



City of London: Transit Oriented Development CIP

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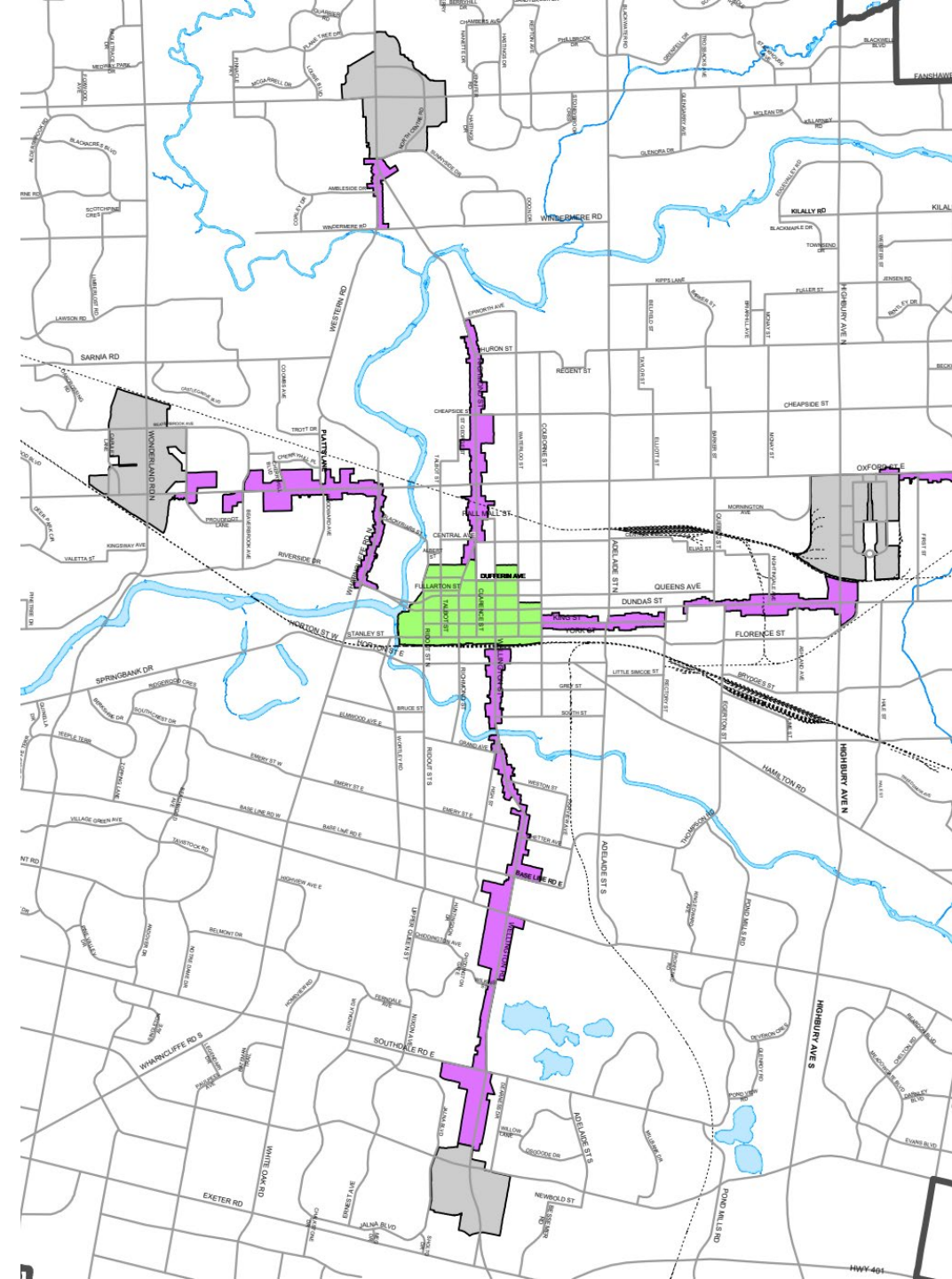
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Introduction

- The City of London received \$74M through the Federal Housing Accelerator Fund. These funds are to be used to accelerate the development of housing and achieve other key objectives such as the creation of affordable housing.
- Through the City's application, the following objectives were identified:
 - Helping the City of London achieve its target of 2,187 additional residential units by 2027.
 - Supporting the City of London RoadMap to 3,000 Affordable Units by 2026.
 - Helping develop affordable housing units for families, students, and seniors.
 - Supporting the Climate Emergency Action Plan's "Transforming Buildings and Development" Area of Focus through the reuse of underused properties.
 - Reducing car dependency by creating more housing around rapid transit stations.
- Funds have been allocated to all these objectives. One of the initiatives is the creation of an incentive program to encourage high-density residential development within the City's Protected Major Transit Station Areas - shown to the right in green (Downtown), Purple (Transit Corridors), and Grey (Transit Villages).



Study Process and Timelines



What is a CIP?



A CIP enables municipalities to achieve broad planning and economic policy objectives by offering financial incentives to attract private investment



A CIP is required to offer financial incentive to the development community



Community Improvement Project Areas can be city wide or geographic specific. Some CIPs apply city-wide with different incentives provided depending on the area in the City (i.e., higher incentive downtown)



CIP structure can also vary widely:

Applications approved on a rolling basis

Defined application window

Competitive process

Steps to Create a CIP:

1. Background

- Identify community needs
- Background analysis
- Stakeholder and public input

2. Prepare Plan

- Gather data and conduct analysis
- Draft program and by-law
- Enabling Official Plan permissions
- Statutory Public Meeting
- Council Approval

3. Implement Plan

- Implement program
- Create application forms and review criteria
- Monitor program

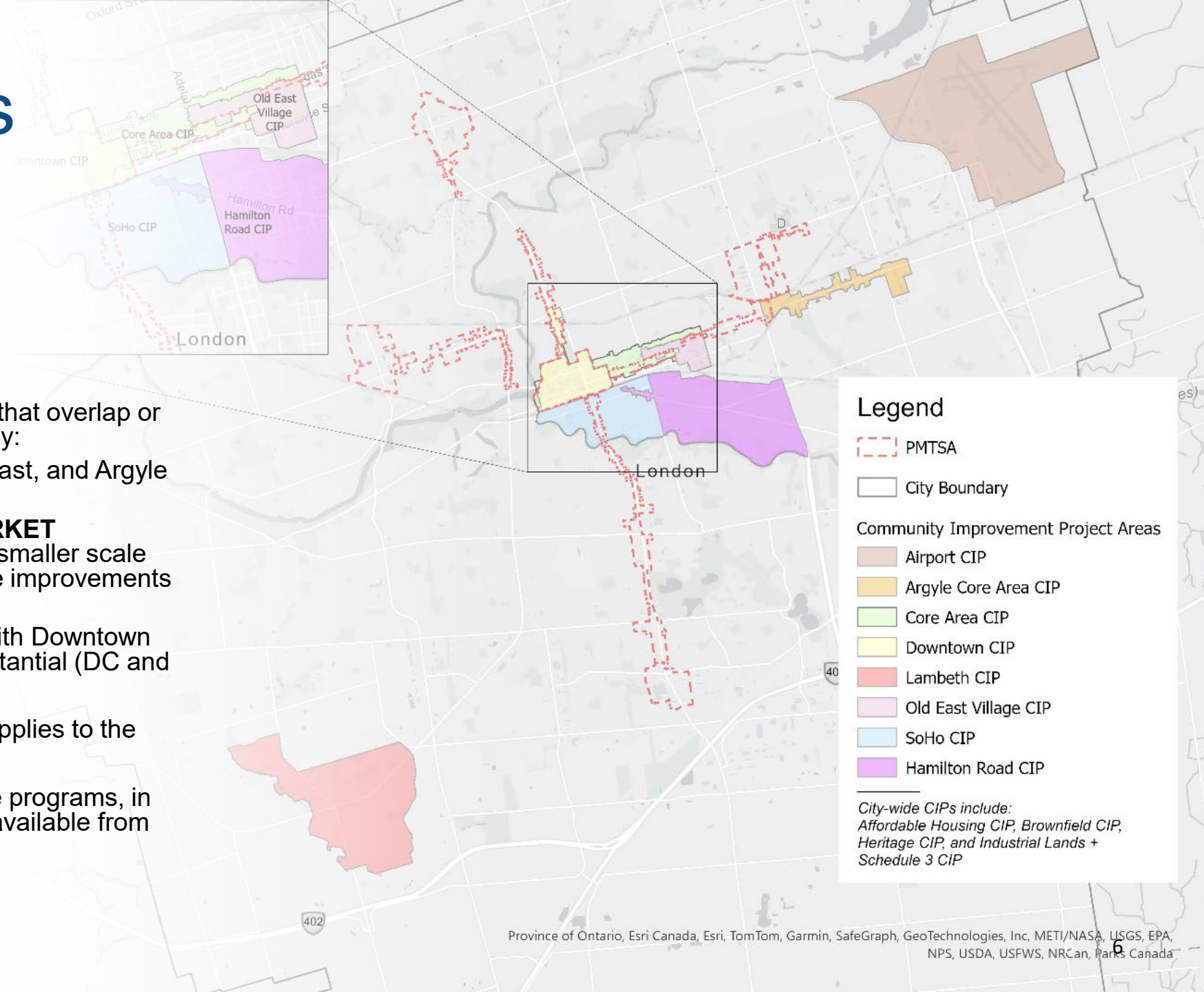
What Incentives Do / Do not Do

- Incentives do not create demand
- Where sufficient demand exists, incentives can improve the feasibility of developing a project
- BUT, we must offer enough incentive for the outcome in question to be viable. Ultimately, incentive programs are voluntary and if the program does not align with the market, developers will not apply
- Incentives for market and affordable housing are common in Ontario, but results are mixed
- An understanding of development economics are important starting points to developing an effective incentive program



CIPs: London's Incentive Offerings

- London has many CIPs across the City.
- Of particular relevance, there are several that overlap or slightly overlap with the PMTSA geography:
 - Downtown, SoHo, Core Area, Old East, and Argyle CIP
 - These all are seeking to incent **MARKET** residential development, as well as smaller scale commercial investment (e.g., façade improvements and interior renovations)
 - These offer a range of incentives, with Downtown and Old East offering the most substantial (DC and Tax Grant)
- There is an Affordable Housing CIP that applies to the entire City.
- The TOD CIP will seek to stack with these programs, in addition to affordable housing incentives available from senior levels of government.



Current Market Challenges



The results of the market analysis suggest the development economics are challenged broadly across Ontario, resulting in stalled and reduced housing development. These challenges exist despite overwhelming demand and need for additional and broader housing options.

- Elevated construction costs and interest rates
- Slowed demand from immigration and non-permanent residents



London's PMTSAs have additional challenges that affect the level of investment occurring within the Downtown and areas serviced by future Rapid Transit.

- Higher land cost
- Higher construction cost
- Required land assembly
- Existing leases
- Developer land holdings in other areas
- Modest market environment



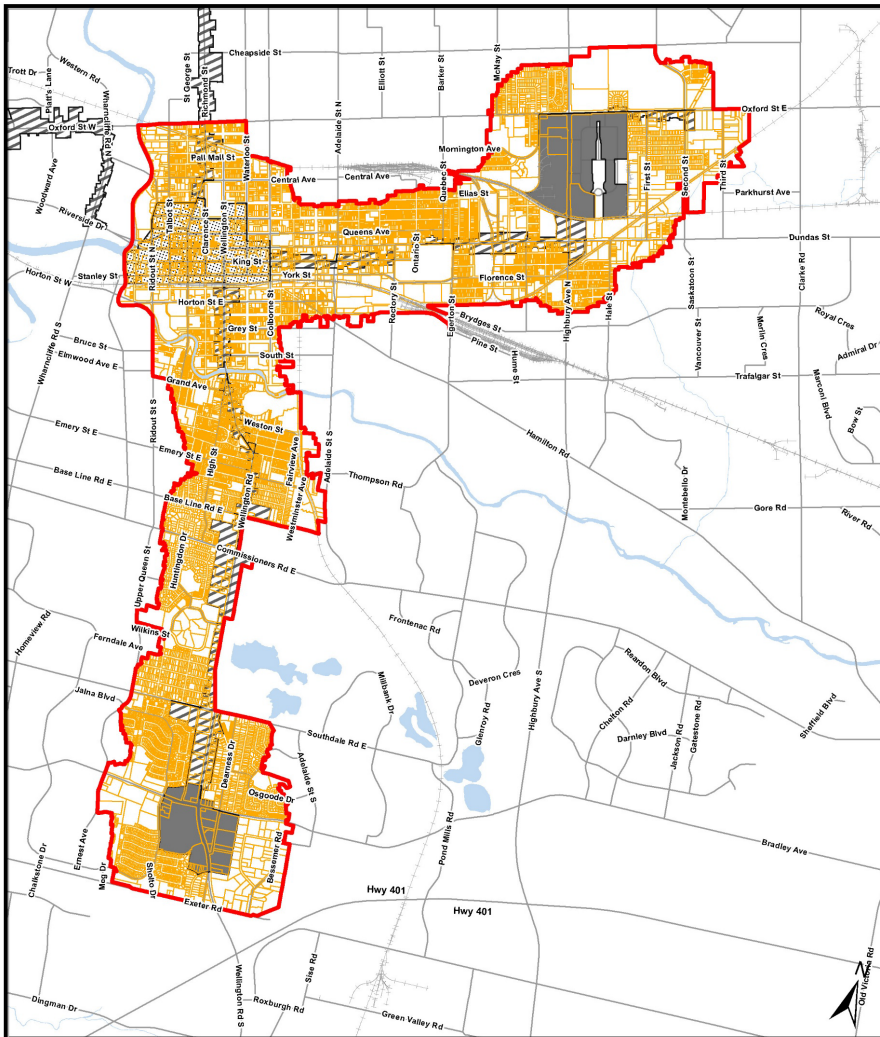
This CIP is therefore intended to help overcome these financial challenges by offering a subsidy funded through the Federal Housing Accelerator Fund.

Proposed CIP – General Information

- **Description:** Providing financial assistance to help accelerate the development of new residential units within and around the **City's Protected Major Transit Station Areas in approved rapid transit routes.**
- **Approval Process:** Applications will be processed on a first come, first serve basis subject to meeting the eligibility criteria.
- **Funding and Eligibility:** The funding will be in the form of a **forgivable loan** and issued at the time of building permit.
- **Incentive Amount:** Forgivable loan of \$15,000 per residential unit.
- **Duration:** Until December 31, 2026, unless Municipal Council approves additional funding.
- **Stacking of Incentives:** Funding received through this CIP can be stacked with funding received from the City's other Community Improvement Plans.

Community Improvement Project Area

Transit Oriented Development CIP Financial Incentive Program Area



The following eligibility criteria have been established:

- A residential or mixed-use apartment building with 20 or more residential units or an office-to-residential conversion project without a minimum unit count
- Located in the financial incentive program area shown on the map to left
- Rental tenure
- The building permit has been secured after September 8, 2024, or received no later than December 31, 2026
- The project will begin construction within one year of the initial loan advance
- The project will be constructed and the building permit closed on or before the fourth anniversary of the initial loan advance date, though extensions are possible

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LEGEND

 Downtown Protected Major Transit Station Area	 Financial Incentive Program Area
 Rapid Transit Corridor Protected Major Transit Station Area	 Parcels Eligible for Incentive Program
 Transit Village Protected Major Transit Station Area	

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