
Subject: Niagara Region Incentive Policy Review

Report to: Committee of the Whole

Report date: Thursday, September 5, 2024

Recommendations

1. That the following changes to the Niagara Region Incentive Policy (NRIP) C-A-028 (Appendix 1) **BE APPROVED** and implemented by Staff in an updated NRIP:
 - a) Remove “Non-profit Affordable Rental Housing RDC Deferral” from NRIP as it has been rendered obsolete due to recent amendments to the Development Charges Act through Bill 23;
 - b) Move “Welcome Home Niagara Home Ownership”, “Niagara Renovates Homeownership”, “Niagara Renovates Multi-residential”, “Non-Profit and Co-op Capital Repair Costs”, and “Housing Provider Capital Loan” programs from the NRIP to be included in the Programs Listing provided by Community Services through the Housing Services division mandate;
 - c) Move the “Public Realm Investment Program” (PRIP) and “Public Realm Priority Area” from the NRIP to be included with other Public Works programs that are only available to Area Municipalities;
 - d) Remove the affordable housing component from the “Brownfield TIG Tier 1 and Tier 2” and change to an annual tax increment grant of 80% for both tiers;
 - e) Move Mandatory DC programs, “Intensification RDC Grant” and “50% Industrial Expansion RDC Grant”, outside the NRIP;
 - f) Remove and discontinue the “Small Buildings Rental Grant” and the “Residential Rental Grant”.
2. That Staff **BE DIRECTED** to Assess the “Partnership Housing Program” and develop and report back to Council regarding a new purpose-built rental housing incentive program with the goal of increasing the supply of rental housing.
3. Any financial recommendations **BE REFERRED** to the 2025 Budget process.
4. That a copy of Report PDS 26-2024 **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The purpose of this report is to provide Council with a review of the current Niagara Region Incentive Policy (NRIP) and convey the challenges, effectiveness, and any recommended changes to the NRIP as directed by Council in October 2021.
- In preparation of this report, consultations were carried out through workshops with Local Area Municipalities on April 27, 2024, April 29, 2024, and May 2, 2024; a development industry focus group meeting on June 13, 2024; a Council information session on June 27, 2024; and a workshop with the development industry and non-profit providers held on July 18, 2024.
- In 2021, the Region's incentive programs were organized into four priority areas aligned with Council's Strategic Priorities: Affordable Housing, Employment, Brownfield, and Public Realm.
- The NRIP consists of DC exemptions, DC deferrals, one-time grants and other incentives like Tax Increment Grants which are matching funding programs administered by Area Municipalities through Community Improvement Plans (CIPs).
- There are incentive programs (SNIP "Property Rehabilitation and Revitalization Tax Increment Grant" and the "Smart Growth Regional Development Charge Reduction") outside of the NRIP that are ending October 1, 2024, and will continue to have a financial impact on the budget through the year 2037.
- The Region's incentive policy requires updating, as it currently includes programs that are not discretionary. To simplify the Policy, it should only include discretionary programs designed to align with Council Strategic Priorities. Provincial flow-through programs, mandatory DC grants, and public realm grants will be moved outside the NRIP.
- Programs moved outside the NRIP will continue to be delivered. All incentives offered by the Niagara Region, including Provincial, Mandatory, and Discretionary will be listed on the website on a landing page.
- The Public Realm programs will be relocated outside of the Policy and will reduce the number of priority areas from four to three. Public Realm programs provide streetscape grants to municipalities and belong with other Public Works programs accessible to Area Municipalities.
- The current housing affordability and supply crisis also includes a shortage of rental housing of different types. Staff are recommending developing a purpose-built rental incentive program that can contribute to more rental housing being built in Niagara. The objectives of the current "Small Building Rental Grant" and "Residential Rental

Grant” will be captured in this new purpose-built rental incentive program. Staff will come back with a proposed purpose-built rental housing program by January 2026.

- Modifications to the NRIP are also required because of recent changes to Provincial Legislation through Bill 23 and Bill 185.
- Based on consultation, the Brownfield TIG Tier 1 and Tier 2 will be simplified by removing requirements related to affordable housing and fixing the TIG amount to 80% for both Tiers.
- Subject to Council’s approval of the recommendations in this report, the NRIP and related Procedures and ancillary documents (e.g., application forms) will be updated accordingly.

Financial Considerations

The purpose of having incentives is to enable the Region to exercise its discretion to leverage Regional funds to actualize a desired type of development that would not otherwise happen without public investment, in accordance with Council policy. However, incentive programs have a direct impact on the Region’s budget.

Incentives represent the largest discretionary item in the Niagara Region budget at \$23,258,526. Funding of Regional incentives is addressed through annual budgetary cycles. As such, any recommended changes to the Region’s incentive program budgets will be brought to the 2025 budget process. Though funding may be repurposed, this review is not resulting in a request for an increase in the total incentive funding levels for 2025. Mandatory programs being recommended to be moved outside the Policy will continue to operate and require funding for the 2025 budget and beyond.

There are three financial considerations that impact the effectiveness of the incentives policy.

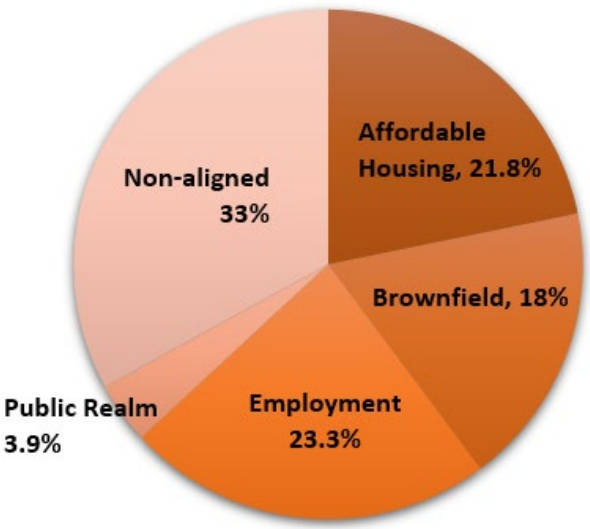
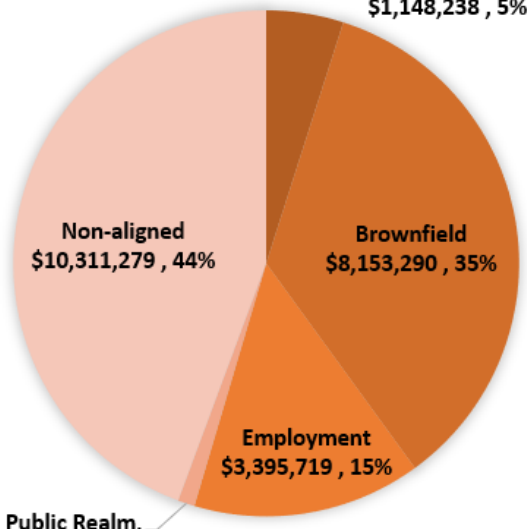
1. SNIP Property Rehabilitation and Revitalization Tax Increment Grant and the Smart Growth Regional Development Charge Reduction

There are expiring incentive programs that sit outside of the NRIP which commit the Region through to the year 2037. In 2021, as part of the approval of the new NRIP, Council also approved the extension to the existing “SNIP Property Rehabilitation and Revitalization Tax Increment Grant (SNIP TIG)” and the “Smart Growth Regional Development Charge (RDC) Reduction” to end on October 1, 2024. These ending programs were extended to assist projects already in the queue with meeting application timelines of the day. Approved funding committed through these programs

will be paid out on an annual basis as projects are completed to the year 2037. Until such time, these commitments will challenge the financial capacity of the Region to respond to new priorities and commit to further funding within the remaining three priority areas.

Report PDS 31-2021 identified that 33% of the Region’s non-aligned discretionary spending including SNIP TIG and Smart Growth RDC Reduction was outside of the four priority areas. In 2024, this figure increased to 44% which represents \$10,311,279 of the Region’s discretionary budget as shown in Chart 1 below.

Chart 1 Regional Incentive Spending by Priority Area 2021 and 2024

Spending in 2021 (PDS 31-2021, Chart 1 Page 3)	Spending in 2024																														
 <table border="1"> <caption>2021 Spending Data</caption> <thead> <tr> <th>Priority Area</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Non-aligned</td> <td>33%</td> </tr> <tr> <td>Affordable Housing</td> <td>21.8%</td> </tr> <tr> <td>Brownfield</td> <td>18%</td> </tr> <tr> <td>Employment</td> <td>23.3%</td> </tr> <tr> <td>Public Realm</td> <td>3.9%</td> </tr> </tbody> </table>	Priority Area	Percentage	Non-aligned	33%	Affordable Housing	21.8%	Brownfield	18%	Employment	23.3%	Public Realm	3.9%	 <table border="1"> <caption>2024 Spending Data</caption> <thead> <tr> <th>Priority Area</th> <th>Amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Non-aligned</td> <td>\$10,311,279</td> <td>44%</td> </tr> <tr> <td>Affordable Housing</td> <td>\$1,148,238</td> <td>5%</td> </tr> <tr> <td>Brownfield</td> <td>\$8,153,290</td> <td>35%</td> </tr> <tr> <td>Employment</td> <td>\$3,395,719</td> <td>15%</td> </tr> <tr> <td>Public Realm</td> <td>\$250,000</td> <td>1%</td> </tr> </tbody> </table>	Priority Area	Amount	Percentage	Non-aligned	\$10,311,279	44%	Affordable Housing	\$1,148,238	5%	Brownfield	\$8,153,290	35%	Employment	\$3,395,719	15%	Public Realm	\$250,000	1%
Priority Area	Percentage																														
Non-aligned	33%																														
Affordable Housing	21.8%																														
Brownfield	18%																														
Employment	23.3%																														
Public Realm	3.9%																														
Priority Area	Amount	Percentage																													
Non-aligned	\$10,311,279	44%																													
Affordable Housing	\$1,148,238	5%																													
Brownfield	\$8,153,290	35%																													
Employment	\$3,395,719	15%																													
Public Realm	\$250,000	1%																													
<p>The “non-aligned” segment of the chart includes the expiring programs of SNIP and Smart Growth, Hospital and Hospice funding, and other discretionary expenditures.</p>																															
<p>2021 Chart shows Affordable Housing at 21.8%, Employment at 23.3%, Brownfield at 18%, Public Realm at 3.9%, and Non-aligned 33%</p>	<p>2024 Chart shows Affordable Housing at 5%, Employment at 15%, Brownfield at 35%, Public Realm at 1%, and Non-aligned at 44%</p>																														

2. Policy Refinement

The Policy includes programs that have little to no up-take, limited or no funding, and extensive administration. Therefore, to enhance the effectiveness of the incentive policy

and address the challenges of delivering programs in the future, the report recommends housekeeping measures which would remove excess programs that are no longer discretionary or impactful.

The housekeeping measure is intended to remove mandatory programs, provincial flow-through programs, municipal public realm grants from the Policy. Refining the list of programs within the policy will reduce confusion and simplify and enhance the administration of the remaining programs. The report also recommends discontinuing unfunded or lesser funded programs. Programs that continue will target funding towards increasing housing supply of affordable units, increasing employment, and the remediation of brownfields.

3. Budgetary Impacts

Any increase in funding will require budgetary realignments elsewhere in the budget to meet the cost of funding the new programs and pay out the commitments made through SNIP and Smart Growth. Funding the new and old programs together, was a budgetary pressure that was identified in 2021. As a financial consideration, this report does not recommend increasing the funds the Region directs to incentives.

Analysis

The Niagara Region has been using incentives to support development since 2001. In 2021, the Region established four incentive Priority Areas consisting of Affordable Housing, Employment, Brownfield, and Public Realm. The Region's choice to use incentives is related to three key objectives:

- Provide funding for specific types of development that would not occur without public financial assistance,
- Minimize or remove financial barriers that hold back specific types of development,
- Invest to unlock wider economic opportunities that spur on other developments within the surrounding geographic area.

The Niagara Region's Incentive Policy currently comprises three types of incentive programs:

- **Mandatory Incentives:** The Region is mandated to provide these mainly through Provincial legislation in the DC Act and the Planning Act. These programs typically exempt or defer DCs for development the Province wishes to encourage. By

exempting DCs, or deferring the DCs to a later date, the Region must make up the funding for the exemption through the levy. In this way, exemptions and deferrals of DCs still have a financial cost to the Region. An example of this type is the “50% Industrial Expansion RDC Grant” which is applied at the building permitting stage.

- **Discretionary Incentives:** These are incentives the Region chooses to provide for the purpose of achieving a Council approved objective. An example of this type of incentive is the “Brownfield Tax Increment Grant Tier 1 and Tier 2”.
- **Provincial Flow-through:** This is a type of funding the Province provides to the Region to deliver programs on behalf of the Province using provincial guidelines, standards and processes. The NRIP includes five programs of this type that are recommended to move into the programs listing administered by Housing Services.

Since the approval of the NRIP in 2021, some priority areas have seen more program uptake than others. The varying levels of uptake of the programs can be attributed to factors such as: the extension of “old” programs, recent Provincially legislated exemptions, and inadequate funding levels of some programs.

One of the key challenges within the NRIP is that it contains a mix of Provincial, Mandatory, and Discretionary Programs. To achieve better clarity, the NRIP should only include discretionary programs that are targeted and funded by the Region. In this way, Regional incentives are applied toward community benefits that are important to the strategic goals of Regional Council and help with community building.

One way to address this challenge in the NRIP is to move Provincial flow-through programs and mandatory programs outside of the Policy into other Regional frameworks with similar programs.

Provincial flow-through programs are currently only found within the Affordable Housing Priority Area. Since the Province provides both administrative and financial support for these programs, it is recommended that this type of program is housed within a separate area that oversees the Province-to-Region relationship. Moving the Provincial programs into Regional Housing Services will not impact the delivery of these programs and will positively contribute to simplifying the NRIP.

Mandatory programs should be separated outside of the NRIP because they are Provincially mandated. This report recommends that two mandatory programs, “Intensification RDC Grant” and “50% Industrial Expansion Grant” move outside of the NRIP (See Appendix 2 and 3).

Similarly, the Public Realm Investment Program (PRIP) is recommended to be moved and placed within Public Works. PRIP belongs with other Public Works programs that Area Municipalities use in partnership with the Region. This program provides matching grants to Area Municipalities for streetscaping projects on Regional roads. Integrating the functions of the Public Realm priority area, PRIP, into the public works stream is a natural fit with other public works programs that govern the road infrastructure cost sharing arrangements.

The “Small Buildings Rental Grant” and the “Residential Rental Grant” are programs with small budgets and little or no uptake. These programs require extensive administration and are not delivering the intended purpose. It is recommended these programs are discontinued and removed from the Policy. Staff recommend instead developing a new, more comprehensive, targeted, and adequately funded program that will deliver purpose-built rental housing.

The recommendations in this report are influenced by consultations with Area Municipalities and discussions with the development industry. In both instances, staff heard that Regional incentives are important to realizing Local and Regional goals. In addition, Regional and local alignment of goals could be strengthened through targeted programs and through a greater degree of flexibility to accommodate the conditions of the current development climate. The consultations also generated additional feedback into how the Region can be more effective through increased education, simplification of administrative processes, and consistency in program delivery. Representatives from the Development Industry noted that incentive programs and funding need a high degree of predictability.

The sections below provide analysis of the recommended changes for each of the four Incentive priority areas.

Affordable Housing Priority Area

The development sector is currently experiencing a slow down as high interest rates, increasing unemployment, stagnating wages, high labour and material costs, and the high cost of living are impacting affordable housing developments.

The Affordable Housing priority area of the NRIP holds a total of 12 programs. (See Appendix 1). Affordable Housing has three types of programs: Provincial, Mandatory, and Discretionary. The policy for the Affordable Housing priority area will be revised to reflect the following:

- Move the suite of Provincially funded programs into the Housing Services Listing of programs provided through Housing Services mandate.
- Remove the program that cannot be delivered due to Provincial changes in legislation including Bill 23 and Bill 185 (“Non-profit Affordable Rental Housing RDC Deferral” program),
- Move the “Intensification RDC Grant” program outside the NRIP,
- Discontinue the “Small Buildings Rental Grant” and the “Residential Rental Grant and;
- Revisit the “Partnership Housing Program” and develop a new purpose-built rental housing incentive program.

Provincially funded programs are not discretionary Regional incentives. The Region delivers these programs on behalf of the Province of Ontario. Separating these programs from the NRIP to be joined with similar programs within the Housing Services mandate will help to simplify the Policy. Programs to be moved include “Welcome Home Niagara Home Ownership”, “Niagara Renovates Homeownership”, “Niagara Renovates Multi-residential”, “Non-Profit and Co-op Capital Repair Costs”, and “Housing Provider Capital Loan”.

Additional improvements to the Affordable Housing priority area include removing the “Non-profit Affordable Rental Housing RDC Deferral”. This program has been replaced by Mandatory DC exemptions for Non-Profit Housing and are therefore not recommended to continue.

The Policy also includes programs that are currently unfunded or funded with small budgets and have little or no uptake and should be removed from the Policy. The “Small Buildings Rental Grant” which has had no uptake provides a \$15,000 grant per unit within buildings of six (6) or less units. The “Residential Rental Grant” which provides \$40,000 for the creation of two (2) secondary suites within a unit received three applications in 2023. Both programs receive an annual budget of \$75,000 each. These programs require extensive administration but are not delivering the intended uptake. Staff will discontinue these programs and develop a new purpose-built rental housing incentive. Report PDS 14-2024 Attainable Housing Strategy also identified the need for a new incentive program geared toward increasing the supply of purpose-built rental housing.

Staff will also revisit the “Partnership Housing Program”, which is currently unfunded, to be reshaped to incentivize the construction of new purpose-built rental housing units within urban areas, along transit corridors, and close to urban amenities and services.

In conclusion, to maximize effectiveness of the remaining programs within the Affordable Housing priority area, it is recommended to have fewer, targeted programs with greater funding capacity that can deliver timely and tangible results. Feedback from the consultations with Area Municipalities and the Development Industry indicated that incentivizing Affordable and Attainable Housing should be Niagara Region’s priority.

Employment Priority Area

In line with Council Strategic Priorities, the Employment Priority Area was created to attract and retain Employment in the region. The Employment priority area includes five programs. Four programs are discretionary, and one is a mandatory program (50% Industrial Expansion RDC Grant) (see Appendix 4). This report recommends that the mandatory programs be moved from NRIP.

Employment programs provided by the Region are well-utilized. The challenge to delivering employment programs relate to expediting and communicating the benefits of choosing Niagara. This report does not recommend program changes, however, to increase effectiveness of incentives, staff intend to make administrative improvements that will enhance the delivery of programs through streamlining processes, increased staff training, increased dialogue with Area staff, and standardization of forms and calculations.

Attracting new employers to Niagara Region is important and this report also highlights the competitive nature of employment incentives. Within the current global business climate, the Region competes with the rest of the World. Specifically, the Region competes with other Upper Tier and Lower Tier municipalities throughout Ontario, municipalities in other provinces, and even jurisdictions in the United States. A summary of how the Niagara Region’s programs and Canada’s attraction incentives compete with those of the United States is included in Appendix 6.

Niagara Region plays a leading role in promoting Niagara to the World through the employment priority area suite of programs.

Brownfield Priority Area

The Brownfield priority area holds a total of three discretionary programs (“Brownfield RDC Deferral”, “Brownfield TIG Tier 1 and Tier 2”, and “Large-scale Brownfield Regional DC Grant”) each with the goal of assisting developers with the cost of remediating contaminated lands for the purpose of development. These incentives help to create an even-playing field so that brownfield projects are viable, and the upfront cost of remediation is less of a barrier to actualizing development.

Remediation of brownfield sites across the globe has been a best practice to revitalize contaminated derelict properties that once provided a benefit to surrounding communities but have closed and are no longer providing benefit. Transforming these sites into vibrant mixed-use places addresses the negative impacts from these vacant sites, cleans up contamination on the lands, and takes advantage of the many municipal services that surround the properties such as below grade infrastructure, roads, transit, and others. For the Region to incentivize the remediation of brownfields from vacant and contaminated sites to mixed-use centres contributes positively to housing supply, employment, complete communities, and increased assessment.

To improve effectiveness in this priority area, it is recommended that the “Brownfield TIG Tier 1 and Tier 2” program, which is a matching program within local Community Improvement Plans (CIP), be simplified by removing the affordable housing component which determines the percentage of tax increment. Instead, the BTIG Tier 1 and 2 will each have a grant amount of up to 80% of the tax increment. Removing this criterion from the program will help simplify the delivery of the program as the grant percentage for both tiers will be the same and affordable housing incentives will be delivered through the affordable housing priority area.

Feedback from the consultation sessions see (Appendix 5) illuminated the importance of maintaining simple, consistent, and targeted brownfield incentive programs. This feedback is especially important as brownfield project timelines can be long and at times unpredictable when compared to a typical greenfield development. In addition, much of the remediation work to clean up sites occurs out of pocket by the developer and without institutional financing.

Public Realm

The Public Realm priority area consists of one program, the “Public Realm Investment Program (PRIP)”. This program provides matching grants to Area Municipalities and the NPCA for streetscape enhancements along Regional Roads and adjacent public spaces.

Since the Public Realm priority area consists of one program that is not available to the public, it does not align with the other priority areas which are aimed at incentivizing development.

This report recommends that PRIP is better suited to being integrated within current Public Works policies that direct cost sharing protocols between the Region and the Area Municipalities. Public Works is currently updating their policy set and this is the optimal moment to transfer PRIP out of the NRIP. This will simplify the NRIP by removing the Public Realm priority area which is not available to the development industry.

Consultation:

In preparation for this report, consultations were carried out through workshops with Area Municipalities on April 27, April 29, May 2, 2024; development industry focus group meeting on June 13, 2024; a Council information session on June 27, 2024; and a workshop with the development industry held on July 18, 2024 (See Appendix 5).

In reviewing the effectiveness and challenges of the NRIP and through the consultation with Area Municipalities and the Development Industry a range of administrative improvements have been identified in Appendix 5 and are summarized below:

- **Increased Education and Training**
Due to high staff turnover in incentive administration, Area Municipal staff and the development industry identified the need for increased education for all staff who administer incentives. The creation of training videos focused on Regional program processes has been identified as a solution in the onboarding of new Municipal staff.
- **Alignment between the Region and the Area Municipalities**
Working together requires better alignment approaches to ensure that both tiers of government are able to respond to the needs of the development community. This includes the alignment of timing, deadlines, approval cycles, working around changes in legislation and bylaw updates. Better alignment also includes collecting information and metrics in the same way and using consistent terminology and information.
- **Simplification of Administrative Processes**
Regional incentive programs have been identified as being complex to use. Both the Area Municipalities and development industry want to see simplified Regional

paperwork, the removal of duplication, and the creation of streamlined application processes. To address these concerns, staff will be updating procedures and application forms to create better ease-of-use and adding website enhancements that will help developers to navigate the programs.

- **Consistency**
The Region and the Area Municipalities will work together to drive forward an approach to greater consistency. This includes consistency of terms and definitions, timing, and submission cycles, delivery of programs terms and eligibility. Enhancing consistency will improve the level of service and increase the level of understanding for all programs.
- **Financial Sustainability**
Funding incentive programs - both at the Area Municipality and Regional level - needs to be strategic, having sufficient funds to leverage intended outcomes, and ensure that funding long-term incentives is predictable.
- **Develop Metrics**
To enhance the effectiveness of programs, future financial considerations must be guided by program performance over time. Programs must be targeted and designed to capture metrics and key performance indicators that can be used to monitor program performance and ensure that programs are actualizing intended development outcomes. These indicators would be developed in collaboration with Area Municipalities.

Alternatives Reviewed

Regional Council could choose to not approve the recommendations and keep the Incentive Policy as is. This alternative is not recommended as the Policy can be improved and simplified in the following: removing programs which have been replaced by Provincial legislation, programs which are inactive due to insufficient funding, and programs which would benefit from revamping to address the current needs of Niagara, specifically, purpose-built rental housing. In addition, the NRIP with the recommended revisions continues to meet the objectives of providing funding for specific types of development that would not occur without public financial assistance; minimizing or removing financial barriers that hold back specific types of development, and investing to unlock wider economic opportunities that spur on other developments within the surrounding geographic area.

Relationship to Council Strategic Priorities

The work described in this report contributes to Regional Council's 2023-2026 Strategic Priorities and its pillars relating to exploring ways to improve the effectiveness of the Incentive Policy, support more effective incentivization approaches to deliver affordable and attainable housing and incentives aimed at attracting employment.

- Effective Region
 - 1.2 Explore and implement opportunities to improve service delivery outcomes through shared services.

- Equitable Region
 - 3.2: Support growth and development following Bill 23, More Homes Built Faster Act, 2022
 - 3.3: Improve access to affordable and attainable housing

- Prosperous Region
 - 4.1 Attract and retain businesses, create jobs and support a skilled workforce in Niagara

Other Pertinent Reports

- PDS 42-2017 Overview of 2018 Incentive Review
- PDS-C 19-2018 ICOP Phase 1 Audit Report on Regional Incentive Review
- PDS-C 31-2018 ICOP Phase 2 Audit Report on Regional Incentive Review
- PDS-C 38-2018 Local Municipal Responses to Incentive Review Audit Report
- PDS 22-2019 Regional Incentives Financial Information
- PDS 34-2019 Grants and Incentives Review
- CSD 55-2020 Sustainability Review Final Report
- PDS 31-2021 Niagara Region Incentives Policy
- PDS 3-2022 Regional Transitional Incentive Timelines
- PDS 16-2022 SNIP Tax Increment Grant 2022 Update
- PDS C-11 2024 Inventory of Current Regional Incentives and Grants

Prepared by:

Khaldoon Ahmad
Manager, Urban Design
Growth Strategy and Economic
Development

Recommended by:

Michelle Sergi
Commissioner
Growth Strategy and Economic
Development

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared in consultation with Beth Brens, Associate Director of Budget Planning and Strategy, Blair Hutchings, Manager of Revenue Planning and Strategy, Alex Rotundo, Senior Tax and Revenue Analyst, Marco Marino, Director of Economic Development, Daniel Turner, Manager of Strategic Growth Services, Diana Morreale, Director Growth Management and Planning, Julianna Vanderlinde, Grants and Incentives Program Manager, and reviewed by Susan White, Program Financial Specialist

Appendices

Appendix 1: Existing Niagara Regional Incentives Policy C-A-028

Appendix 2: Niagara Regional Incentives Policy with Amendments

Appendix 3: Regional Incentives Policy 2024

Appendix 4: Council Information Session Handout

Appendix 5: Engagement and Consultation Summary

Appendix 6: Summary of Employment Incentives Within Canada and the United States

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Policy Owner	Planning and Development Services, Community and Long Range Planning, Director of Community and Long Range Planning
Approval Body	Regional Council
Approval Date	August 26, 2021
Effective Date	January 1, 2022
Review by Date	Within five years of effective date

1. Policy

This policy identifies Regional incentive programs aligning per Council direction with the Council Priority Areas of Affordable Housing, Employment, Brownfield Remediation and Public Realm, and outlines general objectives and parameters for these programs.

1.1. This policy pertains to the programs listed in [Appendix A: Regional Incentive Programs](#).

1.2. Incentives are provided in these priority areas with the following goals:

1.2.1. To increase the amount of affordable housing in Niagara, particularly the supply of purpose-built rental housing, and to maintain existing affordable rental housing stock;

1.2.2. To attract and retain new businesses and full-time jobs to Niagara;

1.2.3. To encourage the remediation of contaminated sites for better environmental, economic, health and safety and urban planning outcomes; and

1.2.4. To improve the accessibility, sustainability and attractiveness of public spaces on Regional roads in core areas, and coordinate investment and workplans for major capital projects in the public realm.

1.3. Eligibility, application, approval, documentation, reporting, tracking, monitoring and payment requirements and practices for these Regional incentive programs will be outlined in the Procedures related to this policy.

1.4. Incentives will be provided subject to budgetary availability.

1.5. For Regional incentive programs requiring applications, only complete, correct and conforming applications will be considered.

1.6. Payment of grant incentives is contingent on compliance with all program requirements.

<i>Policy Category</i> <i>Administrative</i>	<i>Name of Policy</i> <i>Niagara Region Incentives Policy</i>
---	--

1.7. Key incentive program data and performance indicators will be collected, reviewed and reported on to demonstrate program effectiveness and accountability.

1.8. Clear, consistent information on Regional incentive programs will be provided to program partners and stakeholders.

2. Purpose

The purpose of this policy is to align Regional incentive programs with the four priority areas of Affordable Housing, Employment, Brownfield Remediation, and Public Realm identified by Regional Council, and to consolidate them under one policy.

3. Scope

Where incentives in this policy relate to mandatory Development Charge incentives, the incentives will continue until changed in the Development Charge Act. Where incentives in this policy relate to discretionary Regional Development Charge incentives, the incentives of Development Charge Bylaw 2017-98 will continue until the expiry of the bylaw on August 31, 2022.

No duplication of the following incentives is permitted:

- Affordable and Supportive Housing Regional Development Charge Deferral in this policy and the discretionary Affordable Housing Regional Development Charge Deferral, Section 11(f) of Bylaw 2017-98
- Employment Regional Development Charge Grant in this policy and the discretionary Industrial Regional Development Charge Grant, Section 17(c) of Bylaw 2017-98
- Brownfield Regional Development Charge Deferral in this policy and the discretionary Brownfield Regional Development Charge Grant, Section 14 of Bylaw 2017-98
- Intensification Regional Development Charge Grant in this policy and Intensification Regional Development Charge Grant, Section 16 of Bylaw 2017-98
- 50% Industrial Expansion Regional Development Charge Grant in this policy and 50% Industrial Expansion Regional Development Charge Grant, Section 17 (a) and (b) of Bylaw 2017-98

3.1. Roles and Responsibilities

3.1.1 Regional Council

Approves, by resolution, the Regional Incentives Policy and any updates as necessary every five years.

<i>Policy Category</i>	<i>Name of Policy</i>
Administrative	Niagara Region Incentives Policy

Approves budget allocation to fund Regional incentive programs.

Approves in-year and year-end funding requirements of budget variances related to Regional incentive programs.

3.1.2 Corporate Leadership Team

Approves the Procedures related to this policy and any updates as necessary.

Provides budget recommendations to Council with respect to funding Regional incentive programs.

3.1.3 Commissioner, Planning and Development Services or Designate

Reviews and updates the Regional Incentives Policy as necessary every five years and submits any necessary changes for Council approval.

Creates necessary guiding strategies, supporting frameworks and procedures as required to administer this policy which may be amended from time to time.

Monitors compliance and adherence to this policy.

Develops and maintains appropriate tracking of Regional incentive programs covered under this policy and in related policies, programs or legislation, and reports on them annually to Regional Council.

Carries out the above tasks in coordination with Regional Commissioners, Directors, other Regional staff involved in administering these Regional incentive programs.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.4 Commissioner, Corporate Services or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Oversees Regional Development Charge Bylaw updates and recommends revisions as required to Regional Incentives Policy and relevant programs should the Development Charges Act be revised.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.5 Director, Economic Development or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.6 Commissioner, Community Services or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.7 Director, Housing Services/CEO, Niagara Regional Housing or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.8 Director, Legal and Court Services or Designate

Ensures that all Regional incentive program agreements satisfy all legal requirements as outlined in appropriate legislation and appropriately mitigate legal exposure for Niagara Region.

4. References and Related Documents.

4.1. Legislation, By-Laws and/or Directives

- Planning Act, R.S.O. 1990, c. P.13
- Municipal Act, 2001, S.O. 2001, c. 25
- Development Charges Act, 1997, S.O. 1997
- Canada-Ontario Community Housing Initiative
- Ontario Priorities Housing Initiative
- ICP 97-2011
- ICP 33-2013
- ICP 118-2013
- PDS-C 3-2017
- By-law 2017-89
- By-law 2017-98
- CSD 34-2019
- COM-C 32-2020

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

4.2. Procedures

Procedures for programs outlined in this policy organized by each of the four Priority Areas will be forthcoming.

5. Related Policies

- Regional Development Charges Deferral Payment Policy

6. Appendices

- [Appendix A: Regional Incentive Programs](#)

7. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Council		

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Appendix A: **AMENDED** Regional Incentive Programs

Program	Program Description	Grant Type
AFFORDABLE HOUSING		
Partnership Housing Program	Partnerships with for- and non-profits to generate more purpose-built rental and move clients off the housing waitlist by using a suite of Regional incentives customized by project	Suite of Incentives (e.g., TIGs, DC grants and deferrals) for Affordable Housing Capital Development
Affordable and Supportive Housing RDC Deferral	A deferral of Regional DCs for affordable or supportive housing units in projects having an agreement with a Regional department or agency for as long as the units remain affordable	Regional Development Charge Deferral
Non-profit Affordable Rental Housing RDC Deferral	A deferral of 50-100% of Regional DCs depending on level of affordability for affordable rental housing units with CMHC funding for as long as the units remain affordable as defined	Regional Development Charge Deferral
Non-Profit RDC-based Grant	A grant for up to 100% of DCs payable for eligible non-profit developments	Regional Development Charge Grant
Intensification RDC Grant	A grant providing DC relief to secondary suites created within or on the property of residential dwellings as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
Residential Rental Grant	A grant for the creation of secondary suites within or on the property of a residence which remain at affordable rental levels for at least 10 years	Regional Project Grant

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Small Building Rental Grant	A grant for the construction of up to five units, up to \$15k/unit, provided units remain at affordable rental levels for at least 10 years	Regional Project Grant
Welcome Home Niagara Home Ownership Program	A forgivable loan for downpayment assistance of 5% to a maximum of \$20,296 (purchase price not to exceed \$405,930), as amended from time to time, for renters at specific income levels purchasing a home	Forgivable Loan
Niagara Renovates Homeownership	Forgivable loan over 10 years for repairs and accessibility modifications for low and moderate income households	Forgivable Loan
Niagara Renovates Multi-residential	Forgivable loan over 15 years to fund repairs or provide accessibility for affordable units in multi-unit buildings	Forgivable Loan
Non-Profit and Co-op Capital Repair Costs	Funding for capital repairs to non-profit and co-op housing providers having agreements with NRH	Forgivable Loan
Housing Provider Capital Loan Program	Emergency loan program, with 25% forgivable over time, to support repairs to non-profit and co-op affordable housing providers having agreements with NRH	Loan and Grant
EMPLOYMENT		
Gateway CIP Tax Increment Grant	A matching tax increment grant for projects in the Gateway CIP area with eligible scores on economic and environmental criteria which result in increased assessment value	Tax Increment Grant (Local and Regional Gateway CIP)

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Gateway CIP RDC-based Grant	A matching grant of Regional DCs payable for projects with exceptional scores (14+) on Gateway CIP criteria	Regional DC Grant (Local and Regional Gateway CIP)
Niagara Employment Partnership TIG	A matching tax increment grant for projects approved under local CIPs with eligible scores on economic and environmental criteria resulting in increased assessment value	Tax Increment Grant (Local CIP)
Industrial Use RDC-based Grant	A grant equal to 100% of Regional DCs for new or expanded industrial developments meeting the definition of Industrial Use	Regional Development Charge Grant
Employment Regional DC-based Grant NOTE: This program inaccessible for duration of Industrial RDC Grant	A grant equal to a percentage of Regional DCs payable based on creation of full time jobs in manufacturing and professional, scientific and technical services sectors	Regional Development Charge Grant
50% Industrial Expansion RDC Grant	A grant equal to Regional DCs for enlargements to existing industrial buildings for up to 50% of original gross floor area as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
BROWNFIELD REMEDIATION		
Brownfield TIG Tier 1: Select Sites	A matching tax increment grant for remediation costs on major brownfield sites whose remediation will result in significant economic, environmental, social, and health benefits; increased benefit for projects with affordable housing	Tax Increment Grant (Local CIP)

<i>Policy Category</i>	<i>Name of Policy</i>
Administrative	Niagara Region Incentives Policy

Brownfield TIG Tier 2	A matching tax increment grant (for remediation costs of brownfield sites eligible through local CIPs; increased benefit for projects with affordable housing)	Tax Increment Grant (Local CIP)
Brownfield Regional DC Deferral	A deferral of Regional DCs for eligible brownfield sites until an occupancy permit is issued or up to five years from signing of agreement	Regional Development Charge Deferral
Large-scale Brownfield Regional DC Grant	A grant equal to Regional DCs for projects meeting the definition of brownfield, over 10 hectares in size, and in a Secondary Plan area or area subject to a Secondary Plan process as of August 25, 2022	Regional Development Charge Grant
PUBLIC REALM		
Public Realm Investment Program	Matching grant for capital projects that provide public realm enhancements on Regional roads in core areas	Regional Matching Grant to Local Area Municipality

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Policy Owner	Planning and Development Services (Growth Strategy and Economic Development)
Approval Body	Regional Council
Approval Date	September 05, 2024
Effective Date	January 1, 2025
Review by Date	Within two years of effective date, January 2027

1. Policy

This policy identifies Regional incentive programs aligning per Council direction with the Council Priority Areas of Affordable Housing, Employment, Brownfield Remediation and Public Realm, and outlines general objectives and parameters for these programs.

1.1. This policy pertains to the programs listed in [Appendix A: Regional Incentive Programs](#).

1.2. Incentives are provided in these priority areas with the following goals:

1.2.1. To increase the amount of affordable housing in Niagara, particularly the supply of purpose-built rental housing, and to maintain existing affordable rental housing stock;

1.2.2. To attract and retain new businesses and full-time jobs to Niagara;

1.2.3. To encourage the remediation of contaminated sites for better environmental, economic, health and safety and urban planning outcomes.

~~1.2.4. To improve the accessibility, sustainability and attractiveness of public spaces on Regional roads in core areas, and coordinate investment and workplans for major capital projects in the public realm.~~

1.3. Eligibility, application, approval, documentation, reporting, tracking, monitoring and payment requirements and practices for these Regional incentive programs will be outlined in the Procedures related to this policy.

1.4. Incentives will be provided subject to budgetary availability.

1.5. For Regional incentive programs requiring applications, only complete, correct and conforming applications will be considered.

1.6. Payment of grant incentives is contingent on compliance with all program requirements.

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

1.7. Key incentive program data and performance indicators will be collected, reviewed and reported on to demonstrate program effectiveness and accountability.

1.8. Clear, consistent information on Regional incentive programs will be provided to program partners and stakeholders.

2. Purpose

The purpose of this policy is to align Regional incentive programs with the three ~~four~~ priority areas of Affordable Housing, Employment, Brownfield Remediation. ~~and Public Realm~~ identified by Regional Council, and to consolidate them under one policy.

3. Scope

Where incentives in this policy relate to mandatory Development Charge incentives, the incentives will continue until changed in the Development Charge Act. Where incentives in this policy relate to discretionary Regional Development Charge incentives, the incentives of Development Charge Bylaw 2022-71 will continue until the expiry of the bylaw on August 31, 2027.

No duplication of the following incentives is permitted:

- Affordable and Supportive Housing Regional Development Charge Deferral in this policy
- Employment Regional Development Charge Grant in this policy
- Brownfield Regional Development Charge Deferral in this policy
- Intensification Regional Development Charge Grant in this policy and Intensification Regional Development Charge Grant, Section 18 (a) & (b) of Bylaw 2022-71
- 50% Industrial Expansion Regional Development Charge Grant in this policy and 50% Industrial Expansion Regional Development Charge Grant, Section 12 to 17 of Bylaw 2022-71

3.1. Roles and Responsibilities

3.1.1 Regional Council

Approves, by resolution, the Regional Incentives Policy and any updates as necessary every five years.

Approves budget allocation to fund Regional incentive programs.

Approves in-year and year-end funding requirements of budget variances related to Regional incentive programs.

3.1.2 Corporate Leadership Team

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Approves the Procedures related to this policy and any updates as necessary.

Provides budget recommendations to Council with respect to funding Regional incentive programs.

3.1.3 Commissioner, ~~Planning and Development Services (Growth Strategy and Economic Development)~~ or Designate

Reviews and updates the Regional Incentives Policy as necessary every five years and submits any necessary changes for Council approval.

Creates necessary guiding strategies, supporting frameworks and procedures as required to administer this policy which may be amended from time to time.

Monitors compliance and adherence to this policy.

Develops and maintains appropriate tracking of Regional incentive programs covered under this policy and in related policies, programs or legislation, and reports on them annually to Regional Council.

Carries out the above tasks in coordination with Regional Commissioners, Directors, other Regional staff involved in administering these Regional incentive programs.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.4 Commissioner, Corporate Services or Designate

Coordinates with Commissioner of ~~Planning and Development Services Growth Strategy and Economic Development~~ or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Oversees Regional Development Charge Bylaw updates and recommends revisions as required to Regional Incentives Policy and relevant programs should the Development Charges Act be revised.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.5 Director, Economic Development or Designate

Coordinates with Commissioner of ~~Planning and Development Services Growth Strategy and Economic Development~~ or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

<i>Policy Category</i>	<i>Name of Policy</i>
Administrative	Niagara Region Incentives Policy

3.1.6 Commissioner, Community Services or Designate

Coordinates with Commissioner of ~~Planning and Development Services Growth Strategy and Economic Development~~ or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.7 Director, Housing Services/CEO, Niagara Regional Housing or Designate

Coordinates with Commissioner of ~~Planning and Development Services Growth Strategy and Economic Development~~ or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.8 Director, Legal and Court Services or Designate

Ensures that all Regional incentive program agreements satisfy all legal requirements as outlined in appropriate legislation and appropriately mitigate legal exposure for Niagara Region.

4. References and Related Documents.

4.1. Legislation, By-Laws and/or Directives

- Planning Act, R.S.O. 1990, c. P.13
- Municipal Act, 2001, S.O. 2001, c. 25
- Development Charges Act, 1997, S.O. 1997
- Canada-Ontario Community Housing Initiative
- Ontario Priorities Housing Initiative
- ICP 97-2011
- ICP 33-2013
- ICP 118-2013
- PDS-C 3-2017
- By-law 2017-89
- By-law 2017-98
- CSD 34-2019
- COM-C 32-2020

4.2. Procedures

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Procedures for programs outlined in this policy organized by each of the ~~three~~ **four** Priority Areas will be forthcoming.

5. Related Policies

- Regional Development Charges Deferral Payment Policy

6. Appendices

- [Appendix A: Regional Incentive Programs](#)

7. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Council		

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Appendix A: **AMENDED** Regional Incentive Programs

Program	Program Description	Grant Type
AFFORDABLE HOUSING		
Partnership Housing Program TO BE ASSESSED	Partnerships with for- and non-profits to generate more purpose-built rental and move clients off the housing waitlist by using a suite of Regional incentives customized by project	Suite of Incentives (e.g., TIGs, DC grants and deferrals) for Affordable Housing Capital Development
Affordable and Supportive Housing RDC Deferral	A deferral of Regional DCs for affordable or supportive housing units in projects having an agreement with a Regional department or agency for as long as the units remain affordable	Regional Development Charge Deferral
Non-profit Affordable Rental Housing RDC Deferral (MANDATORY: MOVED OUT OF THE POLICY DUE TO BILL 23)	A deferral of 50-100% of Regional DCs depending on level of affordability for affordable rental housing units with CMHC funding for as long as the units remain affordable as defined	Regional Development Charge Deferral
Non-Profit RDC-based Grant	A grant for up to 100% of DCs payable for eligible non-profit developments	Regional Development Charge Grant
Intensification RDC Grant (MANDATORY: MOVED OUT OF THE POLICY DUE TO BILL 23)	A grant providing DC relief to secondary suites created within or on the property of residential dwellings as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
Residential Rental Grant	A grant for the creation of secondary suites within or on the property of a residence which remain at affordable rental levels for at least 10 years	Regional Project Grant

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

DISCONTINUE AND BUDGET ABSORBED INTO NEW PROGRAM		
Small Building Rental Grant DISCONTINUE AND BUDGET ABSORBED INTO NEW PROGRAM	A grant for the construction of up to five units, up to \$15k/unit, provided units remain at affordable rental levels for at least 10 years	Regional Project Grant
Welcome Home Niagara Home Ownership Program (RELOCATED TO HOUSING SERVICES PROGRAMS)	A forgivable loan for downpayment assistance of 5% to a maximum of \$20,296 (purchase price not to exceed \$405,930), as amended from time to time, for renters at specific income levels purchasing a home	Forgivable Loan
Niagara Renovates Homeownership (RELOCATED TO HOUSING SERVICES PROGRAMS)	Forgivable loan over 10 years for repairs and accessibility modifications for low and moderate income households	Forgivable Loan
Niagara Renovates Multi-residential (RELOCATED TO HOUSING SERVICES PROGRAMS)	Forgivable loan over 15 years to fund repairs or provide accessibility for affordable units in multi-unit buildings	Forgivable Loan
Non-Profit and Co-op Capital Repair Costs (RELOCATED TO HOUSING SERVICES PROGRAMS)	Funding for capital repairs to non-profit and co-op housing providers having agreements with NRH	Forgivable Loan
Housing Provider Capital Loan Program (RELOCATED TO HOUSING SERVICES PROGRAMS)	Emergency loan program, with 25% forgivable over time, to support repairs to non-profit and co-op affordable housing providers having agreements with NRH	Loan and Grant
EMPLOYMENT		

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Gateway CIP Tax Increment Grant	A matching tax increment grant for projects in the Gateway CIP area with eligible scores on economic and environmental criteria which result in increased assessment value	Tax Increment Grant (Local and Regional Gateway CIP)
Gateway CIP RDC-based Grant	A matching grant of Regional DCs payable for projects with exceptional scores (14+) on Gateway CIP criteria	Regional DC Grant (Local and Regional Gateway CIP)
Niagara Employment Partnership TIG	A matching tax increment grant for projects approved under local CIPs with eligible scores on economic and environmental criteria resulting in increased assessment value	Tax Increment Grant (Local CIP)
Industrial Use RDC-based Grant	A grant equal to 100% of Regional DCs for new or expanded industrial developments meeting the definition of Industrial Use	Regional Development Charge Grant
Employment Regional DC-based Grant NOTE: This program inaccessible for duration of Industrial RDC Grant	A grant equal to a percentage of Regional DCs payable based on creation of full time jobs in manufacturing and professional, scientific and technical services sectors	Regional Development Charge Grant
50% Industrial Expansion RDC Grant (MANDATORY MOVED OUTSIDE OF THE POLICY)	A grant equal to Regional DCs for enlargements to existing industrial buildings for up to 50% of original gross floor area as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
BROWNFIELD REMEDIATION		
Brownfield TIG Tier 1: Select Sites	A matching tax increment grant for remediation costs on major brownfield sites whose remediation will result in significant economic,	Tax Increment Grant (Local CIP)

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

	environmental, social, and health benefits; increased benefit for projects with affordable housing Affordable Housing component is removed	
Brownfield TIG Tier 2	A matching tax increment grant (for remediation costs of brownfield sites eligible through local CIPs; increased benefit for projects with affordable housing Affordable housing component is removed.	Tax Increment Grant (Local CIP)
Brownfield Regional DC Deferral	A deferral of Regional DCs for eligible brownfield sites until an occupancy permit is issued or up to five years from signing of agreement	Regional Development Charge Deferral
Large-scale Brownfield Regional DC Grant	A grant equal to Regional DCs for projects meeting the definition of brownfield, over 10 hectares in size, and in a Secondary Plan area or area subject to a Secondary Plan process as of August 25, 2022	Regional Development Charge Grant
PUBLIC REALM		
Public Realm Investment Program (MOVED OUTSIDE OF THE POLICY TO PUBLIC WORKS)	Matching grant for capital projects that provide public realm enhancements on Regional roads in core areas	Regional Matching Grant to Local Area Municipality

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Policy Owner	Growth Strategy and Economic Development
Approval Body	Regional Council
Approval Date	September 05, 2024
Effective Date	January 1, 2025
Review by Date	Within two years of effective date, January 2027

1. Policy

This policy identifies Regional incentive programs aligning per Council direction with the Council Priority Areas of Affordable Housing, Employment, Brownfield Remediation and Public Realm, and outlines general objectives and parameters for these programs.

1.1. This policy pertains to the programs listed in [Appendix A: Regional Incentive Programs](#).

1.2. Incentives are provided in these priority areas with the following goals:

- 1.2.1. To increase the amount of affordable housing in Niagara, particularly the supply of purpose-built rental housing, and to maintain existing affordable rental housing stock;
- 1.2.2. To attract and retain new businesses and full-time jobs to Niagara;
- 1.2.3. To encourage the remediation of contaminated sites for better environmental, economic, health and safety and urban planning outcomes.

1.3. Eligibility, application, approval, documentation, reporting, tracking, monitoring and payment requirements and practices for these Regional incentive programs will be outlined in the Procedures related to this policy.

1.4. Incentives will be provided subject to budgetary availability.

1.5. For Regional incentive programs requiring applications, only complete, correct and conforming applications will be considered.

1.6. Payment of grant incentives is contingent on compliance with all program requirements.

1.7. Key incentive program data and performance indicators will be collected, reviewed and reported on to demonstrate program effectiveness and accountability.

<i>Policy Category</i> <i>Administrative</i>	<i>Name of Policy</i> <i>Niagara Region Incentives Policy</i>
---	--

1.8. Clear, consistent information on Regional incentive programs will be provided to program partners and stakeholders.

2. Purpose

The purpose of this policy is to align Regional incentive programs with the three priority areas of Affordable Housing, Employment, Brownfield Remediation identified by Regional Council, and to consolidate them under one policy.

3. Scope

Where incentives in this policy relate to mandatory Development Charge incentives, the incentives will continue until changed in the Development Charge Act. Where incentives in this policy relate to discretionary Regional Development Charge incentives, the incentives of Development Charge Bylaw 2022-71 will continue until the expiry of the bylaw on August 31, 2027.

No duplication of the following incentives is permitted:

- Affordable and Supportive Housing Regional Development Charge Deferral in this policy
- Employment Regional Development Charge Grant in this policy
- Brownfield Regional Development Charge Deferral in this policy
- Intensification Regional Development Charge Grant in this policy and Intensification Regional Development Charge Grant, Section 18 (a) & (b) of Bylaw 2022-71
- 50% Industrial Expansion Regional Development Charge Grant in this policy and 50% Industrial Expansion Regional Development Charge Grant, Section 12 to 17 of Bylaw 2022-71

3.1. Roles and Responsibilities

3.1.1 Regional Council

Approves, by resolution, the Regional Incentives Policy and any updates as necessary every five years.

Approves budget allocation to fund Regional incentive programs.

Approves in-year and year-end funding requirements of budget variances related to Regional incentive programs.

3.1.2 Corporate Leadership Team

Approves the Procedures related to this policy and any updates as necessary.

Provides budget recommendations to Council with respect to funding Regional incentive programs.

<i>Policy Category</i>	<i>Name of Policy</i>
Administrative	Niagara Region Incentives Policy

3.1.3 Commissioner, Growth Strategy and Economic Development or Designate

Reviews and updates the Regional Incentives Policy as necessary every five years and submits any necessary changes for Council approval.

Creates necessary guiding strategies, supporting frameworks and procedures as required to administer this policy which may be amended from time to time.

Monitors compliance and adherence to this policy.

Develops and maintains appropriate tracking of Regional incentive programs covered under this policy and in related policies, programs or legislation, and reports on them annually to Regional Council.

Carries out the above tasks in coordination with Regional Commissioners, Directors, other Regional staff involved in administering these Regional incentive programs.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.4 Commissioner, Corporate Services or Designate

Coordinates with Commissioner of Growth Strategy and Economic Development or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Oversees Regional Development Charge Bylaw updates and recommends revisions as required to Regional Incentives Policy and relevant programs should the Development Charges Act be revised.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.5 Director, Economic Development or Designate

Coordinates with Commissioner of Growth Strategy and Economic Development or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.6 Commissioner, Community Services or Designate

Coordinates with Commissioner of Growth Strategy and Economic Development or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

3.1.7 Director, Housing Services/CEO, Niagara Regional Housing or Designate

Coordinates with Commissioner of Growth Strategy and Economic Development or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.8 Director, Legal and Court Services or Designate

Ensures that all Regional incentive program agreements satisfy all legal requirements as outlined in appropriate legislation and appropriately mitigate legal exposure for Niagara Region.

4. References and Related Documents.

4.1. Legislation, By-Laws and/or Directives

- Planning Act, R.S.O. 1990, c. P.13
- Municipal Act, 2001, S.O. 2001, c. 25
- Development Charges Act, 1997, S.O. 1997
- Canada-Ontario Community Housing Initiative
- Ontario Priorities Housing Initiative
- ICP 97-2011
- ICP 33-2013
- ICP 118-2013
- PDS-C 3-2017
- By-law 2017-89
- By-law 2017-98
- CSD 34-2019
- COM-C 32-2020

4.2. Procedures

Procedures for programs outlined in this policy organized by each of the three Priority Areas will be forthcoming.

5. Related Policies

- Regional Development Charges Deferral Payment Policy

6. Appendices

- [Appendix A: Regional Incentive Programs](#)

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

7. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Council		

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Appendix A: **AMENDED** Regional Incentive Programs

Program	Program Description	Grant Type
AFFORDABLE HOUSING		
Partnership Housing Program	Partnerships with for- and non-profits to generate more purpose-built rental and move clients off the housing waitlist by using a suite of Regional incentives customized by project	Suite of Incentives (e.g., TIGs, DC grants and deferrals) for Affordable Housing Capital Development
Affordable and Supportive Housing RDC Deferral	A deferral of Regional DCs for affordable or supportive housing units in projects having an agreement with a Regional department or agency for as long as the units remain affordable	Regional Development Charge Deferral
Non-Profit RDC-based Grant	A grant for up to 100% of DCs payable for eligible non-profit developments	Regional Development Charge Grant
EMPLOYMENT		
Gateway CIP Tax Increment Grant	A matching tax increment grant for projects in the Gateway CIP area with eligible scores on economic and environmental criteria which result in increased assessment value	Tax Increment Grant (Local and Regional Gateway CIP)
Gateway CIP RDC-based Grant	A matching grant of Regional DCs payable for projects with exceptional scores (14+) on Gateway CIP criteria	Regional DC Grant (Local and Regional Gateway CIP)
Niagara Employment Partnership TIG	A matching tax increment grant for projects approved under local CIPs with eligible scores on economic and environmental criteria resulting in increased assessment value	Tax Increment Grant (Local CIP)

<i>Policy Category</i> Administrative	<i>Name of Policy</i> Niagara Region Incentives Policy
--	---

Industrial Use RDC-based Grant	A grant equal to 100% of Regional DCs for new or expanded industrial developments meeting the definition of Industrial Use	Regional Development Charge Grant
Employment Regional DC-based Grant NOTE: This program inaccessible for duration of Industrial RDC Grant	A grant equal to a percentage of Regional DCs payable based on creation of full time jobs in manufacturing and professional, scientific and technical services sectors	Regional Development Charge Grant
BROWNFIELD REMEDIATION		
Brownfield TIG Tier 1: Select Sites	A matching tax increment grant for remediation costs on major brownfield sites whose remediation will result in significant economic, environmental, social, and health benefits;	Tax Increment Grant (Local CIP)
Brownfield TIG Tier 2	A matching tax increment grant (for remediation costs of brownfield sites eligible through local CIPs;	Tax Increment Grant (Local CIP)
Brownfield Regional DC Deferral	A deferral of Regional DCs for eligible brownfield sites until an occupancy permit is issued or up to five years from signing of agreement	Regional Development Charge Deferral
Large-scale Brownfield Regional DC Grant	A grant equal to Regional DCs for projects meeting the definition of brownfield, over 10 hectares in size, and in a Secondary Plan area or area subject to a Secondary Plan process as of August 25, 2022	Regional Development Charge Grant

Niagara Region Incentive Policy Program Descriptions and Uptake

June 27, 2024

Program	Description	Provincial, Mandatory or Discretionary	Uptake 2022	Uptake 2023	Total \$ 2022/2023
Affordable Housing					
Welcome Home Niagara Home Ownership Program	Provides a forgivable loan for down payment assistance of 5% to a maximum set by the Province to assist renters at specific income levels who qualify for the program to purchase a home in Niagara Region.	Provincial	5	3	\$158,950
Niagara Renovates Homeownership	Provides a forgivable loan over 10 years for repairs and accessibility modifications for qualifying low and moderate income households.	Provincial	34	25	\$1,425,699
Niagara Renovates Multi-residential	Provides a forgivable loan over 10 years for repairs and accessibility modifications to owners of eligible rental properties.	Provincial	1	1	\$76,104
Non-Profit and Co-op Capital Repair Costs	Provides funding for capital repairs to non-profit and co-op housing providers identified in the Housing Services Act and having agreements with Housing Services.	Provincial	11	7	\$5,774,012
Housing Provider Capital Loan Program	Emergency loan program, with 25% being forgivable over time, to support repairs to non-profit and co-op affordable housing providers having agreements with Housing Services.	Provincial and Regional	1	0	\$1,600,000
Intensification Regional DC Grant	Exempts new dwelling units within or ancillary to existing residential units from payment of DCs.	Mandatory	154	217	\$6,421,000
Affordable and Supportive Housing Regional DC Deferral	Defers payment of 100% of Regional DCs on eligible units for a minimum of 20 years or as long as they remain eligible affordable.	Discretionary	0	0	\$0
Non-profit Affordable Rental Regional DC Deferral	Defers payment of 50-100% of Regional DCs for a minimum of 20 years for eligible units in qualifying developments owned by or under the operation of an incorporated non-profit.	Discretionary	0	0	\$0
Partnership Housing Program	Regional co-investment with not-for-profit or private sector to develop new purpose-build rental buildings.	Discretionary	0	1	\$1,750,000
Non-Profit Regional DC-based Grant	Provides a refund of up to 100% of Regional DCs to qualifying non-profit and charitable organizations based in Niagara Region.	Discretionary	2	2	\$189,000
Residential Rental Grant	Provides a grant of up to \$40,000 per unit for the creation of up to two secondary suites, remain at affordable rental levels for at least 10 years.	Discretionary	0	3	\$0
Small Building Rental Grant	Provides a grant for the construction of up to 5 net new rental units in buildings of six or fewer units, up to \$15,000 per unit, remain at affordable rental levels for at least 10 years.	Discretionary	0	0	\$0

Mandatory DC Exemptions which will replace two deferral programs in Affordable Housing					
Program	Description	Provincial, Mandatory or Discretionary	Uptake 2022	Uptake 2023	Total \$ 2022/2023
Affordable and Attainable DC Exemption	<ul style="list-style-type: none"> - Exempts 100% of DCs for eligible residential units - Required to meet Provincial criteria/thresholds - Minimum of 25 years remain affordable - Enter into agreement with the Region and LAM 	Mandatory due to Bill 23. Affordable Exemption - in effect as of June 1, 2024. Attainable Exemption – currently inoperable until further defined by the Ministry.			
Non-profit Housing DC Exemption	Exempts 100% of DCs for residential developments developed by a registered Not-for-Profit Agency.	Mandatory due to Bill 23 (November 2022)			
Employment					
Industrial Use Regional DC Grant	Provides grants for up to 100% of Regional DCs for industrial projects.	Discretionary	9	12	\$5,710,000
Gateway CIP Tax Increment Grant (TIG)	Property tax reductions of between 40% and 100% for five to ten years to eligible property owners in Fort Erie, Niagara Falls, Port Colborne, Thorold, and Welland.	Discretionary	5	6	\$38,100,806
Gateway CIP Regional DC Grant	Provides grants for up to 100% of Regional DCs for employment projects. Capped at \$1.5 million.	Discretionary	0	0	\$0
Niagara Business Attraction TIG Program	Provides a matching TIG for employment projects approved under local CIPs.	Discretionary	0	0	\$0
50% Industrial Expansion Regional DC Grant	Provincially mandated to grant Industrial DCs up to 50% expansion of original footprint.	Mandatory	Combined with Industrial Use DC Grant		
Brownfield					
Brownfield Tax Increment Grant (TIG) Program (Phase out)	Provides a refund of taxes based on increased assessment resulting from development.	Discretionary	4	4	\$8,684,250
Brownfield Regional DC Deferral (New program)	Provides a deferral of 100% of Regional DCs for up to 5 years, or until occupancy.	Discretionary	0	0	\$0
Large-scale Brownfield Regional DC Grant (New program)	Provides Regional DC incentives for properties greater than 10 hectares.	Discretionary	0	0	\$0
Brownfield Tax Increment Grant (TIG) Tier 1 and Tier 2 (New program – October 2024)	Provides a refund of taxes based on increased assessment resulting from development.	Discretionary	0	0	\$0
Public Realm					

Public Realm Investment Program	Provides capital funding to Area Municipalities for streetscape projects on Regional roads.	Discretionary	5	4	\$700,000
---------------------------------	---	---------------	---	---	-----------

1) Municipal Engagement Workshop Summary

The purpose of this document is to provide a summary of the 2024 Incentive Review Engagement sessions with Area Municipalities. Regional staff were directed to engage municipalities as part of the upcoming report on the effectiveness and challenges of the current suite of Regional programs.

A cross-section of Municipal staff from Planning, Finance, Economic Development, and Public Works were invited to all three sessions.

The table below lists the attendance of Municipalities.

April 25, 2024	April 27, 2024	May 2, 2024
Niagara-on-the-Lake St. Catharines Pelham	Fort Erie Niagara Falls Thorold Welland	Grimsby Lincoln Port Colborne Wainfleet West Lincoln

Regional staff organized three engagement sessions focussed on answering the following three questions:

1. How has the process been to integrate the NRIP?

- What are the key existing challenges in integrating the NRIP?
- Can you foresee any future challenges part of future work/process/etc.?
- What do the Area Municipalities want to see to improve effectiveness when it comes to integrating the NRIP?

2. What are your objectives when it comes to integrating the NRIP?

- What are the Area Municipalities objectives for your incentives?
- What should the Region's objectives for incentives be?
- Are there objectives being missed in the current Local and Regional process?

3. What data is important to collect in order to understand effectiveness?

- What data (what types of metrics) have Area Municipalities collected?
- Are there any challenges to collecting strong data?
- What KPI's are important for measuring effectiveness?

The feedback received on the three questions from all 3 sessions was combined and summarized. The actual facilitation sheets are attached as Appendix 1.

Question 1: How has the process been to integrate the NRIP?

What was heard	Potential Outcome Items	Region or Municipality	Session
Theme: Increased Education			
<p>Communicate public benefit of Incentive programs.</p> <p>(Ex. Incentivizing Brownfield development is a priority because land gets remediated and uses infrastructure that is already there)</p>	<ul style="list-style-type: none"> Develop KPIs and keep them up-to-date to report on effectiveness of programs, paint a long term picture. Show Council and public finished projects. Increase Municipal and Regional educational information on CIPs. Include this information on the websites. Create communication plans to provide education on the community benefits through personal stories. Demonstrate the uplift to show the value of the incentive. Provide education sessions for employees, public, and Councils. 	Region, Municipality	1,2,3
Confusion about Regional participation in incentive programs.	<ul style="list-style-type: none"> Show Regional interest in programs by grounding programs in Regional Council strategic priorities. Get user feedback. 	Region	1,2,3
Theme: Alignment			
Importance of targeted programs. Clarify measurement and program criteria.	<ul style="list-style-type: none"> Align programs to 4 pillars. Align program with council strategic priorities. Create programs with criteria that have targeted outcomes (e.g. affordable, remediation, etc.) Ensure funding amount relates to criteria (not arbitrary) Ensure Regional and Municipal alignment for targeted programs. 	Region, Municipality	1,2,3
Align timing.	<ul style="list-style-type: none"> Ensure that program launch and review processes are predictable and 	Region, Municipality	1

Niagara Region Incentive Review

What was heard	Potential Outcome Items	Region or Municipality	Session
(Ex. MOU's or program review.)	coordinated and align with other key processes such as budget approval cycles, legislation changes, bylaw updates.		
Region's role should be a one stop VS. Region should support the individual needs of Municipalities.	<ul style="list-style-type: none"> Region to provide a 5th bucket for Municipalities to utilize for strategic/transformational projects. 	Region	2
Integration hasn't happened for rural municipalities (no CIP areas, downtowns, Brownfields or affordable housing)	<ul style="list-style-type: none"> Provide information about what is available for agriculturally focused municipalities on website. 	Region	3
<p>Is there a need for more programs?</p> <p>(Ex. Change 'Affordable Housing' bucket to 'Housing' and support residential development by providing residential programs for all levels on the housing continuum.)</p>	<ul style="list-style-type: none"> Review program suites. Create a program review cycle with periodic (pit stops) where programs can be evaluated and honed for better effectiveness. Remove or merge programs that do not meet current needs. 		2,3

Niagara Region Incentive Review

What was heard	Potential Outcome Items	Region or Municipality	Session
Complexity of DC program, make it easier to get information, simplicity is key.	<ul style="list-style-type: none"> Review program application forms and processes to ensure these are understandable. Provide up-to-date information to the municipalities on what is/is not in the DC Bylaw. Review Region's programs to ensure grants are not already provided through mandatory exemptions. 		2,3
	Theme: Simplification of Administrative Process		
Need clarity on the application requirements in new Incentive Policy (4 pillars) (Ex. Programs are confusing, Developers need support, difficult to find resources online)	<ul style="list-style-type: none"> Region to provide upfront application requirements to Municipalities to communicate to developers. Simplify intake by creating a one-stop-shop for intake and questions. Create and distribute clear process maps. Enhance staff knowledge. Make an online grant calculator tool – calculates total incentive. Make it easier to find CIPs online. Create a verification system, explore a 3rd party verification system. Add resources and staffing software (AI?) Review of issues (ongoing and upcoming) at quarterly meetings. 	Region	1,2,3
Simplify Regional Paperwork. (Ex. Investigate if Region should download creation and administration of grants and	<ul style="list-style-type: none"> Simplify Region to Municipality paperwork by reviewing for duplicated or unnecessary questions. Establish one point of contact at Region. 	Region	2,3

What was heard	Potential Outcome Items	Region or Municipality	Session
incentives to Local level. Region would still contribute financially.			
New programs – launch with clarity regarding internal systems, billing, POs, etc.	<ul style="list-style-type: none"> • Test programs (beta test), soft launch programs to enhance their delivery. • Carry out stakeholder sessions prior to launch to understand how they might be used. 	Region	1,2,3
Communication within Municipalities and with Region.	<ul style="list-style-type: none"> • Facilitate webinar on application details (what each requirement means) • Create training video for Municipalities to show new hires the Regional process. • Ensure that development planners know the programs being offered by providing a list of programs. • Regularly update webpages with current information. 	Region	1,2
Theme: Consistency			
Lack of consensus about return on investment.	<ul style="list-style-type: none"> • Create a KPI working group to identify agreed upon metrics to achieve consistency and help guide decision making. 	Region, Municipality	1
Consistency in terms and definitions.	<ul style="list-style-type: none"> • Define 'Brownfield' 'eligible costs', etc. and have it consistent across Regional documents and programs, share with Municipalities. 	Region	1,2,3
Yearly Meeting.	<ul style="list-style-type: none"> • Host a yearly meeting with municipalities to engage groups on challenges being faced to support efficient program delivery. 	Region, Municipality	3
Policy changes at the Provincial level	<ul style="list-style-type: none"> • Region and municipalities to meet regularly to discuss how Policy changes affect programming. 	Region, Municipality	1,3

Niagara Region Incentive Review

What was heard	Potential Outcome Items	Region or Municipality	Session
<p>– how do we keep up? (Ex. Definition of affordable/attainable housing not given.)</p>	<ul style="list-style-type: none"> Evaluate and make program changes when necessary. 		
<p>Municipalities- Review how DC process is done, become more strategic and consistent with approach.</p>	<ul style="list-style-type: none"> Seek to create a consistent delivery approach between municipalities hosting similar programs to facilitate better relationships with the development community. <p>(For ex. If two municipalities have similar targeted programs - are there opportunities to make program processes consistent)</p>	Region, Municipality	3
Theme: Financial Sustainability			
<p>Secure regional funding/allocations earlier in the development process (helps with timing for developers)</p>	<ul style="list-style-type: none"> Investigate how the regional portion of incentives can be secured earlier to development projects to add predictability and help solidify realization of these developments. 	Region	1
<p>Programs and budget – clarity where is the money coming from</p>	<ul style="list-style-type: none"> Identify sources of funding for each program. Continue to plan and forecast upcoming potential commitments and ensure budget is available. 	Region	1,3
<p>Need to reframe how TIGs are discussed in political context and plan funding better.</p>	<ul style="list-style-type: none"> Increase financial transparency about TIGs by creating KPIs that speak to program effectiveness. 	Region, Municipality	3

Niagara Region Incentive Review

What was heard	Potential Outcome Items	Region or Municipality	Session
	Theme: Additional Feedback		
<p>Need infrastructure in place to grow well.</p> <p>Incentives should build communities not band aid problems.</p>	<ul style="list-style-type: none"> Develop budgeting, design, and construction plans that focus resources and are able to support development timelines and shorten the time it takes to build. Consider adding innovation, sustainability and climate change frameworks to incentive programs to achieve regional sustainability goals. 	Region, Municipality	3

Question 2: What are your objectives when it comes to integrating the Niagara Region Incentive Policy (NRIP)?

What was heard: Municipal Objectives	What was heard: Regional Objectives
Theme: Effectiveness of the 4 Pillars	(All sessions)
<ul style="list-style-type: none"> In general, the current framework of the 4 regional pillars supports Municipalities with their incentive objectives. Affordable Housing, Employment, Intensification of downtowns and core areas, around transit hubs and transit corridors, and brownfield remediation are high priorities. ADU programs and gentle density not matched by the region. Brownfield programs are important but should not just be focused on remediation of the land but other aspects of redevelopment. 	<ul style="list-style-type: none"> No one size fits all solution. Region should provide support to Municipalities even when objectives are different. Region's role should be to move infrastructure forward and grow capacity. Old infrastructure replacement is expensive. Public realm program should be integrated with local and extended to smaller areas and communities. Align programs with commonalities and consolidating these.

What was heard: Municipal Objectives	What was heard: Regional Objectives
<ul style="list-style-type: none"> • Gateway employment programs are important to attracting jobs. • Public realm extend beyond regional roads, needs long term plans, maintenance costs issues, maximize impact. • Pillars still have too much variety of incentives and the need to tailor or target programs more effectively. 	<ul style="list-style-type: none"> • Diversity is important – having programs that are flexible and able to meet local needs. • Intensify around downtown cores/transit hubs and corridors.
Potential Action Outcomes	
<ul style="list-style-type: none"> • Maintain the 4 pillars framework and consolidate programs and criteria for targeted outcomes. • Ensure that program criteria are sensitive to local needs. • Seek to expand the public realm program to other areas and provide funding support to offset long term maintenance cost. • Incentivize developments in downtowns and cores that offer a more vibrant contribution to making downtowns more livable and thereby more sustainable. 	
Theme: Financial Sustainability and Doing More with Less	(All Sessions)
<ul style="list-style-type: none"> • Identifying priority incentive areas and having more targeted funding. • Financial sustainability – limited resources through granting of revenue through exemptions require financial sustainability models when prioritizing incentives. • Improving the speed of administering programs. Why are calculations different – need for better alignment. 	<ul style="list-style-type: none"> • Development of financially stable model that allows Municipalities to keep taxpayers happy – need better ways of expressing benefits of incentives (not ROI) this allows both Region and Municipality to plan financially.

Niagara Region Incentive Review

What was heard: Municipal Objectives	What was heard: Regional Objectives
<ul style="list-style-type: none"> • Better alignment of objectives is needed between Municipalities and the Region. • Better definition of roles and continuous communication with Region/Municipalities. • Greater idea elaboration of Community benefit needs to be developed so that its not just about financial ROI. • Knowing the value of the incentive to a development to understand its effectiveness. 	<ul style="list-style-type: none"> • Limited financial resources mean fine-tuning of program areas to allow Municipalities to achieve their objectives. (Ex. Heritage, Climate change and sustainability, etc.) Region – add language to add flexibility to Municipalities to achieve local goals within Regional framework.
<p>Potential Action Outcomes</p>	
<ul style="list-style-type: none"> • Need to be measuring program data in a more fulsome way. Region and local priorities must meet local community needs. • Develop a framework to represent the various community benefits that arise from incentivizing development – a new bottom line. • Region and lams collaborate to simplify processes, define roles, applications, payment schedules, and metrics to deliver cleaner processes. • Simplify the needs for Municipal verification and enhance speed of administering incentives. • Greater investment in staffing through training programs, videos, process mapping at both Region and Municipal levels. 	
<p>Theme: Public Realm Objectives</p>	<p>(All Sessions)</p>
<ul style="list-style-type: none"> • Urban Design and Public Realm 	<ul style="list-style-type: none"> • Public Realm, funding of infrastructure, program flexibility, environmental sustainability such as housing around GO transit.

What was heard: Municipal Objectives	What was heard: Regional Objectives
	<ul style="list-style-type: none"> • PRIP – need clarity on who is overseeing it at Local level – provide information on what is the long-term costs/ benefit/ investment/ maintenance for public realm beyond just regional roads? • Expand public realm programs, integrate these with Municipal programs and extend to smaller areas or communities.
Potential Action Outcomes	
Seek to expand the public realm program to other areas and provide funding support to offset long term maintenance cost.	
Theme: Additional Feedback Not Common to all Sessions	
<p>Session 1</p> <ul style="list-style-type: none"> • Heritage as a municipal objective. <p>Session 2</p> <ul style="list-style-type: none"> • Consistent level of support from the Region in metrics, application processes, payment schedules. • Municipalities in the region find themselves competing for employment with the U.S. <p>Session 3</p> <ul style="list-style-type: none"> • Intensification (TIGs, Waterfront CIP). • Water/wastewater – outside urban boundary. Support greenhouse sector. • On-farm diversified/value added. • Money for secondary plans. 	<p>Session 2</p> <ul style="list-style-type: none"> • Accessibility CIP – Retrofitting not just affordable. <p>Session 3</p> <ul style="list-style-type: none"> • What is our 100 year goal?
Potential Action Outcomes	
Unique needs and perspectives within the Region’s municipalities arose through the engagement which will require isolation and further examination as programs and criteria evolve.	

Niagara Region Incentive Review

Question 3: What data is important to collect in order to understand effectiveness?

Types of Municipal Data Collected (combined from all Sessions)		
<ul style="list-style-type: none"> • Tax increment increase • Number of affordable units • Number of trails and Sidewalks increase • StatsCan Population increase/unit/timing issues • Master servicing plan • Environmental sustainability standards • Heritage buildings data • Public Realm Improvements • Federal and/or Provincial programming accessed 	<ul style="list-style-type: none"> • Number of jobs created and retained (gateway) • Affordable number of new units and number of new rental units • Building permits issued • Land use • Property assessment • Traffic counts specific to business • Sustainable infrastructure improvements • Mapping of development acres • Lease retention rates • Vacancy rates • Number of conversions from commercial to residential • Cost/square foot without land • Provincial or federal grants • Accessory dwelling units 	<ul style="list-style-type: none"> • Levels of Investment • Permit costs • construction costs • Construction jobs • Grant obligations and commitments • Housing/population growth • Number of applications • Type of residential units • Development numbers by land-use • Mapping of data • Measuring carbon footprint

Key performance indicators (KPIs) are quantifiable measurements used to gauge a corporation's overall long-term performance. KPIs specifically help determine strategic, financial, and operational achievements, especially compared to those of other places. For Example: Niagara Region's delivery of attainable units in Niagara over a period of 5 years – compared with Peel Region).

Niagara Region Incentive Review

KPIs (All Sessions)	Data collection challenges Listed (All Sessions)
<ul style="list-style-type: none"> • Repurposing existing parcels • Achieving urban growth centre targets (# of units created) • Increased assessment/tax – community benefits • Number of jobs/hectare • Measure/ Outcome of carbon footprint • Increased number of residential units • Consider showing the “Value” proposition • Environmental sustainability measures/net zero targets • KPIs from Smart cities • Attainable housing units • Capturing investment value • PRIP – Number of trees planted • Private sector investment (land cost, construction cost, servicing costs) • Track rent averages for affordable housing • Remediation costs per square foot or per \$ incentive provided 	<ul style="list-style-type: none"> • Price/unit to ensure consistent picture of affordability. • Definition of affordable needs to be consistent • Uniformity in definitions and policy • Capturing social ROI • No standard way to showcase number of people and jobs/hectare • Data sometimes assumption based • Need a template of what should be collected data wise • Lack of data to compare the success of programs • Data lag – the data/KPI sometimes don’t come in until later • Is there a difference between market forces for residential development and employment? (should we be using different tools to measure) • Measuring what is happening in downtowns and greenfields in order to figure out what is missing • MPAC delays (inconsistent service, old values) • Shifting targets resulting from changing policies (Province) • Discrepancy on forecast vs. real construction values • Complexity with reporting some grants • Measuring secondary/tertiary improvements over time • Qualitative inconsistencies • Staff turnover • Time/cost of data collection and analysis • Legislated data submission requirements change frequently (data not always comparable) • Future MPAC assessment (tax revenue) turn it into a positive (instead of saying you are missing 10 years of revenue)

Niagara Region Incentive Review

KPIs (All Sessions) <ul style="list-style-type: none"> • Pre vs. post assessment 	Data collection challenges Listed (All Sessions)
Workshop Action item/outcome:	
Establish a working group to help create uniformity in definitions and policy. Goal of the working group is to create and standardize key performance indicators, ensure meaningful data points are being collected and maintained.	

2) Developer Focus Group Meeting June 13, 2024

Asked for feedback on the following questions:

- What hurdles are there in the current development climate?
- What opportunities or challenges are there with access to Regional Incentives?
- There is a need in Niagara for housing. How should incentives be structured to provide the housing that’s needed most? (i.e. Rental)
- What are the challenges when working with Municipalities?
- Are there any constraints that impact the realization of development that can be addressed at a Regional level?

Responses are grouped into the following themes:

Developer Engagement:

- Development industry wants to know how is NRIP performing? What is the data in terms of uptake and leveraging the existing programs
- What’s been the uptake on programs, construction value, number of units, number of affordable units, that is indicative of what should continue.

Affordable Housing:

- There are 12 AH programs, could suffer from dilution. Have 3 or 4 significant meaningful programs? Dial back to effective, well funded programs for better results.
- Difficult to incentivize actual units, leverage is low for success rate. Affordable housing is different than Brownfields – with Brownfields the math is simpler. Don’t want to see all the focus on housing and then brownfields are not prioritized.
- Brownfield site with affordable housing should be bigger incentive.

Niagara Region Incentive Review

Brownfield:

- Big picture narrative of brownfields has shifted to affordable housing and rental.
- Incentives should differentiate between development vs construction.
 - o Developers are separate from the constructions; Developers do not have control over if units are affordable.
- Remediation projects take a long time, and it does not help when programs are being removed and the project is NOT able to start the construction in order to absorb the “incentive”

Ideas for innovation:

- Is there an opportunity to look at ways to bridge remediation projects that often take 5 years to remediate (depending on levels of contamination)
- Once an application is submitted to the LAM, want to have one common place where Developer, LAM, and Region can all access it.
- Speed of processing the application at the local levels is an issue, many still have to get Council approval, is there a way to delegate to staff a certain amount?
- Cost of remediated sites has gone up, should look at increasing the brownfield TIG and caps – Tier 1 and Tier 2 should be the same.

TIG agreement:

- Provide guidelines to municipalities so it is a consistent approach.
- Need certainty when you enter into an agreement (i.e. need longer then 5 years)
- Example of phased developments and perhaps having an overarching agreement that deals with all phases and has capped timeframes per phase with some flexibility.

3) Development Industry Engagement Session July 18, 2024

Members from the following groups present:

- **Niagara Industrial Association**
- **Niagara Homebuilders’ Association**
- **Niagara Construction Association**
- **Non-Profit Housing Providers**

Key Takeaways from Discussion

Improvements to the Incentive Website and updates for easier navigation

- Create shortcuts and tools that make it easy to navigate the website. For example, create prompts such as “Are you building rental housing?”
- Ensure basic information is easy to find, such as application forms and contact information.

Better timing, predictability of incentives, and better communication

- Incentive programs need to be predictable.
- Programs should have flexibility – appropriate sunset clauses and enough time to accommodate for any unexpected delays.
- Incentive programs should be introduced at the Pre-Consultation stage.
- Changes in incentive staffing should be communicated to the applicants so that there is a continuity and carriage of files

Interest in building affordable/attainable housing

- Expectation that charity groups and non-profits are going to solve the housing shortage in Niagara has to change.
- There is interest in building affordable and attainable housing, but the definition of Affordable housing needs to widen in order for it to be financially feasible for private developers. Programs should be targeted and appropriately funded.
- Incentives may not be the direct solution to building more rental but would assist.

Delays in Planning Processes are costly

- Approvals take too long and add to the cost of development, need to find efficiencies. For example, Non-profits need to have priority in the queue.
- Recognition that planning approval costs for non-profits impact these entities differently than for-profit entities.
- Recognition that planning applications of non-profit entities are often handled by volunteers at the non-profits who are salaried employees.
- Open proforma exercise to help understand how incentives help realize a development.

Niagara Region Incentive Review:

Summary of Employment Incentives Within Canada and the United States.

The purpose of this summary is to outline how Niagara Region uses incentives to attract employers to the Region. The Niagara Region has an Incentive Policy into which the Employment related incentives are found and located within the Employment Priority Area.

The Employment Priority Area was created out of a recognition that attracting and retaining Employment is a Council Strategic Priority objective. Within the current global business climate, the Region competes with the rest of the World. Specifically, the Region competes with other Upper Tier and Lower Tier municipalities throughout Ontario, municipalities in other Provinces, and even across the border in the United States.

The USA can offer a range of lucrative financial incentives that Canada does not. Canada's incentives emphasize innovation and clean technology through R&D support, while the U.S. offers a broader range of tax credits and incentives for job creation and investments in underserved areas.

To this end, the Niagara Region maintains robust incentives to remain competitive in attracting investment opportunities. To stand out, Niagara offers compelling financial incentives and support structures to attract businesses. By maintaining and enhancing incentive programs and ensuring these meet global standards, Niagara is attracting high-quality investments that drive economic growth and development. For example, recently, the Niagara Region in partnership with the City of Port Colborne was able to attract Asahi Kasei Separator Plant, a multi-billion dollar direct foreign investment, compared Niagara to other locations in North America.

Attracting new employers, like Asahi Kasei, was highlighted through the engagement with the Area Municipalities that reinforced the extensive capability of the Region to promote Niagara through the employment priority area suite of programs.

Below is summary of incentives that are offered within Canada and the USA which large employers weigh to determine where to establish.

Canada vs USA Incentives:

Industrial businesses in Canada and the United States can benefit from various federal, state/provincial, and local/regional incentives, each with distinct focuses.

In Canada, federal programs like the Scientific Research and Experimental Development (SR&ED) Program, Strategic Innovation Fund (SIF), and Accelerated Investment Incentive provide significant tax credits and support for innovation and Research and Development (R&D). Provincial programs, such as the Ontario Innovation Tax Credit (OITC) and Alberta Investment Tax Credit (AITC), further bolster these efforts. Regional initiatives, like the Niagara Gateway Economic Zone CIP, offer targeted local incentives.

In the United States, federal incentives include the New Markets Tax Credit (NMTC), Opportunity Zones, and the Investment Tax Credit (ITC), which support investments in low-income areas and renewable energy. State programs, such as the California Competes Tax Credit and Texas Enterprise Fund, focus on job creation. Local agencies, like the New York City Industrial Development Agency (NYCIDA) and Detroit Economic Growth Corporation (DEGC), provide tax abatements, grants, and training. Both countries provide substantial support, with specific advantages based on business focus.

Niagara Canada vs. Niagara USA:

Businesses in Niagara, Canada, do not have access to various industrial financial incentives available just across the border in Buffalo, New York. One notable program is the Recharge NY initiative, which provides low-cost power to businesses in exchange for job creation and retention commitments. This program helps significantly reduce operational costs for energy-intensive industries, offering a competitive advantage to businesses operating in New York State.