

POLICY		FIN-GRA-2038	
NFP Affordable Rental and Co-op Housing Incentive (Pilot)		Category FIN - Finance	Sub-category GRA - Grants, Rebates & Incentives
Approval Type COUNCIL	Department/Division Planning and Housing Policy	Author and Position Tanya Roberts, Project Manager (Planning)	
Date Approved April 29, 2024	Last Reviewed/Amended May 25, 2026	Next Review Date June 1, 2031	

Related Policies or Procedures

- None

1. Policy Purpose

To establish a policy that outlines the parameters for a pilot incentive program that encourages the development of new not-for-profit affordable rental and co-operative housing units in the form of a grant that covers non-capital upfront costs associated with removing barriers to advancing a project from idea to shovel-ready.

2. Definitions

Affordable Dwelling Units for the purpose of this Policy, means:

Affordable dwelling units approved for grant funding must meet the definition of affordable housing as defined by the City's Official Plan or most current Provincial Planning Statement for the minimum period of affordability.

Non-Profit Housing Developer for the purpose of this Policy, means:

- a) a corporation to which the *Not-for-Profit Corporations Act, 2010* applies, that is in good standing under that Act and whose primary objective is to provide housing;
- b) a corporation without share capital to which the *Canada Not-for-Profit Corporations Act* applies, that is in good standing under that Act and whose primary objective is to provide housing;
- c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*; or,
- d) an organization that is a registered charity within the meaning of the *Income Tax Act (Canada)* or a non-profit organization exempt from tax under paragraph 149 (1) (l) of that Act, and whose land is owned by the organization, all or part of which is to be used as affordable housing.

Supportive Housing for the purpose of this Policy, refers to “alternative housing” that focuses on rehabilitation and community integration. They are generally operated by non-profit agencies and staff are composed of individuals trained in social work or psychiatric rehabilitation.

3. Policy Scope

This Policy applies to all staff that coordinate the incentives program, process development applications and building permits.

Application

- ☒ **Employees** *(Indicate below which categories apply: All employees, Permanent full-time, Temporary full-time, Continuous part-time, Casual, Probationary, Student, Management, Non-union)*
 - All employees
- ☐ **Unions** *(Indicate below which categories apply: All Unions, CUPE 68 Civic, CUPE 68 Mechanics, CUPE 791, IATSE, IBEW, KPFFA)*
 - Click or tap here to enter text.
- ☒ **Council**
- ☐ **Specified Positions:** Click or tap here to enter text.
- ☐ **Other:** Local Boards and Advisory Committees

4. Policy Content

4.1. Eligibility Criteria

In order to be eligible for this Policy, the following criteria must be met:

- a) The applicant must meet the definition of a *Non-Profit Housing Developer*.
- b) Incentives only apply to the creation of new *Affordable Dwelling Units*.
- c) Primary use of the qualifying dwelling units must be residential.
- d) Eligible projects are those that are in the early stages of ideation or concept development through building permit review. Projects with a building permit issued for the proposed new units are not eligible for the program.
- e) Eligible projects may include a for-profit development where a portion of units are *Affordable Dwelling Units* that are managed and operated by a *Non-Profit Housing Developer*. Funding would only be available for the affordable dwelling units.
- f) Eligible units must maintain affordability for a duration of 25 years.
- g) Proof of ownership or legal right to develop on lands.
- h) The applicant and/or property owner, the *Non-Profit Housing Developer*, or any related corporation, must not have any open violations; any record of unresolved or recurring violations; outstanding property tax, development charge, utility, or

other arrears; any ongoing pattern or history of such arrears; or, any other outstanding obligations to the City.

4.2. Grant Framework

- a) The amount of the grant will be equal to and no greater than \$10,000/*affordable dwelling unit* up to a maximum grant of \$500,000.
- b) Grant funding must be used for non-capital up-front costs related to development and approvals.
- c) Funding will be distributed at key milestones of the project, including but not limited to fundraising milestones, Pre-submission Consultation, Site Plan Application Submission, Conditional Site Plan Approval, Site Plan Approval, and Building Permit Issuance, as developed by City staff.

4.3. Policy Application

- a) *Non-Profit Housing Developer* to submit a complete application to the Director of Planning & Housing Policy. The City will not charge a fee to process the application.
- b) The application will be reviewed by City staff to confirm criteria within this Policy are met, and *Non-Profit Housing Developer* advised of the result. Should there be any issues or conflicts between the complete application and the criteria within this policy, final determination will be made by the Director of Planning & Housing Policy in consultation with the City Solicitor and any other affected business units.
- c) If approved, the *Non-Profit Housing Developer* and property owner must enter an agreement with the City prior to the release of funding securing the obligations of the parties in relation to the grant. The agreement will include, without limitation:
 - I. The amount of grant awarded
 - II. Grant payment milestones and milestone criteria
 - III. Terms of the grant funding
 - IV. Other clauses as deemed necessary by the City Solicitor.
- d) Upon approval by Council, this Policy shall apply to *affordable dwelling units* from initial idea to those working towards building permit issuance. Priority may be given to projects that include deeply affordable rental units, and/or *supportive housing* units.
- e) If any part of a development to which this policy applies is changed so that the development does not proceed, no longer consists of *affordable dwelling units* within the 25 years of initial occupancy, or if the number of affordable dwelling units is reduced at any time within that 25-year period, this may trigger full or partial repayment of the grant, at the discretion of the City.

- f) For developments that contain for-profit and *affordable dwelling units*, the grant will only apply to the *affordable dwelling units* where the *Non-Profit Housing Developer* is a partner in the project. The *Non-Profit Housing Developer* must have a binding legal agreement with the for-profit developer that clearly outlines the obligation of the *Non-Profit Housing Developer* to operate the *affordable dwelling units* for a duration of 25 years.
- g) The decision to award a grant is at the sole discretion of the City of Kitchener and subject to funding availability.

4.4. Program Expectations

- a) Projects must make timely progress to receive a building permit by the date agreed upon in the legal agreement.
- b) Grant funding may be adjusted as unit counts are finalized through detailed design, at the discretion of the City.

4.5. Effective Date

- a) This Policy comes into effect on May 1, 2024.
- b) This Policy will be reviewed no later than 5 years after the effective date.

5. Results of Review

- ☐ No Edits Required
- ☒ Housekeeping Edits
- ☐ Substantial Edits
- ☐ Repeal/Replace

6. Policy History

Administrative and Housekeeping Changes

Date	Nature of Change
2026-05-25	Minor changes to align with other grant programs and expand the program beyond initial deadline - Report DSD-2026-186
2026-06-29	As Per Council/CLT Directive - Report DSD-2026-186

Substantial Changes

Date	Council/CLT Directive