

**BY-LAW NO. 27-2026**

**BEING A BY-LAW TO AMEND THE TOWN OF CARLETON PLACE COMMUNITY IMPROVEMENT PLAN AS ADOPTED BY BY-LAW NO. 53-2022.**

**WHEREAS** the Council of the Corporation of the Town of Carleton Place has initiated an application to amend the Community Improvement Plan for the Town of Carleton Place;

**AND WHEREAS** the Council of the Corporation of the Town of Carleton Place held an open house on the 17<sup>th</sup> day of March, 2026 and a statutory public meeting on the 24<sup>th</sup> day of March, 2026 respecting a Town-initiated proposal to amend the Town of Carleton Place Community Improvement Plan to change and update certain Sections of the Plan;

**AND WHEREAS** Council has determined that the proposed amendment to the Community Improvement Plan, as finally prepared, is suitable for adoption, and is appropriate and desirable to encourage the development, redevelopment and enhancement of the Town of Carleton Place;

**NOW THEREFORE** the Council of the Corporation of the Town of Carleton, in accordance with the provisions of Section 28 of the *Planning Act, R.S.O., 1990*, as amended, hereby enacts as follows:

1. That the amendment to the Town of Carleton Community Improvement Plan (adopted by Council on October 11, 2022 by By-law 53-2022), is hereby adopted consisting of the text and maps attached in Schedule A and forming part of this By-law.
2. The Mayor and Clerk are authorized to execute such certificates and other documents and to take or cause to be taken such action as may be required to evidence and confirm the adoption of the said Amendment.
3. That this By-law shall come into force and take effect on the date of the final passing thereof, subject to the provisions of the *Planning Act*.

READ A FIRST TIME, A SECOND TIME AND A THIRD TIME AND FINALLY PASSED  
THIS 21<sup>st</sup> DAY OF APRIL, 2026.

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Toby Randell, Mayor

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Stacey Blair, Clerk

By-law 27-2026

**By-law 27-2026**

**Schedule A**

**COMMUNITY IMPROVEMENT PLAN AMENDMENT**

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## 1. STATEMENT OF COMPONENTS

PART A – THE PREAMBLE does not constitute part of this Amendment.

PART B – THE AMENDMENT constitutes the Amendment to the Community Improvement Plan for the Town of Carleton Place, Council Adoption: October 11, 2022, (By-law No. 53-2022) consisting of the text and Schedules in Part “B”, attached hereto and forming part of this By-law.

## 2. PART A – THE PREAMBLE

### 1) PURPOSE

The purpose of this municipally-lead amendment is to make alterations to the Financial Incentive Programs (Section 5) of the Town’s Community Improvement Plan (CIP) (By-law 53-2022) including but not limited to:

- Increasing funding limits for Accessibility programs from up to \$5,000 to up to \$7,500;
- Deleting the Development Charge Rebate (this program is now offered through the Development Charges Act);
- Increasing the number of qualifying permit fee reductions available to affordable housing proposals;
- Increasing the tenure of the Housing Tax Increment Equivalent rebate for affordable housing proposals from 10 years to 15 years;
- Introducing a new Affordable Housing Construction rebate of up to \$25,000 for the construction or renovation of a dwelling to create new affordable housing;
- Introducing a new Affordable Housing Feasibility rebate of up to \$10,000 to cover up-front expenses evaluating the potential for affordable housing to be incorporated into a development;
- Adopting administrative amendments to the façade improvement programs to make applications easier; and
- Amending the eligibility boundary for the façade improvement programs to align with the Business Improvement Area’s (BIA) boundary.

No changes are proposed to the Town’s Brownfield Remediation Programs.

### 2) LOCATION

The Community Improvement Area established by By-law 52-2022 includes all properties within the geographic boundary of the Town of Carleton Place. The Financial Incentive Programs pertaining to Accessibility and Affordability upgrades and new construction and brownfield redevelopments apply broadly to the community.

Programs offered for Façade Improvements (front and rear) currently apply only within the area identified within the “Downtown District” defined in Schedule “A” of the Town’s Official Plan as shown in Figure 1. This boundary is proposed to be amended to expand the area to include all lands identified by the Business Improvement Area (the BIA)

### 3) BASIS

The original basis of the amendment was to modify the existing programs to make it more appealing to private property owners to develop affordable housing within the community. Through the Town's commitment to CMHC's Housing Accelerator Fund, staff engaged both profit and non-profit housing providers to understand the challenges that municipal policy and development fees present to affordable housing projects. The engagement session resulted in the following recommendations which have been accommodated within the amended Plan:

- Increasing the tax exemption for affordable housing units to 15 years to match the County's program;
- Offering 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; and
- Offering a grant for the cost of up-front costs associated with the planning and evaluation of adding affordable housing units to a project.

Staff also reviewed the recommendations produced in the Development Services Fees and Charges Review by Watson and Associates Economists which was received by Council in September 2025, including:

- Expanding affordable housing fee rebates to include all planning and engineering fees in addition to building permit fees; and
- Aligning the definition of "affordable housing" with the definition used in the Development Charges Act.

Finally, before preparing the draft amendment, staff reached out to all parties who had filed an application under the existing CIP to gather information regarding opportunities to improve the administrative process and prioritize the usefulness of the incentive programs. Recommended changes include:

- Increasing the maximum value of the accessibility grant from \$5,000 to \$7,500;
- Removing the requirement for professionally prepared drawings and 3 quotes as an application requirement (applications now only require 1 quote); and
- Amending the limitation provisions on repeat applications for consistency throughout the document. First time applicant will be given priority with surplus funds made available to applicants who have recently filed.

During the circulation of the proposed amendment, staff received a recommendation from the Business Improvement Association to expand the boundary of the Façade Improvement Program to include all of the lands within the BIA's boundary, rather than the "Downtown District" identified in the Town's Official Plan.

The amendment will result in an additional 79 properties within the eligibility boundary for the Façade programs. The Façade incentives continue to be the most popular program offered in the CIP, but annually the Town has surplus funds for use. All properties within the proposed expanded area are located in high-traffic commercial areas which contribute to the strong tourist atmosphere and general sense of pride of the Town. Staff are supportive of the recommended change but note that an expansion of the eligibility boundary is anticipated to result in more applications and may eventually require an increase to the annual budgeted allotment to the program. Any additional funding for the program would be a request for consideration during the annual budget deliberations with Council.

The proposed Community Improvement Plan Amendment is consistent with the 2024 Provincial Policy Statement (PPS). The proposed Community Improvement Plan Amendment also conforms to the Town's Official Plan. The proposed Community Improvement Plan Amendment represents good planning and is in the public interest.


**3. PART B – THE AMENDMENT**

**1) Introductory Statement**

All of this part of the document entitled Part B – The Amendment, consisting of the text and maps in Part “B” attached hereto, constitutes the Amendment to the Community Improvement Plan for the Town of Carleton Place, Council Adoption: October 11, 2022.

**2) Details of the Amendment**

It is recommended that the text of the Town of Carleton Place Official Plan be amended as follows:

| Policy Section: | Amended Text:   |
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| 1.3             | <p>Delete sub-section “2. Affordable market-based house” in full and replace with the following:</p> <p>“2.2. Affordable housing, both rental and ownership housing, where “affordable” means that housing costs less than the cost of a unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing, as defined by the Development Charges Act, as amended;”</p> |
| Throughout      | <p>Comprehensively replace “Downtown District” with “Business Improvement Area”;</p>  |
| 3.1             | <p>Delete the word “pink” in paragraph 2 and replace with “blue”.</p> <p>Delete the image depicted in “Figure 2” and replace with the following image:</p>    |
| 3.2             | <p>In “Table 1” delete the words “3. Development Charge Rebate” and “Building”; and replace “Accessory Unit Rebate” with “Affordable Housing Construction Rebates (A and B)”; and renumber accordingly.</p>   |

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| <p>4.2</p>   | <p>In bullet point “f)” add the following statement to the end of the first sentence:<br/>         “to be calculated as the rate applied by the Bank of Canada plus 1% in effect at the time of default;”</p>   |
| <p>4.3.1</p> | <p>In “Table 2” No.2. add the following paragraph after the current paragraph in the “Description” column:<br/>         “Private and not-for-profit developers who are applying for CMHC or other governmental affordable housing opportunities, may be permitted to file an application for funding at any stage of the development process up to but not following occupancy of the units by tenants.”</p> <p>In “Table 2” No.4 delete in full the last sentence of the paragraph in the “Description” column and replace with:<br/>         “If costs are higher, however, the payment may be increased in accordance with available funding and the program’s eligibility requirements.”</p>  |
| <p>4.3.4</p> | <p>In “Table 4” No. 3 delete the words “planning and” in the column “Frequently Asked Questions”.</p>   |
| <p>5.1.1</p> | <p>In the second paragraph delete “\$5,000” and replace with “\$7,500”.</p>   |
| <p>5.1.2</p> | <p>In the second paragraph delete “\$5,000” and replace with “\$7,500”.</p>   |
| <p>5.2.1</p> | <p>Delete the section in full.</p>  |
| <p>5.2.2</p> | <p>In the heading delete the word “Building”.</p> <p>In the first paragraph add the words “Planning or” before the word “Building”.</p> <p>Delete the second paragraph in full and replace with the following:<br/>         “A developer and/or homeowner may apply for a rebate of planning, engineering or building permit fees for affordable rental unit(s). The assistance shall be in the form of providing a rebate up to 100% of the permit fees associated with the affordable rental unit(s), calculated based on the proportion of units which are affordable, and may include the following fees:</p> <ul style="list-style-type: none"> <li>a) Official Plan or Development Permit Plan Amendment applications;</li> <li>b) Class 1,1A, 2 or 3 Development Permit applications;</li> <li>c) Condominium or Subdivision draft approval or agreement applications;</li> <li>d) Pre-servicing agreements;</li> <li>e) Consent application fees;</li> <li>f) CLI ECA and Form 1 and 2 applications;</li> <li>g) All new housing and new additional dwelling unit building permit fees;</li> <li>h) Conditional permit agreements, partial permits, alternative solution</li> </ul> |

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|              | <p style="text-align: center;">proposal fees”</p> <p>In the un-numbered table, delete the word “Building” in the first row; delete in full the third row and replace with “Application is received in writing up to the time of making an application(s) for a building permit application AND”; in the fourth row delete the word “building”.</p> <p>In the third paragraph delete the word “building”.</p> <p>After the third paragraph insert the following paragraph:</p> <p>“Third-party review costs associated with the review of any permit application shall be ineligible for the rebate unless otherwise approved by Council.”</p>  |
| <p>5.2.3</p> | <p>Delete the second and third paragraphs in full and replace with the following paragraphs:</p> <p>“In the event that the creation of new affordable rental units results in an increase of the property’s assessed value, an owner may apply for a rebate of the increased taxes based on the ratio of affordable units to other units within the development for a period of up to 15 years. The rebate depreciates each year by 1/15 of the value of the rebated amount calculated in year 1 of the program. For example, if there are 10 units created and 4 of them are affordable, the developer would be eligible for a rebate equal to 40% (4/10) of the initial increase in the municipal portion of property tax payments for a period of 15 years. For example, if the reassessment for the development results in an increase in the municipal share of taxes of \$20,000, the rebate value in the first year would be \$8,000. The rebate would decrease by \$533.33 each year. Funding is subject to availability of annual program funding allocated by Council during the Budget approval process.</p> <p>Applications are subject to the criteria outlined below:”</p> <p>In the un-numbered table, replace the words “at the” with the words “up to” and the words “Planning approval” with the words “building application.</p> <p>Before the fourth paragraph, insert the following two paragraphs:</p> <p>“For this program, a rental unit is any living accommodation used or intended for use as a rented residential premises and is self-contained (has its own bathroom and kitchen facilities).</p> <p>Eligible projects are affordable rental housing where there is a landlord-tenant relationship and tenants are recognized by the Residential Tenancies Act, 2006 or in non-profit housing cooperatives recognized by the Co-operative Corporations Act.”</p> <p>In the fourth [now sixth] paragraph, delete “10” and replace with “15” and add the words “continue to” before the word “meet”.</p> <p>After the fourth [now sixth] paragraph, insert the following paragraph:</p> <p>“If in the 15-year term of the program, the owner appeals the assessment of the property resulting in a decrease of the assessed value, the value of the rebate</p> |

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|              | <p>shall be similarly reduced, and the rebate will commence at the respective year of the program. For example, if the assessment appeal occurs in Year 7, the new tax amount will be calculated based on the reassessment and the Town will apply the re-calculated rebate based on Year 7 of 15 including the annual reduction.”</p>   |
| <p>5.2.4</p> | <p>Delete the heading in full and replace with “Program 5A: Affordable Housing Accessory Unit Construction Rebate”.</p> <p>At the end of the first paragraph add the words “which is offered at an affordable rate.”.</p> <p>Throughout the section replace the words “accessory unit” with the words “affordable accessory unit”.</p> <p>In the un-numbered table, delete the content of the first row in full and replace with “If you are an applicant to CIP Program 5A (Affordable Housing Accessory Unit Construction Rebate): Criteria for Program 5A”; in the third row replace the word “at” with “up to” and “Planning approval” with “building application; and after the third row insert a new row with the following criteria: “☐ Units created shall be affordable rental units (see Section 4.3).”</p> <p>Delete the fifth paragraph in full.</p> <p>After the sixth [now fifth] paragraph, insert the following paragraphs:</p> <p>“For this program, a rental unit is any living accommodation used or intended for use as rented residential premises and is self-contained (has its own bathroom and kitchen facilities).</p> <p>Eligible projects are affordable rental housing where there is a landlord-tenant relationship and tenants are recognized by the Residential Tenancies Act, 2006 or in non-profit housing cooperatives recognized by the Co-operative Corporations Act.”</p> |
| <p>5.2.5</p> | <p>Insert a new section numbered 5.2.5 and titled “Program 5B: Affordable Housing Construction Rebate” as follows:</p> <p><i>“Property Eligibility</i></p> <p>Your property is eligible to receive a rebate, if you are renovating an existing dwelling, or constructing a new dwelling, to include a new legal residential dwelling unit which will be rented as an affordable unit. This rebate is not intended to be stacked with Program 5A however it may be used in combination with the County of Lanark’s Affordable Housing Capital Grant</p> <p><i>Criteria to Meet</i></p> <p>Homeowners who renovate their home or construct an affordable new dwelling, to accommodate a new legal unit are eligible to receive a maximum rebate of \$25,000 to reduce costs associated with</p>  |

construction costs, including but not limited to:

- a) New purpose-built rental housing construction.
- b) Acquisition and/or rehabilitation of existing residential buildings to increase or prevent the loss of affordable housing stock (e.g. a single home converted to two units, an apartment building in disrepair).
- c) Conversion of non-residential buildings or units to purpose-built affordable residential rental buildings or units (e.g. a commercial building converted to rental housing).
- d) Addition of new affordable buildings or units to existing residential and non-residential buildings (e.g. adding a rental housing unit above a store).
- e) Social/affordable housing redevelopment which involves building new affordable units on existing social housing sites.
- f) Secondary suites or additional residential units (e.g. coach house or apartment over a garage) that are being rented out as affordable units and where the homeowner lives in the primary dwelling. The criteria are outlined below:

**If you are an applicant to CIP Program 5B (Affordable Housing Construction Rebate):**

**Criteria for Program 5B:**

- The property is located in the eligible area (see Section 3.0) AND
- Application is received in writing up to the time of making an application(s) for a building application-AND
- Units created shall be affordable rental units (see Section 4.3).
- Proof of paid invoices for the construction of the unit which demonstrates a total investment of no less than \$25,000, submitted to the Town within one year of substantial occupancy.

*Additional Considerations*

For this program, a rental unit is any living accommodation used or intended for use as rented residential premises and is self-contained (has its own bathroom and kitchen facilities).

Eligible projects are affordable rental housing where there is a landlord-tenant relationship and tenants are recognized by the *Residential*

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|              | <p><i>Tenancies Act, 2006</i> or in non-profit housing cooperatives recognized by the <i>Co-operative Corporations Act</i>.</p>  |
| <p>5.2.6</p> | <p>Insert a new section numbered 5.2.6 and titled “Program 6: Affordable Housing Feasibility Rebate” as follows:</p> <p><i>“Property Eligibility</i></p> <p>Your property is eligible to receive a rebate to cover expenses related to the retention of a consultant to provide a feasibility assessment for the provision of affordable housing units within a development project. Consulting fees associated with the composition, administration or review of an affordable housing grant application to lenders or government agencies may also be subject to rebates.</p> <p><i>Criteria to Meet</i></p> <p>Property owners who engage a professional consultant to assist in evaluating the feasibility of adding affordable housing to a development proposal or to retain the services of an agent to assist them in the filing of a grant or loan application for the creation of affordable housing units are eligible to receive a maximum grant of up to \$10,000, or 50% of total costs, to reduce the up-front costs associated with creating affordable housing. These expenses may include:</p> <ol style="list-style-type: none"> <li>a) A housing market needs assessment</li> <li>b) A development proforma where affordable units are being evaluated</li> <li>c) Loan or grant application preparation and administration including professional fees associated with any studies or reports required to be filed with the loan or grant application.</li> <li>d) Reports and permit drawings assessing the conversion potential of existing non-residential buildings to accommodate purpose-built affordable rental units.</li> </ol> <div style="border: 1px solid black; padding: 10px; margin-top: 20px;"> <p><b>If you are an applicant to CIP Program 6 (Affordable Housing Feasibility Rebate): Criteria for Program 6:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The property is located in the eligible area (see Section 3.0) AND</li> <li><input type="checkbox"/> Application is received in writing up to the time of making an application(s) for a building application AND</li> <li><input type="checkbox"/> Units created shall be affordable rental units (see Section 4.3)</li> </ul> </div> |

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|              | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> <li>□ Proof of paid invoices for professional services which demonstrates a total investment of no less than \$20,000, submitted to the Town within one year of substantial occupancy.</li> </ul> </div> <p><i>Additional Considerations</i></p> <p>For this program, a rental unit is any living accommodation used or intended for use as rented residential premises and is self-contained (has its own bathroom and kitchen facilities).</p> <p>Eligible projects are affordable rental housing where there is a landlord-tenant relationship and tenants are recognized by the <i>Residential Tenancies Act, 2006</i> or in non-profit housing cooperatives recognized by the <i>Co-operative Corporations Act</i>.</p> |
| <p>5.2.7</p> | <p>Replace all references to “Program 5” with “Programs 5A and 5B” throughout section.</p> <p>Under the heading “For Program 5A and 5B (Affordable Housing Construction Rebates)” add the following new bullet at the end of the list:</p> <p>“Programs 5A and 5B and Program 6.”</p> <p>Under the heading “For Program 6 (Affordable Housing Feasibility Rebate)” add the following new bullet at the end of the list:</p> <p>“Program 6 and Programs 5A and 5B.”</p> <p>Re-title and re-number program references as required.</p>   |
| <p>5.4.1</p> | <p>In the first paragraph delete the words “commercial or institutional”.</p> <p>In the second paragraph replace the words “zoned for commercial or institutional uses” with “in the Business Improvement Area”.</p> <p>In the un-numbered table, in the fifth row delete the words “professionally prepared” and replace the words “to scale of the building’s façade” with the words “and photographs”.</p> <p>Delete the sixth paragraph in full.</p>   |
| <p>5.4.2</p> | <p>In the first paragraph delete the words “commercial or institutional”.</p> <p>In the second paragraph replace the words “zoned for commercial or institutional uses” with “in the Business Improvement Area”.</p> <p>In the un-numbered table, in the sixth row delete the words “professionally</p>  |

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|            | <p>prepared” and replace the words “to scale of the building’s façade” with the words “and photographs”.</p> <p>Delete the last paragraph of the section in full.</p>   |
| 7.1        | <p>In “Table 6”, delete the fourth row in full; in the fifth and seventh rows, fourth column replace “Town Council” with “Director of Development Services”, in the thirteenth and fourteenth rows, fourth column replace “Town Council/Working Committee” with “Director of Development Services”; in the thirteenth and fourteenth rows, third column delete the words “if \$25,000 or less in funding; otherwise approved in Principle by the Working Committee”</p> |
| 7.1.3      | <p>Delete the third paragraph in full.</p>  |
| Throughout | <p>Re-number all sections according.</p>  |

**3) Implementation and Interpretation**

The implementation and interpretation of this Amendment shall be in accordance with all other relevant policies of the Community Improvement Plan for the Town of Carleton Place.