



Collingwood Housing Incentive Pilot Program (CHIPP) Policy

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| Policy Number: | GD-POL-001 |
| Applies to: | By-law 2026-002, a by-law to govern the provision of Municipal Housing Project Facilities. |
| Approval Date: | January 19, 2026 |
| Revision Date(s): | June 22, 2026 |
| Approval Authority: | RES-017-2026 and RES-161-2026 Council, approved by Council Resolution No. |

1. Policy Statement

The Town of Collingwood recognizes the importance of ensuring that middle-income households can find housing that is affordable and meets their core housing needs within the community to drive the labour force, underpin the social construct, and increase the equity and diversity of the Town. The provision of financial support to non-profit and for-profit developers and housing providers to build affordable housing is a crucial step in facilitating an increase in the supply of affordable housing.

2. Purpose

The purpose of this policy is to establish the pilot program that will guide how municipal funds will be made available to support the construction and long-term provision of affordable housing. The pilot program will establish program guidelines, eligibility criteria based on housing needs, available funding, type and nature of incentives offered, application and review process, and details regarding agreements and annual reporting. The objective of the financial support is to aid both non-profit and for-profit developers and housing providers who are committed to building affordable housing for the benefit of the Town of Collingwood. Funds required for the financial support will be drawn from the Town's Affordable Housing Reserve Fund, which may be topped up by grants from other orders of government.

At the core of the CHIPP program is a [Municipal Capital Facilities By-law \(MCFB\)](#) as the regulatory instrument that allows the Town to flow funds or other benefits to incent the construction of affordable housing. Though the MCFB tool facilitates several different types of incentives, including elimination, reduction or deferral of taxes, fees and charges, the pilot program focuses on capital grants and limited municipal land disposition only given the limited available resources to run the program, unknowns in level of uptake, and modest reserve funds to be distributed. Capital grants may be used to offset fees and charges, or may be directed to design, site preparation, labour,

materials, etc., providing flexibility to recipients to use the funding where it is most beneficial for their project. The program may be expanded in the future after the pilot is evaluated or if funding is received from other orders of government. It is noted that development charges waivers, reductions or deferrals are already available for affordable and rental housing under the *Development Charges Act*. A MCFB would only need to cover development charges if the municipality wished to provide greater discounts than available through legislation or apply discounts to different classes of development (e.g. market rate rental housing units).

3. Definitions

The same definitions apply to this policy as the Municipal Capital Facility By-law.

- a) **Affordable Housing:** Housing units offered for rent, for which the monthly cost is at or below the Affordable Monthly Rent as determined by the Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin as updated periodically by the Province for the Town of Collingwood. In the event that the Province ceases production of the Affordable Residential units for the Purposes of the *Development Charges Act, 1997* Bulletin or changes to the definition of Affordable Housing such that it no longer aligns with the Town of Collingwood's priorities, the Canadian Mortgage and Housing Corporation (CMHC) 100% Average Market Rental Data will be used as the benchmark for affordability.
- b) **Applicant:** A non-profit or for-profit Housing Provider, or partnership of two or more non-profit or for-profit Housing Providers, making a formal application through the Collingwood Housing Incentive Pilot Program (CHIPP)
- c) **Benefits:** means the financial assistance provided to the Housing Provider under the Municipal Housing Project Facility Agreement, which may include giving or lending money and charging interest, giving, lending, leasing or selling property, guaranteeing borrowing, reducing wholly or partially development charges and property taxes, and providing the services of employees of the municipality
- d) **Municipal Land Disposition:** means giving, leasing, selling or otherwise conveying of Town-owned property, at or below market value.
- e) **Capital Grants:** Monetary funds provided to Housing Providers/Applicants to fund expenditures related to a project
- f) **Flexible Incentives:** Financial incentives whereby the Applicant is required to request a specific amount of funding and provide justification for the level of incentive being provided
- g) **Housing Provider:** A non-profit or for-profit entity with whom the Town has entered or will enter into a Municipal Housing Project Facilities Agreement
- h) **Housing Unit:** A unit in a Municipal Housing Project Facility rented by an occupant.

- i) **Municipal Housing Project Facility:** The class of municipal capital facilities prescribed by paragraph 18 of Section 2 of Ontario Regulation 603/06, and, wherever consistent with that category, includes a development project or part thereof designed to provide or facilitate the provision of residential accommodation, with or without any public space, recreational facilities and commercial space or buildings appropriate thereto as may be determined in a Municipal Housing Project Facility Agreement;
- j) **Municipal Housing Project Facility Agreement:** An agreement that the Town enters with Housing Providers/Applicants allowing for the provision of Incentives.
- k) **Unit Size:** The size of a Housing Unit.

4. Scope

- 4.1 This Policy applies to CHIPP Applicants and administrators.
- 4.2 This Policy covers the administration of financial incentives in the form of Capital Grants and Municipal Land Disposition, requested through the CHIPP.
- 4.3 Under this Policy, CHIPP applications will be reviewed by an evaluation committee and evaluated against the pre-determined set of criteria.
- 4.4 Financial incentives and Town-owned land provided or conveyed through the CHIPP and in alignment with this Policy are directly tied to the provision of Affordable Housing, as defined by this Policy, for a term of no less than 25 years.
- 4.5 Nothing in this Policy prohibits Council from considering financial assistance, benefits, or in-kind support outside the scope of this Policy, unless otherwise prohibited by legislation. Council will consider each case on its own merits and any assistance provided will be without precedent.

5. Principles of the Policy

- 5.1. To treat all Applicants fairly, transparently, and consistently.
- 5.2. To provide Capital Grants to Applicants that are non-profit or for profit Housing Providers that commit to building affordable housing.
- 5.3. To facilitate Municipal Land Disposition to Applicants that are non-profit Housing Providers that commit to building affordable housing.
- 5.4. To allow the Town to provide flexible financial incentives, in the form of Capital Grants up to a maximum amount, as identified within this Policy.
- 5.5. To allow the Town to convey or dispose of land in the form of ground lease, below market sale, or donation, as identified within this policy.
- 5.6. To recognize that all complete applications will be reviewed and considered, however the CHIPP is a competitive incentive program and there is no guarantee that any individual funding request will be approved.
- 5.7. To highlight that financial support or other Benefits provided in one year does not commit the Town to ongoing funding in subsequent years.

6. Roles and Responsibilities

6.1 Director of Growth and Development

- 6.1.1 Accountable for the following:
- i. Leading the administration and interpretation of this Policy, including reporting, monitoring, enforcement, and future revisions.
 - ii. Executing Municipal Project Facility Agreements with successful Applicants.
 - iii. Implementing decisions of Council.

6.2 Treasurer

- 6.2.1 Responsible for the following:
- i. Releasing monetary funds to successful Applicants.
 - ii. Co-execution of Municipal Project Facility Agreements if required.
 - iii. Financial recording of transactions related to this Policy.
 - iv. Providing advice and assistance to the Director of Growth and Development in the administration of this Policy, as applicable.

6.3 Clerk

- 6.3.1 Accountable for the following:
- i. Municipal land disposition under the Town's Land Sale By-law.
 - ii. Legal matters related to land disposition.

6.4 Housing Development Coordinator

6.4.1 Responsible for the following:

- i. Advertising of the program on the Town website and other channels as deemed appropriate.
- ii. Acting as a concierge for the CHIPP and receiving CHIPP applications.
- iii. Vetting applications for completeness and ensuring minimum eligibility requirements are met.
- iv. Organizing evaluation committee evaluations and consensus meetings.
- v. Notifying applicants once evaluations are completed.
- vi. Preparing Municipal Housing Project Facility Agreements, site-specific enabling by-laws, and staff reports for Council.
- vii. Review and evaluating annual reports submitted by the Applicants.
- viii. Ongoing monitoring and guiding enforcement of the program.

6.5 Evaluation Committee

6.5.1 Responsible for the following:

- i. Evaluating applications against prescribed evaluation criteria.
- ii. Participating in consensus meetings and/or interviews to collectively review scoring and determine successful applications.
- iii. Maintaining fairness and transparency when reviewing applications, and maintaining confidentiality until materials are publicly disclosed.

6.6 Council

6.6.1 Responsible and/or accountable for the following:

- i. Reviewing reports prepared by staff and considering recommendations for actions under the CHIPP.
- ii. Making decisions on recommendations made by staff.
- iii. Approving site-specific by-laws and directing staff to execute Municipal Project Facility Agreements with successful Applicants.

7. Policy

7.1. Introduction

The CHIPP supports the implementation of the Town's Affordable Housing Master Plan. The program is intended to assist for-profit and non-profit housing providers to develop affordable rental housing through the provision

of financial support. The program focuses on affordability for middle-income renter households, in alignment with the affordable rental rates as outlined in the Town of Collingwood Affordable Housing Master Plan. Depending on a variety of factors including resourcing, program uptake, and available funding, the pilot program may be expanded in the future.

7.2. Available Funding

The CHIPP is primarily funded through the Town's Affordable Housing Reserve Fund, which was established in 2022. Each year since then, any remaining funds in the yearly operating budget have been transferred to the Reserve Fund, growing the funds year over year. The Reserve Fund has also been supplemented by voluntary contributions from the development community. The goal of establishing the Reserve Fund was to accumulate enough funds to position the Town to offer financial support for the development of affordable housing. The amount of funding available through the pilot program will be articulated on the program webpage to assist potential Applicants to tailor their submissions accordingly.

In addition to the funds available for Capital Grants, limited Town-owned lands are being offered through the CHIPP, which represents a significant contribution that has a financial or fiscal value.

The CHIPP will be administered through the [MCFB](#) approved by Council, as amended or superseded, and supported by this Policy.

7.3. Application Intake

The CHIPP will include an initial Call for Applications, where eligible Applicants can submit an application form and required materials within in application intake period.

Following the intake period, applications will be reviewed by an evaluation committee established by the Town. The evaluation committee may include Town or County staff, Council members, Advisory Committee members, expert consultants, development industry representatives, and/or any other individuals deemed appropriate by the Town. The funding will be awarded on a competitive basis, recognizing the limited amount of available funds in the Reserve Fund. The annual amount of funding distributed under the CHIPP shall not exceed 90% of the Reserve Fund, unless directed by Council.

Depending on a variety of factors including resourcing, program uptake, and available funding, the Town may extend the application intake period or

increase the number of applications calls in a year without amendment to this Policy.

7.4. Type of Incentives

The pilot program will include three funding streams to incent the creation of new Affordable Housing Units:

i. Stream 1: Affordable Additional Residential Unit (ARU) Stream

Stream 1 will comprise of flexible Capital Grants of up to \$70,000 per Affordable ARUs. This stream will incent a minimum of 1 ARU per lot and a maximum of 3 ARUs per lot.

ii. Stream 2: Affordable Multi-Unit Rental Stream

This stream will comprise of flexible Capital Grants of up to \$200,000 per Affordable Housing Unit offered for rent. A minimum of 1 unit within an apartment building must be affordable to qualify for this funding stream. A maximum of 5 units per project will be eligible for funding. Based on program uptake, this maximum threshold may be adjusted at the sole discretion of the Town based on program uptake.

Despite the above and while this stream is intended to encourage medium and higher density-built form, the Town may consider projects encompassing built forms that do not meet the definition of Apartment (e.g. townhouses, stacked townhomes, semi-detached dwellings, single detached dwellings, etc.).

iii. Stream 3: Limited Land Disposition

This stream includes land disposition in the form of a ground lease, below market sale, or donation of Town-owned lands located at High Street and Poplar Sideroad in Collingwood. Applicants will submit a proposal for conveyance of the municipal lands using one or a combination of the above noted approaches, providing justification in their submission for the option(s) selected. The Town is also open to creative tenure and conveyance options, where legally feasible and where long-term municipal liability or cost can be minimized or effectively addressed. The final disposition method will be determined by Council and may be subject to negotiation with the successful Applicant.

7.5. Stream 1 and 2 Program Guidelines

i. Eligibility

Applicants can be either for-profit or non-profit Housing Providers. The evaluation matrix will award more points to non-profit housing providers to increase competitiveness in the case of multiple applications. Applicants must have experience with residential rental housing development and operating rental housing or retain the services of an organization with this experience. Experience will be determined as number of years in operation and/or number of projects executed.

For Stream 1, eligible units include ARUs that meet the definition of ARU in the Town's Zoning By-law. Units can be either ARUs within detached accessory structures or internal within a main structure. Unit Size can range from studio to 3+ bedrooms.

For Stream 2, eligible units shall generally include Apartment Dwellings that are within a structure that meets the definition of Apartment in the Town's Zoning By-law. The Town may consider projects that do not fall under the definition of the Apartment Unit built form. Units can range from studio to 3+ bedrooms. Units can be located within mixed-use and mixed-income buildings, however only the affordable units are eligible for Capital Grants under the CHIPP.

ii. Affordability

Eligible units must meet the definition of Affordable, as defined in the MCFB and this Policy.

Affordable units must be maintained as affordable rental units for a minimum of 25 years. Successful applicants must commit to verifying tenant income for affordable units for the duration of the agreement, particularly through the initial rental application and upon unit turnover in accordance with the Municipal Housing Project Facility Agreement. To ensure affordable units are made available to moderate income households as targeted by the Town's Affordable Housing Master Plan, the maximum household tenant income will be capped at \$80,000. This maximum cap may be revised without amendment to this Policy provided that documentation to substantiate a change is available and that under no circumstances will the maximum income threshold exceed the 7th decile average household income for the Town of Collingwood, as provided in the Town's Affordable Housing Master Plan.

The Municipal Housing Project Facility Agreement may establish permitted rent increases during the term of the agreement, generally aligning with the Province of Ontario's prescribed rent increase guidelines for buildings constructed before 2018.

iii. Stacking

Funds awarded through CHIPP may be staked with any other Town, County, Provincial or Federal grant or incentive program.

iv. Project Details

- a) Projects must be geographically located in the Town of Collingwood.
- b) Applicants must be seeking incentives for a minimum of 1 affordable ARU and a maximum of 3 affordable ARUs per lot for Stream 1 and a minimum of 1 affordable rental unit and a maximum of 5 affordable rental units per project for Stream 2. Based on program uptake, this maximum threshold may be adjusted at the sole discretion of the Town.
- c) Projects must be new construction requiring a building permit (i.e. new building, an addition to an existing building, or conversion of a building or portion of a building) resulting in **net new** Affordable Housing Units. For clarity, existing market rental units that are converted to Affordable Housing Units simply by virtue of lowering the rent and/or undertaking minor renovations are not eligible for Capital Grants under CHIPP.
- d) Projects must be located on land owned by the Applicant (or an entity related to or affiliated with the Applicant), or lands for which a documented long-term lease has been secured by the Applicant (or an entity related to or affiliated with the Applicant).
- e) Projects may include a mixed-income building with a mix of market and affordable rental housing and may include a mixed-use building. Projects may also include a mix of rental and ownership units, but only affordable rental units will be eligible for Capital Grants under CHIPP.
- f) Projects must be shovel ready or demonstrate the ability to become shovel ready within a reasonable timeline as determined by the Town.

7.6. Stream 3 Program Guidelines

i. Eligibility

Lead applicants must be non-profit or similar entities with a dedicated mandate for affordable housing. Applicants must demonstrate experience with affordable residential rental housing development and operating affordable rental housing. Experience will be determined as number of years in operation, number of projects executed, project successes/viability, and/or board/staff experience. Partnerships between for-profit builders and non-profit operators or between multiple non-profit

organizations may be considered, however the lease or landowner must be a registered non-profit or similar entity.

ii. Affordability

Eligible units must meet the definition of Affordable, as defined in the MCFB and this Policy.

Affordable units must be maintained as affordable rental units for a minimum of 25 years. Applicants that intend to maintain the affordable units for longer than 25 years will be awarded more points through the evaluation. Successful applicants must commit to verifying tenant income for affordable units for the duration of the agreement, particularly through the initial rental application and upon unit turnover in accordance with the Municipal Housing Project Facility Agreement to ensure affordable units are made available to moderate income households as targeted by the Town's Affordable Housing Master Plan, the maximum household tenant income will be capped at \$80,000. This maximum cap may be revised without amendment to this Policy provided that documentation to substantiate a change is available and that under no circumstances will the maximum income threshold exceed the 7th decile average household income for the Town of Collingwood, as provided in the Town's Affordable Housing Master Plan.

The Municipal Housing Project Facility Agreement may establish permitted rent increases during the term of the agreement, generally aligning with the Province of Ontario's prescribed rent increase guidelines for buildings constructed before 2018.

A future project must contain a minimum of 51% of affordable units. Proposals with a higher number of affordable units will be awarded more points through evaluation.

iii. Stacking

Financial benefits from the CHIPP may be stacked with any other Town, County, Provincial or Federal grant or incentive program. Incentive Stream 3 may be stacked with Streams 1 and 2 in the CHIPP once a project becomes shovel ready.

iv. Project Details

- a) A future project may include a mixed-income building with a mix of market and affordable rental housing. However, a majority of the units

(i.e., 51%) must meet the programs definition of Affordable. Projects that include a higher percentage mix of affordable units would be allocated more points in the evaluation.

- b) The housing component of a future project must be rental housing only. A future project may include a mixed-use building, with a maximum of 25% of the total GFA dedicated to non-residential uses. Additional points may be available through evaluation for non-residential uses that meet an identified community need or provide a community benefit. Small-scale neighbourhood retail or service uses should also be considered in conjunction with the affordable housing units, recognizing a need for amenities in the south end of Town.
- c) The design shall be compatible with and sensitive to the built form of the surrounding neighbourhoods, at minimum in accordance with the compatibility policies of the 2024 Official Plan as amended or superseded and should be a housing development of mid- or high-rise built form and density, with appropriate flexibility depending on the market conditions at the time of construction.
- d) The design must meet minimum density requirements that achieve a minimum range of 50 – 100 units on the site or provide rationale if that minimum density range cannot be achieved, with greater points available through evaluation for a greater number of units and noting the maximum permitted density in the 2024 Official Plan is 3.5 FSI and 7.0 FSI for mid-rise and high-rise built forms respectively and subject to compatibility policies being met, which may be amended or superseded in the future.
- e) The project must demonstrate the ability to become shovel ready within 3-5 years after access and servicing is confirmed as available to the site or within a reasonable timeline as determined by the Town, including confirmation of other available funding sources or partnerships necessary for project viability.

7.7. Application Submission

The Town will issue a Call for Applications and will accept applications within a specified application intake period. Materials associated with the Call for Applications will be available on the Town's webpage and may include application forms and spreadsheets, program guidelines, eligibility criteria, scoring matrix, required submission materials and any other supplementary information. Applicants must submit at minimum the following:

- a) Completed application form
- b) Project information spreadsheet
- c) Required supplementary information

Applicants will submit their applications by the specified deadline.

The documents required for complete application may be revised without amendment to this Policy.

7.8. Application Review Process

Once the Call for Applications intake window closes, staff will review applications for completeness and ensure eligibility criteria are met. Applicants with incomplete applications will be notified and provided with an opportunity to resubmit the required materials within 10 business days or another timeframe determined at the sole discretion of the Town. The evaluation committee will then review applications and evaluate applications against the scoring criteria. A minimum eligibility threshold must be met in order to qualify for funding. Applications that meet the minimum eligibility threshold are not guaranteed funding. The Town may consider applications that do not meet the minimum eligibility threshold at the Town's sole discretion. Following the initial scoring, the evaluation committee will have one or more consensus meetings, with the ability to request interviews with Applicants at the Town's sole discretion. Consensus meetings and interviews as applicable will provide a transparent process for the evaluation committee to provide a recommendation, with Council retaining the authority to make a final decision to award the funding.

Applicants that have been recommended for funding and/or municipal land disposition will be notified of the funding amount and land conveyance details to be considered by Council and the terms and conditions tied to the funding and/or municipal land disposition. Applicants will have 30 business days, or another timeframe determined at the sole discretion of the Town, to agree to the funding amount and/or municipal land disposition and terms and conditions in principle. Staff will then provide a report to Council making a recommendation on the funding and request Council to enact a site-specific by-law for the subject properties where applicable. The decision of Council is final. Applicants will have 30 business days, or another timeframe determined at the sole discretion of the Town, to enter into a Municipal Housing Project Facility Agreement with the Town. If the Applicant does not enter into the Agreement, the funds will go back into the Affordable Housing Reserve Fund and/or the lands will be made available through another round of the CHIPP

at the discretion of Council.

7.9. Contribution Agreement, Terms and Conditions

Municipal Housing Project Facility Agreements with the Town shall include but shall not be limited to the following:

- a) A definition of Affordable Housing consistent with the MCFB and this Policy;
- b) A plan showing the number, location, size, and orientation of the Housing Units that will be part of the Municipal Housing Project Facility, including a legal description of the subject property;
- c) Confirmation that all the Housing Units to be provided as part of the Municipal Housing Project Facility meet the applicable definition of Affordable Housing per Subsection a) above;
- d) The term of the Agreement, which shall not be less than twenty (25) years;
- e) Confirmation that the Household eligibility for the Housing Units to be provided as part of the Municipal Housing Project Facility shall be determined in accordance with the MCFB and this Policy;
- f) A list of the benefits accruing to the Housing Provider under the Municipal Housing Project Facility Agreement, including the monetary value of such benefits;
- g) A restriction stating that the Housing Provider shall only provide Affordable Housing Units to Households that include individuals who are at Arm's Length to the Housing Provider, its shareholders, officers, directors and employees;
- h) For Affordable Housing Units offered for rent, the rents to be charged per unit, the method by which the rents may be increased during the term of the Agreement, and any limits on such increases;
- i) Any conditions attached to financial or other assistance provided to the Housing Provider by the municipality;
- j) The conditions respecting the sale, transfer, mortgage, encumbrance, or assignment, of any interest in the Municipal Housing Project Facility;
- k) Requirements for the Housing Provider to report annually and submit documentation therefore to the satisfaction of the Town, in the manner specified in the Municipal Housing Project Facility Agreement;
- l) During the time period in which the Municipal Housing Project Facility Agreement is in force, the Housing Provider will, as a condition

precedent to a sale to a subsequent purchaser, require the subsequent purchaser to enter into an agreement with the Town, and that the agreement shall impose the terms of the Municipal Project Facility Agreement on the subsequent purchaser;

- m) The consequences if the Housing Provider fails to comply with the terms and conditions of the Municipal Housing Project Facilities Agreement, which shall include that the Housing Provider repay to the Town the value of the financial assistance that was provided to the Housing Provider by the municipality, in whole or in part;
- n) Other terms and conditions satisfactory to the Town, which may include, but which are not limited to any and all forms of property transactions together with any and all general or specific security as the Town consider necessary and desirable; and
- o) A requirement that the Town shall register the Municipal Housing Project Facilities Agreement on title of the subject property, unless prohibited by legislation or Land Registry Office Policies.

Payment of capital grants through CHIPP shall generally be released according to the following schedule, unless otherwise determined appropriate at the sole discretion of the Town:

- 30% once the agreement contribution is executed
- 40% at first building permit
- 10% at framing inspection
- 10% at initial occupancy
- 10% at final occupancy

7.10. Reporting

Successful Applicants shall be required to provide an annual report to the Town that confirms the Affordable Housing Units remain at the affordable rental rates in accordance with the Municipal Project Facility Agreement inclusive of any prescribed increase, the Affordable Housing Units remain as rental tenure, only qualified tenants have occupied the Affordable Units, and other requirements set out in the Agreement. The first report is due one (1) year after final occupancy permit is issued or if a final occupancy permit is not required, one year after the execution of the Municipal Project Facility Agreement.

For Stream 3, prior to the commencement of construction, annual reporting shall demonstrate clear progress being made towards construction including

but not limited to steps made to secure funding and financing, progress on *Planning Act* applications, retaining partners, experts or consultants, and/or general advancements towards shovel readiness.

8. Sole Discretion

Notwithstanding anything in this By-law and except where contrary to legislation, the Council of the Town of Collingwood retains sole discretion regarding the decision to enter into a Housing Project Facility Agreement with an eligible Housing Provider and the value of the benefits to be provided, if any. Decisions are to be made in good faith. Decisions will consider recommendations made in accordance with the Collingwood Housing Incentive Program Policy as amended or superseded but retain discretion to depart from such recommendation where that is deemed prudent and in the public interest.

9. References and Related Documents

- Staff Report P2025-30, Staff Report P2026-14, and By-law 2026-002

10. Consequences of Non-Compliance

The risk of not following this Policy is that CHIPP may be perceived as lacking transparency, predictability, and fairness.

11. Review Cycle

This Policy will be reviewed as required, but in any case, no later than two (2) years from the date of the most recent review. The Housing Development Coordinator and Director of Growth and Development will be responsible for initiating review of this Policy.