

## Report to Strategic Priorities and Policy Committee

**To:** Chair and Members  
Strategic Priorities and Policy Committee

**From:** Scott Mathers, MPA, P.Eng.  
Deputy City Manager, Housing and Community Growth

**Subject:** Mayoral Direction 2026-001: Creation of an Affordable Home Ownership Incentive Program- Report Back on Program Options

**Date:** March 24, 2026

## Recommendation

That, with respect to the creation of an Affordable New Home Ownership Incentive Program, the report dated March 24, 2026 **BE RECEIVED** for information, it being noted this report is subject to Municipal Council's direction regarding next steps as indicated in the staff report.

## Executive Summary

This report provides details on a new incentive program aligned with Mayoral Direction 2026-001, which directed Civic Administration to develop a financial incentive program under the Affordable Housing Community Improvement Plan (CIP) for Council's consideration.

In preparing this report, Civic Administration completed the work directed through Council's referral regarding the creation of an Affordable Home Ownership Incentive Program. This included consultation with private sector partners and an evaluation of potential program design elements such as the appropriate program term, the structure of the financial benefit including capital gains versus f approaches, options for sliding scale loan forgiveness, and the relative merits of down payment support compared with cash back incentives. The analysis undertaken through this work informed the recommended program structure presented in this report.

The proposed program would apply to new homes within the Affordable Housing CIP geographic area, which is city wide, with a purchase price up to \$630,646. The program would function as a forgivable loan (grant) that reimburses the home purchaser with a rebate equivalent to 60% of the development charges paid by the builder, with the requirement that the builder equally discount the home price by the remaining 40% of the development charge at no cost to the home buyer.

Additional information and analysis are contained within Appendix "A", which highlights the current housing market in London in relation to the proposed program and includes an overview of the options considered when designing the proposed incentive program.

## Linkage to the Corporate Strategic Plan

This report supports the 2023-2027 City of London Strategic Plan and directly aligns with the following Areas of Focus:

### Housing and Homelessness

- Increased access to a range of quality, affordable, and supportive housing options that meet the unique needs of Londoners.

## Wellbeing and Safety

- Housing in London is affordable and attainable.

## **Analysis**

### **1.0 Background Information**

#### **1.1 Previous Reports Related to this Matter**

February 10, 2026 – Council – Memo: Mayoral Direction 2026-001 – [Affordable Home Ownership Incentive Program](#)

February 3, 2026 – Strategic Planning and Priorities Committee – [Mayoral Direction 2026-001: Creation of an Affordable Home Ownership Incentive Program](#)

November 12, 2025 – Planning and Environment Committee - [Housing Accelerator Fund - 2025 Annual Update](#)

October 1, 2025 – Planning and Environment Committee - [Ontario Building Faster Fund Update](#)

#### **1.2 Mayoral Direction 2026-001: Creation of an Affordable Home Ownership Incentive Program**

*Pursuant to section 284.3 of Part VI.1 of the Municipal Act 2001 S.O. 2001 c. 25 I Josh Morgan Mayor of the City of London direct as follows:*

- 1. That Civic Administration **BE DIRECTED** to develop and bring forward to the February 3rd, 2026 meeting of Strategic Priorities and Policy Committee for council consideration a new Affordable Home Ownership incentive program within the Affordable Housing Community Improvement Program.*
- 2. That the incentive program framework **BE BASED** on the following requirements:*
  - Affordability be determined using London's 2025 average residential purchase price of \$630,646, as determined by the Canadian Real Estate Association (CREA, December 2025).*
  - New homes with a purchase price equal to or less than the CREA average:
    - Sixty percent of the applicable development charge to be funded through London's senior government housing funding sources, such as the Building Faster Fund allocation and the Housing Accelerator Fund.*
    - Forty percent of the applicable development charge to be funded directly by the home builder.**
  - The program be temporary and require that an occupancy permit be issued on or before December 31, 2026.*
  - Eligible units be new, previously unoccupied dwellings, including single detached, semi-detached, townhouse, and apartment condominium units.*
  - The purchaser be required to occupy the unit as their primary residence for a minimum period of five years.*
  - Total program funding be capped at five million dollars, supporting up to 260 units.*
  - Civic Administration report back to SPPC on July 16 with a program status update and any recommended adjustments.*

*It being noted that the purpose of this program is to assist homeowners with affordability when purchasing a new home by ensuring that the credit flows directly to the purchaser. The intent of this program is to support the sale of existing backlogged inventory, encourage the timely commencement of new construction projects, and help rebalance the housing tenure conditions within the City.*

### **1.3 Linkage to Roadmap to 3,000 Affordable Units**

This new program will contribute to the goals and objectives under the Affordable Ownership portion of Roadmap to 3,000. This program is one that builds on the partnership component of the plan and can be counted towards the “Community-Led Developments” stream where the local community is the lead.

### **1.4 Previous Council Resolution**

At its meeting held on February 10, 2026, Municipal Council resolved:

That the Creation of an Affordable Home Ownership Incentive Program **BE REFERRED** to the Civic Administration to report back to a future meeting of the Strategic Priorities and Policy Committee, in consultation with private sector partners, options of the program, such as the length of the program, capital gains versus interest, sliding scale forgiveness, and down payment versus cash back incentives.

This report has been brought forward in response to the above resolution.

### **1.5 Affordable Housing Community Improvement Plan**

The Affordable Housing CIP provides the legislative and policy framework to provide municipally funded financial incentive programs to private property owners that support the goals of the CIP. It is one piece in a larger toolkit and policy framework that addresses affordable housing and homelessness in London. The Affordable Housing CIP, which was approved by Municipal Council in 2020, has the following purpose:

- Define affordable housing needs based on household incomes and define “affordable housing” for the purpose of the CIP and its proposed programs
- Establish CIP objectives to address the provision of affordable housing and other city-building objectives.
- Identify opportunities to develop incentives and/or programs to support the development of affordable housing; and
- Identify monitoring measures to assist with future housing monitoring reports and to identify successes of any programs offered under this CIP.

## **2.0 Discussion and Considerations**

### **2.1 Consultation with Sector Partners**

Program development was informed through continued engagement with sector partners, including industry representatives. Civic Administration consulted the ‘Customer Service and Process Improvement Reference Group’, which includes industry leaders from the development community, home builders, engineering and planning consultants and real estate representatives. Discussions focused on gathering details around the different applicable program criteria and evaluating the feasibility of the proposed incentive program structure. Feedback provided insight into some of the program design parameters and has been summarized below:

- An occupancy requirement of 10 years is too long and is disproportionate to the financial benefit the purchaser is receiving; other home buyer incentive programs are 1-2 years, if even required.
- The residency requirement excludes individuals and families moving and re-locating to London without proper justification for their exclusion, as the program is funded from federal housing dollars and not local tax-payer funds, restricting potential eligible applicants.
- The duration of the program should align with the HAF program, expiring in September 2027 or when available funds have been fully committed.
- As first-time home buyers market account for approximately 5% of new home purchasers, this requirement is restricting potential eligible applicants.
- The threshold of the average purchase price would eliminate most new single-detached homes from being eligible in this program.
- Any considerable duration that a 'lien' is attached to a property (for compliance with the terms and conditions) is a barrier, especially for lenders.

In summary, the broad consensus concluded that additional eligibility criteria limit the potential of the program, is too onerous and will not have the intended impact that is expected. For the program to be successful, it should be simple to access and deliver, with broad range of eligibility. While all key partners are open to continuing to collaborate to find reasonable solutions to affordability and housing, there remains concerns on the feasibility and impact of a complex program that differs from the staff recommendation. Further, with the time limited approach to utilizing the HAF funds, concerns were raised about what the 'next step' or 'phase 2' would consist of if this program was ultimately not successful or uptake was limited.

## 2.2 Additional Program Criteria Analysis

Based on the parameters outlined in Mayoral Direction 2026-001, Civic Administration prepared a high-level estimate of the number of home sales that may be eligible for the proposed program. Using available housing market data, it is estimated that there are approximately 4,820 home sales annually in London based on the 2023 to 2025 period. Of these, approximately 17% are new constructed homes, representing about 821 units annually. Based on an estimate that 57% of home sales are at or below the affordability threshold of \$630,646, approximately 467 new home purchases would be eligible for the incentive program as contemplated through the Mayoral Direction.

*Table 1: Financial Incentive Plan Eligible Population Estimate*

# of Homes Sales Annually (2023-2025) (1)	4820
% of New Constructed Homes Annually (2023-2025)	17%
# of New Constructed Homes Annually (2023-2025) (2)	821
% estimate of Homes Sales under \$630,646 (3)	57%
<b># of Homes Eligible for Mayoral Direction Incentive Program</b>	<b>467</b>

### Sources:

(1) 2025 LSTAR housing report

(2) CMHC Housing Market Information Portal Starts Includes (Includes Homeowner and Condo units, excludes Rental units)

(3) Estimate based on 2025 LSTAR housing sales price by range data.

Based on the proposed funding envelope of \$5,000,000, the program would support approximately 260 units. This means the available funding would support approximately 56% of the estimated pool of eligible purchases under the base program criteria. It should also be recognized that not every eligible purchaser may be willing to participate in a program that includes a five-year or 10-year primary residency requirement together with registration on title.

During the February Strategic Priorities and Policy Committee and Municipal Council meetings, several additional eligibility requirements were raised for consideration. These included a first-time home buyer requirement and a requirement that the

purchaser currently reside in London. Civic Administration has prepared estimates of how these additional criteria would affect the number of home purchases that may qualify for the program.

*Table 2: Financial Incentive Plan Eligible Population Estimate with Additional Criteria*

<b># of Homes Eligible for Mayoral Direction Incentive Program</b>	<b>467</b>
% of Purchases by New Home Buyers (4)	71%
# of Home purchases by New Home Buyers	330
% estimate of homes purchased by buyers from London (5)	86%
<b># of Homes Eligible for Incentive Program with Additional Criteria</b>	<b>282</b>

**Sources:**

(4) 2025 CMHC Mortgage Consumer Survey

(5) Estimate based on data from Population, Housing and Employment Growth Projection Study, 2021-2051, Watson & Associates, 2022

Applying these additional criteria reduces the estimated number of eligible purchases from 467 to approximately 282 units. Under this scenario, the proposed program funding for 260 units would represent approximately 92% of the estimated eligible purchases.

The introduction of additional eligibility criteria may advance additional policy objectives, such as prioritizing first-time home buyers or providing benefits to current London residents. However, these requirements also reduce the number of households that would be eligible to participate in the program. This consideration becomes particularly relevant when combined with longer occupancy commitments, as not every purchaser may be willing to agree to a five-year primary residency requirement or the ten-year requirement that was also discussed at Strategic Priorities and Policy Committee and Council. As additional program requirements are layered onto the base criteria, the potential applicant pool becomes smaller, which may influence overall program uptake and the ability to achieve the intended housing market outcomes.

For these reasons, the proposed program discussed in the following section has been structured to maximize the likelihood of achieving the objectives identified in Mayoral Direction 2026-001. The program design seeks to balance accountability for the use of public funds with an approach that remains accessible and practical for eligible purchasers while supporting the intended housing market and affordability outcomes.

**2.3 Proposed Affordable New Home Ownership Incentive Program**

The proposed Affordable New Home Ownership Incentive Program has been structured to maximize the likelihood of achieving the objectives identified in Mayoral Direction 2026-001 while remaining feasible to implement within the available timeframe and funding envelope. As outlined in Section 2.2, the addition of further eligibility requirements would reduce the overall pool of eligible purchasers and may affect program uptake, particularly when combined with longer occupancy commitments and title registration requirements. The proposed framework therefore seeks to balance accountability for the use of public funds with a program that is practical to administer and accessible to eligible purchasers.

The program is intended to support purchasers of newly constructed homes by providing a financial incentive that reduces the effective purchase price. The incentive would be delivered as a forgivable loan equivalent to 60% of the development charges paid by the builder for the eligible new home. In order for the purchaser to receive the City’s portion of the incentive, the builder must also contribute the remaining 40% of the development charges through a corresponding reduction in the purchase price of the home. As development charges are paid by the builder as part of the standard development process, the program would function as a reimbursement to the home purchaser following confirmation of eligibility and execution of the required loan agreement.

Based on 2026 development charge rates, the City portion of the incentive is estimated to range from approximately \$13,418.40 to \$30,338.40 depending on unit type. The program is intended to improve access to home ownership, encourage housing market participation, support movement along the housing continuum, and promote new residential growth.

Based on the consultation completed, the market analysis undertaken, and the considerations outlined in Appendix “A”, the proposed program includes the following core criteria:

**Program Duration: January 1, 2025 to September 7, 2027**

The new home must have received its final occupancy permit (Certificate of Occupancy) from the City between January 1, 2025 and September 7, 2027 inclusive.

**Maximum Home Price: \$630,646**

The new home must have a purchase price, excluding HST, land transfer tax, legal fees, and other closing costs, of \$630,646 or less.

**Duration of Required Primary Residency: 2 Years**

The purchaser must sign a loan agreement registered on title and occupy the new home as their primary residence for a minimum of two years following the date of the loan agreement.

**Early Termination: Full Repayment of Loan with No Interest Penalty**

If the agreement is terminated during the two-year term, the purchaser must repay the original loan amount in full with no additional financial penalties or interest applied.

The proposed two-year primary residency requirement reflects a balance between program accountability and participation. The requirement ensures that the financial incentive supports home purchasers who intend to occupy the property as their principal residence while avoiding longer commitments that may discourage participation. Compared with longer program terms discussed at Strategic Priorities and Policy Committee and Municipal Council, a shorter residency requirement reduces administrative complexity and monitoring while remaining proportionate to the value of the financial incentive provided. The requirement is secured through registration of the loan agreement on title, with the full loan amount repayable if the purchaser sells, transfers, or ceases to occupy the property as their primary residence during the two-year term.

In addition, the proposed program would include the following requirements:

- Transfer of title for the new home must occur after the effective date of approval by Municipal Council
- The new home must comply with all applicable laws
- All applicable development charges must have been paid by the builder to the satisfaction of the City prior to application submission
- Documentation must be provided demonstrating that the builder has reduced the purchase price of the home by an amount equal to 40% of the applicable development charges as a condition of the program
- All registered owners of the new home must be individuals

This program framework is intended to provide a practical and implementable approach that supports the policy objectives of the Mayoral Direction while recognizing the market, administrative, and participation considerations discussed in Sections 2.1 and 2.2 of this report. Further details, including the full program criteria and standard terms and conditions, are provided in Appendix “C”.

### 3.0 Financial Impact/Considerations

A program budget of \$5,000,000 was identified in Mayoral Direction 2026-001 to support implementation of the proposed program, which is eligible to access London's Housing Accelerator Fund.

The required \$5,000,000 can be made available through a reallocation of funds within London's approved Housing Accelerator Fund program. To enable this reallocation, \$5,000,000 in housing-related infrastructure projects would be redirected to the Building Faster Fund program. These projects include the Killaly Road Infrastructure Improvement project in the amount of \$2,000,000 and the Hyde Park Pump Station capacity upgrade project in the amount of \$3,350,000. As these projects total \$5,350,000, the remaining \$350,000 in HAF will be reallocated to another project at a later date.

To ensure sufficient capacity within the Building Faster Fund, the following two projects would be removed from London's current Building Faster Fund Investment Plan: the Lambeth Phase 2 Watermain Servicing Project in the amount of \$1,230,500 and the Longwoods Watermain Servicing Project in the amount of \$4,137,433. As these projects total \$5,367,933, the remaining \$367,933 will be added as project contingency to the Killaly Road and Hyde Park Pump Station projects and, if not required, reallocated to other projects following construction tendering.

Prior to being proposed for funding through the Building Faster Fund, the Lambeth Phase 2 Watermain Servicing Project and the Longwoods Watermain Servicing Project were funded through development charge sources and were included in the investment plan in part to help reduce pressure on the development charges reserve fund. If the City is successful in securing a Building Faster Fund allocation in 2026, it is recommended that these two projects be reconsidered for submission at that time.

In summary, a reallocation of \$5,000,000 within London's approved Housing Accelerator Fund has been identified to support the proposed New Home Ownership Incentive Program. The proposed program would have no impact on the City's approved 2024-2027 multi-year budget.

### 4.0 Next Steps

As summarized in Section 2.3 of this report and outlined in more detail in Appendix "C", a proposed incentive program has been developed based on the analysis undertaken and feedback received through consultation with sector partners.

During the February Strategic Priorities and Policy Committee and Municipal Council meetings, significant discussion occurred regarding potential program design elements and eligibility criteria. In recognition of these discussions, and to assist Committee in determining the preferred path forward, Civic Administration has outlined three potential options for committee's consideration. These options include proceeding with the proposed program framework, providing direction on alternative program criteria, or choosing not to proceed with the program at this time.

#### Option A – Proposed Program

That the proposed by-law attached as Appendix "C" to this report **BE INTRODUCED** at the Municipal Council meeting on March 31, 2026, to amend By-law No. C.P.-1545-41, being "A by-law to established financial incentives for the Affordable Housing Community Improvement Project Area", by:

- i) Adding a NEW Schedule "6" to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – "Affordable New Home Ownership Incentive Program";

- ii) Approving the Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines – Affordable New Home Ownership Incentive Program template agreement;
- iii) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to amend, enter into and execute the above-referenced agreement provided the terms of the agreement conform with the applicable Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines – “Affordable New Home Ownership Incentive Program”
- iv) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to approve, enter into and execute amending agreements provided the terms of the amending agreement conform with the applicable Affordable Housing Community Improvement Plan Financial Incentive Program Guideline – “Affordable New Home Ownership Incentive Program”.

### **Option B – Council Directed Program**

In the event that the Strategic Priorities and Policy Committee wishes to provide direction on a specific set of program criteria, Appendix “B”: Program Criteria Options includes a list of criteria options assembled based on comments provided at the February SPPC and Council meetings. A short commentary is provided for each criterion. Based on the selected criteria, Civic Administration will return with the applicable by-law with the revised Financial Incentive Program Guidelines and template agreement for submission to the Council Added Agenda.

That a by-law **BE INTRODUCED** at the Municipal Council meeting on March 31, 2026, to amend By-law No. C.P.-1545-41, being “A by-law to established financial incentives for the Affordable Housing Community Improvement Project Area”, by:

- a) Adding a NEW Schedule “6” to the Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – “Affordable New Home Ownership Incentive Program” including the following criteria:
  - i. Program Criteria 1
  - ii. Program Criteria 2 etc.
- b) Approving the Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines – Affordable New Home Ownership Incentive Program template agreement;
- c) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to amend, enter into and execute the above-referenced agreement provided the terms of the agreement conform with the applicable Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines – “Affordable New Home Ownership Incentive Program”
- d) Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to approve, enter into and execute amending agreements provided the terms of the amending agreement conform with the applicable Affordable Housing Community Improvement Plan Financial Incentive Program Guideline – “Affordable New Home Ownership Incentive Program”.

## **Option C – No Further Action**

In the event Committee decides not to proceed with the Affordable New Home Ownership Incentive Program, the following resolution is recommended:

That, with respect to the creation of an Affordable New Home Ownership Incentive Program, the report dated March 24, 2026 **BE RECEIVED**, and Civic Administration take no further action with respect to the matter.

## **Conclusion**

The proposed Affordable New Home Ownership Incentive Program has been developed in response to Mayoral Direction 2026-001, Council's referral, and consultation with private sector partners. The program is intended to improve housing affordability by providing a direct financial benefit to purchasers of new homes in the City of London while also supporting the absorption of new housing inventory and encouraging housing market activity.

As outlined in this report, a range of program design elements were considered, including occupancy term, repayment structure, delivery model, and additional eligibility criteria. The analysis indicates that while additional criteria may advance other policy objectives, they also reduce the pool of eligible purchasers and may affect overall uptake, particularly when combined with longer occupancy requirements and registration on title. For this reason, the proposed program has been structured to remain practical, proportionate, and accessible while maintaining appropriate accountability measures for the use of public funds.

The proposed program would apply to eligible new homes within the Affordable Housing Community Improvement Plan area with a purchase price of \$630,646 or less. It would function as a forgivable loan equivalent to 60% of the applicable development charges paid by the builder, with the purchaser also requiring a corresponding 40% reduction in the purchase price from the builder in order to receive the City's share of the incentive. The proposed framework includes a two year primary residency requirement secured through registration on title, with full repayment of the loan required upon early termination and no additional financial penalties. The proposed program budget is \$5,000,000, which is expected to support approximately 260 units.

### **Submitted and**

### **Recommended by:**

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**Deputy City Manager, Housing and Community Growth**

### **Copy:**

Heather McNeely, Director, Planning and Development

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## **Appendix “A” Incentive Program Design Criteria**

The following appendix contains additional information on design criteria and parameters as it relates to the proposed program found in the report. It also includes, for comparison purposes, several of the criteria discussed during the February SPPC and Council meetings.

### **Occupancy Requirement**

The terms and conditions associated with including an occupancy requirement were reviewed as part of the program design. If an occupancy requirement is implemented, the following elements would typically apply:

- The purchaser must sign a loan agreement with the City and comply with all terms and conditions set out in the loan agreement for the full duration of the program term.
- To protect against non-compliance, a lien is registered against the property title and may be enforced if the purchaser defaults on the agreement.
- The rebate amount may be subject to penalties (interest charges, capital gains, other) if the applicant is non-compliant, as indicated in the loan agreement and program guidelines.
- The purchaser must complete annual attestations and reporting requirements, which are monitored by Civic Administration to ensure ongoing compliance.

While extending a residency requirement beyond the date of purchase may create barriers for some applicants and increase administrative complexity, removing the requirement entirely carries certain risks. The program’s primary intent is to support purchasers in acquiring and occupying an affordable home. Although this objective is initially achieved upon closing and occupancy, the absence of an ongoing residency requirement could allow the property to be used for investment purposes, short term resale, or rental.

Such outcomes may weaken housing stability objectives and raise accountability concerns regarding the use of public funds. For this reason, it is important to maintain an appropriate balance between program accessibility and safeguards that help ensure the incentive supports its intended purpose. The length and conditions of the occupancy requirement should also remain proportionate to the value of the financial benefit being provided. For reference, many provincial and federal homebuyer incentive programs include occupancy requirements of approximately nine months to one year.

The following program term lengths were reviewed:

2 years – A two-year occupancy requirement establishes a minimum period of owner-occupancy to discourage speculative participation while avoiding longer-term obligations that may limit participation or create challenges if personal circumstances change. A shorter term reduces administrative complexity and monitoring, while permitting flexibility to the new home purchaser. Given the relatively modest value of the incentive program in relation to the overall home purchase price and additional costs that are associated with closing real estate transactions, a two-year requirement is proportionate to the benefit received, as the City portion of the incentive ranges from \$13,418.40 to \$20,517, with single-detached home purchases which are mostly excluded from this program at \$30,338.40 (based on 2026 DC rates).

5 years -- Five years is commonly recognized in housing policy and mortgage practice as a standard medium-term benchmark, aligning with typical mortgage terms and providing sufficient time for a purchaser to establish stability in the home and community. It also discourages short-term resale or speculative activity, as most market appreciation cycles and transaction costs make quick turnover less attractive within the 5-year window. At the same time, this length avoids imposing an overly restrictive or indefinite obligation.

10 years – A 10-year program may be disproportionately long relative to the value of the incentive and could discourage participation from otherwise eligible purchasers. As the intent of the incentive program is to support home ownership, this is accomplished upon closing of the real estate transaction. Extended occupancy requirements may also create challenges for homeowners whose personal or financial circumstances change over time, requiring additional flexibility within the program term. In addition, longer terms would increase the City’s administrative monitoring of the program, and likely include additional controls embedded within the incentive program to permit flexibility and reduce barriers for eligibility, including other program design tools such as those noted within Appendix “A”.

**Proposed Option:** A program length of two (2) years as an appropriate balance between financial benefit and program compliance.

### **Early Termination**

The purpose of assessing a financial penalty for early termination is to provide a clear financial disincentive against early resale and protect the City’s investment through the determined program term, as long as the penalty is proportionate to the financial benefit received. Financial penalties are typically recommended for incentive programs that include terms and conditions requiring participants to meet defined long-term commitments, or where the financial benefit provided is substantial relative to the required program term.

**Interest-based model** -- offers predictability and administrative simplicity, as the repayment amount can be calculated in advance and consistently applied, and is often included in the loan agreement as a schedule. As the schedule is provided upfront, this reduces the potential for disputes and can lead to quicker resolutions, though as the rate is not tied to market conditions, the amount may feel disproportionate to the actual financial benefit realized upon sale. 8% is the standard rate of interest applied across CIP programs that use the interest-based model.

**Capital gains-based model** -- introduces a more equitable approach to protecting the City’s investment, as repayment is tied to the actual financial benefit the homeowner receives if the property is sold before the program term. If the home has not appreciated significantly or risen in value over the program term, then the capital gains repayment may be minimal, which then does not reinforce the purpose of this tool, which is to act as a deterrent effect on short-term resale or speculation. This approach introduces greater administrative complexity, potential disputes over valuation, and variability in recovery amounts depending on market conditions. It can create additional processes which can be more time-consuming when factoring in calculations related to improvements or other adjustments.

**Administrative Monetary Penalty (AMP)** – As an alternative to applying an interest charge or capturing a percentage of capital gains upon early sale, Civic Administration could administer an administrative monetary penalty (AMP) structure upon early exit from the agreement. Under this model, where an applicant sells, transfers, or ceases to occupy the home as their principal residence prior to the end of their required term, the full incentive amount would be repayable, along with a fixed administrative penalty. The AMP would not be tied to market appreciation or property value increases, but instead would function as a standardized, pre-determined financial deterrent intended to discourage non-compliance and offset administrative costs. Civic Administration would reserve the right to determine whether this penalty will be exercised, dependent on the circumstances of early exit, granting reprieve to situations that staff feel are out of the home purchasers’ control. This approach provides clarity and predictability for participants, avoids complexity associated with calculating capital gains while still reinforcing the time-bound occupancy requirement.

**Proposed Option:** The proposed program does not include any financial recovery penalties in the terms of the agreement. As the program contains a 2-

year occupancy requirement, the short timeframe makes any additional financial penalties, above the requirement to repay the full principal amount, disproportionate to the agreement. Upon early termination of the agreement within the two-year period, the new home purchaser will be required to repay the loan amount in full.

### **Loan Forgiveness Model**

A core feature of the program is the requirement that the purchaser occupy the new home as their principal residence for a defined period. Two general approaches can be used to address repayment: a Fixed Forgiveness Model or a Declining Forgiveness Model.

Under a Fixed Forgiveness Model, the purchaser is required to occupy the new home as their principal residence for the full program term. If the purchaser sells the property, transfers ownership, or ceases to occupy the home as their principal residence before the end of the term, the full amount of the loan must be repaid to the City.

Under a Declining Forgiveness Model, the repayment obligation gradually decreases over time as the purchaser continues to occupy the home as their principal residence. The amount of the loan would be forgiven incrementally each year over the program term. If the property is sold, transferred, or no longer used as the purchaser's principal residence before the end of the term, a portion of the loan would be repayable based on the remaining period of the agreement.

Declining forgiveness models are generally more appropriate where the required occupancy period is longer. In those cases, requiring full repayment late in a long-term agreement may be viewed as disproportionate, and a pro rated approach can better reflect the length of time the purchaser has complied with the program. However, where the program term is short, a declining forgiveness model adds administrative complexity without providing a clear policy benefit. In shorter term programs, requiring full repayment if the occupancy requirement is not met typically provides a similar deterrent effect while remaining simpler to administer.

**Proposed Option:** Under the proposed two-year program term, the Fixed Forgiveness Model would apply. Applicants who do not meet the occupancy requirement would be required to repay the full amount upon sale, transfer, or change in occupancy status. A Declining Forgiveness Model could be considered if Municipal Council were to establish a significantly longer occupancy term.

### **Incentive Disbursement Models**

In administering incentive programs, different approaches are typically used to balance supporting applicants with managing program risk. Two common methods include reimbursing applicants after program requirements are completed or providing conditional commitments of funding in advance. Each approach has practical considerations related to timing, financial risk, and administrative effort.

**Reimbursement Approach** -- Incentive programs are often designed to ensure the responsible stewardship of public funds. In most cases, incentives are processed and grant payments are issued only after the applicant has completed the approved action or intent of the program, which in this case would be the purchase of a new home. By reimbursing funds after verification of the completed action, the City reduces financial risk and ensures that public funds are allocated to tangible outcomes. This performance-based approach promotes accountability and transparency and allows the City to require verified documentation and results. However, the approach requires applicants to finance the purchase upfront before receiving the rebate.

**Conditional Approach** -- An alternative program design can be implemented to better support potential applicants who require confirmation of funding in order to secure financing. Under this approach, the City could issue a commitment letter indicating the

City's financial contribution toward a down payment on the purchase of a new home. Commitments under other Community Improvement Plan programs typically expire after one year. While this model may assist applicants in demonstrating financial support when securing financing, it would extend the overall process and lengthen the timeline from initial application to final completion. It is also uncertain whether this would materially affect a lender's decision, as the incentive may represent only a small portion of the total amount required for the mortgage and down payment. In addition, the conditional nature of the incentive, including the post purchase obligations carried as a liability or encumbrance, may not be viewed favourably by lenders.

Issuing advance commitments also introduces the risk that some applicants may not proceed as intended, fail to meet required timelines, or ultimately be unable to secure financing to purchase a new home. This could temporarily encumber City funds without a guaranteed outcome. The approach also requires additional process steps and monitoring and effectively creates a two-step application process.

**Development Charge Rebate Approach --** Under this delivery model, the City would provide the development charge rebate directly to participating home builders rather than through an application submitted by the home purchaser. Builders would be required to reflect the value of the rebate as a price reduction on the Agreement of Purchase and Sale for eligible new homes, ensuring that the financial benefit is passed directly to the purchaser at the time of sale. By embedding the incentive in the purchase price, the rebate would be realized immediately by the purchaser, which may improve affordability and assist with mortgage financing by reducing the total purchase price and associated borrowing requirements.

This approach could also simplify program administration by removing the need for individual homeowner applications, document collection, and post purchase reimbursements, while relying on builder participation and documentation through the purchase agreement to verify that the incentive has been applied. However, under this method no agreement would be registered with the home purchaser and no occupancy requirements could be imposed. It may also be more difficult to verify the realized financial benefit. While this model could improve efficiency and simplify administration within the limited timeframe available to implement the program, it would function differently than the proposed structure. Similar incentives are currently offered through the Downtown and Old East Village Community Improvement Plans through the Residential Development Charge Grant.

**Proposed Option:** To implement the proposed program, the reimbursement approach is recommended as it reduces processing timelines and financial risk. Providing the incentive as a rebate ensures that the primary objective of the program has been achieved before funds are issued, directing public funding to applicants who have completed the purchase of a new home. In addition, the proposed program could be combined with the existing Homeownership Down Payment Assistance Program, which provides funding in advance of purchase.

## Local Residency Requirement

Introducing a residency requirement whereby applicants must currently reside in London and provide proof of address, such as government issued identification or documentation confirming residence through a utility bill, lease, or similar record, is not typically a requirement of Community Improvement Plan incentive programs. While this approach may prioritize existing residents and respond to concerns about local benefit, such a requirement would introduce an additional layer of administrative complexity, limit flexibility in verification, and may create barriers for otherwise eligible home purchasers.

The program's intent is to support affordable new home ownership and encourage housing uptake within London. As the purchased home must be located in London and will become the applicant's primary residence, successful applicants will contribute to the municipal tax base and local economy upon occupancy and will become residents through this process. Restricting eligibility based on prior residency may unintentionally exclude young families, entrepreneurs, skilled workers, and other households seeking to relocate to London, thereby narrowing the program's broader economic and community building objectives.

**Proposed Option:** To implement this program, it is not recommended that eligibility be limited to applicants who are already residents of London. Such a requirement does not directly advance the program's intended outcomes related to housing supply, affordability, or housing market absorption. Introducing a residency requirement may also create unintended perceptions of exclusion and could undermine broader goals related to growth and talent attraction.

## First-Time Home Buyers' Incentives

Several incentive programs exist at the provincial and federal levels to support first-time homebuyers, all of which may be stackable with municipal programs. Together, these programs demonstrate that multiple incentives exist to reduce upfront costs, support affordability and improve access to home ownership for first-time buyers.

*Table 3: Examples of Federal and Provincial First-time Homebuyer Incentives*

Program	Government	Description	Benefit
First-time Home Buyer's Tax Credit	Federal	Non-refundable income tax credit to help offset closing costs associated with purchasing a first home	Up to \$1,500 tax relief
Proposed First-Time Home Buyers' GST rebate <sup>a</sup>	Federal	Proposed removal of the 5% GST on newly constructed homes for eligible first-time buyers	Potential savings depending on purchase price
Land Transfer Tax Refund	Provincial	Refund of provincial land transfer tax for eligible first-time homebuyers purchasing a home in Ontario	Up to \$4,000
Ontario HST New Housing Rebate	Provincial	Rebate on the provincial portion of HST paid on newly constructed homes	Up to \$24,000
Proposed Ontario HST Rebate for first-time buyers <sup>b</sup>	Provincial	Proposed rebate of 8% provincial portion of HST on eligible newly built homes up to \$1 million	Potential significant tax savings

Eligibility for the incentive programs is generally similar at the provincial and federal levels, with a first-time homebuyer typically defined as someone who has never owned

<sup>a</sup> Proposed May 27, 2025, passed senate final reading on February 26, 2026, pending royal assent

<sup>b</sup> Proposed October 28, 2025, subject to enactment, contingent on federal program

a home. The federal programs, however, include a 4-year lookback period, allowing individuals to have owned a home previously, as long as it was more than four years ago. Definitions of first-time homebuyer are included in the below table:

*Table 4: Federal and Provincial First-time Homebuyer program details.*

	<b>Federal (GST/HST &amp; Tax Programs)</b>	<b>Provincial (Land Transfer Tax &amp; HST Rebates)</b>
Definition of first-time home buyer	A person (and their spouse/common-law partner) who has not lived in a home they owned anywhere in the world in the current year or in the previous 4 calendar years.	A person (and their spouse/common-law partner) who has never owned a home anywhere in the world. Some provincial programs may have slight variations or exemptions for previous ownership outside Ontario.
Spouse / Partner consideration	Applies jointly; both must meet the first-time criteria	Applies jointly; both must meet the first-time criteria
Age	18 years of age	18 years of age
Residency requirement	Must be a Canadian citizen or permanent resident	Must be a Canadian citizen or permanent resident
Previous home ownership allowance	Federal programs allow ownership outside of the 4-year lookback period, permitted they have not previously qualified for a FTHB incentive	Ontario programs generally define "first-time buyer" as never having owned a home
Primary residence requirement	Must purchase a home that will be used as a primary place of residence within 1 year, no additional term	Must purchase a home that will be used as a primary place of residence within 9 months to 1 year, no additional term

### **Housing Market Indicators and Average Sale Price**

The Affordable Housing Community Improvement Plan (CIP) defines affordable housing as the range of housing targeted to be developed by the market and not-for-profits, and targets development of housing that costs less than or is equal to 'average market' rent or price, but does not include the 'income security' aspect of housing associated with City programs. Programs proposed under the CIP may further refine the definition of 'affordable' based on the objectives of the specific program. For the purposes of the 'Affordable New Home Ownership' program, affordable housing is defined as housing that costs less than or equal to the average market price.

The average market price referenced in the Mayoral Direction is sourced from the December 2025 London and St. Thomas Residential (LSTAR) Market Activity and MLS® Home Price Index Report. The value of \$630,646 is identified in the London MLS® Residential Market Activity year-to-date table on page 18 as the December 2025 year-to-date average price.

## Appendix “B” Program Criteria Options

Option ID	Criteria	Notes
<b>First-Time Homeowner Requirement</b>		
A1	No First-Time homeowner or renter requirement	Proposed Option
A2	First-Time Homeowner requirement using provincial program definition: 18 years of age, Canadian citizen, purchaser, or spouse/partner, cannot have ever owned, or had an interest in an eligible home anywhere in the world.	Provincial Program
A3	First-Time Homeowner requirement using Federal program definition: 18 years of age, Canadian citizen, purchaser, or spouse/partner cannot have ever owned, or had an interest in a primary residence at any time in the current calendar year or in the previous 4 calendar years, and not previously received FTHB incentives	Federal Program
A4	Currently a renter in London or Middlesex County but could have previously owned a home.	Homeownership Down Payment Assistance Program
<b>Occupancy Requirement</b>		
B1	Primary residency requirement of 2 years	Proposed Option
B2	Primary residency requirement of 5 years	Included in Mayoral Direction
B3	Primary residency requirement of 10 years	Discussed at SPPC
<b>Program Duration</b>		
C1	Occupancy permit be issued on or before December 31, 2026.	Included in Mayoral Direction
C2	Occupancy permit be issued after January 1, 2025 and on or before September 7, 2027	Proposed Option
<b>Early Termination</b>		
D1	Full repayment of Loan with No Financial Penalty	Proposed Option
D2	Interest-based model: Full repayment of loan plus interest at a rate of 8% calculated monthly from the date of the loan advance.	Included in February SPPC Report
D3	Capital gains-based model: Full repayment of loan and 5% capital gains (if applicable) must be repaid.	Requirement included in the existing Homeownership Down Payment Assistance Program
D4	Administrative Monetary Penalty (AMP)	A defined amount assessed upon early termination instead of other financial penalties
<b>Loan Forgiveness Model</b>		
E1	Fixed Forgiveness Model: Home purchaser to occupy the new home as their principal address for a defined term with full repayment after the end of the term	Proposed Option
E2	Declining Forgiveness Model: Annual reduction of payback based on the program duration	Example for a 5-year primary residency requirement:

		<ul style="list-style-type: none"> <li>• 80% payback of loan after year one</li> <li>• 60% payback of loan after year two</li> <li>• 40% payback of loan after year three</li> <li>• 20% payback of loan after year four</li> <li>• 0% payback of loan after year five</li> </ul>
<b>Local Residency Requirement</b>		
F1	No current residency requirement.	Proposed Option
F2	Applicant must be a renter in London	Discussed at Feb SPPC and Council
F3	Applicant must be a renter in London or Middlesex County	Requirement included in the existing Homeownership Down Payment Assistance Program
<b>Applying funding to Downpayment</b>		
G1	Grant disbursement occurs after closing, single-step process [Reduces overall home cost but does not count towards the downpayment]	Proposed Option
G2	Grant disbursement occurs before closing, 2-step process [Counts toward downpayment]	Homeownership Down Payment Assistance Program
<b>Incentive Disbursement Models</b>		
H1	Reimbursement Approach: Funding provided through agreement to the homeowner.	Proposed Option
H2	Conditional' Approach: Issue a commitment letter upfront indicating the City's' financial commitment of support toward a down payment	Alternative Approach
H3	Development Charge Rebate Approach: Provide the development charge rebate directly to participating home builders with documentation on reduction of home price.	Private Sector Partner Recommendation

**Appendix “C”  
Proposed by-law,  
Proposed Program Criteria, and Loan Agreement**

Bill No.  
2026

By-law No. C.P. **XXXX**

A by-law to amend C.P.-1545-41,  
being “A by-law to establish financial  
incentives for the Affordable Housing  
Community Improvement Project  
Area”.

WHEREAS by subsection 28(2) of the *Planning Act*, the Council of a municipal corporation may, by by-law, designate the whole or any part of an area as a community improvement project area;

AND WHEREAS subsection 28(4) of the *Planning Act* enables the Council of a municipal corporation to adopt a community improvement plan for a community improvement project area;

AND WHEREAS *The London Plan*, 2016, the Official Plan for the City of London, contains provisions relating to community improvement within the City of London;

AND WHEREAS the Municipal Council of The Corporation of the City of London has, by by-law, designated a community improvement project area identified as the Affordable Housing Community Improvement Project Area;

AND WHEREAS the Municipal Council of The Corporation of the City of London has, by by-law, adopted the Affordable Housing Community Improvement Plan;

AND WHEREAS the Municipal Council of The Corporation of the City of London wishes to introduce a new program, being the Affordable Housing Community Improvement Plan – Affordable New Home Ownership Incentive Program;

NOW THEREFORE the Municipal Council of the Corporation of the City of London enacts as follows:

1. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Community Improvement Project Area” is amended by adding section 9:

9. The Affordable Housing Community Improvement Project Area Financial Guidelines – Affordable New Home Ownership Incentive Program attached hereto as Schedule “6” to the Affordable Housing Community Improvement Plan is hereby adopted;

2. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Community Improvement Project Area” is amended by adding section 10:

10. The agreement attached as Appendix “7” is hereby authorized and approved.

3. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area” is amended by adding section 11:

11. The Deputy City Manager is authorized to amend, enter into and execute the agreement approved under section 10 of this by-law provided the terms of the agreement conform with the Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines – Affordable New Home Ownership Incentive Program.

4. By-law C.P.-1545-41, as amended, being “A by-law to establish financial incentives for the Affordable Housing Community Improvement Project Area” is amended by adding section 12:

12. The Deputy City Manager is authorized to approve, enter into and execute amending agreements provided the terms of the amending agreement conform with the Affordable Housing Community Improvement Plan Financial Incentive Program Guidelines – Affordable New Home Ownership Incentive Program.

5. This by-law comes into force and effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

PASSED in Open Council on March 31, 2026, subject to the provisions of PART VI. 1 of the *Municipal Act, 2001*.

Josh Morgan  
Mayor

Michael Schulthess  
City Clerk

First Reading – March 31, 2026  
Second Reading – March 31, 2026  
Third Reading – March 31, 2026

## **Schedule 6: Affordable New Home Ownership Incentive Program**

### **Affordable Housing Community Improvement Plan – Financial Incentive Program Guidelines – Affordable New Home Ownership Incentive Program**

Effective April 1, 2026

This program guideline package provides details on the “Affordable New Home Ownership Incentive Program” provided by the City of London (the “City”) through the Affordable Housing Community Improvement Plan (CIP). Each financial incentive program has its own specific purpose and requirements.

#### **1. Definitions**

**Additional Residential Unit:** a dwelling unit ancillary and subordinate to a primary dwelling unit, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof.

**Applicant:** A Purchaser who submits a formal application under this program. The person(s) may be represented by an authorized agent if they provide written authorization to be represented by an agent.

**Complete Application:** signed and dated application form and required supporting documents.

**Development Charges:** fees collected by the City pursuant to the Development Charges Act, 1997, S.O. 1997, c. 27 at the building permit stage from the New Home builder to recover capital costs associated with residential growth.

**Dwelling Unit:** a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping and sanitary facilities.

**New Home:** a Dwelling Unit which satisfies the following criteria:

- was constructed by a vendor licensed under the *New Home Construction Licensing Act*;
- is subject to the *Ontario New Home Warranties Plan Act*, R.S.O. 1990 c. O.31, as may be amended;
- has not been previously occupied;
- is a single-detached house, a semi-detached house, a townhouse or a condominium apartment.

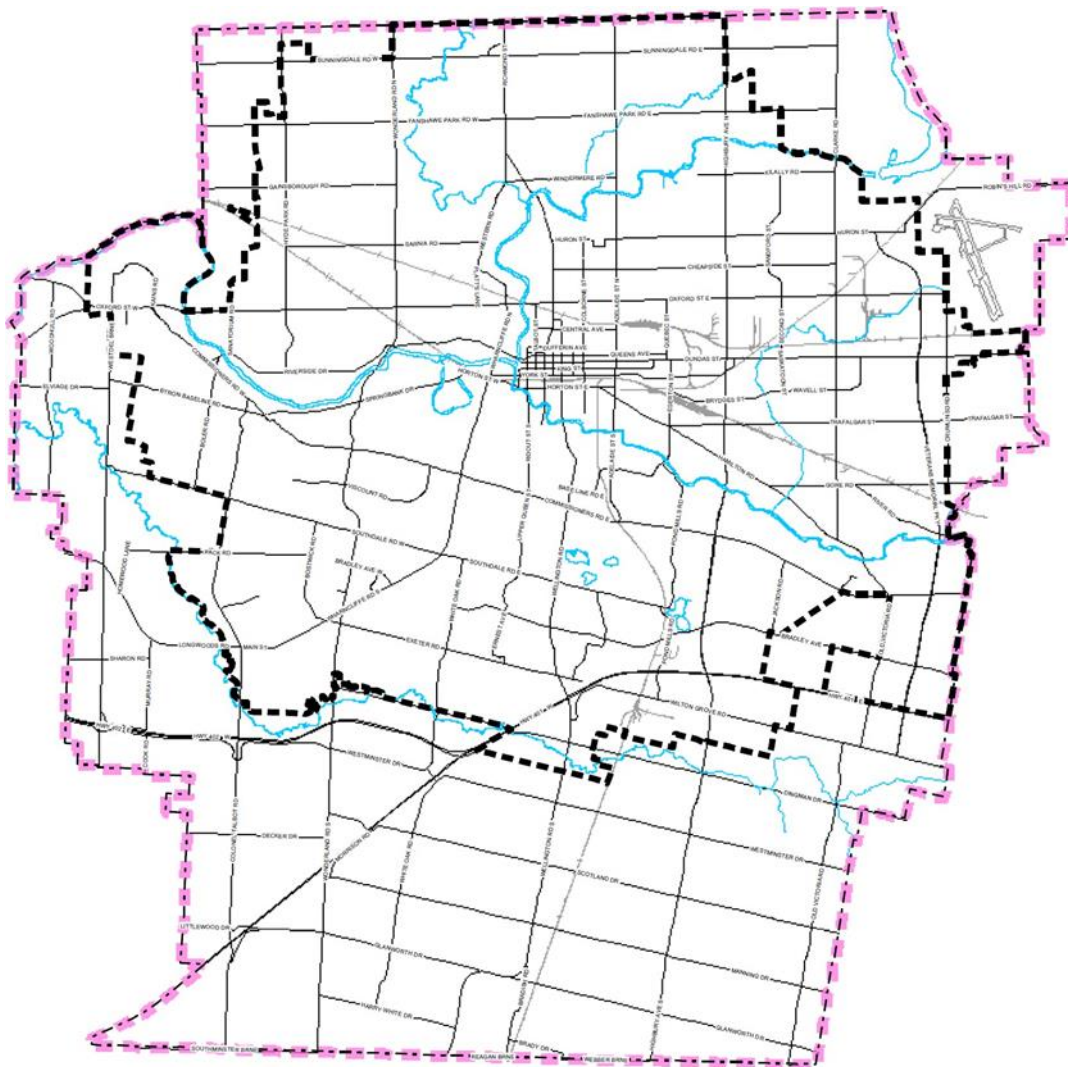
**Loan Agreement:** an agreement to be registered on title signed by both the Purchaser and the City outlining the terms and conditions associated with the Loan.

**Loan:** the principal issued by the City to the Purchaser, being a partial reimbursement of Development Charges paid by the builder of the New Home, assumed to be incorporated into the New Home sale price.

**Program:** the Affordable New Home Ownership Incentive Program

**Property:** land on which a New Home has been built, for which Development Charges have been paid by the builder to the City.

**Purchaser:** registered owner(s) of the New Home.



Map 1: Affordable Housing Community Improvement Project Area (Pink) and Urban Growth Boundary (Black)

## 2. Program Purpose

The purpose of the Affordable New Home Ownership Incentive Program is to improve housing affordability by providing a direct financial benefit to purchasers of new homes in the City of London.

### Program Framework

A Purchaser of a New Home with a price equal to or including \$630,646<sup>c</sup> is eligible for a Loan of 60% of the Development Charges paid by the builder for the New Home provided the Purchaser agrees to occupy the New Home as their primary residence for a minimum period of two (2) years.

### Eligibility Criteria

- Transfer date of the New Home, as identified by the parcel register and registered transfer of title document, must occur after the effective date of approval of the Program by Municipal Council;
- New Home must have received its final occupancy permit (Certificate of Occupancy) from the City between the period January 1, 2025 and September 7, 2027 inclusive, assuming budget availability and program continuity;
- New Home must comply with all applicable laws;

<sup>c</sup> December 2025 London average price for all residential types, as determined by the Canadian Real Estate Association (CREA), and prepared for the London and St. Thomas Association of REALTORS®.

- All applicable Development Charges for the New Home have been paid by the builder to the satisfaction of the City prior to application submission;
- All registered owners of the New Home must be individuals;
- All property taxes and fees assessed against the New Home by the City must be paid and up to date before the Loan is issued;
- Purchaser must not have ever defaulted on any City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation; and
- By applying to the program, the Purchaser agrees to sign a Loan Agreement that will be registered on title for the duration of this term and occupy the New Home as their primary residence for a minimum of two (2) years following the Loan Agreement date.

### **General Program Requirements**

- Purchaser must occupy the New Home as a primary residence for a minimum of two (2) years following the Loan Agreement's effective date. For clarity, although the Purchaser is prohibited from leasing the New Home in its entirety during the two (2) years following the Loan Agreement's effective date, leasing an Additional Residential Unit on the Property is permitted.
- The New Home may be eligible for multiple incentive programs provided through the City of London's various Community Improvement Plans.
- In the case of default, the Loan shall become payable to the City on demand. The City may add the Loan to the tax roll.
- All City property taxes must be paid and remain up to date for the term of the Loan.

### **Financial Incentive Approval**

Once all program eligibility criteria conditions are met and the Loan Agreement is signed by all parties, and if funds are available, City staff will approve the incentive application and disburse the Loan in the form of a one-time lump-sum payment via cheque. Decisions as to the eligibility and the amount of the Loan will be made by City staff and will be final, based on the assessed DC rate. There is no dispute or appeal mechanism.

### **Process**

Step 1: Upon the effective date of this program, the Applicant contacts City staff to request the program application form and clarify the program and process details.

Step 2: A Complete Application is submitted by the Applicant to the City. Typically, it includes the following:

- Completed and signed program application form
- Copy of the Agreement of Purchase and Sale
- Copy of the parcel register
- Copy of the land transfer document (i.e., transfer deed) associated with the New Home
- Copy of the Statement of Adjustments prepared on closing of the real estate transaction
- Any other documents deemed necessary by City staff.

Step 3: City staff will review the application for completeness and inform the Applicant in writing that either more information is required, or the application is accepted.

Step 4: City staff will provide the Purchaser with a cheque in the amount of the Loan once the Loan Agreement is signed.

Step 5: City staff will register the Loan on the Property's title and provide a copy of the registration document to the Purchaser.

Step 6: On an annual basis, or as requested by City staff, the Purchaser will provide proof that the Property continues to be occupied as a primary residence.

Step 7: At the end of the two (2)-year term, the Purchaser will contact City staff to request that the Loan registration be removed from the Property's title by confirming the New Home has complied with the terms and conditions of the Loan Agreement, including that the New Home was and is currently the primary residence of the Purchaser. Confirmation can be provided through government-issued identification, tax records, or any other document acceptable to the City.

### **Program Monitoring and Reporting**

City staff will monitor uptake and report on the success of the program when either the funding source has been depleted, the application window has passed, or as otherwise directed by Municipal Council, it being noted that this program is intended to be temporary in duration.

**Appendix "7"**

**LOAN AGREEMENT  
AFFORDABLE HOUSING COMMUNITY IMPROVEMENT PLAN – AFFORDABLE  
NEW HOME OWNERSHIP INCENTIVE PROGRAM**

This Agreement made in triplicate this xx day of xxxxx, 20xx.

BETWEEN:

**THE CORPORATION OF THE CITY OF LONDON.**  
hereinafter called "the City" OF THE FIRST PART;

- and –

**Xxxxxxxx**

hereinafter called "the Owner" OF THE SECOND PART;

WHEREAS the Owner represents that they are the registered owner of the property, known municipally as [insert address], located in the City of London, in the County of Middlesex and more particularly described in **Schedule "A"** attached hereto (the "Property");

AND WHEREAS section 28(7) of the Planning Act, R.S.O. 1990, c. P.13 authorizes a municipality to make grants or loans in conformity with a community improvement plan to registered owners within a community improvement project area;

AND WHEREAS the City has established the Affordable New Home Ownership Incentive Program within the Affordable Housing Community Improvement Plan to incentivize new home ownership by providing a partial development charges rebate to the Owner;

AND WHEREAS the Owner has applied for a financial loan from the City pursuant to the terms of the City's New Home Ownership Incentive Program;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the parties hereto covenant and agree each with the other to comply with, keep, perform and be bound by each and every term, condition and covenant herein set out to the extent that the same are expressed to be respectively binding upon them, and the same shall ensure to the benefit of and shall be binding upon their respective heirs, executors, administrators, successors and assigns.

Definitions: The words and phrases defined in this section shall, for all purposes of this Agreement and of any subsequent agreement supplemental hereto, have ascribed to them the meanings herein specified unless the context expressly or by necessary implication otherwise requires:

"Additional Residential Unit" is a dwelling unit ancillary and subordinate to a primary dwelling unit, in which food preparation, eating, living, sleeping and sanitary facilities are provided for the exclusive use of the occupants thereof.

“Agreement” means this Agreement entered into between the City and the Owner

“ Dwelling Unit” means a self-contained housekeeping unit, used or intended to be used as a domicile by one or more persons and contains cooking, eating, living, sleeping and sanitary facilities.

“effective date” means the date this Agreement is signed by the City.

“Lands” means the lands described in Schedule “A”.

“New Home” means a Dwelling Unit which:

- i. was constructed by a vendor licensed under the *New Home Construction Licensing Act*;
- ii. is subject to the *Ontario New Home Warranties Plan Act*, R.S.O. 1990 c. O.31, as may be amended;
- iii. has not been occupied prior to the purchase of the Lands by the Owner;
- iv. is a single-detached house, a semi-detached house, a row house or a condominium.

“Owner” means the registered owner(s) of the Lands.

1. Loan Amount: The City shall loan the Owner the total amount of [XXX] (the “Loan”) by way of a single lump-sum payment. The provision of the Loan is subject to the conditions precedent in section 6.
2. Term of Loan: The Loan shall have a term of two (2) years following the effective date of this Agreement.
3. Forgiveness of Loan: On the last day of the month at the end of the term of the Loan, the Loan shall be forgiven provided the Owner has complied with all terms and conditions of this Agreement.
4. Lien Registered on Property: The Owner acknowledges and agrees that the City shall register a certificate signed by the Clerk of the City setting out the amount loaned to the Owner and that Loan shall constitute a lien or charge on the Property. The registered certificate shall be discharged from the Property upon full repayment of the Loan.
5. Conditions of the Loan: During the term of the Loan, the Owner acknowledges and agrees that:
  - i. They will use the New Home on the Lands as their primary residence for a minimum of two (2) years following the effective date of this Agreement; and
  - ii. The New Home will not be leased to any person for a minimum of two (2) years following the effective date of this Agreement. For clarity, if an Additional Residential Unit exists or is subsequently built on the Lands, the Additional Residential Unit may be leased and occupied by another person.
6. Conditions Precedent: The provision of the Loan by the City pursuant to section 2 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City and may be waived in full or in part by the City:
  - a) There being no claim for lien under the *Construction Act* registered against the Property;
  - b) There being no work orders issued against the Property by any governmental entity, agency or official;

- c) There are no City of London Building Division issued orders or deficiencies on the Property and the Owner has not received notice or warning of a by-law contravention or been charged with a by-law contravention;
  - d) The City of London has issued a Certificate of Occupancy for the New Home between January 1, 2025 and September 7, 2027;
  - e) All property taxes must be paid to date;
  - f) The Owner not having any outstanding debts to the City;
  - g) The Owner must not have defaulted on any City loans or grants;
  - h) The Owner having provided documents required by the City.
7. Representations and Warranties of the Owner: The Owner represents and warrants that :
- i. they are the registered owner of the Lands;
  - ii. the building on the Lands is a New Home;
  - iii. they have not ever defaulted on a City loan or grant program, including by way of individual affiliation with any company or group of people authorized to act as a single entity such as a corporation;
  - iv. property taxes are paid in full; and
  - v. there are no City of London Orders or by-law infractions currently outstanding in relation to the Property.
8. Assignment, Transfer and Postponement: In the event that the Owner transfers any interest in the Property, in whole or in part, to any person other than the Owner, the full amount of the Loan shall become immediately due and payable. The City may, at its sole discretion, consent to the postponement of the lien registered on title to the Property in favour of another encumbrance.
9. Reporting: At the end of the term of the Loan, the City shall confirm the Owner continues to own the property and the Owner shall present government issued identification confirming that the Owner's primary residence is located at the Property and provide any further documentation or attestation required by the City.
10. Termination: The parties acknowledge and agree that this Agreement and all obligations of the parties hereunder, excluding those which expressly survive this Agreement, shall be terminated upon either the repayment in full of the Loan and the subsequent discharge of the lien registered against the Property or upon forgiveness of the Loan and the subsequent discharge of the lien registered against the Property.
11. Default: Time shall be of the essence in this Agreement. Upon breach by the Owner of any covenant, term, condition or requirement of this Agreement, if any representation or warranty made by the Proponent in this Agreement proves to be untrue or misleading in any material respect as of the date it was made, or upon the Owner becoming insolvent or making an assignment for the benefit of creditors, the Owner shall be in default under this Agreement. Notice of such default shall be given in accordance with this Agreement and if the Owner has not remedied such default within such time, as provided in the notice, the City may direct that the full amount of the Loan be immediately due and payable.
12. Enforcing Performance of Requirements: In addition to any remedy authorized or permitted by this Agreement or by law, the City may, in the event of a default by the Owner under this Agreement, do such matter or thing at the Owner' expense to correct the default, and the City may recover the expense incurred in doing it by action, from any security posted by the Owner, or by recovery in like manner as municipal taxes. No proceeding by the City under this clause and no waiver under any provision of this

Agreement shall prejudice the rights of the City in respect of any subsequent default by the Owner under this Agreement. The rights of the City may be enforced by any remedy authorized or permitted by this Agreement or by law, and no such remedy shall be exclusive of or dependent on any other remedy. The City may add the amount of the Loan to the collector's roll and collect the Loan in like manner as municipal taxes over a period fixed by the City.

13. Notice: Any notices required or permitted to be given pursuant to the terms of this Agreement shall be given in writing sent by prepaid registered post, addressed in the case of notice given by the City to the Owner at the municipal address of the Property, and in the case of notice given by the Owner, addressed to: The City Clerk, P.O. 5035, London, Ontario N6A 4L9. Notice shall conclusively be deemed to have been given seven days following the day that the same is posted.
14. Separate Covenants: All of the provisions of this Agreement are, and are to be construed as, covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the agreement and its remaining provisions as though the unlawful or unenforceable provision had never been included.
15. Entire Agreement: This Agreement (including any Schedules, Exhibits and Attachments) shall constitute the entire agreement of the parties with respect to, and supersedes all prior written and oral agreements, understandings and negotiation with respect to, the subject matter hereof.
16. Number and Gender: This Agreement shall be read with all changes to gender and number required by the context.
17. Agreement Registered on Land: The Owner acknowledges and agrees that the City shall register this Agreement upon the Land pursuant to Subsection 28 (11) of the Planning Act, R.S.O. 1990, c. P. 13. This Agreement shall be discharged upon the expiry of the term of the Loan provided the Owner has complied with the terms and conditions of the Agreement.
18. Subsequent Owners Bound: Subject to the provisions of the Registry Act and the Land Titles Act, the covenants, agreements, conditions and understandings herein contained on the part of the Owner shall be conditions running with the Land and shall be binding upon it, its heirs, executors, administrators, successors and assigns, as the case may be, as subsequent owners and occupiers of the Land from time to time and "Owner", wherever used in this Agreement, is intended and shall be construed to include such subsequent owners and occupiers in accordance with Subsection 28 (11) of the Planning Act, R.S.O. 1990, c. P. 13.

IN WITNESS WHEREOF the parties have executed this Agreement.

---

**THE CORPORATION OF THE CITY OF LONDON**  
by its authorized officers:

---

Date

---

XXXXXXXX

Schedule "A"

DESCRIPTION OF THE PROPERTY

Property Address:

PIN:

Legal Description:

Place Type: [Name of Place Type, from London Plan]

Zoning: [Zone from Zoning By-law]

**Current Property  
Indebtedness**

**Owed To**

**Amount**

1st Mortgage:

[Bank Name]

[\$]

2nd Mortgage:

Other encumbrances: