



Planning & Strategic Initiatives Committee Agenda

Monday, December 15, 2025, 2:00 p.m. - 2:30 p.m.

Council Chambers - Hybrid

City of Kitchener

200 King Street W, Kitchener, ON N2G 4G7

People interested in participating in this meeting can register online using the delegation registration form at www.kitchener.ca/delegation or via email at delegation@kitchener.ca. Please refer to the delegation section on the agenda below for in-person registration and electronic participation deadlines. Written comments received will be circulated prior to the meeting and will form part of the public record.

The meeting live-stream and archived videos are available at www.kitchener.ca/watchnow.

A Revised Agenda, if required, will be published on Friday prior to the meeting at approximately 12:00 p.m. to include any additional delegations or written submissions received, related matters on the on the agenda. New items appear with a * beside them.

Accessible formats and communication supports are available upon request. If you require assistance to take part in a city meeting or event, please call 519-741-2345 or TTY 1-866-969-9994.

Chair: Councillor P. Singh

Vice-Chair: Councillor D. Chapman

Pages

1. Commencement

2. Disclosure of Pecuniary Interest and the General Nature Thereof

Members of Council and members of the City's local boards/committees are required to file a written statement when they have a conflict of interest. If a conflict is declared, please visit www.kitchener.ca/conflict to submit your written form.

3. Consent Items

The following matters are considered not to require debate and should be approved by one motion in accordance with the recommendation contained in each staff report. A majority vote is required to discuss any report listed as under this section.

3.1 None.

4. Delegations

Pursuant to Council's Procedural By-law, delegations are permitted to address the Committee for a maximum of five (5) minutes. All Delegations where possible are encouraged to register prior to the start of the meeting. For Delegates who are attending in-person, registration is permitted up to the start of the meeting. Delegates who are interested in attending virtually must register by 12:00 p.m. on December 15, 2025, in order to participate electronically.

4.1 None at this time.

5. Discussion Items

5.1 None.

6. Public Hearing Matters under the Planning Act (advertised)

This is a formal public meeting to consider applications under the Planning Act. In accordance with the Ontario Planning Act, only the applicant or owner of land affected by the planning applications, a specified person, or a public body, and or the Minister may appeal most decisions. If you do not make a verbal submission to the Committee or Council, or make a written submission prior to City Council making a decision on the proposal, you may not be entitled to appeal the decision of the City of Kitchener to the Ontario Land Tribunal (OLT), and may not be added as a party to the hearing of an appeal before the OLT. To understand your right of appeal, if any, or for further clarification regarding appeals, please see the Ontario Land Tribunal website (<https://olt.gov.on.ca/>).

NOTE: this item was initially considered at the public meeting held on December 1, 2025. However, due to issues related to public advertising legislation, it was not conducted as the statutory public planning meeting. The official advertised public planning meeting for this item will take place this date. All written and oral submissions received on December 1, 2025 will form part of public record and will be considered in Council's decision.

6.1 Missing Middle and Affordable Housing Community Improvement Plan Update, DSD- 2025-494

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(Staff will provide a 5-minute presentation on this matter.)

NOTE: Any recommendation arising from this matter will be considered at Council this same date.

7. Information Items

7.1 None.

8. Adjournment

**Mariah Blake
Committee Coordinator**

REPORT TO: Planning and Strategic Initiatives Committee

DATE OF MEETING: December 15, 2025

SUBMITTED BY: Rosa Bustamante, Director, Planning and Housing Policy/City Planner, 519-783-8929

PREPARED BY: Oluseyi Ojurongbe, Project Manager (Planning), 519-783-8941
Elyssa Pompa, Planner (Policy), 519-783-8943

WARD(S) INVOLVED: All wards

DATE OF REPORT: November 20, 2025

REPORT NO.: DSD-2025-494

SUBJECT: Missing Middle and Affordable Housing Community Improvement Plan - Update

RECOMMENDATION:

That the proposed By-law establishing a Community Improvement Project Area incorporating all lands within the municipal boundaries of the City of Kitchener, in the form shown in Attachment 'A' to report DSD-2025-494 be approved; and,

That the proposed Missing Middle and Affordable Housing Community Improvement Plan By-law, be approved in the form shown in Attachment 'B' to report DSD-2025-494; and further,

That the General Manager of Development Services or their designate be authorized to execute all agreements and other related documentation, subject to the satisfaction of the City Solicitor, which may be required to administer the Missing Middle Affordable Housing Community Improvement Plan.

REPORT HIGHLIGHTS:

- The purpose of this report is to seek Council's approval to establish a Community Improvement Project Area and associated Missing Middle and Affordable Housing Community Improvement Plan (CIP) to create grants for missing middle housing forms including affordable housing in alignment with the City's commitments through the Housing Accelerator Fund.
- In recognition of the successes of the City's Housing Accelerator Fund (HAF) initiatives, the City of Kitchener was awarded an additional \$4.2M in HAF funding in March 2025 to establish a CIP.
- A CIP is a tool available to municipalities under the Planning Act, that enables cities to carry out projects in a particular area that improve community needs. The City of

Kitchener has implemented CIPs in the past including brownfield development and downtown renewal.

- The proposed CIP consists of two incentive program streams to address barriers associated with missing middle housing: Additional Dwelling Units Grant and the Missing Middle Affordable Housing Grant.
 - The Additional Dwelling Unit Grant offers flexible options to achieve affordable housing, energy efficiency measures to reduce utility bills and barrier-free unit design to provide accessible housing that can support people living with mobility limitations. This program aligns well with the [CMHC design catalogue](#) which offers full technical designs for various ADU formats with options for enhanced energy efficiency and barrier-free design. With cost and time savings on the design and approvals, coupled with incentives to reduce development charges, the CIP can support uptake on catalogue designs.
 - The Missing Middle Affordable Housing Grant offers opportunities for integration of affordable housing in more missing middle housing forms including in mixed use buildings and multiple dwellings up to eight storeys. It also encourages collaboration to provide housing to priority needs groups.
- There are financial implications arising from this report. The proposed CIP is funded through HAF funding including the \$4.21 million awarded in March for the purpose of establishing a CIP and a reallocation of \$2 million of funding from the initial \$42 million grant. The program will be delivered by existing staff to applicants which will have workload implications which are monitored over the next year.
- Community engagement included meetings with the development industry, virtual and in-person engagement events with the public, an engagement webpage and a workshop with builders.
- This report supports **Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably and safely to the places and spaces that matter.**

EXECUTIVE SUMMARY:

Staff is recommending approval of the Missing Middle and Affordable Housing Community Improvement Plan (CIP). A CIP is a Planning Act tool that allows a municipality to carry out projects in a particular area that improve community needs such as addressing housing needs through various mechanisms including financial incentives. The proposed CIP includes two program streams that focus on missing middle housing forms:

1. Additional Dwelling Units (ADUs) Grant, offering full or partial grants to offset development charges for ADUs
2. Missing Middle Affordable Housing Grant, offering grants to cover upfront costs of developing affordable housing units in a missing middle housing form including multiple dwellings and mixed-use buildings with a minimum of five dwelling units and a maximum of eight-storey built form.

The CIP will be funded through the federal Housing Accelerator Fund with a proposed allocation of \$6.21 million on a first come, first served basis up to the maximum funding allocation. Through the CIP, the City has committed to a goal of at least 98 units by October 31, 2026 (building permit issuance) and 500 over a 10-year period. Of the 98 units, at least 49 are expected to be affordable housing and at least 49 be within 1500 metres of rapid transit. This report introduces the proposed CIP and outlines the background, planning

analysis and community and development industry engagement that have informed the proposed CIP.

This report provides an update to DSD-2025-371 which introduced the CIP to Planning and Strategic Initiatives Committee on December 1, 2025. The update integrates: suggested changes to the CIP from the Ministry of Municipal Affairs and Housing which were minor in nature and intended to enhance the CIP; correction of a typographic error in the CIP; and, incorporation of the statutory public notice in Attachment C.

BACKGROUND:

In March 2025, the City was awarded additional funding through the Housing Accelerator Fund to create at least 98 units by October 2026 (building permits issued) and 500 units over a 10-year period through the establishment of a Missing Middle and Affordable Housing CIP. The City has proposed a CIP to incentivize a range of affordable and missing-middle housing types to the housing market by removing some of the financial barriers that stand in the way of financial feasibility. It builds on and reinforces housing studies and initiatives to address the urgent need for diverse and affordable housing options including:

- Enabling Missing Middle and Affordable Housing (2023)
- Enabling Four Units Official Plan and Zoning Bylaw amendments (2024)
- Growing Together Official Plan and Zoning Bylaw amendments (2024 and 2025)
- [Population & Employment Forecast Update & Housing Needs Assessment](#) technical background study for Kitchener 2051 (2025)

The Enabling Missing Middle and Affordable Housing study made several layered recommendations to support the construction of new missing middle housing including establishing a CIP as a mechanism to enable financial incentives, coupled with streamlined approvals and flexible zoning rules including parking reductions and allowing more units on a property.

Changes to zoning through both Enabling Four Units and Growing Together deliver on recommendations to allow for more units through more flexible zoning rules. In alignment with these recommendations, the Enabling Four Units amended the zoning rules throughout the city to allow up to four units where a single detached, semi-detached or street fronting townhouse unit is permitted. Growing Together introduced new Strategic Growth Area zoning that enables unlimited height and density permissions in key areas along with broader permissions for missing middle housing forms. Several process improvements at a staff level have been undertaken and continue to advance streamlining of development approvals.

As part of Kitchener 2051 technical background studies, a housing needs assessment was prepared which identified priority groups in highest need of affordable housing. It also identified a CIP as a mechanism to support housing through grants and fee waivers. The proposed CIP is the next lever that staff recommend with the support of HAF funding to break down barriers to unlocking affordable and missing middle housing as detailed in this report.

REPORT:

Kitchener's housing market is under increasing pressure from rapid population growth, rising costs, and limited affordable options. The City's Strategic Plan, Official Plan, and Housing for All Strategy recognize the importance of using a broad range of tools to advance critical housing objectives.

What is a CIP?

Community Improvement Plans identify specific projects that need to be carried out in a particular area to improve the quality of life and the built environment in an area, setting out the course of action for the redevelopment, rehabilitation or improvement of the area. Community Improvement Project Areas may be established by Council and designated by by-law, in accordance with the provisions of the Planning Act.

Establishing a Community Improvement Project Area

The Planning Act requires the establishment of a Community Improvement Project Area to delineate the geographic location of where a CIP applies. The Official Plan identifies that all lands within the municipal boundaries may be included in a CIP. Staff recommend that all lands within the City of Kitchener's municipal boundaries be included because there is a need for a broader mix of housing typologies and affordable housing throughout the city, as identified through the City's Housing Needs Assessment. The Community Improvement Project Area bylaw is attached to this report as Attachment 'A'.

Program Development

Staff evaluated three program options to select one or more of the most impactful approach(es) for long-term housing outcomes:

1. Additional Dwelling Units (ADUs) Grants- Construction or development charge grants to reduce upfront costs for building Additional Dwelling Units.
2. Office-to-Residential Conversion Grants – Provide funding to convert unused office spaces into residential housing.
3. Affordable Housing Developer Grants – Extend financial incentives to developers and not-for-profits who incorporate affordable units into their projects

As background research, staff engaged with other municipalities that have similar CIPs to understand their program design and gain insights on challenges and lessons learned. The municipalities selected were in comparable population size or were operating similar programs to those under evaluation. Additionally, staff collected feedback from various subject matter experts and the community through a series of interviews and engagement events. A summary of community engagement feedback is detailed later in this report. Staff also retained a third-party consultant to provide staff with an economic analysis of the proposed program.

Staff further reviewed the findings of the Housing Needs Assessment (HNA) completed to inform Kitchener 2051 earlier this year. The HNA identified that priority groups face a lack of suitable, affordable housing to meet the needs of those with low incomes. They often face multiple challenges in securing housing. Priority groups include individuals who identify with the following: women and women-led households; LGBTQ2S+; seniors; young adults aged 18-29; Indigenous Peoples; visible minorities/racialized people; recent immigrants (especially refugees); people with physical health or mobility challenges or developmental

disabilities; people with mental health and addictions issues; veterans; and, people experiencing homelessness. To address this significant finding from the HNA, staff have intentionally designed the program to support housing solutions for priority groups.

Proposed CIP

The proposed CIP bylaw includes the Missing Middle and Affordable Housing Community Improvement Plan (Attachment 'B' to this report). The CIP outlines the two program streams as well as eligibility criteria, and program administration details.

First, general program considerations applying to both streams are outlined such as eligible applicants, the definition of affordable housing, and property ownership. Prioritization of projects that support achievement of the City's HAF commitments is also identified as follows:

- Projects located within 1500 metres of rapid transit
- Projects that incorporate affordable housing units
- Projects that have a plan to achieve building permit issuance by October 31, 2026

The programs may limit the number of units funded that do not align with one or more of these priorities. Table 1 provides a summary of the two program streams:

Program Stream	Grant Details
<p>Additional Dwelling Units Grant</p> <p>Why it matters:</p> <ul style="list-style-type: none"> • Makes it easier and cheaper for property owners to add rental units, increasing housing supply, mix of unit types, and affordability in Kitchener's neighborhoods. • DCs were identified as a barrier to building ADUs which has led to some property owners choosing not to build ADUs. • Supports affordability including lower energy costs • Encourages uptake of the CMHC design catalogue by incentivizing high energy performance and accessible designs. 	<ul style="list-style-type: none"> • Grants for the first and second ADU covering 100% of the cost of development charges (DCs) for applicable educational DCs. • Grants for the third ADU covering: <ul style="list-style-type: none"> • 50% of City, Regional and educational DCs; or • 100% of City, Regional and educational DCs for units that commit to providing <u>one of the following</u>: <ul style="list-style-type: none"> ○ a minimum of one affordable housing unit; or ○ energy efficiency measures; or ○ a minimum of one barrier-free unit
<p>Missing Middle Affordable Housing Grant</p> <p>Why it matters:</p> <ul style="list-style-type: none"> • Makes it cheaper for developers to include affordable housing • Increases the mix of housing supply formats and affordability in neighborhoods. • Focuses on priority groups that are identified to have the highest needs for affordable housing as reflected in Kitchener's housing needs assessment. 	<ul style="list-style-type: none"> • Grants of up to \$25,000 per affordable unit to a maximum of \$500,000 for affordable housing units in a missing middle format including multiple dwellings and mixed-use buildings with a minimum of 5 units and a maximum of 8 storeys. • Helps offset the upfront costs associated with planning, designing and achieving approvals

<ul style="list-style-type: none"> Encourages collaboration and partnerships to unlock more affordable housing. 	
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Stream 1. Grants for Additional Dwelling Units

This stream provides grants to help offset **all or a portion of the cost of development charges** associated with building Additional Dwelling Units (ADUs). The program is proposed to be applied across the city, accounting for varying DC rates while prioritizing HAF commitments.

Program details include:

- Grants for the **first and second ADU** associated with a single detached dwelling, semi-detached dwelling or street fronting townhouse dwelling shall cover 100% of the cost of development charges for applicable educational DCs.
- Grants for the **third ADU** associated with a single detached dwelling, semi-detached dwelling or street fronting townhouse dwelling:
 - 50% of City, Regional and educational DCs as base incentive; or
 - 100% of City, Regional and educational DCs for units that commit to providing one of the following:
 - a minimum of one Affordable Housing Unit for a prescribed affordability period (5 years).
 - energy efficiency measures (a combination of two or more of the following that exceed the minimum requirements of the Ontario Building Code: heat pump, energy recovery ventilator (ERV), triple-pane windows, solar panels, and other innovative building systems that support efficiency to the satisfaction of the City); or
 - a minimum of one barrier-free unit (per specifications of the Ontario Building Code)

Why it matters: This grant makes it easier and more cost-effective for property owners to add rental units, increasing housing supply, mix of unit types, and affordability in Kitchener's neighborhoods. Development charges were identified as a barrier to building additional dwelling units which has led to some property owners choosing not to proceed with as many ADUs (or none at all) despite enabling zoning regulations. Staff has heard this through the engagement conducted for the CIP as well as through feedback received through the Enabling Four Units One Year Follow Up report (DSD-2025-411) and through staff discussions with customers through building permit review.

While only educational development charges apply to the first and second ADU at a rate of \$5,187 as of December 1, 2025, this cost can be a barrier to homeowners adding ADUs - particularly those that support multigenerational families such as aging parents or adult children with disabilities.

Development charges for the third ADU (fourth unit) range from \$39,483 in the Central area (in the main dwelling) to \$80,058 in the Suburban area (in a backyard home). A fourplex

format has been more common than backyard homes in 2024 and 2025 with development charges for the fourth unit ranging from \$39,483 to \$44,727 in this format.

Three options to obtain a grant to cover the full development charge amount are proposed. The first option requires one affordable unit for a minimum of 5 years. The second option that requires energy efficiency measures supports affordability by reducing utility bills while supporting the City's climate goals. The final option encourages barrier-free unit design to provide accessible housing that can support people living with mobility limitations - a priority group identified through the Housing Needs Assessment. The ADU grants align well with the [CMHC design catalogue](#) which offers full technical designs for various ADU formats with options for enhanced energy efficiency and barrier-free design. With cost and time savings on the design and approvals, coupled with incentives to reduce development charges, the CIP can support uptake on catalogue designs.

This program allows for the creation of affordable, smaller-scale rental units, benefiting tenants across diverse income levels and enhancing community inclusivity. By providing a grant to offset the cost of development charges, the CIP can encourage property owners to contribute directly to housing supply within existing neighborhoods. This initiative could also help address the difficulty some owners are facing in paying or financing development charges, which in some cases has resulted in units not being brought to the rental market.

Stream 2. Grants for Missing Middle Affordable Housing

This stream provides grants of up to **\$25,000 per affordable unit to a maximum of \$500,000** to help offset the upfront costs associated with planning, designing and achieving approvals for affordable housing units in a missing middle format in either a multiple dwelling or a mixed-use building with a minimum of 5 units and a maximum of 8 storeys.

- Awarded projects must maintain Affordable Units for a minimum of 25 years from the date of first occupancy.
- Priority is given to special programs designed to provide Affordable Units to one or more identified priority groups.
- Priority will be given to projects that incorporate Affordable Units that are a minimum of two bedrooms in size and include a variety of unit sizes including three- and four-bedroom units which is a recognized need for key priority groups through the City's housing needs assessment.

Why it matters: This grant makes it easier and more cost-effective for developers and not-for-profits to add affordable housing units in a missing middle format, increasing mix of housing supply formats and affordability in neighborhoods. This grant focuses on priority groups that are identified to have the highest needs for affordable housing, as reflected in Kitchener's housing needs assessment. It supports upfront costs to advance affordable housing to construction, at which point applicants may apply for Federal Affordable Housing Funding programs and CMHC to finance construction costs.

A CIP allows for a broad range of applicants to provide affordable housing units in our community. The Enabling Missing Middle and Affordable Housing study (2023) identified the importance of financial incentives to unlock affordable and missing middle housing. This program builds upon the Not For Profit Affordable Rental and Co-op Housing

Incentive launched last year. It incentivizes more affordable housing in the Kitchener community which may be constructed by a broader range of developers including for-profit and non-profit organizations. It will encourage partnerships with the not-for-profit sector by prioritizing special programs designed to provide housing for identified priority groups through the Housing Needs Assessment.

Summary of CIP Engagement

This report has been posted on the City's website with the agenda in advance of the committee meeting and on the project webpage, engagewr.ca/cip.

Staff and agencies:

City divisions involved in the development of this program included Finance, Planning and Housing Policy (including zoning services), Development and Housing Approvals, Building, and Legal Services. Staff also consulted with the Region of Waterloo's Housing Services team.

Community and development industry engagement:

Staff held interviews during the summer of 2025 with subject matter experts in the building industry, such as developers, ADU specialists, and urban planners, to refine program design and enhance uptake. On August 27, 2025, staff held a builders' workshop to share information about the CIP and gather feedback. Further insights were obtained from the Kitchener Developers Liaison Committee on September 12 and October 17, 2025.

An engagement session took place on October 4, 2025 at the Kitchener Market, followed by a virtual meeting on October 7, 2025, to discuss the proposed program and gather public feedback. In September, the project webpage posted an online public survey asking which incentive program would be most effective.

Summary of feedback received:

- As it relates to grants for Additional Dwelling Units (ADUs) and grants for larger projects:
 - Builders of ADUs identified development charges as a major barrier, especially for the fourth unit;
 - More financially accessible to a broader population of property owners;
 - Supportive that ADUs increase neighborhood density organically and help retain affordable housing options within established communities;
 - Grants could help address the difficulty some owners are facing in paying or financing development charges, which in some cases has resulted in units not being brought to the rental market;
 - Strong appreciation for the policy directive and overall ADU goals;
 - ADU builders expressed motivation to develop ADUs and willing to modify projects to meet zoning requirements;
 - Residents appreciated the increased housing options, affordability and support for multi-generational families;
 - Concerns about unexpected costs such as consultant fees, tree removal, servicing connections and additional approvals like Grand River Conservation Authority and Committee of Adjustment;
 - Canada Mortgage and Housing Corporation (CMHC) financing for rental housing requires a minimum of 5 units. There is an affordable housing component of this

- financing that could work in alignment with a CIP to support more affordable housing.
- Developers of larger projects surveyed expressed concern about meeting the fall 2026 timeline, however, some developers are considering affordable units in their projects; and
- ADU construction is ongoing, even in market slowdown.
- As it relates to exploring an Office to Residential Conversion program:
 - Majority of developers state this option is not feasible in today's market and are not likely to meet the fall 2026 timeline; and
 - Potential to explore this option if market improves in the future.

Planning Rationale

Municipal Act, 2001, S.O. 2001, c. 25

Section 106(1) of the Municipal Act prohibits municipalities from offering bonuses to businesses, including financial aid, lending municipal property, guaranteeing loans, or selling property below market value. Exceptions are specified in Section 106(3) for municipalities using powers under Section 28 of the Planning Act and Section 365.1 of the Municipal Act, which allow for financial incentive programs in designated community improvement areas. A municipality may take the following actions within a designated community improvement project area:

- Prepare a CIP for the project area (Section 28(4)).
- Make grants or loans, in conformity with the approved CIP, to the registered owners, assessed owners and tenants of lands and buildings, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or part of the eligible costs of the CIP (Section 28(7))

Under Section 28 of the Planning Act, municipalities can designate community improvement project areas for redevelopment activities, such as acquiring land, creating improvement plans, and offering grants or loans for eligible costs, including environmental remediation and affordable housing. Section 365.1 further allows property tax assistance for such areas.

Planning Act, R.S.O. 1990, c. P. 13 25

Section 2 of the Planning Act establishes matters of provincial interest and states that the Minister, the council of a municipality, a local board, a planning board and the Tribunal, in carrying out their responsibilities under this Act, shall have regard to, among other matters, matters of provincial interest such as,

- (j) the adequate provision of a full range of housing, including affordable housing;
- (l) the protection of the financial and economic well-being of the Province and its municipalities;
- (p) the appropriate location of growth and development

Section 28 allows municipalities to identify areas in need of revitalization and reinvestment by designating Community Improvement Project Areas (CIPAs). Once a CIPA is established and an appropriate Official Plan policy framework is approved and in place, the municipality may prepare and adopt a Community Improvement Plan (CIP) that outlines goals and strategies for the physical, economic, and/or social improvement of the area.

CIPs directly support provincial interests by enabling municipalities to:

- Plan for the development, rehabilitation, and redevelopment of key areas, including provisions for energy efficiency improvements and affordable housing (s.28(1), 28(1.1));
- Facilitate land acquisition, preparation, and disposition, supporting intensification and redevelopment in strategic urban locations (s.28(3),(6));
- Encourage a public to private partnership through financial tools such as grants and loans for support of environmental remediation, rehabilitation, and development (s.28(7), (7.1));
- Support housing renewal and repair, contributing to the supply and diversification of housing (s.28(7), s.32(1)).

Through the implementation of CIPs, municipalities are empowered to provide direct investment into areas that align with provincial objectives: downtown cores, adaptive reuse of underutilized lands, and integration of affordable housing into established communities. Additionally, they promote the efficient use of land and existing infrastructure and support provincial goals for economic sustainability and coordinated infrastructure planning.

Provincial Planning Statement, 2024

The Provincial Planning Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. Section 2.2.1 of the 2024 PPS promotes all types of residential intensification, and sets out a policy framework for sustainable, healthy, livable, and safe communities.

The PPS promotes efficient development and land use patterns, as well as accommodating an appropriate mix of affordable and market-based residential dwelling types with other land uses, while supporting public health, and safety. Provincial policies promote the integration of land use planning, growth management, transit-supportive development, intensification, and infrastructure planning to achieve cost-effective development patterns, optimization of transit investments, and standards to minimize land consumption and servicing costs.

The PPS supports the goals of Community Improvement Plans (CIPs) by enabling municipalities to align local planning with evolving demographic and economic needs:

- Designate and protect sufficient residential land for future development while maintaining a minimum supply of serviced, zoned units to meet projected growth;
- Promote intensification and infill, particularly in underutilized areas and transit-oriented nodes, to support compact, efficient development that aligns with community needs and employment trends;
- Coordinate with Service Managers to implement comprehensive housing strategies that include support for vulnerable populations and homelessness initiatives; and
- Encourage flexible redevelopment, allowing for a range of housing types and land uses that respond to local market conditions and long-term growth projections.

Kitchener Official Plan, 2014

The City of Kitchener's Official Plan (2014) provides the vision for long-term land use in Kitchener. This is further articulated and implemented through guiding principles, goals, objectives and policies set out in the Plan. The vision strives to build an innovative, vibrant, attractive, safe, complete and healthy community that contributes to an exceptional quality of life for all. A complete community creates and provides access to a mix of land uses including a full range and mix of housing, including affordable units. To achieve this vision,

the Official Plan outlines several implementation tools such as Zoning By-laws, Community and Block Plans, Heritage Conservation District Plans, and Community Improvement Plans.

In Section 17.E.9, Community Improvement Plans identify specific projects that need to be carried out in a particular area to improve the quality of life and the built environment in an area, setting out the course of action for the redevelopment, rehabilitation or improvement of the area. Community Improvement Project Areas may be established by Council and designated by by-law, in accordance with the provisions of the Planning Act. Through the implementation of CIPs, the City may:

- Identify specific areas in need of physical, economic, social, or environmental enhancement;
- Offer funding mechanisms such as grants, loans, and financial incentives to support local improvement efforts;
- Coordinate cross-sectoral initiatives that address redevelopment priorities and infrastructure needs within designated neighborhoods or corridors.

As detailed in Official Plan Section 17.E.9.1 and 17.E.9.2, all lands within the municipal boundary of Kitchener are eligible to be designated as a Community Improvement Project Area, contingent upon meeting one or more criteria. The proposed CIP addresses the following three criteria:

- b) there are old residential, industrial and commercial buildings and properties that are in need of upgrading, rehabilitation, or replacement;
- c) the area contains an inappropriate range of housing types and densities;
- j) there are opportunities for intensification and redevelopment of under-utilized sites

The proposed CIP meets the vision set out in the Official Plan's Community Improvement Plan policies, encouraging higher density development within a 1500 metre radius of rapid transit, facilitating efficient land use and intensification, as referenced above. The CIP supports diverse housing options, while encouraging accessibility to a broader range of transit options.

Housing Needs Assessment, 2025

The Housing Needs Assessment (HNA) reported the city's current market and non-market housing profile and trends. Through this work, the HNA identified several key findings. While the city has averaged 2,250 new residential building permits annually since 2013 in increasingly high-density built forms, affordability has declined sharply since 2018. Resale prices and rents have increased, with primary apartment rents rising 48% and condominium apartment rents by 40% between 2017 and 2023. About 40% of households are renters, and demand for rental housing is expected to grow to 45% by 2051. Affordability remains a major concern for renters as only 5% of the city's housing stock is non-market, around 5,300 units. To meet future needs, the City anticipates requiring 13,100 new affordable rental units and 4,600 new affordable ownership units by 2051. There is also an increased need to provide affordable housing for priority groups who face elevated housing insecurity.

Kitchener is responding with strategies like the Missing Middle and Affordable Housing Community Improvement Plan, which is designed to support the creation of diverse and affordable housing by addressing financial barriers to development.

Program Administration & Monitoring

This CIP will be administered by the City's Planning and Housing Policy, Building and Finance Divisions. Applications will be reviewed and approved by the Planning and Housing Policy Division with the support of other divisions.

To meet the City's HAF commitments, program launch is planned for January 2026. Staff will develop a communications strategy that addresses target audiences of each program stream with will include a webpage with information regarding the application process and eligibility criteria.

The program will be reevaluated after one year. Staff may recommend incorporating additional program streams or modifying elements of the program structure. Legal agreements will be used to secure affordability and other commitments which may be registered on title of the lands.

Updates from DSD-2025-371

This report is an update to DSD-2025-371 with the following changes.

The CIP was updated as follows:

- To reflect feedback from the Ministry of Municipal Affairs and Housing who had no concerns with the CIP and suggested some improvements. The following suggested enhancements were incorporated into the CIP:
 - A reference was added in section 1 to recognize that the CIP supports the Region's Building Better Futures: 3,500 homes in 5 years by supporting the creation of new affordable housing.
 - Section 5.1 (Administration and Roles) added content that identifies steps involved to refer a decision to Council should an applicant be unsatisfied with staff's decision.
- A typo was corrected in section 4.3.2 to align with the staff report referring to the affordability period in the second grant stream.

The public notice in Attachment C was also updated to incorporate the notice of statutory public meeting on December 15 that was posted in the Waterloo Region Record on Friday, November 28, 2025.

Conclusion

Staff recommend approval of the proposed Missing Middle and Affordable Housing CIP and associated Community Improvement Project Area. The staff recommendation has regard for matters of Provincial interest, is consistent with the Provincial Planning Statement (2024) and implements the objectives and policies of the Kitchener Official Plan and represents good planning.

The CIP will expand on established programs, such as Enabling Four Units zoning, and existing HAF-backed grant programs that support non-profit housing providers. These foundational programs offer a springboard for the CIP, upon the conclusion of HAF funding,

may be incorporated as long-term City initiatives. However, program continuance beyond HAF funding would be subject to council approval.

STRATEGIC PLAN ALIGNMENT:

This report supports **Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably and safely to the places and spaces that matter.**

FINANCIAL IMPLICATIONS:

The proposed CIP is funded through HAF funding totalling \$6.2 million comprised of:

- \$4.2 million in additional funding awarded in March for this program.
- \$2.0 million in reallocated funding. In evaluating the initial \$42 million HAF grant, staff determined that there is an opportunity to reallocate \$2 million from other HAF initiatives. This reallocation will bolster the CIP, allowing for the two grant streams proposed and improving the City's capacity to support missing middle and affordable housing.

The program will be delivered through existing staff resources which will be monitored over the next year. Annual monitoring is planned to report on program uptake recommending modifications if needed. Once the HAF-funded budget is depleted, programs will be paused subject to funding availability from other sources (such as through other orders of government).

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

PREVIOUS REPORTS/AUTHORITIES:

- DSD-2025-371 [Missing Middle and Affordable Housing Community Improvement Plan](#)
- DSD-2023-160 [Enabling Missing Middle and Affordable Housing](#)
- DSD-2024-066 [Enabling Four Units OPA23/020/K/KA & ZBA23/035/K/KA](#)
- DSD-2024-128 [Growing Together – Protected Major Transit Station Area Land Use and Zoning Framework](#)
- DSD-2025-411 [Enabling Four Units – One Year Follow-up](#)
- [Municipal Act, 2001](#)
- [Planning Act](#), R.S.O. 1990, c. P.13
- [Provincial Planning Statement, 2024](#)
- [City of Kitchener Official Plan, 2014](#)
- [Population & Employment Forecast & Housing Needs Assessment, 2025](#)

REVIEWED BY: Janine Oosterveld, Manager of Customer Experience and Project Management, Development Services

APPROVED BY: Justin Readman, General Manager, Development Services

ATTACHMENTS:

- Attachment A – Community Improvement Project Area bylaw
- Attachment B – Community Improvement Plan bylaw
- Attachment C – Public Notice Advertisement
- Attachment D – Community Engagement Comment Matrix

BY-LAW NUMBER
OF THE
CORPORATION OF THE CITY OF KITCHENER

(Being a by-law to designate a Community Improvement Project Area in the City of
Kitchener for the Missing Middle and Affordable Housing
Community Improvement Plan)

WHEREAS Section 28(2) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, (the "*Planning Act*") empowers the Council of a municipality in which an Official Plan is in effect to designate the whole or any part of the municipality covered by the Official Plan as a Community Improvement Project Area;

AND WHEREAS the Council of The Corporation of the City of Kitchener has adopted an Official Plan which covers all the land within its boundaries and which contains provisions relating to community improvement in the City of Kitchener;

AND WHEREAS the Council of The Corporation of the City of Kitchener deems it in the interest of the municipality to designate all of the lands within the City of Kitchener as a Community Improvement Project Area to be known as the "Missing Middle and Affordable Housing Community Improvement Project Area";

NOW THEREFORE the Council of The Corporation of the City of Kitchener enacts as follows:

1. That pursuant to subsection 28(2) of the *Planning Act*, all of the lands within the City of Kitchener are hereby designated as a Community Improvement Project Area for the purpose of preparing and adopting the Missing Middle and Affordable Housing Community Improvement Plan, and shall be known as the "Missing Middle and Affordable Housing Community Improvement Project Area"; and,
2. This By-law shall come into force and take effect on the date of final passing thereof.

PASSED at the Council Chambers in the City of Kitchener this XXth day of December, 2025.

Mayor

Clerk

BY-LAW NUMBER
OF THE
CORPORATION OF THE CITY OF KITCHENER

(Being a by-law to adopt a Community Improvement Project Plan in the City of
Kitchener known as the Missing Middle and Affordable Housing
Community Improvement Plan)

WHEREAS section 28 of the *Planning Act*, R.S.O. 1990, C.P. 13, as amended, (the “Planning Act”) provides for the designation of Community Improvement Project Areas and the adoption of Community Improvement Plans;

AND WHEREAS the Council of the Corporation of the City of Kitchener has designated all of the lands within the City of Kitchener as a Community Improvement Project Area by By-law Number _____, passed by Kitchener City Council on _____, 2025;

AND WHEREAS the public notice provisions set out in subsection 28(5) have been complied with;

AND WHEREAS the within community improvement plan is exempt from Ministerial approval in accordance with Ontario Regulation 525/97, as amended;

NOW THEREFORE the Council of The Corporation of the City of Kitchener enacts as follows:

1. That the document entitled “City of Kitchener Missing Middle and Affordable Housing Community Improvement Plan”, attached hereto as Schedule “A” and forming a part of this By-law, is hereby adopted as a community improvement plan for the City of Kitchener Missing Middle and Affordable Housing Project Area;
2. The Clerk is hereby authorized and directed to notify the Minister of Municipal Affairs and Housing of the passing of this By-law to establish the Missing Middle and Affordable Housing Community Improvement Plan; and,
3. This By-law shall come into force and take effect on the date of final passing thereof;

PASSED at the Council Chambers in the City of Kitchener this XXth day of December, 2025.

Mayor

Clerk



Missing Middle and Affordable Housing Community Improvement Plan

Prepared by City of Kitchener, Development Services

Date approved by Council: X

1. Introduction

In March 2025, the City was awarded an additional \$4,214,000 of funding through the federal Housing Accelerator Fund (HAF) to establish a Missing Middle and Affordable Housing Community Improvement Plan (the “CIP”) with the purpose of enabling at least 98 units by October 2026 (building permits issued) and 500 units over a 10-year period. The CIP is intended to bring a range of affordable and missing-middle housing types to the housing market by addressing some of the financial barriers that stand in the way of a project’s financial feasibility. It will build on and reinforce existing housing initiatives to address the urgent need for diverse and affordable housing options.

The CIP expands on established City programs, such as the “Enabling Four Units” zoning initiative, which allows property owners to have up to three Additional Dwelling Units (ADUs) on properties that allow a single detached, semi-detached or street-fronting townhouse dwelling unit; and the existing affordable housing fee waiver and HAF-backed grant program that support non-profit housing providers. These foundational programs offer a springboard for the CIP which, upon the conclusion of HAF funding, may be incorporated as long-term City initiatives.

The CIP is informed by the findings of the City’s Housing Needs Assessment (HNA) and aligned with Kitchener’s commitment to the federal government’s Housing Accelerator Fund (HAF) objectives: creating more housing supply and fostering inclusive, equitable, and diverse communities. It also supports the Region of Waterloo’s Building Better Futures: 3,500 homes in 5 years - supporting community collaboration to create or preserve up to 3,500 affordable homes by the end of 2029.

2. Purpose of the Community Improvement Plan

The purpose of the CIP is to:

- Encourage the development of affordable and attainable housing options to support equitable, inclusive and diverse communities throughout the city.
- Facilitate new affordable housing that addresses the needs of priority groups identified through the Housing Needs Assessment.
- Facilitate the creation of new units in missing middle formats from additional dwelling units up to eight-storey apartments to broaden the mix of housing types in the city.
- Facilitate the creation of new residential units in proximity to rapid transit to support affordable, healthy transportation options including active transportation and public transit to keep household costs low.

Further to the purpose of the CIP, the City’s commitment through the federal Housing Accelerator Fund (HAF) is to facilitate at least 98 units by October 2026 (building permits issued) and 500 units over a 10-year period. Of the first 98 units, approximately

49 of this target should be affordable housing and 49 should be located within 1500 metres of rapid transit including the Kitchener GO station per Attachment A.

4. Basis for the CIP

Section 28 of the Planning Act allows municipalities to identify areas in need of revitalization and reinvestment by designating Community Improvement Project Areas (CIPA) and establishing Community Improvement Plans. Enabling policies in Kitchener's Official Plan, 2014, identifies that all lands within the municipal boundary of Kitchener are eligible to be designated as a CIPA, contingent upon meeting certain criteria (Official Plan Section 17.E.9.1). The policies enable the establishment of a CIP if the area satisfies one of more criteria as outlined in Section 17.E.9.2. This CIP addresses more than one of these criteria because:

- the city lacks the range of housing types and densities including insufficient affordable housing (Section 17.E.2.c) to meet the demand of current and future residents, particularly certain priority groups, as identified through the Housing Needs Assessment; and,
- there are opportunities for intensification and redevelopment of underutilized sites (Section 17.E.2.j) as identified through several analyses including the Missing Middle and Affordable Housing Study, and Enabling Four Units and Growing Together zoning changes to support a mix of housing typologies within certain zones.

The Official Plan recognizes that CIPs may be undertaken in conjunction with other orders of government. In this case, the CIP is undertaken with the initial support of the federal government through the Housing Accelerator Fund.

3. Community Improvement Project Area

The Missing Middle and Affordable Housing Community Improvement Plan applies to all lands situated within the City of Kitchener municipal boundary as supported by Official Plan Section 17.E.9.1. through the adoption of a by-law that identifies the Community Improvement Project Area (CIPA). The CIPA is adopted by by-law concurrent to adoption of this Plan. Amendments to its geographic boundaries to which this CIP applies will be administered through amendments to the enabling by-law establishing the CIPA.

4. Financial Incentive Programs

The CIP includes two incentive program streams to addressing barriers associated with two formats of missing middle housing:

1. **Additional Dwelling Units Grant**, offering full or partial grants to offset development charges for ADUs
2. **Missing Middle Affordable Housing Grant**, offering grants to cover upfront costs of developing affordable housing units in a missing middle housing form including multiple dwellings and mixed-use buildings with a minimum of five units and a maximum of eight-storey built form.

Both grant programs focus on the upfront costs of advancing missing middle housing typologies, particularly affordable housing units as detailed in the following sections.

4.1 General Program Criteria

The following criteria apply to all grant programs in the CIP. Additional criteria specific to each grant will be further outlined in subsequent sections for each grant program.

Location: The subject property must be located within the designated CIPA which includes all lands within the municipal boundaries of the City of Kitchener.

Property Ownership: Eligibility is restricted to registered or assessed owners of private or public land and buildings, as well as those people or organizations who have legal authority from the property owner to construct the proposed dwelling units on the subject lands. Applicant and/or owners must not have any outstanding property tax arrears or other obligations to the City, or utility payment arrears related to the subject property at the time of application and throughout the duration of the financial incentive agreement.

Eligible Applicants: Eligible applicants generally include:

- Private developers or property owners;
- Non-profit housing organizations; and
- Housing co-operatives.

For equitable distribution of funds, the number of qualifying units or properties per applicant may be capped at the discretion of the General Manager of Development Services.

Affordable Housing Units: Affordable Housing Units approved for grant funding must meet the definition of Affordable Housing as defined by the City's Official Plan or most current Provincial Planning Statement for the minimum period of affordability defined by the applicable program stream. Affordable Housing Units must remain as rental units during the agreement period.

New units: Incentives may only apply to the creation of new dwelling units where building permits have been issued to create the units on or after the date of program

launch. All proposed dwelling units must meet the definition of a dwelling unit per the Zoning By-law and meet applicable zoning regulations and the requirements of the Ontario Building Code. Funded dwelling units must be used as dwelling units and may not be primarily used for short-term rental purposes.

Program priorities: Priority will be given to projects that achieve goals associated with funding the program from other orders of government. Initial funding for the CIP was through the federal government's Housing Accelerator Fund (HAF). To achieve the City's commitments through HAF, projects that meet one or more of the following criteria will be prioritized:

- Projects located within 1500 metres of rapid transit as delineated in Appendix A
- Projects that incorporate Affordable Housing Units
- Projects that have a plan to achieve building permit issuance by October 31, 2026

The programs may limit the number of units funded that do not align with one or more of these priorities.

Complete application: Applications for a financial incentive(s) in this CIP must be complete for the City to proceed to review. The complete application requirements will be outlined on the application form and will include a completed application form and may include supporting materials as required by the City, such as work plans, cost estimates and contracts, a concept plan and any additional information required at the discretion of the City to evaluate the proposal.

Compliance with bylaws: Projects must comply with the Ontario Building Code and all other relevant planning policies, by-laws and standards. The subject properties shall not be in a position of tax arrears, litigation or other debts with the City of Kitchener.

Legal Agreement: An agreement between the City and the owner, non-owner applicants who have received approval from the property owner to construct the project will be executed to the satisfaction of the City, for any of the incentives offered by the CIP and may incorporate the following:

- The agreement may be registered on title to the property (at the discretion of the City Solicitor).
- The agreement will indicate the required affordability period for qualifying affordable housing units. If commitments are not met for the affordability term, full or partial repayment of any grants, together with any applicable costs and interest may be required.
- The agreement may establish a deadline for building permit issuance for each eligible unit beyond which a project is no longer eligible to receive the approved grant funding.

Tenant Occupancy: Proof through a lease or other documentation may be required by the applicant to the City to demonstrate that affordable dwelling units that received funding are occupied by a tenant for the term of any incentive offered by this Plan. The property owner will select the tenant household.

4.2. Additional Dwelling Units Grant

What it is: Grants to help offset **all or a portion of the cost of development charges** associated with building Additional Dwelling Units (ADUs).

Why it matters: This grant makes it easier and cheaper for property owners to add rental units, increasing housing supply, mix of unit types, and affordability in Kitchener's neighborhoods. Development charges were identified as a barrier to building additional dwelling units which has led to some property owners choosing not to proceed with as many ADUs (or none at all) despite enabling zoning regulations. It also supports affordability including lower energy costs and the CMHC design catalogue by incentivizing high energy performance and accessible designs.

4.2.1. Program Details

Additional Dwelling Unit grants help offset the total cost of development charges including applicable City, Region and education development charges per the following program details:

- Grants for the **first and second ADU** associated with a single detached dwelling, semi-detached dwelling or street fronting townhouse dwelling shall cover **100% of the cost of development charges for applicable educational DCs**.
- Grants for the **third ADU** associated with a single detached dwelling, semi-detached dwelling or street fronting townhouse dwelling:
 - **50% of City, Regional and educational DCs** as base incentive; or
 - **100% of City, Regional and educational DCs** for units that commit to providing one of the following:
 - a minimum of one Affordable Housing Unit for a prescribed affordability period (5 years); or
 - energy efficiency measures (a combination of two or more of the following that exceed the minimum requirements of the Ontario Building Code: heat pump, energy recovery ventilator (ERV), triple-pane windows, solar panels, and other innovative building systems that support efficiency to the satisfaction of the City); or
 - a minimum of one barrier-free unit (per specifications of the Ontario Building Code)
- Within the geographic boundaries of the CIPA, the amount of the grant may vary to cover 50% or 100% of the total development charges (per the program details above) within Suburban and Central areas as delineated

in the City's Development Charges By-law, accounting for varying Development Charge rates.

4.2.2. Eligibility Criteria

In addition to Section 4.1, the following criteria also apply to the Additional Dwelling Units Grant Program:

- ADU formats include those permitted by the City's Zoning By-law including ADUs attached and detached.
- Qualifying ADUs may take the form of:
 - Adding new floor space to create one or more ADUs (attached or detached).
 - Converting an existing space (e.g., basement, garage, attic) to create one or more ADUs (attached or detached).
- Eligible projects may include up to three new ADUs associated with a single detached, semi-detached or street fronting townhouse dwelling unit.
- Eligible projects may include legalizing units that were previously established without required permits.
- Family members are eligible tenants.

4.3. Missing Middle Affordable Housing Grant

What it is: Grants of up to **\$25,000 per affordable unit to a maximum of \$500,000** to help offset the upfront costs associated with planning, designing and achieving approvals for affordable housing units in a missing middle format with a minimum of 5 units and a maximum of 8 storeys.

Why it matters: This grant makes it easier and cheaper for developers to add affordable housing units in a missing middle format, increasing mix of housing supply formats and affordability in neighborhoods. This grant focuses on priority groups that are identified to have the highest needs for affordable housing as reflected in Kitchener's housing needs assessment.

4.3.1. Program Details

Missing Middle Affordable Housing grants help offset the upfront cost of associated with planning, designing and achieving approvals for affordable housing units in a missing middle format per the following program details:

- Up to \$25,000 per Affordable Unit to a maximum of \$500,000 per project to offset the pre-construction planning, design and approvals costs for affordable housing in a missing middle format.
- Qualifying costs include the following and other similar costs:

- Municipal and agency fees and charges (including applicable development charges),
- Consultant service fees (such as planning, design, legal, property appraisal, environmental, engineering)

4.3.2. Eligibility Criteria

In addition to Section 4.1, the following criteria also apply to the Missing Middle Affordable Housing Grant Program:

- Projects must include a minimum of 5 dwelling units in either a multiple dwelling or a mixed-use building and have a maximum height of eight storeys, as defined by the City's zoning bylaw.
- With the exception of the Additional Dwelling Unit Grant, projects may concurrently qualify for this program and to other City incentives, however, eligible expenses may only be attributed to one City incentive program.
- Awarded projects must maintain Affordable Units for a minimum of 25 years from the date of first occupancy.
- Priority is given to special programs designed to relieve hardship or economic disadvantage by providing Affordable Units to one or more of the following key priority groups identified in the City's housing needs assessment:
 - Women and women led households
 - LGBTQ2S+
 - Seniors 65+
 - Young adults aged 18 to 29
 - Indigenous Peoples
 - Visible minorities/racialized people
 - Recent immigrants, especially refugees
 - People with physical health or mobility challenges or developmental disabilities
 - People with mental health and addictions issues
 - Veterans
 - People experiencing homelessness
- Priority will be given to projects that incorporate Affordable Units that are a minimum of two bedrooms in size and include a variety of unit sizes including three- and four-bedroom units which is a recognized need for key priority groups through the City's housing needs assessment.
- Funding will be distributed at key pre-construction project milestones including but not limited to complete application submissions and approvals and building permit issuance or fundraising milestones.

5. Program Administration

5.1. Administrative Roles and Responsibilities

- This CIP will be administered by the City's Planning and Housing Policy division in collaboration with Building, Finance, Legal, and other divisions as needed.
- An application form created by the City's Planning and Housing Policy division will be completed by applicants and submitted with applicable supporting documentation as identified in the application form.
- Applications will be reviewed and approved by the Director of Planning and Housing Policy, or their designate. If an applicant is not satisfied with the Director's decision, they may submit a written request for an internal review within fourteen (14) days of receiving the decision. Once the internal review has been completed, the findings will be provided to the applicant in writing. Should the applicant remain dissatisfied, they may notify the City in writing within fourteen (14) days of receiving the internal review results that they wish the matter to be referred to Council. Staff will then prepare the matter for Council's consideration at the next available Council meeting. The determination of Council shall constitute the final decision on the application.
- The General Manager, Development Services, their designate, or their successor in title, is authorized to execute all agreements and other related documentation subject to the satisfaction of the City Solicitor which may be required to administer the CIP.
- The CIP program will be administered until all available funding has been awarded at which time it may be continued or discontinued based on available funding sources.

5.2. Implementation Period

The CIP is expected to be implemented over ten years, beginning in 2026 ending in December 2036. City Council may extend or shorten this period as needed, subject to an approved budget.

5.3. Financial Management

- The City may implement any of financial incentives outlined in this Plan during the implementation period, depending on the availability of City funds and/or other resources.
- For 2026 and 2027, HAF funding will be assigned to support the achievement of the City's HAF targets.
- Subject to assigning all allocated HAF funding, starting for the 2028 budget year, as part of the annual City budgeting exercise, a CIP budget will be identified for financial incentives that be put into effect for that year, if any, and the maximum value established for that period. Where available, funding from other orders of government may be used to supply this budget.

- In effort to ensure an equitable distribution of funding, the City may impose maximum unit caps per project or per applicant that is eligible for funding through the CIP, at the discretion of the General Manager, Development Services.
- Financial incentives may be accepted on a first-come, first-served basis until funding for that year is exhausted, strategic targets have been achieved, or at the discretion of the Director of Planning and Housing Policy. As an alternative approach, the Director of Planning and Housing Policy may set deadlines for application submissions, with all applications evaluated according to that deadline considered program priorities.
- Funding for the CIP from other orders of government may also include restrictions on timing, level and advancement of funds, which may be imposed by the discretion of the General Manager, Development Services.

5.4. Payment

- If an approved project has not proceeded within one year of the financial incentive being approved, or per any CIP funding eligibility criteria from another order of government, the applicant will no longer be eligible. The City may grant discretionary extensions when justified, however, undue delay beyond an agreed timeframe may result in the grant or loan allocation being revoked.
- Actual costs for which the financial incentive has been provided may be subject to audit by the City or the City's approved consultant (at the applicant's cost).
- In the event of the sale, conveyance, transfer or entering into of any agreement of purchase and sale or other transfer of the title of the subject property by the owner, the City shall have absolute discretion to request the full repayment of any financial incentive.

5.5. Monitoring

- The CIP is monitored to track progress relative to achieving housing targets associated with goals of this Plan, addressing the key priorities of the City's ongoing housing needs assessments, and commitments through funding by other orders of government including the program's initial funding through the federal Housing Accelerator Fund.
- The effectiveness of the CIP will be reviewed and reported annually to Council based on established monitoring indicators.
- City staff may recommend incorporating additional program streams or other amendments to the program structure identified through monitoring.

5.6. Adjustments and Amendments to this Plan

5.6.1. *Staff-level adjustments*

- Minor and technical amendments, such as the correction of typographical errors, revisions to definitions and administrative details of specific programs, may be

made by City staff with the approval of the City's General Manager of Development Services or their successor in title,

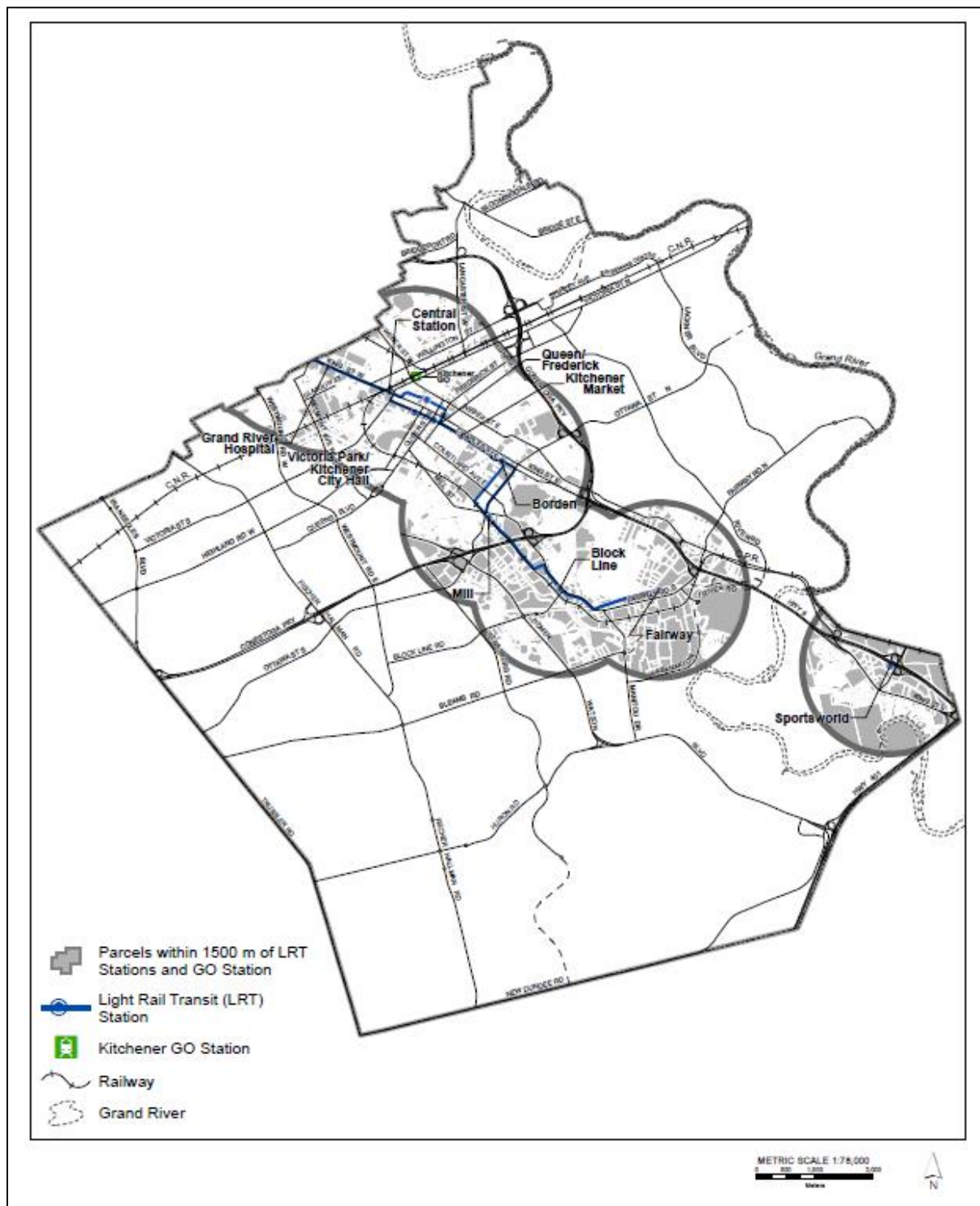
- Amendments that may be required by other orders of government funding programs may also be made by City staff with the approval of the City's Manager of Development Services or their successor in title.
- The City's General Manager of Development Services, their delegate or their successor is authorized to approve all City policies, applications, further eligibility criteria, and documents required to fully implement the programs set out in this CIP.

5.6.2. Amendments requiring a Council decision

Formal amendments to this Plan or the CIPA are required in the following instances in accordance with the Planning Act which require passing of a bylaw to adopt such amendments:

- Modifications to the CIPA, as set out in the City-approved by-law;
- To introduce new financial incentives to the CIP that has not been adopted by a City-approved by-law;
- To make changes to the types of eligible projects or eligibility criteria for the program streams which have been adopted by a City-approved by-law with the exception of any additional criteria being added in accordance with section 5.6.1 above;
- To make changes to the value or calculation of grants as adopted by a City-approved by-law; and
- City Council may also discontinue any of the programs contained in this Plan without an amendment.

Attachment A. Priority Locations: Properties within 1500 metres of rapid transit including GO train service



NOTICE OF PUBLIC MEETING

Missing Middle and Affordable Housing Community Improvement Plan



Have Your Voice Heard!

Planning and Strategic
Initiatives Committee

To learn more, visit:
www.engagewr.ca/cip

Date: **December 15, 2025**

or contact:

Location: **Council Chambers,
Kitchener City Hall
200 King Street West
or Virtual Meeting**

Elyssa Pompa, Planner (Policy)
PlanningPM@kitchener.ca
519.741.2345

Go to kitchener.ca/meetings and select:

- Current agendas and reports
(posted 10 days before meeting)
- Appear as a delegation
- Watch a meeting



Kitchener is growing and more homes are needed to meet the needs of existing and future residents. In accordance with Section 28 of the Planning Act, the City of Kitchener will consider a by-law for all lands within the City's municipal boundary to introduce the Missing Middle and Affordable Housing Community Improvement Plan (CIP). The CIP will help facilitate more housing that people with different incomes can afford. The CIP proposes grant programs to offset some of the upfront costs of constructing new "missing middle" dwelling units such as grants to offset the cost of development charges for additional dwelling units. This plan is supported by the federal Housing Accelerator Fund (HAF), which aims to increase housing supply and build inclusive, diverse communities.

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The City's commitment through this CIP is to facilitate at least 98 units (half of this target is for affordable units) by October 2026 and 500 units over a 10-year period.

Attachment D: Missing Middle and Affordable Housing Community Improvement Plan - Community Engagement

Comment Number	Idea	Comment	Notes/ Survey Question
1	DC Waivers for ADU's	Waiver of dc's, big boom of approvals when the exemption deadline came up. Easier than grants because grants come after the fact at a certain milestone. Region and/or School board included in waiving dc's?	
2	DC Waivers for ADU's	20 year affordable period is too long, consider 5/10 year period aligning with CMHC's program. Consider approval time expediting \$fee/development waivers. waive development charges completely, this would help move things forward faster (Toronto is doing this). Streamline designs for repetition/expedited approvals. Consider alternative parking designs? Tree management, takes time to move them. Can the City consider more density? Density bonusing >6 units. Value in free consultation with City Staff to figure out what needs to happen.	
3	DC Waivers for ADU's	I believe there's a lot we can work on together to deliver more affordable housing for our community. I'm currently working on a project that I'd like to share with you, it includes building two affordable units and providing housing for 14 refugee families. To make this possible, I'll need staff's guidance on parking requirements, as we touched on at the workshop. I'd love the opportunity to come to City Hall, walk you through the project, and work together on a solution.	
4	Grants to Developers for Affordable Housing	Please note and clarify if the program would cater to industrial conversions or only commercial/ office buildings? Timeline for full SPA is end of September. Timing of milestone funding/ release of payment could be helpful to the program. Development charges play a big role on cost overall- reduced rates or waivers would make payments more viable. Defer DCC on rental projects. \$1400 rent range for 450sq/ ft studio apartment which would make the \$1200 affordable rate for 2025 a little challenging to meet. Confirm if incentive would be granted per unit/ door or per sq/ ft number?	
5	DC Waivers for ADU's	Would recommend ADU dc grants but there's no scale to encourage this, someone will do this once and likely never do again. No retention of knowledge. Extremely administratively onerous for the city. Working with novices constantly. Politically it's on everyone's radar as a way to increase density. Might not give best bang for your buck. Tutorial or checklists for home owners. More efficient to work with repeat builders. Video or tutorial upfront for home owners of what they need to think about. Might encourage people to seek out experienced builders.	
6	DC Waivers for ADU's	General support for the program among those that we spoke to. Concern that the affordability level does not assist people living with fixed incomes including seniors (3 interactions). Homeowner living in a multi-generational triplex expressed an interest for adding another unit (can families living on the same property qualify?). Questions about whether funds may be available to support renovations to older apartments where landlords do not evict tenants (getting at renovations) (2 interactions – outside scope of current CIP). Questions about municipal acquisition of naturally occurring affordable housing to prevent rent increases. Concern that 'affordable' housing as per definition is not affordable to those who need it. Talked about the spectrum of affordability and that this is one component, but may not provide for deeply affordable housing.	Kitchener Market
7	DC Waivers for ADU's	Do you mean ADUs with affordable rent? Or financial assistance to help with the capital cost of building? It may not be feasible but I would suggest the City provide loans registered against the subject property, not exceeding 80% LTV of the property or 90% of the construction cost of the ADU, for example. Considering limitations municipalities have with respect to borrowing, consider facilitating loans through a bank or credit union. Access to capital for the property owner is the greatest restraint in building these small-scale developments, so helping to solve for that would unlock more units, which would help the City continue to receive HAF money.	How much financial assistance did you – or would you – need to build affordable ADUs on your property?

8	DC Waivers for ADU's	Waive DC completely would be the best policy. I have two projects I would begin designing and applying for if DCs were waived. Would add nine or ten units near downtown. If waiving DCs fully is untenable, waive until the twelfth unit is created, for example. The City and Region can direct the kind of development that may occur by doing so. Re detached ADUs specifically, grants can assist but, in reality, are likely to be small. If small, they are unlikely to incentivize much building. As a builder I would prefer loans that the rental income would pay down over time.	Please describe any ADU incentive programs in other municipalities you think Kitchener should consider. Some examples include: development charge (DC) waivers, green grants (for heat pumps, solar panels, etc.), municipal fee waiver, and grants to offset design and construction costs.
9	DC Waivers for ADU's	New build is more expensive to build, yes, but a reno of an existing building still costs a lot if following the OBC. Probably better not to discriminate between the two.	What are your thoughts on the incentive amount associated with a new build, compared to an internal renovation that creates additional units?
10	DC Waivers for ADU's	It costs a lot to build. And nearly all new builds or full renovations will be done to a standard that creates very livable, comfortable, and modern homes with nice finishes. The idea that these newly built units are the ones that should be designated as affordable has always been a bit odd to those of us who build and rent out properties. We need affordable places to live but shouldn't the affordable places be the units that haven't been updated in twenty or thirty years? Livable but not new and fresh. Having said that, I would certainly build and rent out affordable units if I was compensated dollar for dollar (or very close) for the missing income.	If you have any other questions or ideas as we consider incentives for affordable ADUs, please add them here.
11	DC Waivers for ADU's	Have done one such conversion. Obstacles are DCs -- going from zero res units to five or ten or more. Also, lack of clarity around HST applicability. I suspect a large office building would bring about many technical construction issues in the conversion to residential. Mine was a smaller building so more manageable in that sense.	What are some technical or process barriers that you have experienced -- or think you might experience -- in converting an office building to residential?
12	DC Waivers for ADU's	I am a for-profit, so renting all the units at affordable rates wouldn't make sense. I would likely develop within the MLI Select model and apply their prescribed percentage of units as affordable. Note also that their affordable metric appears different from yours. Theirs is 30% of median rent (\$1425). I believe I read that yours is less. I would advise using the same guidelines as CMHC, because in a project in which I am applying for a CMHC product I will be underwriting the project using their maximum affordable rent assumptions as that is what they and their financing partner would expect.	What are some technical or process barriers that you have experienced, or think you might experience, in renting some or all the units at affordable rates?
13	DC Waivers for ADU's	I suggest leniency with regard to bike parking; adjust to simply have the developer provide bike parking on site rather than a separate storage room (for smaller developments, under fifteen units or so). And car parking leniency is always appreciated. Developers typically want to have lots of parking as renting units that don't include parking proves very challenging. However, some sites just don't allow for as much parking as is prescribed.	
14	DC Waivers for ADU's	50 affordable units? I would say a non-profit builder would be better suited overall. But it may be possible to offer a program by which a for-profit developer partners with the City to make affordable units. I don't know the precise nature of the program. Remember that building activity is somewhat repressed now because it's hard to get the math to pencil on market-rent units. Getting the math to pencil on affordable units would be quite challenging. I suggest the sprinkling in of affordable units in for-profit developments can be done through grants or tax breaks or loans.	We are in a housing crisis, and the terms of this program state that we need to get moving quickly on building units (target is a minimum of 50 units by September 2026). What incentive program or combination of programs do you think might help us achieve this goal?
15	DC Waivers for ADU's	I don't believe there is any incentive available for building for accessibility in an ADU setting, unlike MLI Select, for example.	Please explain any constraints that deterred you from considering accessibility features.
16	DC Waivers for ADU's	waiving off development charges	How much financial assistance did you -- or would you -- need to build affordable ADUs on your property?

17	DC Waivers for ADU's	Development cost vs affordable rent, while providing return.	What are some technical or process barriers that you have experienced, or think you might experience, in renting some or all the units at affordable rates?
18	DC Waivers for ADU's	I have a different view than most. Assistance would come in the form of streamlined approval process, full collaboration between builder and municipality and financial assistance to tenant. How much? should be determined on a person by person basis - I have an idea on optimum success.	How much financial assistance did you – or would you – need to build affordable housing units as part of a multi-unit project (5+ units)?
19	DC Waivers for ADU's	Everything, plus an actual reality implementation.	What specific information would you need about this type of incentive program to consider participating?
20	DC Waivers for ADU's	We as an organization can do it, we need a true partner	We are in a housing crisis, and the terms of this program state that we need to get moving quickly on building units (target is a minimum of 50 units by September 2026). What incentive program or combination of programs do you think might help us achieve this goal?
21	DC Waivers for ADU's	None quit wasting taxpayers money lining developers pockets. Your current planning has created horrible conditions in older neighbourhoods city wide with no enforcement on rental properties whether they be legal or illegal. Perhaps it is time for actual bylaw enforcement to be proactive instead of waiting on residents complaints to react to obvious infractions which are driven by daily but ignored by a pathetic group of individuals.	How much financial assistance did you – or would you – need to build affordable ADUs on your property?
22	DC Waivers for ADU's	Do not provide any financial support just mandate them to build these desired units using charter rights on the developments. The law does allow governments to require the units. If the builders do not want to build them then put zoning regulations on the other properties owned by the developers.	What additional financial assistance did you – or would you – need to incorporate accessibility features that exceed the building code (like barrier free design) to support tenants who may need these features?
23	DC Waivers for ADU's	No financial assistance should be given. Taxpayers are tapped out having to supply monies for these ilconcieved programs brought forth by consultants who have ties to the developers.	What additional financial assistance did you – or would you – need to incorporate energy or water efficiency features that exceed the building code (like heat pumps) to keep utility costs affordable for tenants?
24	DC Waivers for ADU's	None. We already have a regional government bleeding the taxpayers dry one cut at a time, we certainly do not need another one doing the same.	Please describe any ADU incentive programs in other municipalities you think Kitchener should consider. Some examples include: development charge (DC) waivers, green grants (for heat pumps, solar panels, etc.), municipal fee waiver, and grants to offset design and construction costs.
25	DC Waivers for ADU's	Make the feds responsible for any programs, do not use civic employees and monies to appease the federal government, they created the problem let them administer and pay all costs involved. Liberals on the local councils need to send a strong message to their federal friends and stop the appeasement of their cousins and quit wasting local taxpayers money on frivolous programs costing even more later.	What are your thoughts on the incentive amount associated with a new build, compared to an internal renovation that creates additional units?

26	DC Waivers for ADU's	There should be no incentive program. Let the feds deal with all the costs and headaches. Don't provide any financial support or civic employees time. It is not a municipal responsibility to be an administrator for federal government since they do not fund the wages for city employees.	What specific information would you need about an incentive program for building ADUs to consider participating?
27	DC Waivers for ADU's	A complete and total ban on all duplexing of single detached homes. Your current planning has created horrible conditions in older neighbourhoods city wide with no solutions provided. With all the unkempt properties across the city it appears that the city has chosen to ignore and sweep the issue aside leaving taxpaying citizens holding the bag. Such incompetence by the bureaucracy does not need to be rewarded.	If you have any other questions or ideas as we consider incentives for affordable ADUs, please add them here.
28	DC Waivers for ADU's	Sue Conestoga college(UW & WLU) for the destruction of the neighbourhoods that their careless enrollment (GREED) has done to many areas of the region and make them financial responsible for the housing stock shortage.	We are in a housing crisis, and the terms of this program state that we need to get moving quickly on building units (target is a minimum of 50 units by September 2026). What incentive program or combination of programs do you think might help us achieve this goal?
29	DC Waivers for ADU's	30% of the project cost	How much financial assistance did you – or would you – need to build affordable ADUs on your property?
30	DC Waivers for ADU's	Limited additional cost	What additional financial assistance did you – or would you – need to incorporate accessibility features that exceed the building code (like barrier free design) to support tenants who may need these features?
31	DC Waivers for ADU's	50% of additional cost	What additional financial assistance did you – or would you – need to incorporate energy or water efficiency features that exceed the building code (like heat pumps) to keep utility costs affordable for tenants?
32	DC Waivers for ADU's	St Catharines ADU program, Heat Pump rebate, Development Charge waivers for ADUs	Please describe any ADU incentive programs in other municipalities you think Kitchener should consider. Some examples include: development charge (DC) waivers, green grants (for heat pumps, solar panels, etc.), municipal fee waiver, and grants to offset design and construction costs.
33	DC Waivers for ADU's	Incentive amount should be greater on a new build because costs are higher	What are your thoughts on the incentive amount associated with a new build, compared to an internal renovation that creates additional units?
34	DC Waivers for ADU's	A clear checklist of requirements to qualify	What specific information would you need about an incentive program for building ADUs to consider participating?

35	DC Waivers for ADU's	ADUs will help you in-fill this the fastest	We are in a housing crisis, and the terms of this program state that we need to get moving quickly on building units (target is a minimum of 50 units by September 2026). What incentive program or combination of programs do you think might help us achieve this goal?
36	Office to Residential Construction Grant	The process of converting an office building to residential is very challenging and costly. Typically without some assistance and grants (DCs, Parkland Dedication, and a cash incentives) it is not likely that you will be able to achieve numbers required to get financing.	
37	DC Waivers for ADU's	This would vary depending on the existing building conditions.	What additional financial assistance did you – or would you – need to incorporate accessibility features that exceed the building code (like barrier free design) to support tenants who may need these features?
38	Grants to Developers for Affordable Housing	Some sort of financial grant would be helpful, especially for projects that still have a commercial component over 30% (example 3 storey building where you are only converting 2nd and 3rd floors) these projects do not qualify for CMHC MLI Select financing which makes it even more challenging to make a project work.	What additional financial assistance did you – or would you – need to incorporate energy or water efficiency features that exceed the building code (like heat pumps) to keep utility costs affordable for tenants?
39	DC Waivers for ADU's	Adequet financial incentive to be able to achieve financing on the project as well as clearly defined terms , and making it easy to apply and process the incentives.	What specific information would you need about an office to residential incentive program to consider participating?
40	DC Waivers for ADU's	with uncertainty on market rents and with development costs where they are it is hard enough to make sense of a development at market rates let alone affordably rates.	What are some technical or process barriers that you have experienced, or think you might experience, in renting some or all the units at affordable rates?
41	DC Waivers for ADU's	Clarity on the terms and making it easy to apply and process	What specific information would you need about this type of incentive program to consider participating?
42	DC Waivers for ADU's	I believe Waiving DCs and Parkland fees would help a lot for development for units with market rents. For units to be affordable additional incentives to offset the costs developers face should be considered.	We are in a housing crisis, and the terms of this program state that we need to get moving quickly on building units (target is a minimum of 50 units by September 2026). What incentive program or combination of programs do you think might help us achieve this goal?
43	DC Waivers for ADU's	At minimum, I would need to have the utilities paid (i.e. hydro upgrades, wastewater and water tie-ins).	How much financial assistance did you – or would you – need to build affordable ADUs on your property?
44	DC Waivers for ADU's	I wouldn't need additional funds for these items.	What additional financial assistance did you – or would you – need to incorporate accessibility features that exceed the building code (like barrier free design) to support tenants who may need these features?

45	DC Waivers for ADU's	I think new build accessory units pose unique challenges, and require unique incentives.	What are your thoughts on the incentive amount associated with a new build, compared to an internal renovation that creates additional units?
46	DC Waivers for ADU's	A cost breakdown of what grants are available would be great.	What specific information would you need about an incentive program for building ADUs to consider participating?
47	DC Waivers for ADU's	I think the parking requirements for ADUs should be reconsidered. Specifically, I don't think parking spaces should be a prerequisite. There are plenty of tenants who don't require parking, so mandating this is keeping supply artificially low.	If you have any other questions or ideas as we consider incentives for affordable ADUs, please add them here.
48	DC Waivers for ADU's	Two requests. Please provide grants to cover the utility costs associated with ADUs. And please remove the requirement for a parking space.	We are in a housing crisis, and the terms of this program state that we need to get moving quickly on building units (target is a minimum of 50 units by September 2026). What incentive program or combination of programs do you think might help us achieve this goal?
49	Grants to Developers for Affordable Housing	Don't know if developers could commit to get projects going because of other market factors . 1-2 large projects would help meet the 2026 target. Could a percentage of condos owned by the developer become rentals and qualify for CIP?	
50	Grants to Developers for Affordable Housing	Many condo projects have been converted to rental. Purpose built rental, unsure of meeting affordable thresholds. Can we provide city numbers. Construction grants and dc waivers are preferred. DC's have killed them in the past. Dc deferral to occupancy under the province has helped. Municipalities have waived interest in the past. Are we waiving municipal? Regional? Education dc's don't often get deferred.	
51	Grants to Developers for Affordable Housing	Inclusionary zoning issues, cost to take market value of condo to affordable is a huge capital cost. More in favour of transferring to tap into other grants/incentives. When putting some units in a market rate housing project you don't get to be considered an affordable housing project. If you can concentrate into one building then you get CMHC financing and dc's aren't an issue (Bill 23). Just as cost effective to do a full building of affordable. Timing of funding is helpful, money at beginning before CMHC is triggered. Risk of putting in money early but it helps get the project going. CMHC starts funding month after project starts. Lower barriers and faster approvals is better. How can we evaluate the financial feasibility of projects? If CMHC has approved then it will more than likely go to construction. 4 million could go into one project or we can spread the risk. Need projects in the cue now in order to go in September. Clear definitions on what is affordable, use pre-existing definition used by for profit developers. Politically some may consider it not affordable enough. For profit/land speculators, lot of people hoping to sell land to someone who will build. Can see people taking advantage waiting for markets to turn. Don't know how the city would avoid paying interest for other people to hold onto land. How would the city evaluate if they are going to power of sale. Partnerships? For profits have expertise to build and manage a property.	

52	Office to Residential Construction Grant	Clients on development side leaning towards office to res and for profit (homeowner conversations better for ADU option). More opportunity for more units for office to res and for profit developers. Haven't heard any interest in office to res, issues with layout. Central core, depth to exterior walls if different than residential units. To get appropriate lighting and openings the floor plans are difficult to execute. Residential developers prefer to start fresh. Prioritize projects that the city already has in the pipe line	
53	Office to Residential Construction Grant	No experience with office to residential, but would be more than 10-20 thousand per unit. Calgary has put a lot of money in up front per door. Cost of converting to office would have to be as profitable as a new build (Duke Street example)	
54	Office to Residential Construction Grant	Office is struggling, looked at assets to convert to res. Looking at efficiency of building/ layout. Demand and cost comes into play. DTK market doesn't make sense for them to convert today. Many vacant condos that they're competing with. New condo vs older converted offices. Numbers don't make sense today, potentially one building down the road if the finances work out. No timeline for conversion at this time but could look at in the future.	
55	Grants to Developers for Affordable Housing	A Church looking at options for someone to take over the site including affordability options. Falls within church mandate to create affordable/ supportive housing. pportunity to convert but want to know more about the guidelines of the CIP project. They would partner because they are not set up to be a rental company. Doesn't know if \$10,000 per unit would be sufficient. Project is around the \$400,000 mark for one bedroom units right now. DC's are a big part of the selling price, including school board fees. Some projects are on hold waiting for potential HST relief from the province.	