stipulation that the tenant must be experiencing homelessness. Examples include a family at Lanark County Interval House, a youth whose parents are becoming incarcerated, etc.

Under all County rent subsidy programs, landlords are required to follow the Residential Tenancies Act and cannot evict a tenant because they have decided they no longer want to participate in the respective program. However, if a tenant decides to move out, there is no requirement for the landlord to continue with the program as the programs are offered on a tenant-by-tenant basis and a new contract is signed with each tenant.

While not administered by the County, it was noted that there are other partnerships and programs such as the Canada Ontario Housing Benefit (COHB), which is funded under the National Housing Strategy. This program has limited involvement from the County where their role is just to find tenants who are looking for help with their rent. This could be a current tenant or a tenant that might be moving into a unit. This is administered by the province under the Ministry of Finance.



COUNTY AFFORDABLE HOUSING GRANT PROGRAMS

The County has a number of affordable housing grants/programs available in addition to the exemption of Development Charges per Provincial legislation which can be utilized by developers wanting to create new affordable units. These include:

1. Funding in the form of a 15-year forgivable loan to Lanark County property owners, community agencies, non-profit and private residential developers who are planning to build new affordable rental housing units or convert non-residential buildings to new affordable rental housing units. Homeowners who are planning to add a secondary unit in their owner-occupied home that will be rented out may also be eligible. The maximum funding is based on the cost of approved work items and HST, payable up to \$25,000 per unit.
2. An Affordable Housing Tax Incentive Grant to help increase the supply of affordable rental, cooperative and supportive housing in Lanark County. The program will provide funding to eligible applicants in the form of an annual operating grant issued once per year. The grant is equivalent to the County portion of property taxes for the number of units which meet the affordability criteria, for a period of 15 years. For example, if 50% of the building units meet the affordability criteria, the County will provide an annual operating grant to the owner that is equivalent to 50% of the County portion of the property tax for a period of up to 15 years.

COUNTY HOME OWNERSHIP OPTION

The County has one (1) program available for Affordable Home Ownership. The program operates by protecting the County's initial investment by providing a protected forgivable loan for a down payment of up to 8% of the purchase price of a new or resale home less than 10% of the average resale price of \$526,000. The program is only available to first-time home buyers.

The buyer is pre-qualified by the County to purchase a home and receives the forgivable loan to complete the purchase subject to the execution of an agreement with the County registered on the title of the property. The agreement requires that the homeowner continue to reside in the home for a period of not less than 20-years.

If the owner sells the home within the 20-year timeframe, they are required to repay the County the amount of the loan as well as the increase on their investment from the time of purchase to the time it has sold. Registering the agreements is imperative as the agreement is for 20 years and most of the individuals who participate in the program are first time home buyers. The County has suggested that a similar program could be operated by a municipality or a developer as well to bridge the gap to affordable home ownership.



Town of Carleton Place Financial Incentives

COMMUNITY IMPROVEMENT PLAN

The Town adopted its first Community Improvement Plan (CIP) in October 2022. The CIP identified five (5) focus areas which include:

- Affordable Housing
- Accessibility
- Brownfield Redevelopment
- Façade Improvement
- Streetscape Improvement

Each year, the Town budgets \$50,000 to fund priority areas determined by Council as part of its annual budgeting process. Council has identified affordable housing and accessibility as the priority funding areas for 2024 and onwards unless otherwise determined by Council. Specifically, the CIP's financial incentives related to Affordable Housing include:



1. AFFORDABLE HOUSING DEVELOPMENT CHARGE (DC) REBATE

A developer may apply for a rebate on 100% of municipal DCs for affordable rental units. If only a portion of the new building has affordable units, a rebate is prorated based on the percentage of affordable units to total units.



2. AFFORDABLE HOUSING BUILDING PERMIT FEE REBATE

A developer and/or homeowner may apply for a rebate up to 100% of the building permit fees associated with the affordable rental units, calculated based on the proposed number of units which are affordable.



3. AFFORDABLE HOUSING TAX INCREMENT EQUIVALENT REBATE

In order to be eligible for this rebate, a new building shall have at least six (6) new residential units. In the event the creation of new affordable rental units results in an increase of the property's assessed value, an owner may apply for the rebate equal to 50% of the increase in the municipal portion of property tax payments as a result of a reassessment for a period of 10 years. 50% of the increase in the municipal portion of property tax payments as a result of a reassessment for a period of 10 years.



4. AFFORDABLE HOUSING ACCESSORY UNIT REBATE

Rebate 1

Homeowners who renovate existing dwellings to include new legal accessory residential dwelling units (accessory units), are eligible to receive a maximum rebate of \$5,000 to reduce costs associated with required professional studies/drawings such as structural assessments, HVAC study, architectural drawings.



Rebate 2

Homeowners who receive Rebate 1 are eligible for an additional maximum rebate of \$2,000 where it can be proven that an investment of more than \$30,000 in construction costs was undertaken to accommodate the new legal accessory unit.

5. AFFORDABLE HOUSING BUILDING PERMIT FEE REBATE

Owners who create affordable housing units under Programs 1 through 4 above and provide exterior and/or exterior accessible features may apply to receive rebate funding under additional Accessibility programs of the CIP.

KEY THEMES

PRIVATE DEVELOPERS

The key themes heard from the private affordable housing meeting were as follows:

- In order to make home ownership affordable, “Builder 1” explained that they would have to construct their back-to-back townhouse product, which is the least expensive model they have, minimize it to the most basic finishes, receive exemptions for all development charges (\$34,319), building permit fees (\$2,753), and parkland cash in lieu (approx. \$6,200). This would still put the cost at a \$420,000 sale price, which is a \$50,000 above the affordable home ownership criteria for Lanark County. “Builder 1” would need to partner with the service providers who receive the subsidy or partner with government i.e. municipal, provincial or federal who have the land asset, which could help to be able to build a unit at or somewhere close to the affordable prices, however the likelihood of achieving the \$373,000 may not be feasible. The partner would oversee the project from start to finish and through the future sale of the property, including qualifying the buyer, evaluating the family income and ensure that if they sold the unit, that it’s not at a higher market price where they are profiting financially from the program.
- In terms of rental housing, “Builder 1” noted that rental supplements from a government source extended for a longer term would be helpful. It was noted that there is a difference of \$200 a month difference between what CMHC deems as affordable and what the Town and County deem affordable. “Builder 1” identified that if an additional government partner could offer the supplemental subsidy for a 20-year timeframe to match the commitments to CMHC loan agreements, more developers would be likely to participate in the affordable housing initiative.
- For “Builder 2”, in evaluating the five-year average of house construction prices, a new single family home construction price is about \$200,000 more than the resale price of an existing townhome or single-family home. The difference between a new build versus a resale home is because they can't sell the home for less than it cost them to construct it. “Builder 2” identified that the only solution to creating affordable housing is to construct back-to-back townhomes, smaller units, and reducing the footprint to try and cut costs to enable people to qualify for a mortgage

- It was noted that by reducing rent to align with affordable housing rates impacts a developer's ability to obtain a mortgage. It was suggested that if an agreement was entered into between the developer and the County showing the County's investment as a monthly subsidy rather than a one-time payment, it would be beneficial for developers in terms of their ability to receive mortgage funding.
- In terms of the Town's Community Improvement Plan (CIP), the CIP states that to qualify for the affordable rates and/or rebates, the request has to be made at the time of the planning application. It was noted that this is at a very early stage in a project to commit or identify affordability as density can change depending on Council's approval for a project. It was suggested that the CIP application process be moved to the Development Permit Agreement stage or before the Building Permit stage to allow for flexibility in considering whether to participate in the programs.
- It was also noted that certainty for CIP programs such as tax rebates is necessary rather than being subject to a "maximum amount set by Council" each year. For example, where a tax rebate is given, it is in effect for a 10-year period under the CIP. Developers want certainty that if approved for a tax incentive, it will be in effect for the 10-year period and not subject annually to Council approval of funding as this would allow for a developer to secure the business model for the particular project.
- It was noted that re-evaluating the parking requirements would be helpful in creating more affordable units as having a mandatory parking stipulation of 1.5 spaces per unit is limiting.
- All participants noted that in order to create more affordable units, increasing density is required.

NOT-FOR-PROFIT DEVELOPERS

The key themes heard from the Not-For-Profit affordable housing meeting were as follows:

- The locations of affordable housing builds are dependent on working with the municipality or others to purchase land at a very reduced rate or at no cost.

- Reducing parking requirements ensures that land is used to provide as much housing as possible on each site and is extremely helpful in developing affordable housing. It was noted that 60% of “Provider 1’s” clients do not have vehicles. Being able to provide off-site parking for the residents who may require it, is a solution that has worked elsewhere, however still results in costs for land leases and agreements registered on title. For “Provider 1’s” project in Smiths Falls, they were able to construct six (6) additional units which is more beneficial to the clientele than parking spaces.
- Providing storage sheds for parking scooters, bicycles, etc. in a secure location and including external power sources to charge scooters are important considerations in “Provider 1’s” developments.
- “Provider 1’s” has also been constructing its developments to universal design criteria which ensured all common spaces are fully accessible. The cost to do so is almost negligible as they purchase consistent materials and supplies for the entire build rather than differing ones if some units are considered accessible and others not.
- A roadblock for most projects is the lack of a community partner/developer who backs the project and helps financially.
- A way the Town could assist is to identify properties that could be used for affordable housing purposes.
- A community partner could also assist with NIMBYism that is often associated with affordable housing builds, manage the PR/advertising, legal documentation and accountants. All of this, coupled with perhaps a faith/church/social group that has the financial means to donate a large portion of funds, could get this started and the necessary housing built with the assistance of all the interested partners who have committed to the project.
- With affordable housing projects you can finance less than 30% of the project’s costs i.e. you have to have grants/funding from other sources to make up the balance of 70%. If anything above this is financed, the project will operate at a deficit and will not be able to be able to maintain and sustain the project in the long-term. In addition, a consultant is required to be retained at a cost between \$5,000-\$10,000 to review the applications to ensure that all is in order with the financing, etc. prior to submitting to the lenders and/or CMHC. It was noted that once a group has gone through the process, they may be able to assist other groups in the hopes of reducing their consulting costs.

- Fostering an environment that is conducive to rapid development so that there isn't a delay by the planning process is essential as zoning, building permits, and any other necessary documentation must be in place before CMHC will review the file for the loan/funding. Governments are looking for shovel-ready initiatives that could be as short as a 6-week turn around which could be difficult if there are any holdups in the processes for an application.
- In terms of the CIP, the abatement of taxes is a significant benefit. For smaller projects (12 units or less), tax abatement for 10 years could work, while larger projects probably require tax abatement for 20 years. Any relief of expenses is beneficial because it leads to a better feasibility assessment and speeds up the process. While receiving refunds is very helpful, if the upfront cost could be waived entirely, not-for-profit developers wouldn't need to account for these fees in their upfront costs and could utilize the funds elsewhere.
- It was also noted that if the Town was to offer a monthly rebate/support for removing the water bills completely, it would be very beneficial to the organization as these bills can be costly when taken into account for all units in a building. In addition, they can affect a proposal to CMHC as they are considered an expenditure and can limit the amounts that are approved. "Provider 1" noted that some utility companies are already offering such rebate/support programs for not-for-profit housing providers.
- It was suggested that an affordable housing committee be formed comprised of developers, community partners and/or organizations that are responsible for the development of affordable housing who could advocate for the group, provide public meetings and information sessions and action the recommendations to get projects developed. This would allow for exposure and promotion of the idea of affordable housing and how it truly can benefit the community.
- It's important to have Council and other municipal departments recognize that not-for-profit housing organizations are very different than regular private developers and need to be treated as such. If there is an issue at a not-for-profit housing development, it would be helpful to contact the organization first to help facilitate the situation as they have the background knowledge of the tenants and what the issues may be.
- If churches or other organizations are being considered as a partner, it's important to approach them early in the process so that they are able to assure they can meet their own deadlines and budgeting timelines. They often must consult with higher levels within their own organization.

- It's important in the design of these buildings and projects to try and not make them look like typical affordable housing so that they blend in with the neighbourhood. Not having large signage indicating that it's social housing is important as well.
- The Town should continue to promote the beneficial outcomes of having affordable housing in the community.

UPCOMING HOUSING PROJECTS

PRIVATE DEVELOPERS

The following are upcoming projects anticipated for private developers:

- “Builder 1” is constructing an 84-unit apartment community in its newest subdivision consisting of four (4) buildings. Each building has 21 apartments within it, and each building will have three (3) affordable units. These units will be bachelor style units as the smaller units can be offered as affordable units. These units should be coming to market within the next two-years and will be phased with the construction of one building a year over a four-year period. There will also be a mix of 1-bedroom and 2-bedrooms in addition to the 12 affordable bachelor style units.
- “Builder 2” has one project that will be coming online May 1, 2025, that has five (5) affordable units in their development which received funding through the CMHC program and another four (4) units that were completed in December which are accessory-dwelling units in the basement of new semi-detached townhomes. Other than these two projects, they have no other affordable units on the horizon.
- “Builder 3” does not currently have any affordable units planned within it's new community.

NOT-FOR-PROFIT DEVELOPERS

The following are upcoming projects anticipated for not-for-profit developers:

- “Provider 2” would like to build 12 additional units in the next 2-5 years which will be affordable / geared-to-income. They hope to commence a feasibility study once they complete much-needed elevator repairs which is the current pressing need.

- “Provider 1” does not have any projects currently planned for Carleton Place. If a community partner came forward, it may move the timeline for a project in Carleton Place up from the current 5-10 year timeframe.
- “Provider 3” indicated they would potentially like to build a housing project in Carleton Place involving 8-10 units in the next 5-7 years. They are currently building in Smiths Falls in the next 1-2 years. Their preference is to partner with another organization such as Family and Child Services, Lanark Community Alliance, etc. They would be looking to build something more in alignment with their “Housing First” program where there are rent geared to income/affordable units where the tenants have their own individual spaces and have access to a common kitchen, office, laundry facilities and social room. They would also like to initiate a Tiny Home project possibly replicated in other communities.
- While “Provider 4” is not a “recognized housing provider”, at any time they have about 15-17 units in a day that are being occupied by clients. They like the model used with “Provider 1” in Almonte where “Provider 4” has access to, support for and ensures occupancy for 3-4 units, which they would consider in another community. They are still investigating the idea of inter-generational housing as a model where seniors and youth can come together and support each other. This could involve youth helping seniors with groceries and chores and in turn seniors teaching youth life skills such as sharing recipes and helping to teach them how to cook/bake. “Provider 4” is available to partner with other organizations in housing projects and to explore options.

RECOMMENDED ACTION PLAN

The recommended actions are categorized as: funding, partnerships, policy and regulations and awareness and advocacy.

FUNDING

It is clear from the discussions with Private and Not-For-Profit developers that given the current level of annual municipal funding available to assist with the creation of Affordable Housing, and the significant assistance identified and required by Private developers to assist in creating just one affordable home for purchase, the Town's efforts are better directed to the creation of affordable rental housing.

The Province's More Homes Built Faster Act, 2022 (Bill 23) amended the Development Charges Act to exempt Affordable Units, Attainable Units, Inclusionary Zoning Unit and Non-Profit Housing developments. When Councils determine non-statutory exemptions to include in their Development Charges By-law, the Development Charges that are not collected as a result must be supplemented by other Town revenue such as taxation. As the exemption for Affordable Housing was enacted by Provincial legislation, there is no requirement for the Town to make up this lost revenue through other means. As a result, the Town's current annual \$50,000 does not need to fund Development Charges for affordable housing as outlined in the CIP.

Given the feedback provided and the level of support indicated through the consultations, it is recommended that Council increase the annual budgetary allocation from \$50,000 to \$200,000 and that this increase be funded from the Housing Accelerator Fund grant funding which will be received in instalment payments over the next 3 years. Then, on an ongoing basis, Council should top up the amount used in the previous fiscal year to this \$200,000 level and consider increasing the amount by an additional amount each year, where feasible.



it is recommended that
**Council increase the annual
budgetary allocation from
\$50,000 to \$200,000**

Since the adoption of the Town's Community Improvement Plan in 2022, staff have monitored the uptake of the plan and with the supplemental feedback received from Private and Not-for-profit providers, it is recommended that Council consider amending the affordable housing programs to encourage greater uptake and practicality in it's application:

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- Increasing the tax exemption for affordable housing units to 15 years to match the County's program;

25K

- Offer an additional Affordable Housing unit grant of \$25,000 per unit to match the County's \$25,000 funding for units which meet affordability criteria;



- Provide application and administrative flexibility for private and not-for profit developers who are applying for CMHC or other affordable housing financing opportunities. For example, if developers require the funding to be given over time to increase their operating revenue to obtain a mortgage, the flexibility should be given to encourage the development of Affordable Housing Units. Also, if a commitment is made to provide tax exemptions, that it be clarified that an approval is committed for the full tax exemption period. Lastly, that the timeframe for application for CIP funding be moved to a later stage in the development process.

PARTNERSHIPS

The County of Lanark provides a number of rent subsidy programs and is equipped with trained Social Services staff with significant experience in working with developers, landlords and service providers to provide housing services within the region. Staff recommend entering into an agreement with the County to have the County administer affordable housing grants on behalf of the Town of Carleton Place. This will avoid duplication of effort at both levels of government and ensure that funding is given to projects that meet a standardized affordable housing criterion. Currently, the Municipality of Mississippi Mills administers its affordable housing grants in the same manner.

It is recommended that Town staff investigate any available Town lands which could be utilized for Affordable Housing projects and partner with a Not-For-Profit developer(s) that could utilize the lands for the development of an Affordable Housing project.

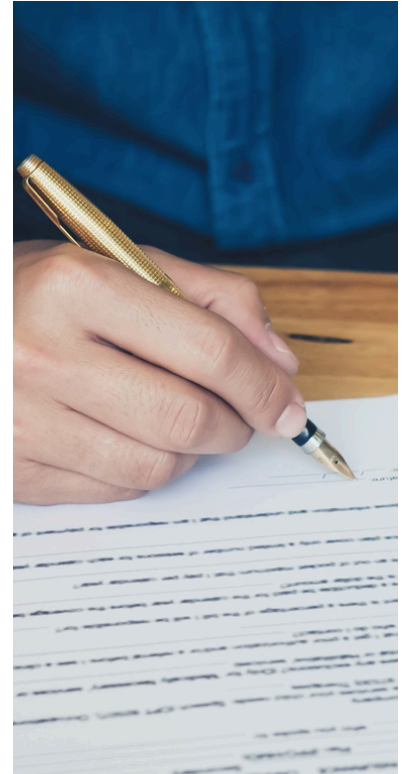


POLICY AND REGULATIONS

The Town will be amending its Development Permit By-law to eliminate the requirement for parking for Affordable Housing Units and to reduce setbacks on projects which are entirely comprised of Affordable Housing Units.

To enact the changes to funding levels, the Town may need to undertake an amendment to its Community Improvement Plan. Town staff will determine if this is required and if so, undertake the process.

In order to ensure better outcomes related to tenants in Affordable Housing / Social Housing projects, that an information session be organized between applicable Town Departments, OPP, Social Housing / Affordable Housing providers, etc. to discuss protocols for complaints received regarding these facilities.



AWARENESS AND ADVOCACY

The Town should promote through its CP Scoop e-newsletter, the beneficial outcomes of having affordable housing in the community.

It is also recommended that the Town create an Affordable Housing Committee comprised of developers, community partners and/or organizations that are responsible for the construction of affordable housing or who could advocate for the group, provide public meetings and information sessions and action the recommendations to get projects developed. It is recommended that a Terms of Reference be developed for the Committee for Council's consideration. A strong champion from Council is recommended to lead this group.



The recommended housing goals are as follows:

01

GOAL 1

To encourage a broad range of housing options which meet the needs of current and future Town residents.

02

GOAL 2

To increase the supply of market-rate and affordable rental housing

03

GOAL 3

To support economic growth and community well-being through an adequate supply of housing which is affordable to households with moderate incomes.

In order to achieve these goals, Council needs to at least meet the requirements of the Partnering with Private and Non-Profit Housing Providers initiative through the Housing Accelerator Fund which identified:



- approving the results from consultations with not-for-profit and private housing providers;
- authorizing the creation of an Affordable Housing Committee;
- approving annual funding level for affordable housing; and
- considering the disposal of available Town-owned land that staff will bring forward at a future meeting.

APPENDIX A

The policy sections in the New Official Plan are as follow:

OFFICIAL PLAN POLICY SECTIONS

6.21.1 AFFORDABLE HOUSING

Affordable housing is defined as follows:

1. In the case of ownership housing, the least expensive of:
 - a. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or
 - b. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;
2. In the case of rental housing, the least expensive of:
 - a. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate-income households; or
 - b. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

The Town shall also contribute to the provision of affordable and attainable housing through the following policies:

Council shall strive to meet a target of 25% of all new housing to be affordable and attainable housing by enabling a full range of housing types and densities to meet projected demographic and market requirements of current and future residents of the Town.

1. Monitor the need for social assisted housing for households and seniors. Where specific needs are identified, Council will work with the Ministry of Municipal Affairs and Housing and the Social Services Department of the County of Lanark to meet identified needs, implement affordable housing plans and deliver the provision of affordable housing programs
2. Encourage infill and housing intensification. This may be achieved through the conversion of single detached dwellings to multiple units, through the provision of Accessory Residential Units, through re-development at higher densities, through land severances on large, under-utilized lots which create opportunities for development on the severed lot (subject to the relevant policies elsewhere in this plan) and through infill on vacant lands.
3. Maintain at all times the ability to accommodate residential growth for a minimum fifteen (15) years through residential intensification and redevelopment and, if necessary, lands which are designated and available for residential development.
4. Maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three (3) year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, and land in draft approved and registered plans.
5. Collaborate with the County of Lanark to monitor population projections and the residential development targets.
6. Develop incentive programs for the construction of accessory dwelling units.
7. Investigate opportunities for alternative housing models include co-operative housing, rooming homes, temporary shelters, transitional housing and communal housing.
8. Encourage in cooperation with other levels of government, the development of affordable and attainable ownership and rental housing, including the development of not-for-profit housing by cooperative, municipal, and private non-profit housing corporations.
9. Encourage cost-effective development standards and densities for new residential development to reduce the cost of housing.
10. Promoting the location and development of affordable and attainable housing units in proximity to schools, recreation facilities, open space, and commercial hubs, including grocery stores. Notwithstanding the latter, affordable and attainable housing units should also be promoted throughout all designations that permit residential uses.

11. Promote the development of affordable and attainable housing through such means as infill construction, conversions of non-residential space, and adaptive re-use of buildings.
12. Provide for increased density through bonus provisions as stated in Section 3.5.4.1.
13. Provide financial relief from development, planning, permit, and other fees normally charged for projects or in the form of tax incentives and payment of fees through mechanisms such as a Community Improvement Plan for projects that provide permanent affordable or accessible housing;
14. Explore opportunities for affordable or accessible housing for surplus Town-owned land and working with other levels of government to make surplus land available to providers of permanent affordable or accessible housing development at little or no cost.
15. Evaluate opportunities to co-locate affordable and attainable housing in or adjacent to public service provider facilities.
16. Encourage the development of smaller dwelling units and lot sizes, where housing can be demonstrated more affordable and attainable due to lower construction costs;
17. Discourage the demolition of rental apartment buildings with more than 4 rental apartment units, unless replacement units are provided and the rents of the replacement units are at, or below the average market rents in the Town at the time of the application;
18. Offer a range of planning and regulatory incentives that encourage affordable and attainable housing. Such incentives may include:
 - a. Fast-tracking development applications that contain an affordable housing component;
 - b. Application of height and/or density bonusing, as set out in Policy 4.6;
 - c. Reducing parking or landscape open space requirements; and,
 - d. Providing financial incentives, in the form of waived Development Charges, for affordable and attainable housing projects.

The following density policies are intended to ensure that new development will include a mix of residential densities in order to address a full range of housing requirements. The following policies shall apply:

3.5.4 DENSITY PROVISIONS

1. The average density target for new development in the Residential District will be calculated on a site by site basis and shall be 30 units per net hectare with a range of 26 to 34 units per net hectare. Net hectare is defined as those lands which are utilized for residential development exclusive of roads, easements, infrastructure services and required parkland.

2. Notwithstanding Section 3.5.4.1, where development is proposed on infill sites or sites which are the result of lot consolidations, and which infill sites or consolidated sites have areas of 3 hectares or less, residential density may be increased. In such cases density will be controlled through the regulatory framework of the Development Permit By-law.

3. In areas subject to Section 3.5.4.2 above, the requirement for a mix of dwelling types as required in Section 3.5.4.6 shall not apply.

4. The following residential density classifications shall apply:

Low density: includes single detached dwellings, semi-detached dwellings, duplex dwellings, triplex dwellings and converted single detached dwellings up to a maximum density of 22 units per net hectare (9 units per net acre).

Medium density: includes town or row houses and apartments in a range of greater than 22 units per net hectare (9 units per net acre) up to a maximum of 35 units per net hectare (14 units per net acre).

High density: includes apartments in excess of 35 units per net hectare (14 units per net acre).

5. New medium or high density residential development shall be subject to the following policies:

- The proposed design of the residential development is compatible in scale with the character of surrounding uses;
- The site is physically suited to accommodate the proposed development;

- The proposed site can be serviced with adequate water and waste water services;
- The property shall have appropriate access to an arterial or collector road maintained to a municipal standard with capacity to accommodate traffic generated from the site;
- Sufficient off-street parking facilities is provided in accordance with the standards set out in the Development Permit By-law; and
- The development can take place in accordance with the policies of Section 2.0.

6. New residential development shall include a mix of residential densities. Residential development which does not provide a diversity of dwelling types shall be discouraged.

7. Development shall be integrated with surrounding development, through connected street networks, appropriate transition of housing types and densities and through supporting infrastructure including recreational pathways and parks.

BONUSING

In the Highway District and for Strategic Properties:

A minimum of 5% of the dwelling units shall be affordable housing units in accordance with Section 6.21.