

Memorandum

COTW-C 1-2025

Subject: Updates on Regional incentives including Bill 23, Development of New Housing Incentive Program

Date: July 3, 2025

To: Committee of the Whole

From: Julianna Vanderlinde, Program Manager Grants and Incentives

The purpose of this memorandum is to provide Regional Council with an update on the ongoing incentives work, including Regional participation with Community Improvement Plans (CIPs) and the new Regional housing incentive program.

Bill 23 Eliminates Legislative Basis for Niagara Region CIP Incentives

Further to Bill 23, the More Homes Built Faster Act, 2022, as amended by the Cutting Red Tape to Build More Homes Act, 2024 (Bill 185) Niagara Region became an “Upper Tier Municipality without Planning Responsibilities” on March 31, 2025.

Section 70.13 of the Planning Act, introduced by Bill 23 provides that the Niagara Region Official Plan will be deemed to constitute an official plan of the lower-tier municipality and remain in effect until the lower-tier municipality revokes it or amends it to provide otherwise. The effect of the legislative changes is that the Region no longer has a stand-alone Official Plan.

CIPs are a tool under the Planning Act that allows upper-tier and lower-tier municipalities to provide grants and loans to each other for the purpose of supporting implementation of official plans. Under subsection 28(7.2) to provide grants and loans in support of a CIP, the municipality making the grant must have the required enabling policies in its official plan relating to the provision of such grants. Prior to the enactment of Bill 23, the Niagara Official Plan did not contain specific language relating to the making of grants or loans under a CIP but the language was more general in terms of encouraging the local area municipalities to adopt CIPs which Niagara Region had previously worked on with the local area municipalities.

Niagara Region has participated in local municipal CIPs through the following Regional programs: the SNIP TIG/BTIG, Gateway TIG, and Gateway RDC grant, and the new Brownfield TIG. As Niagara Region no longer has an official plan by virtue of Bill 23, as

of March 31, 2025, Niagara Region no longer meets the requirements of subsection 28(7.2). Unless the Province makes legislative changes to permit upper-tier municipalities without planning responsibilities to continue to make grants or loans in support of CIPs the previous legislative authority that would have permitted such grants and loans cannot be relied upon.

Staff are working to review CIP matching grant applications that were received prior to March 31, 2025. The Region is unable to process any grant applications that may be submitted after March 31, 2025, in the absence of further legislative developments.

Moving forward, staff are exploring alternative legislative tools under the Municipal Act including related to grants (section 107) and municipal capital facilities by-laws to enable Regional incentives including the new housing incentive program and will report back to Council as to what options may be available.

Staff are also exploring, together with staff from other affected upper-tier municipalities, the possibility of requesting the Province enact legislation to restore the grant making powers related to CIPs through further legislative amendment. To that end, staff are working on a joint letter with the Regions of Durham, Peel, and Waterloo to the Province outlining the impacts from the changes in legislation and to propose solutions. In the letter, Niagara Region highlights recent successful partnerships between all levels of government in using CIP incentives to promote economic growth and job creation, highlighting the recent investment by Asahi Kasei as an example.

Progress Update on the Development of the New Housing Incentive Program

On September 26, 2024, Council instructed staff to hire a consultant and work with local municipalities to develop a new incentive program that considers current market conditions and housing mandates from the Provincial and Federal governments.

While this work is being completed Council also extended the following programs until April 1, 2026:

- Smart Growth Regional Development Charges Reduction Program (Smart Growth)
- Smarter Niagara Incentive Program Property Rehabilitation and Revitalization Tax Increment Grant /Brownfield Tax Increment Grant (SNIP)

The results of the consultation and the new incentive program are to be reported to Council no later than January 1, 2026.

Based on the above Council direction, Staff issued a Request for Proposal (RFP) to retain a consultant to develop a new housing incentive program. The RFP was publicly posted and awarded in compliance with the Procurement By-law to N. Barry Lyon Consulting (NBLC).

Work is underway to develop the new housing incentive program. There are three phases to this work:

- Phase 1: NBLC has finished conducting background research. They have looked at the current state of housing supply in Niagara and cost, successful housing programs in similar geographies, and analysis of the types of housing currently receiving grants through the SNIP and Smart Growth programs. The background information has been summarized in the background report and presented to consultation groups including members of Regional Council at an information session on May 28, 2025.
- Phase 2: Identification of program alternatives is underway. Based on the background research, the consultant will identify up to three potential programs. Through this exercise, the consultant will also consider the recent changes to the *Planning Act* through Bill 185, that affect the Region's authority to participate in local CIPs as an upper-tier municipality without planning responsibilities without an official plan. The housing program options will be presented to all consultation groups for their input.
- Phase 3: Identification of the preferred program. The preferred program report will be presented to Council in the Fall to align with 2026 budget.

Phase 1 is now complete. Regional Council will receive another project update following the completion of Phase 2.

Respectfully submitted and signed by

Julianna Vanderlinde
Program Manager Grants and Incentives

Other Pertinent Reports

[PDS 5-2025 - Update on Local Official Plan Reviews and Proclamation Transition](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=75780064-c37d-464e-bcda-9b6bc238f6c4&Agenda=Agenda&lang=English&Item=15&Tab=attachments)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=75780064-c37d-464e-bcda-9b6bc238f6c4&Agenda=Agenda&lang=English&Item=15&Tab=attachments>)

[PDS 17-2024 - Overview of Bill 185](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=89ee2b82-74d9-4eb3-a613-46ad91e959cf&Agenda=Merged&lang=English&Item=50&Tab=attachments)

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[PDS 26-2024 – Niagara Region Incentive Policy Review](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=995ba6de-d258-4a19-b96f-e06f653a9484&Agenda=Merged&lang=English&Item=13&Tab=attachments)

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