

**MIXED USE AND RESIDENTIAL INTENSIFICATION  
TAX INCREMENT GRANT  
PROGRAM GUIDE**

**1. Program Description**

This program provides a financial incentive in the form of a grant to encourage residential intensification and mixed use development/redevelopment projects in the Mixed Use and Residential Intensification Community Improvement Project Area.

**2. Who can apply?**

Only owners of properties within the Mixed Use and Residential Intensification Community Improvement Project Area that meet the program eligibility requirements may apply. These eligibility requirements include the minimum intensification and mixed use targets as specified in **Appendix A** to this guide.

Applicants for this program whose properties are also within the Vineland or Beamsville Community Improvement Project Areas are not eligible to apply for the Development Charge Reduction Grant Program or the Tax Increment Grant Program which may be available under the Vineland CIP or the Beamsville CIP.

The Town retains the right and absolute discretion to reject an application received from a person or corporation which in the opinion of the Town or its professional advisers, does not possess the experience, financial, technical, personnel or other resources that may be required to carry out the obligations that the applicant proposes to assume under the terms of its application and grant agreement.

**3. How does the Program work?**

The program is structured as a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the project. Where an application has been conditionally approved by the Town, the grant is then calculated and paid based on the as-built performance of the project once the project is completed. As the municipality receives the increased property taxes that result from the project, the Town will reimburse the owner in the form of an annual grant. As shown in **Table 1 below**, for an approved as-built residential intensification or mixed use development/redevelopment project in the Project Area that meets the minimum residential intensification/mixed use targets, this program will provide an annual grant equal to 80% of the municipal tax increment (the increase in Town and Regional property taxes) that results from the project for up to 10 years, or up to the time when total grant payments equal the total eligible program costs.

**Table 1 Tax Increment Grant Program**

Project Performance	Program Description
<b>If <u>as-built</u> project achieves:</b>	<b>Development Charge Reduction Grant equals:</b>
Minimum intensification targets or mixed use targets	➔ Annual Grant = <b>80%</b> of municipal tax increment for <b>5 years</b> -- 100% if on a brownfield site
<b>If as-built project <u>also</u> achieves:</b>	
1) Requisite Number of Regional Smart Growth Design Criteria or any level of LEED certification	➔ Annual Grant = <b>80%</b> of municipal tax increment for <b>7 years</b> -- 100% if on a brownfield site
2) Minimum 20% of residential units are affordable (see <b>Appendix B</b> for definition of “affordable”)	➔ Annual Grant = <b>80%</b> of municipal tax increment for <b>8 years</b> -- 100% if on a brownfield site
3) 1) and 2) above	➔ Annual Grant = <b>80%</b> of municipal tax increment for <b>10 years</b> -- 100% if on a brownfield site

As shown in **Table 1**, for projects where a Phase II Environmental Site Assessment (ESA) has been conducted, and that as of the date the Phase II ESA was completed, did not meet the required standards under subparagraph 4(i) of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) for the proposed use to be filed in the Environmental Site Registry, the program will provide a tax increment based grant equivalent to 100% of the municipal (Town and Region) property tax increase for up to 10 years following completion of the project.

**4. What types of properties/projects are eligible for the development charge reduction?**

All residential development on lands designated or zoned for High Density Residential or Medium Density Residential and all mixed use development on lands zoned for Mixed Use Development<sup>1</sup> where the development/redevelopment project results in an increase in the assessed value and taxes on the property. This program does not apply to any residential project that creates less than two net residential units. This program does not apply to existing or proposed second level lodging houses or to short or long-term care facilities.

**5. What conditions must be met to be eligible for a development charge reduction grant?**

In addition to the General Program Requirements, the following program specific requirements must also be met:

- (a) The property shall be improved such that the amount of work undertaken is sufficient to at a minimum result in an increase in assessed value of the property by the Municipal Property Assessment Corporation (MPAC);
- (b) The Town may require submission of a Business Plan, with said Plan to the Town's satisfaction;
- (c) The applicant will be required to submit an estimate of the total cost of the rehabilitation/redevelopment works prepared by a bonafide licensed contractor; and
- (d) If the building receiving a Grant is demolished or any of the heritage features are altered in any way that would compromise the reasons for designation before the grant period expires, the remainder of the monies to be paid out under the grant shall be forfeited and the Town reserves the right to require repayment of grant payments already made.

**6. Is there a fee to apply?**

No.

**7. When will the grant funds be advanced?**

The first grant payment will be advanced only once:

- (a) A Grant Agreement has been signed and executed;
- (b) Construction of the eligible project is complete;
- (c) The applicant has submitted documentation acceptable to the Town which demonstrates that the as-built project has achieved:
  - (i) The minimum intensification targets or mixed use targets;
  - (ii) LEED Certification or incorporation of the requisite Regional Smart Growth Design Criteria (as applicable);
  - (iii) At least 20% of the residential units are affordable (as applicable);
- (d) An occupancy permit has been issued (as applicable);
- (e) All deficiencies have been addressed;
- (f) The property has been revalued by the Municipal Property Assessment Corporation (MPAC);
- (g) Municipal property taxes have been levied based on the new assessment value;
- (h) Municipal property taxes have been paid in full for at least one year after municipal property taxes have been levied based on the new assessment value; and
- (i) All assessment appeals have been resolved.

<sup>1</sup> Includes properties that are designated or zoned Commercial where mixed use is permitted.

**8. Can the grant be retained by the approved applicant if the property is sold?**

Yes, subject to approval by the Town.

**9. Can the grant be assigned to a new property owner if the property is sold?**

Yes, subject to approval by the Town.

**10. What are the default provisions?**

The default provisions are contained in the Grant Agreement. Payment of the grant may be delayed or cancelled if:

- (a) Property taxes are in arrears;
- (b) The building is demolished or any of the heritage features are altered in any way that would compromise the reason for designation;
- (c) The applicant declares bankruptcy;
- (d) The applicant uses the grant for works that are not eligible for this program;
- (e) The applicant fails to maintain the improvements as required in the Grant Agreement; and
- (f) The applicant is in default of any of the provisions of the Grant Agreement.

**11. How do I apply for a grant?**

- (a) Arrange a pre-application meeting with Staff in order to determine program eligibility, proposed scope of work, project timing, etc.; and
- (b) If authorized to apply for a grant, complete and submit an application form. Ensure that all required signatures have been provided and that the application is accompanied by all required documentation as shown in the required documents checklist.

**12. What happens next?**

- (a) Applications and supporting documentation are reviewed by Staff to ensure that they meet all of the eligibility requirements. If your application does not meet the eligibility requirements, you will be notified of this in writing;
- (b) Staff may request clarification or additional supporting documentation;
- (c) Staff will perform an initial site visit(s) and inspection(s) of the property (if necessary).
- (d) An estimate of the post-project assessed value is calculated based on information provided by the applicant or the applicant may be asked to obtain an estimate of the post-project assessed value from MPAC;
- (e) The estimated post-project assessed value is used to calculate the estimated grant and estimated duration of the grant;
- (f) A recommendation on the grant application is made by Staff and forwarded to Council or Council's designate;
- (g) If your application is approved, the Grant Agreement is then executed by the Town. A copy of the executed agreement(s) is then returned to you for your records;
- (h) If you are applying for a 100% tax increment grant for a brownfield redevelopment project, you will be required to submit proof of acknowledgement of a Record of Site Condition (RSC) from the Ministry of Environment;
- (i) Construction of the approved works may now commence, subject to issuance of a building permit(s);
- (j) Contact staff toward construction completion;
- (k) Upon completion of the project, submit "after" picture(s) of the completed project and any other required documentation proving completion of the project;
- (l) Also, upon completion of the project, submit written and other required documentation demonstrating that the as-built project has achieved the minimum intensification or mixed use targets, and, as applicable, the level of LEED Certification achieved or incorporation of the requisite Regional Smart Growth Design Criteria, and the number and percentage of total residential units that are affordable;
- (m) Upon completion of works, staff will conduct a final site visit(s) and inspection(s) (as necessary) to ensure compliance with the Grant Agreement, any applicable Design Guidelines and any permits pursuant to the *Ontario Heritage Act*;

- (n) Once the rehabilitation/redevelopment project is complete and the property has been re-valued by the MPAC, the Town will check to see that the property is not in tax arrears, and then use the new assessment value to calculate the actual municipal tax increment and the grant amount;
- (o) The Town will send a new property tax bill to the owner; and
- (p) Once payment of property taxes has been received in full for one year (or equivalent) by the Town, the Town will issue payment of the grant in the form of a cheque in the amount specified as per the calculation of the actual grant.

For further information on this program, please contact Planning and Development Department Staff.

**APPENDIX A****MINIMUM RESIDENTIAL INTENSIFICATION AND MIXED USE TARGETS**

If Project on Lands:	As-built Project must achieve the following minimum targets:
Designated High Density Residential in the Official Plan; or, Zoned Residential Multiple 3 Zone (RM3) in the Zoning By-law	<ul style="list-style-type: none"> <li>• 90 units per net ha.; <u>and</u></li> <li>• Four (4) storeys in height</li> </ul>
Designated Medium Density Residential in the Official Plan; or, Zoned Residential Multiple 1 Zone (RM1) or Residential Multiple 2 Zone (RM2) in the Zoning By-law	<ul style="list-style-type: none"> <li>• 50 units per net ha.; <u>and</u></li> <li>• Three (3) storeys in height</li> </ul>
Designated Mixed Use	<ul style="list-style-type: none"> <li>• 20% of residential units are live-work units; <u>and</u></li> <li>• Floor Area Ratio (FAR) of 0.75; <u>and</u></li> <li>• Three (3) storeys in height if on an Intensification Corridor and two (2) storeys in height elsewhere; <u>and</u></li> <li>• Applicable minimum High Density Residential or Medium Density Residential units per net ha. target adjusted downward based on the ratio of non-residential floor space to total floor space</li> </ul>

## APPENDIX B

### DEFINITION OF AFFORDABLE HOUSING

**Affordable Housing** means:

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

For the purposes of this definition: Low and moderate income households means, in the case of ownership housing, households with incomes in the lowest 60 per cent of the income distribution for the regional market area; or in the case of rental housing, households with incomes in the lowest 60 per cent of the income distribution for renter households for the regional market area.