

CITY OF ST. CATHARINES

COMMUNITY IMPROVEMENT PLAN (2020CIP)

PROGRAM GUIDELINES

- Tax Increment Finance Program (TIF)**
- Brownfield Tax Increment Finance Program (BTIF)**

On November 16, 2020 the City adopted a new Community Improvement Plan, herein referenced as the 2020CIP. The 2020CIP offers four (4) financial incentive programs to the private sector to help offset a portion of project costs incurred for redevelopment projects, brownfield remediation, and building façade improvements. The incentive is provided after project completion.

The four (4) programs are as follows:

1. Tax Increment Finance Program (TIF)
2. Brownfield Tax Increment Finance Program (BTIF)
3. Brownfield Tax Assistance Program (BTA)
4. Façade Improvement Program (FIP)

The following guidelines provide an overview of the **Tax Increment Finance Program (TIF)** and the **Brownfield Tax Increment Finance Program (BTIF)**, including eligibility, criteria, process and program timelines, application submission requirements, and requirements to commence payment of the incentive. Prospective applicants are encouraged to read the 2020CIP for more specific program details prior to making application.

The **Application Form** for the TIF and BTIF Program can be found [here](#).

1. PROGRAM OVERVIEW

Both the TIF and BTIF program provide a financial incentive to help offset project costs incurred in undertaking a development project. The incentive is given as an annual rebate of a percentage of the increase in the (City portion) of municipal property taxes generated by project completion, and is provided for a period of up to 10 years after the project is completed.

The TIF and BTIF programs are similar in nature, and how they are administered, but there are some notable differences.

- a) The **TIF** Program is specific to redevelopment projects, and the annual rebate given is **45%** of the increase in the (City portion) of property taxes generated by project completion, for a period of up to 10 years.
- b) The **BTIF** program is specific to redevelopment projects but which also involves environmental site remediation, and the annual rebate is **80%** of the increase in the (City portion) of property taxes generated by project completion, for a period of up to 10 years.

There are also additional minimum requirements to apply for, and be eligible, for a BTIF incentive than that of a TIF, and they relate to environmental remediation, as follows:

- i) a current Phase I and II Environmental Site Assessment (ESA), and a Remedial Work Plan, prepared in accordance with Ontario Regulation 153/04, is required to apply for a BTIF, and which identifies requirements, costs and timeline necessary to obtain a Record of Site Condition (RSC), or other remediation approval (ie. Site Specific Risk Assessment) by the Ministry of Environment, Conservation and Parks (MECP) in order to permit the proposed future development and use of the property; and
- ii) on properties 0.4 hectares or greater in size, remediation costs must be a minimum of \$100,000 or 1% of total project costs, whichever is greater; and
on properties less than 0.4 hectares in size, remediation costs must be a minimum of \$50,000 or 1% of total project costs, whichever is greater.

Affordable Housing Component – additional % rebate

For both the TIF and BTIF program, where the project includes a minimum of 30% affordable rental dwelling units (ARDU's), the rebate is increased by 15% (to 65% for a TIF project / 95% for a BTIF project). The definition of qualifying ARDU's is set out in Schedule 3 of this Guideline.

Depending on the number of ARDU's provided in the development, a Core Rental

Housing Agreement with the City is also required, establishing the ARDU rental rate threshold to be maintained over the duration of the rebate period (Schedule 3).

2. HOW THE INCENTIVE (REBATE) IS CALCULATED

- i) Municipal property tax levied on a property is divided and distributed between the City, Region of Niagara and the Province of Ontario.

The rebate given is based only on the City portion of property taxes levied, which currently is approximately 44 % (2020 rate) of total annual municipal property tax levied on a property.

- ii) The eligible value of the rebate is based on the difference (increase) between the pre and post development property tax assessment generated by project completion, and is given as a % of the resulting increase in (the City portion) of municipal property taxes levied on the property calculated at time of project completion.

Example based on a TIF project (45% rebate):

Pre-development annual property tax levied	\$50,000
Pre-development (City portion) of annual property tax levied (\$50,000 x 44%)	\$22,000
After project completion, total annual property tax levied	\$200,000
After project completion, (City portion) of annual property tax levied (\$200,000 x 44% = \$88,000)	\$88,000
Pre vs. Post development increase in City portion of annual property tax levied (\$22,000 vs. \$88,000 = +\$66,000)	\$66,000
Annual City rebate of property taxes paid after project completion (\$66,000 x 45% rebate)	\$29,700
Total City rebate over 10 years after project completion (\$29,700 x 10)	\$297,000

- iii) No incentive will be provided if the project does not result in an increase in municipal property tax assessment.

iv) Rebate Value versus Eligible Project Costs

The rebate is equal to eligible project costs incurred, or the eligible incentive (rebate) value, whichever is less.

Using the example above, if the eligible rebate value is \$297,000 but eligible project costs incurred equal \$400,000, the maximum rebate given is \$297,000. Conversely, if the eligible rebate value is \$297,000 and eligible project costs incurred are \$150,000, the maximum rebate given is \$150,000.

Only project costs incurred directly by the property owner are eligible for the incentive.

See Schedule 2 of the Guideline for Eligible Project Costs

v) Other Incentives

The Region of Niagara also has financial incentive programs for development projects, but which are currently under review. Subject to program availability, eligibility and approval, the Region may provide a matching incentive rebate to that provided by the City. Prospective applicants are encouraged to contact the Region of Niagara for availability and eligibility. In addition, the Province of Ontario, through their Brownfields Financial Tax Incentive Program (BFTIP), may also provide an incentive rebate of their portion of municipal property taxes levied for projects which specifically involve environmental remediation. Financial incentives may also be available from other agencies.

Where financial incentives for the project may be secured from other agencies (Region, Province, other), and where the value of those incentives, combined with the City incentive, is greater than project costs incurred, the value of the City incentive will be decreased accordingly to ensure that all incentives provided for the project do not exceed total project costs incurred.

For more information related to other incentives, see Part B, Section 1.4 of the 2020CIP.

3. NO RETROACTIVE APPROVAL

Prospective applicants should not commence a development project prior to TIF or BTIF approval and execution of a formal CIP Agreement with the municipality, Project costs incurred prior to execution of the CIP Agreement are not eligible for the incentive rebate, with certain exceptions related to the preparation of environmental remediation studies, and fees related to the preparation of a complete application (see Schedule 2 of this Guideline for eligible project costs and retroactive exceptions).

4. REQUIRED PRE- CONSULTATION MEETING PRIOR TO APPLICATION

Prior to submitting a TIF/BTIF application, prospective applicants are required to attend a Pre-Consultation (PC) meeting with staff to review in detail the project proposal and submission requirements necessary to apply for a TIF/BTIF incentive.

The lead time between applying for and placed on a PC meeting agenda is approximately 3 weeks. The PC application form, submission requirements and fee is found on the City's website.

Prospective CIP applicants are encouraged to attend a PC meeting well in advance of an TIF/ BTIF application intake date (Section 6 below) in order that all application requirements (Section 7 below) can be addressed in a time sensitive manner.

5. MINIMUM THRESHOLD TO QUALIFY FOR APPROVAL

1. City Official Plan and Comprehensive Zoning By-law

Development projects submitted for a TIF/ BTIF application must comply with the City's Official Plan and Comprehensive Zoning By-law.

2. Minimum Project Components Required

TIF/ BTIF applications are evaluated on a Project Evaluation System set out in Schedule 1 of this Guideline. The Project Evaluation System identifies several project components, with each component assigned a weighted point total. A total of 100 points are available.

At a minimum, a proposed TIF/ BTIF project must achieve **50 points** to qualify for consideration of CIP approval.

The project components identified above include criteria for:

- Location: emphasis on Downtown, defined Priority Neighbourhoods and Intensification Areas (location map included in Schedule 1 of the Guideline)
- Density Generation: people and jobs
- Environmental Remediation
- Affordable Rental Housing
- Heritage Restoration/Conservation
- Mixed Use Development
- Municipal Financial Benefit: increased assessment, investment
- Value Added: public realm, climate change, sustainability initiatives

All projects submitted at the same Application Intake Date (see below) that do qualify (having a minimum 50 points) will then be evaluated on the weighted points system to rank projects for consideration of approval.

3, No Arrears

The property owner shall not be in arrears of any property tax, outstanding work orders, property standards non-compliance, local improvement charges or any other arrears or charges by the City, Region of Niagara, the Province or related agencies.

6. APPLICATION INTAKE DATES

The municipality generally establishes 2 intake deadline dates per year for accepting complete TIF and BTIF project applications. The specific intake dates are posted on the City's CIP webpage.

7. APPLICATION SUBMISSION REQUIREMENTS

Applications that do not meet all submission requirements will be deemed incomplete and not processed further or considered for approval.

The following are required to be submitted for a complete application.

- i) Property Survey prepared by a qualified land surveyor (OLS)
- ii) Detailed Project Proposal

A detailed Brief, including a Site Plan of the project that:

- Addresses and demonstrates compliance with Official Plan policy, Zoning By-law regulations, and other municipal and agency regulations, design standards;
- identifies in detail all project components, including all Project Evaluation System components and criteria (Schedule 1 of the Guideline);
- shall be accompanied by other concept plans (elevation drawings, landscape plan, site servicing, etc.) and supporting studies (housing, heritage, market analysis, etc.) where required by the municipality.

NOTE: Any deviation between the proposed development plan submitted with the application and the actual development constructed, other than minor or required revisions made to the satisfaction of the municipality, will render any TIF or BTIF approval void.

- iii) Project Costs / Timeline

A detailed, itemized estimate of all eligible and total project costs prepared by

qualified professionals (see Eligible Costs, Schedule 2 of this Guideline); and

An estimated timeline for project completion, including major project components and any proposed phasing of development.

iv) Estimate of post - development Property Tax Assessment (MPAC)

a) A detailed estimate of post-development property tax assessment prepared

by the Municipal Property Assessment Corporation (MPAC); and

b) Applicants must provide a copy of the submission to MPAC requesting the estimate. The submission to MPAC must identify in detail all components of the proposed development, and must be consistent with and adequately address all project components set out in Schedule 1 of this Guideline.

NOTE: The MPAC estimate is used to calculate the difference between pre and post development property taxes, and the estimated value of the incentive.

Where the actual property tax assessment at project completion exceeds the original MPAC estimate by 5% or greater, the MPAC estimate is used to determine the actual value of the incentive.

v) Environmental Studies (for BTIF Applications)

A current Phase I and II Environmental Site Assessment, and a Remedial Work Plan, prepared by a Qualified Person in accordance with Ontario Regulation 153/04, as amended, which identifies requirements, costs and timeline necessary to obtain a Record of Site Condition (RSC), or other environmental remediation approval (ie. Site Specific Risk Assessment) by the Ministry of Environment, Conservation and Parks (MECP) to permit the proposed future development and use of the property

vi) Declaration of Other Incentives

A declaration identifying the estimated amount, duration and provider of any additional grants or financial incentives that have or are intended to be secured for the same project from other government agencies, non-profit groups, or other agencies and associations.

8. REQUIRED PROJECT TIMELINES

i) CIP Agreement

Prior to project commencement, the property owner is required to enter into a

CIP Agreement with the municipality within **90 days** of the date of application approval.

ii) Project Completion

The project must be completed to the satisfaction of the municipality as follows:

- TIF Projects:
 - i) Within **3 years** of the date of execution of the CIP Agreement.
- BTIF projects:
 - i) Within **5 years** of the date of execution of the CIP Agreement. Certain exceptions apply to phased developments (see 2020CIP, Part B, Section 1.7 iv) a) iii)).
 - ii) Prior to the development stage of a BTIF project, the property owner must provide, to the satisfaction of the municipality, confirmation that a RSC approved by the MECP has been filed with the Environmental Site Registry for the proposed use of the property, or that other remediation approval has been granted by the MECP in accordance with the Environmental Protection Act.

9. REQUIREMENTS FOR COMMENCEMENT OF REBATE PAYMENT

- i) The property owner must, within **1.5 years** of the date of project completion, make written request to the municipality for commencement of the incentive (rebate) payment.

Only the property owner receives the incentive rebate, but subject to approval, it can be assigned.

- ii) The project must be completed in accordance with the development plans submitted for TIF/BTIF application approval, and all municipal and agency approvals are obtained and authorization given for occupancy;
- iii) Submission materials required with the request for commencement of the rebate payment include:
- A Supplementary Property Tax Assessment prepared by the Municipal Property Assessment Corporation (MPAC) that identifies the actual new property tax assessment calculated at time of project completion.

NOTE: Where the Supplementary Assessment exceeds the original MPAC estimate (Section 7 iv) above) by 5% or greater, the MPAC estimate is used to determine the actual value of the incentive. Otherwise it is the Supplementary Assessment that is used to determine the incentive value.

- Eligible Project Costs Incurred

An itemized detailed list of all eligible and total project costs incurred by the property owner, broken down by eligible project cost components identified in Schedule 2 of this Guideline, and must include any and all detailed invoices, contracts, service /material provider, materials supplied, purchase orders and proof of payment;

- Declaration of any financial incentives that have been secured, or received conditional approval, for the same project from other government agencies, non-profit groups, or other agencies and associations. The amount, duration and provider of the incentives must be set out.

iv) Core Rental Housing Agreement

Where the project includes a minimum number of ARDU's, the property owner shall enter into a Core Rental Housing Agreement with the City, registered on title and setting out the monetary ARDU rental rate threshold to be maintained over the duration of the rebate period (see Schedule 3 of this Guideline);

v) Compliance Audit

Satisfaction of a Compliance Audit by the municipality confirming no tax arrears, outstanding work orders, local improvement charges or any other charges of the City or other agencies, property standards compliance.

The Compliance Audit may include third party review or audit of eligible project costs at the expense of the property owner.

GUIDELINE SCHEDULES

SCHEDULE 1: PROJECT EVALUATION SYSTEM

TIF and BTIF applications are evaluated on the Project Evaluation System set out in Part A below.

The Project Evaluation System establishes project components and criteria, with each component, and thresholds within, assigned a weighted points total. Projects within and outside the Downtown Priority Neighbourhood (see Part B of this Schedule for Location Map) may be subject to different evaluation components and assigned points. Whether

in or out of the Downtown Priority Neighbourhood, a total of 100 points are available. A TIF or BTIF project must achieve a minimum of 50 points to qualify for consideration of CIP approval.

The 2020CIP establishes Intake dates for accepting TIF and BTIF complete applications. The weighted points system allows a detailed evaluation of each project, and also enables a priority ranking of all applications submitted at an Intake date for consideration of project approval.

Part A: Project Evaluation System (Weighted Evaluation Components)

<u>Evaluation Components</u>	<u>Points</u>	<u>Eligibility</u>
1. In Downtown Priority Neighbourhood (Location Map in Part B)		
a) <u>Remediation</u> i) less than 3% of total project costs devoted to remediation ii) 3% to 5% of total project costs devoted to remediation iii) greater than 5% of total project costs devoted to remediation	 4 7 13	<ul style="list-style-type: none"> • minimum requirements to qualify for a BTIF incentive include: <ul style="list-style-type: none"> - on properties 0.4 Ha or greater in size, remediation costs must be a minimum of \$100,000 or 1% of total project costs, whichever is greater; - on properties less than 0.4 Ha in size, remediation costs must be a minimum of \$50,000 or 1% of total project costs, whichever is greater.

<p>b) <u>Core Housing</u></p> <p>i) 10% to 20% of total dwelling units are affordable (ARDU)*</p> <p>ii) 21% to 30% of total dwelling units are affordable (ARDU)*</p> <p>iii) greater than 30% of total dwelling units are affordable (ARDU)*</p>	<p>3</p> <p>9</p> <p>11</p>	<p>* (ARDU) means Affordable Rental Dwelling Unit (Schedule 3)</p>
<p>c) <u>Heritage Restoration/Conservation</u></p> <p>i) heritage restoration/conservation and reuse of a historically significant portion of buildings/structures located on non-designated (Ontario Heritage Act) properties</p> <p>ii) heritage restoration/conservation and reuse of entire buildings/structures located on (Ontario Heritage Act) designated Part IV or V properties</p>	<p>3</p> <p>10</p>	<p>- includes any building/structure, or part thereof, deemed to have built or cultural heritage value or interest by the municipality</p> <p>- subject to Heritage Impact Assessment and/or Conservation Plan</p> <p>- may include component demolition, alterations</p> <p>- subject to Heritage Permit Approval</p>
<p>d) <u>Mixed Use Component</u></p>	<p>10</p>	<ul style="list-style-type: none"> to be eligible for points, must not have ground floor dwelling units or non-essential residential functions

<p>e) <u>Density Generation (measured in people and jobs /Ha)</u></p> <p>i) 50 - 100</p> <p>ii) 101 - 150</p> <p>iii) 151 - 200</p> <p>iv) 201 - 300</p> <p>v) 301 - 400</p> <p>vi) 401 - 500</p> <p>vii) > 500</p>	<p>2</p> <p>4</p> <p>8</p> <p>10</p> <p>12</p> <p>14</p> <p>18</p>	
<p>f) <u>Investment</u></p> <p>1. Project Costs (in \$millions)</p> <p>i) 2 - 5</p> <p>ii) 5 - 10</p> <p>iii) 10 - 20</p> <p>iv) 20 - 30</p> <p>v) > 30</p> <p>2. Estimated % Increase in Annual Property Taxes</p> <p>i) 25% - 200%</p> <p>ii) 201% - 300%</p> <p>iii) 301% - 400%</p> <p>iv) 401% - 500%</p> <p>v) 501% - 600%</p> <p>vi) > 600%</p>	<p>1</p> <p>2</p> <p>4</p> <p>6</p> <p>8</p> <p>2</p> <p>4</p> <p>7</p> <p>10</p> <p>13</p> <p>16</p>	

<p>g) <u>Value Added</u></p> <p>i) sustainable site design</p> <p>ii) public area / streetscape contribution</p>	<p>7</p> <p>7</p>	<ul style="list-style-type: none"> innovative green technologies /stormwater management, green roofs, solar panels, electric vehicle charging stations, permeable pavement, etc. street furniture/fixtures, public court yard/walkway, enhanced landscaping /greening, transit amenities, connectivity, etc.
<p>❖ MAXIMUM POINTS AVAILABLE = 100</p> <p>❖ MINIMUM POINTS THRESHOLD TO BE ELIGIBLE FOR APPROVAL = 50</p>		

<u>Evaluation Components</u>	<u>Points</u>	<u>Eligibility</u>
<p>2. Outside Downtown Priority Neighbourhood (Location Map in Part B)</p>		
<p>a) <u>Redevelopment</u></p> <p>i) within a Priority Neighbourhood or an Intensification Area*</p>	<p>4</p>	<ul style="list-style-type: none"> if for residential use, must be a minimum 10 dwelling units <p>* Priority Neighbourhoods/ Intensification Areas (Location Map in Part B)</p>
<p>b) <u>Remediation</u></p> <p>i) less than 3% of total project costs devoted to remediation</p> <p>ii) 3% to 5% of total project costs devoted to remediation</p> <p>iii) greater than 5% of total project costs devoted to remediation</p>	<p>4</p> <p>7</p> <p>13</p>	<ul style="list-style-type: none"> minimum requirements to qualify for a BTIF incentive include: <ul style="list-style-type: none"> on properties 0.4 Ha or greater in size, remediation costs must be a minimum of \$100,000 or 1% of total project costs, whichever is greater; on properties less than 0.4 Ha in size, remediation costs must be a minimum of \$50,000 or 1% of total project costs, whichever is greater.

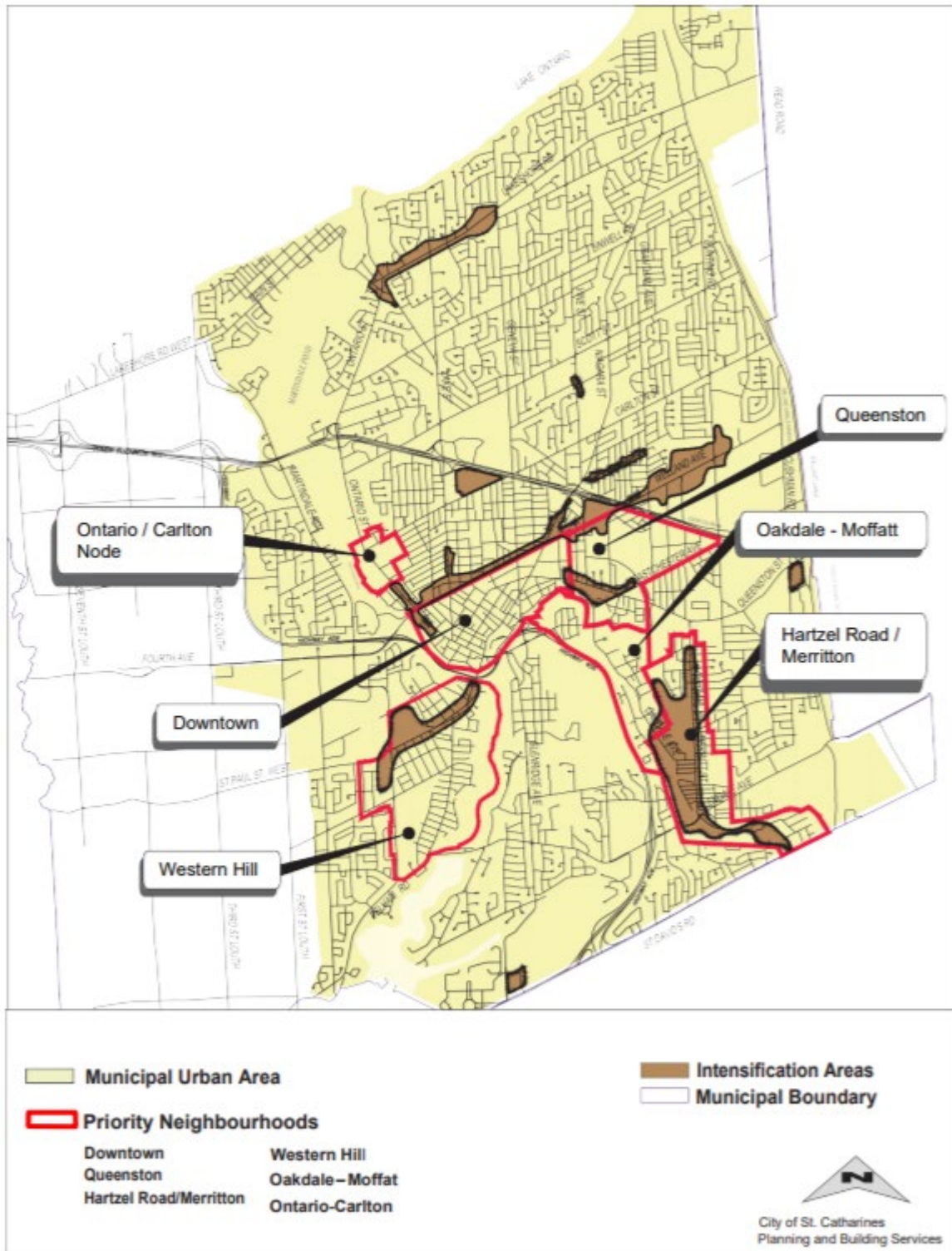
<p>c) <u>Core Housing</u></p> <p>1. Housing Component</p> <p>i) 10% to 20% of total dwelling units are affordable (ARDU)*</p> <p>ii) 21% to 30% of total dwelling units are affordable (ARDU)*</p> <p>iii) greater than 30% of total dwelling units are affordable (ARDU)*</p> <p>2. Location Component</p> <p>a) outside Priority Neighbourhood*, where:</p> <p>i) located within an Intensification Area*; OR</p> <p>ii) on or close to an Arterial Road with full transit access and within 800 metres of a defined Commercial Centre*; OR</p> <p>iii) within a defined Commercial Centre*</p> <p>b) within a Priority Neighbourhood*</p> <p>c) within a Priority Neighbourhood* where also located within an Intensification Area*</p>	<p>5</p> <p>12</p> <p>14</p> <p>2</p> <p>4</p> <p>6</p>	<p>* (ARDU) means Affordable Rental Dwelling Unit (Schedule 3)</p> <p>* Priority Neighbourhoods/ Intensification Areas (Location Map in Part B)</p> <p>* Commercial Centre is defined in Part D, Section 9.2.1 & 2 of the Official Plan</p>
<p>d) <u>Heritage Restoration/Conservation</u></p> <p>i) heritage restoration/conservation and reuse of entire buildings/structures located on (Ontario Heritage Act) designated Part IV or V properties</p>	<p>6</p>	<ul style="list-style-type: none"> • - may include component demolition, alterations - subject to Heritage Permit Approval

<p>e) <u>Mixed Use Component</u></p> <p>i) within a (ZB)* Mixed Use zone</p> <p>ii) residential intensification within a (ZB)* Commercial zone</p>	<p>10</p> <p>10</p>	<ul style="list-style-type: none"> • within a Mixed Use zone, must have a minimum 50% residential gfa component to be eligible for any points • within a Commercial zone, must establish a minimum residential density of 32 units/Ha to be eligible for any points <p>* (ZB) = City's Comprehensive Zoning By-law 2013-283</p>
<p>f) <u>Density Generation (measured in people and jobs /Ha)</u></p> <p>i) 50 - 100</p> <p>ii) 101 - 150</p> <p>iii) 151 - 200</p> <p>iv) 201 - 300</p> <p>v) 301 - 400</p> <p>vi) 401 - 500</p> <p>vii) 501 - 600</p> <p>viii) > 600</p>	<p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p>	
<p>g) <u>Investment</u></p> <p>1. Project Costs (in \$millions)</p> <p>i) 2 - 5</p> <p>ii) 5 - 10</p> <p>iii) 10 - 20</p> <p>iv) 20 – 30</p> <p>v) > 30</p>	<p>1</p> <p>2</p> <p>4</p> <p>6</p> <p>8</p>	

2. Estimated % Increase in Annual Property Taxes		
i) 25% - 200%	2	
ii) 201% - 300%	4	
iii) 301% - 400%	7	
iv) 401% - 500%	10	
v) 501% - 600%	13	
vii) > 600%	16	
h) <u>Value Added</u>		
i) sustainable site design	7	<ul style="list-style-type: none"> innovative green technologies /stormwater management, green roofs, solar panels, electric vehicle charging stations, permeable pavement, etc.
ii) public area / streetscape contribution	7	<ul style="list-style-type: none"> street furniture/fixtures, public court yard/walkway, enhanced landscaping /greening, transit amenities, connectivity, etc.
<p>❖ MAXIMUM POINTS AVAILABLE = 100</p> <p>❖ MINIMUM POINTS THRESHOLD TO BE ELIGIBLE FOR APPROVAL = 50</p>		

Part B: Location Map

The following map identifies the Downtown Priority Neighbourhood, other Priority Neighbourhoods, and Intensification Areas.



SCHEDULE 2: ELIGIBLE PROJECT COSTS

Only eligible project costs incurred by the property owner who enters into the TIF/ BTIF Agreement are eligible for the incentive.

Eligible project costs incurred prior to execution of a formal CIP Agreement with the municipality are not retroactively eligible for the TIF/ BTIF incentive, with certain exceptions as set in Section c) below.

a) Eligible costs for TIF Projects:

- i) demolition of buildings and structures, removal and disposal of materials and debris, abandoned infrastructure; general improvements for structural safety to satisfy property standards and minimum requirements of the Ontario Building Code;
- ii) lot preparation, construction/improvement/relocation of services, including but not limited to water service, sanitary/ storm sewers, roads, curbs, gutters, catchbasins, lighting, hydro, gas and communication services; construction of sound barriers, gas migration trenches;
- iii) capital expenditures for new building construction, and renovation, reuse, rehabilitation, alteration and expansion of existing buildings to be retained on site;
- iv) streetscaping, landscaping improvements, public realm improvements, sustainable development initiatives;
- v) Municipal Property Assessment Corporation (MPAC) Assessment Estimate, and Supplementary Assessment;
- vi) legal fees, consulting fees and financing costs as they relate to the preparation of complete application requirements and to eligible costs identified in i) to v) above.

b) Eligible costs for BTIF projects:

Eligible costs for BTIF projects include all those identified in Section a) above, and the following:

- i) Phase I and II Environmental Site Assessment, Site Specific Risk Assessment (SSRA), remedial work plan or other qualified remediation/risk management plan completed on the property at the cost of the property owner, and prepared by Qualified Persons as defined by Ontario Regulation 153/04, as amended, necessary to obtain a Record of Site Condition (RSC), or other approval granted

by the Ministry of the Environment, Conservation and Parks (MECP) for the proposed use of the property.

- ii) environmental soil remediation, or other qualified remediation or risk management in accordance with i) above.
- iii) removal of waste materials, placing of clean fill and grading;
- iv) interest charges related to the cost of financing the preparation of remediation/risk management studies and undertaking the remediation;
- v) insurance premium to guarantee remediation completion.

c) Retroactive Eligible Costs

Project costs in a) and b) incurred prior to execution of a formal CIP Agreement with the municipality are not retroactive eligible for the TIF/ BTIF incentive, with the following exceptions.

- Legal fees, consulting fees and financing costs as they relate to the preparation of complete application requirements:
- Phase 1 and II Environmental Site Assessment, Site Specific Risk Assessment (SSRA)
- Phased Development

Projects occurring on larger properties may be phased over a long period of time. Environmental remediation costs incurred during Phase 1 of a project may also pertain to other parts of the site, and benefit and facilitate the development of the entire property. These costs may be claimed in their entirety through the Phase 1 development, or may be claimed retroactively as eligible project costs in subsequent development phases.

SCHEDULE 3: AFFORDABLE RENTAL DWELLING UNITS

Section 1

The 2020CIP defines and calculates an affordable housing rental dwelling unit (ARDU) in Section 2 below.

- i) Where a minimum of 30% of rental dwelling units provided in a TIF/ BTIF project are ARDU's, the % incentive rebate given is increased from 45% to 65% for TIF projects, and from 80% to 95% for BTIF projects.
- ii) The provision of ARDU's in a TIF/BTIF project is a weighted evaluation component in the Project Evaluation System set out in Schedule 1.
- iii) Any phase of a project with a minimum of 5 ARDU's, or 10 % of all dwelling units, whichever is greater, is subject to a Core Rental Housing Agreement with the City, registered on title and setting out the monetary ARDU maximum rental rate threshold to be maintained over the duration of the rebate period.

Section 2

An ARDU is defined as follows:

- i) **Chart 1** below identifies core housing need in four (4) income level brackets, and identifies the minimum rental cost to afford housing, and the need (wait list) to acquire housing, in each income level bracket.

The 2020CIP targets bracket # 4 for core housing need, and the monthly housing cost in bracket #4 is the maximum threshold for an affordable housing rental dwelling unit under Chart 1.

- ii) **Chart 2** below identifies average rent charged for a bachelor and a 1, 2 or 3 bedroom unit in a townhouse and apartment building.
- iii) The lower monthly dwelling unit rental cost between Chart 1 and Chart 2 identifies the maximum affordable rental dwelling rate, and defines the maximum cost threshold for an Affordable Rental Dwelling Unit (ARDU) in the 2020CIP.

Chart 1

Core Housing Need - Income Level Bracket	Monthly Housing Cost	# of households in core need (Niagara Region) - wait list for housing	# of households in core need (St. Catharines) - wait list for housing
1. \$19,399	\$484	8557	3165
2. \$19,400 - \$29,499	\$737	7545	2832
3. \$29,500 - \$39,799	\$995	6295	2345
4. \$39,800 - \$52,699	\$1317	1429	372

* The information set out in Chart 1 is compiled from Canada Housing and Mortgage Corporation (CMHC) and Niagara Region Housing (NRH).

Chart 2

2019 – Private Row (Townhouse) and Apartment Average Rents (\$)							
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +
St. Catharines	832		1005		1230		1487

* The information set out in Chart 2 is compiled from Canada Housing and Mortgage Corporation CMHC). Rates Updated: (April, 2021)