

# Town of The Blue Mountains

## Community Improvement Plan

### Housing Need and Trends Technical Paper

February 2026



**NPG**  
PLANNING  
SOLUTIONS

**TWC**  
tim welch  
consulting inc

**Parcel**

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# 1. Executive Summary

The Town of Blue Mountains (the “Town”) has retained NPG Planning Solutions Inc., in coordination with Parcel Economics and Tim Welch Consulting Inc. to prepare a new Community Improvement Plan (CIP). The Town has existing two (2) CIPs being the *Town Wide Revitalization CIP* to support private property improvement and revitalization, and the *Housing Within Reach CIP* to facilitate the development of affordable and attainable housing. The new CIP will continue to support community revitalization and support the provision of affordable and attainable housing options through updated and innovative programs specific to the needs of the Town. The preparation of the new CIP will include community and stakeholder engagement opportunities to ensure that the plan addresses the needs, priorities and aspirations of the community and provides funding where it will be best utilized to make the Town a more vibrant community.

This Technical Paper has been prepared in support of the preparation of a new Community Improvement Plan for the Town. This Technical Paper will outline the legislative and policy framework that support a CIP, refer to housing gaps that are identified in the 2023 Housing Need Assessment reports, and review the uptake of existing incentive programs for the Town and high level of comparisons with other municipalities in their region and beyond.

## 2. Introduction

### What are Community Improvement Plans (CIP)

Community Improvement Plans (CIPs) are a sustainable community planning tool to revitalize areas of a community through programs, grants and incentives. Under the Section 28 of the *Planning Act*, Community Improvement Plans can be undertaken for environmental, social or economic development reasons.

## 3. Legislative and Policy Context

### Authority to Prepare this Plan

The legislative authority for the provision of a CIP and the programs outlined in this document are derived from the *Planning Act*, the *Municipal Act*, and the *Development Charges Act*. CIPs are one of many tools under the *Planning Act* that can support the development of a variety of housing forms, affordable and attainable housing.

Attainable housing, as defined by the Town of the Blue Mountains Housing Within Reach CIP, refers to ownership housing where the purchase price results in annual accommodation costs which **do not exceed 30% of the gross annual income** for households earning between **50% to 130% of the median income**, and rental housing where rent is **at least 20% below** area median rent.

Affordable housing, according to the *Provincial Planning Statement, 2024*, is defined as the least expensive of either

- 1) The price of buying a home/rent is less than 30% of the gross annual household income for low- and moderate-income households; or
- 2) Ownership: the cost of a home is at least 10% below the average purchase of a resale unit in the municipality, or Rental: the rent is at or below the average market of a unit in the municipality.

The process for developing and establishing a CIP is legislated in Section 28 of the *Planning Act*. The authority for the provision of financial incentives is provided by Sections 28(6) and (7) of the *Planning Act*, Section 106 of the *Municipal Act*, and Section 5(1) of the *Development Charges Act*.

### Municipal Act

Section 106(1) and (2) of the *Municipal Act, 2001* prohibit municipalities from directly or indirectly providing “bonuses” to a range of enterprises. This ban covers actions such as:

- Giving or lending municipal property, including funds;
- Guaranteeing loans or other borrowing;

- Leasing or selling municipal property for less than fair market value;
- Providing full or partial exemptions from municipal levies, charges, or fees.

However, Section 106(3) creates an important exception. Municipalities may offer these types of incentives when acting under Section 28(6) or (7) of the *Planning Act* or under Section 365.1 of the *Municipal Act, 2001*.

Section 28 of the *Planning Act* enables municipalities with community improvement policies in their Official Plan to designate a *Community Improvement Project Area* and prepare and adopt a Community Improvement Plan (CIP).

## Planning Act

A Community Improvement Plan (CIP) is a statutory document prepared under Section 28 of the *Planning Act*. Before a municipality can develop a CIP, its Official Plan must include policies that authorize the use of CIPs. The municipality must also designate a *Community Improvement Project Area* (CIPA) through a Council-approved by-law. The CIPA defines the geographic area to which the CIP applies, and only property owners and tenants within this boundary are eligible for any incentives offered through the CIP.

Under the *Planning Act*, a CIP gives municipalities the authority to:

- Acquire, hold, clear, grade, or otherwise prepare land for community improvement;
- Construct, repair, rehabilitate, or improve buildings on municipally owned land;
- Sell, lease, or dispose of municipal buildings or land; and
- Offer grants, loans, or other financial incentives to owners and tenants within the CIPA to support eligible improvements outlined in the CIP.

Most CIPs focus on financial incentive programs—such as grants, loans, and fee rebates—for private, non-profit, or commercial property owners and tenants. CIPs may also include *municipal leadership initiatives*: projects led and funded by the municipality itself, such as streetscape enhancements, pedestrian improvements along main streets, or updated wayfinding and signage.

## Development Charge Act

The Development Charges Act enables municipalities to levy Development Charges (DCs) to fund growth-related capital infrastructure. Municipalities are not required to adopt a DC By-law or impose DCs; however, if they choose to do so, Section 10(1) of the Act requires the completion of a Development Charges Background Study.

The Act also sets out the services that may be funded through DCs and outlines the methodology for determining the charges under Section 5(1). While municipalities may include discretionary exemptions within a DC By-law, offering full or partial DC relief through grant programs under a Community Improvement Plan (CIP) typically provides greater flexibility and control. As a result, using a CIP-based grant program is generally recommended over relying on discretionary exemptions within the DC By-law.

## Provincial Planning Statement (2024)

The *Provincial Planning Statement, 2024* (PPS) was issued under Section 3 of the *Planning Act* and came into effect on October 20, 2024. The PPS sets out provincial policy direction on land use planning matters, and the *Planning Act* requires that all planning decisions be consistent with its policies.

The Town of Blue Mountains' new CIP will align with the PPS by advancing several key provincial interests, including:

- **Section 2.1.6: Supporting complete communities** by accommodating a mix of housing and employment opportunities that meet long-term needs.
- **Section 2.2: Providing a full range of housing options and densities** through residential intensification that makes efficient use of land, infrastructure, public service facilities, and supports active transportation and transit.
- **Section 2.8.1: Strengthening economic development** by enabling a diversified economic base, identifying strategic sites for investment, and encouraging intensification of employment areas.
- **Section 2.9: Responding to climate change** by encouraging low-impact development and other measures that reduce greenhouse gas emissions and improve climate resilience.

Changes in this Provincial Planning Statement also created exemptions from Development Charges for affordable, attainable as well as non-profit and cooperative housing projects if certain thresholds are met.

## Niagara Escarpment Plan

The Niagara Escarpment is a major natural and ecological feature in the Town, protected under special provincial legislation since 1973 and guided by the Niagara Escarpment Plan (NEP). Recognized as a UNESCO World Biosphere Reserve in 1990, the Escarpment's significance requires that development in and around it maintains the area as a continuous natural environment and remains compatible with its ecological features. Within the Town, the NEP's land use designations and policies take precedence over local planning documents unless the Town's Official Plan is more restrictive, in which case the stricter policy applies.

## Grey County Official Plan (2019)

The Grey County Official Plan, which was re consolidated in 2025, provides a range of policy goals that support CIPs in lower tier municipalities while also outlining goals for these plans in the County. Section 9.16 outlines the specific objectives of CIPs that lower tier municipalities must align to. The section also highlights that the County may provide grants, loans, or other assistance as County Council deems appropriate for the purposes of carrying programs as described in local municipal CIP.

Beyond the CIP specific policy, the following other sections are examples of policies that impact potential CIPs in lower tier municipalities:

- **Section 2:** Outlines housing growth projections through 2046 requiring over 12,040 new units being projected. This demand for housing has been identified as a basis for affordability pressures across the County;
- **Section 3.4:** Outlines General Policies Affecting Settlement Areas;
- **Section 4.2:** Outlines Affordable Housing policies including encouraging affordable rental and affordable ownership housing; tiny homes/Accessory Dwelling Units (ARUs)/garden suites; employee housing to name a few;
- **Section 10.4.2:** Outlines permitted uses of residential land types.

These highlighted policies shape various housing policies of the lower tier municipalities and provide policy frameworks to support the incentivization of housing.

## The Town of Blue Mountains Official Plan (2016)

The Town of Blue Mountains Official Plan highlights numerous goals that align with an affordable housing CIP and other housing related CIPs. Most importantly section E 3.5 outlines purpose and goals of Community Improvement in the Town. E 3.5.4 specifically outlines the criteria for selection of a community improvement area which will guide the update of community improvement plan elements.

The Town of Blue Mountains Official Plan is currently under review and at time of writing it is waiting final approval by the County of Grey. Until approved, the Town's previous Official Plan remains in force but uses the same framework for CIPs.

## Grey County Housing and Homelessness Plan (2014-2024)

Grey County's Housing and Homelessness Plan emphasizes a strong commitment to expanding and sustaining affordable housing options across the County. The first five years (2014–2019) showed rising rents and home prices alongside declining vacancy rates, illustrating growing affordability pressures. During this period, the County supported affordable homeownership through downpayment assistance, helped low-income

households remain in their homes via Ontario Renovates, and invested in the creation of new affordable housing units.

The County's 2020–2024, Housing and Homelessness Plan identifies increasing affordable housing supply for both low- and middle-income households as a core outcome. To achieve this, Grey County committed to several strategies: completing and funding new affordable housing projects; expanding rent supplement programs; identifying surplus and vacant lands for future development with lower tier municipal partners; and exploring dedicated County funding streams for affordable housing. The Plan also focuses on preserving existing affordable and community housing through capital repairs, updated building condition assessments, and long-term sustainability agreements with non-profit housing providers, ensuring that current units remain safe, viable, and affordable over time.

### **Grey County Housing Action Plan (2023)**

The Grey County Housing Action Plan, released June 2023, outlines the challenges and needs related to housing across the County. The plan highlights the affordability gaps anticipated with projected population growth and increasing demands for housing in the region.

In response, the County tasked every lower tier municipality with creating and updating their CIPs, using them to identify how their municipality will intentionally increase options for affordable housing within their respective jurisdictions. By updating their CIPs, the Town intends to align with this goal of creating additional housing in the County.

## **4. Understanding Housing Affordability in the Town of Blue Mountains**

In November 2023, the Town completed a [Housing Needs Assessment \(HNA\)](#) that outlines the current state of housing need in the community. This assessment compiled and provided the most up-to-date information on the Town's housing situation and outlined five major gaps:

- 1) Lack of affordable housing, both ownership and rental;
- 2) Lack of purpose-built rental housing;
- 3) Lack of smaller units (appropriate for one or two-person households, including seniors);
- 4) Lack of seniors housing and long-term care;
- 5) Lack of workforce housing – with 2/3 of the accommodation and food service workforce living outside of the Town.

The HNA estimated that 1,500 affordable rental units would be needed in the town by 2046. To achieve this affordability requirement, not only will affordable units need to be constructed but a range of other market-based units to serve as intermediary units and provide market diversity to support mobility in the housing market, are also required.

To expand on the need of purpose-built rental housing, most housing in the Town is ownership in tenure and single detached (80%). Due to the lack of diversity of tenure and built forms, it is likely that there are seniors who may wish to downsize to alternative built forms that are currently not available in the community. This may also impact on younger households who wish to access more reasonably priced housing and of suitable size to start a family. This phenomenon is represented in the large portion of the Town's population that is over-housed.

The HNA outlined several policy actions including the use of Community Improvement Plans and incentives within them to encourage housing development to meet these gaps.

## Updated Affordability Measures

Almost three years have passed since the Town completed the latest Housing Needs Assessment (HNA), consequently, minor updates to affordability measures have been undertaken as part of this review. Most of the population and housing projections hold true, however, revisions are expected following the release of 2026 Census data.

- Based on CHMC data for Meaford and Collingwood in October 2024, an updated weighted rental average for the Town of \$1,371 and a median of \$1,236 are calculated. This means that:
  - 20% below median rent is \$988;
  - 30% below average market rent is \$960.
- As of July 2024, the average freehold price in the Town was reported as \$1,355,000 while a condo or other type of housing average price was \$727,000.<sup>1</sup> This indicates:
  - An average sale price of \$1,391,133, with a median price of \$1,013,500;
  - The 90-percentile sale price is \$1,219,500.
- Applying methodology from the HNA, wage growth saw incomes rise by an additional 8.9% from 2022 through the end of 2024.
  - Renter household median income: \$49,125
    - \$1,228 is an affordable rental based on 30% of the median renter income.
  - Owner household median income: \$126,640

<sup>1</sup> Retrieve from sales data, the direct data source from the HNA was not readily available: [https://gototeam.ca/wp-content/uploads/2025/08/REMAX\\_MarketReport\\_July-2025\\_TBM.pdf](https://gototeam.ca/wp-content/uploads/2025/08/REMAX_MarketReport_July-2025_TBM.pdf) & <https://locationsnorth.com/wp-content/uploads/2024/08/blue-mountains-july-2024-report.pdf>

- Based on this owner median income, ownership would be affordable at an approximate sale price of \$460,000, assuming 6% interest amortized over 30 years including \$400 per month for utilities and taxes. Adjusting interest rates and other costs only provide minor alterations in affordability.

Based on these values, it will be possible to estimate new affordability thresholds under a range of scenarios for the CIP. The Town will need to determine the specific thresholds of affordability it wishes to utilize moving forward.

## 5. Existing CIPs

The Town of Blue Mountains Housing Within Reach Community Improvement Plan (CIP) was developed to directly stimulate private and non-profit sector investment in attainable housing to meet the needs of the community. The Town also has a number economic and community revitalization CIP programs that are not in the scope of this report but are being reviewed in parallel.

The purpose of the CIP is to provide the Town with a long-term strategy to encourage and facilitate the development of attainable housing. There are seven specific goals.

1. Incentivize the development of attainable housing within the Town.
2. Increase the Town’s inventory of attainable housing.
3. Encourage a mix of housing types and tenure.
4. Create attainable purpose-built rental and purpose-built ownership units.
5. Encourage the development of certain types of attainable housing in strategic areas of the Town.
6. Promote the renovation, repair or rehabilitation of underused or underutilized residential units for the purpose of attainable housing.
7. Support implementation of the Town’s Community Design Guidelines and encourage greater energy efficiency and sustainability through the development of attainable housing.

These goals were supported through eight housing focused incentive programs as outlined in Table 2.

**Table 2 – Town of Blue Mountains Existing Housing CIP Programs**

Program	Description	Value
<b>Development Charges Grant Equivalent Program</b>	To offset the cost of Town and County development charges that are incurred through the development	The program is available as a grant. The value of the grant is based on the value of development charges applicable to the number of attainable

Program	Description	Value
	application and approval process.	dwelling units in a development. The maximum value of the grant shall be 100% of the value of the applicable development charges, to a maximum of \$250,000.00.  * Under the <i>More Homes Built Faster Act, 2022</i> (Bill 23) all new non-profit and co-operative rental housing are exempt from municipal development charges.
<b>Tax Increment Equivalent Program</b>	To encourage significant investment in developing attainable housing in the Town by offering a grant or loan to offset increased tax assessment.	The maximum value of a grant shall be equivalent up to 50% of eligible costs to a maximum of \$25,000.00 per year for up to 10 years following completion of an eligible project. Further, the maximum grant value shall not exceed five times the amount of the initial tax increment. The maximum value of a loan shall be equivalent up to 50% of eligible costs to a maximum that is equivalent to \$50,000.00 per year over 10-years. Further, the maximum loan value shall not exceed ten times the amount of the tax increment resulting from development.
<b>Attainable Housing Feasibility Grant Program</b>	To assist eligible applicants to determine a project's feasibility prior to construction.	The value of a grant shall be 100% of eligible costs to a maximum of \$20,000.00 per property.
<b>Municipal Fees Grant or Loan Equivalent Program</b>	To reduce financial costs associated with planning application fees and building permit fees that may be incurred through the development application and approval process.	The maximum grant value shall be 100% of fees, or \$10,000.00, whichever is less. The maximum loan value shall be 100% of fees or \$20,000.00, whichever is less.
<b>Downtown Apartment</b>	To facilitate the rehabilitation of an existing	The maximum value of a grant shall be 50% of eligible costs to a

Program	Description	Value
<b>Rehabilitation or Conversion Program</b>	residential unit, or the conversion of existing space in a commercial, residential or mixed-use building space into an attainable housing unit(s) in existing floor space located in the upper-storey or rear portion of a building	maximum of \$15,000.00 per attainable dwelling unit. The maximum number of eligible attainable dwelling units per property shall be four. The maximum value of a loan shall be 50% of eligible costs to a maximum of \$30,000.00 per dwelling unit. The maximum number of eligible attainable dwelling units per property shall be eight.
<b>Additional Residential Unit Program</b>	To encourage additional dwelling units (e.g., a second suite basement apartment) that are accessory to a single detached dwelling, semi-detached dwelling, and duplex or townhouse dwelling.	The maximum value of a grant shall be 50% of eligible costs to a maximum of \$15,000.00. The maximum value of a loan shall be 50% of eligible costs to a maximum of \$30,000.00.

The Surplus Land Grant Program enables the Town and County to identify municipally owned lands that are determined to be surplus and that will subsequently be offered through a Request for Proposal (“RFP”) process for development purposes. These lands may be offered at a significantly reduced rate or at no cost at all. This program is supported through the Landbanking policy.

Applicants to the incentive programs must meet all eligibility requirements laid out in the CIP. A Plan Administer was assigned and responsible for administering the financial incentive programs, while decisions on approvals of applications will be made by Council. The Town established a set timeframe for the application process, as well as an annual budget.

Overall, the Housing within Reach CIP is robust, but uptake has been limited. Discussion later in this paper explores program uptake considerations.

## 6. Best Practice Review and Comparable Municipalities

Table 5 provides a high-level scan of existing housing related CIPs in Grey County. At the time of writing, County of Grey is currently developing/updating their own CIP.

**Table 3 – Environmental Scan of Grey County CIPs**

Municipal CIP	CIP Boundaries	Goals, Objectives and Value
<a href="#"><u>City of Owen Sound CIP (2020)</u></a>	Entire municipal boundary, including a Downtown Sub-area	<p>Supporting development and revitalization projects, which include increasing attainable housing stock, particularly rental housing and the redevelopment or use of under-utilised brownfield, vacant and greyfield properties.</p> <p>Per property incentives include:</p> <ul style="list-style-type: none"> <li>• A Study and Design grant from a maximum grant of \$10,000, for affordable housing development; and</li> <li>• Up to 100% coverage of development charges for rental housing.</li> </ul>
<a href="#"><u>Town of Hanover CIP 2020-2030</u></a>	Entire municipal boundary, including a couple Priority Sites	<p>Priorities within the CIP include increasing attainable housing stock (i.e. secondary suites, multi-unit housing, purpose built rental housing, rooming house developments and apartment dormitory style developments).</p> <p>In all cases, the grant cannot exceed 50% of the eligible costs of a project.</p> <p>Incentives include:</p> <ul style="list-style-type: none"> <li>• A maximum \$2,500 for planning fee grant</li> <li>• A maximum of 75% coverage for the building permit fee grant</li> <li>• A maximum \$7,500 for vacant building conversion into a new mixed-use, residential or rental dwelling</li> <li>• A maximum of 100% coverage of planning and building permit fees for a secondary suite</li> <li>• A maximum \$5,000 for environmental site assessments</li> </ul>

Municipal CIP	CIP Boundaries	Goals, Objectives and Value
		<ul style="list-style-type: none"> <li>The delivery of surplus lands and buildings.</li> </ul>
<p><u><a href="#">Municipality of Meaford CIP (2022)</a></u></p>	<p>Entire municipal boundary, excluding the Department of National Defence Training facility</p>	<p>Aims to increase affordable and attainable housing stock, through the creation of new affordable rental units, secondary suites, multi-unit housing, purpose-built/secured rental housing units, rooming house developments and apartment dormitory style developments, where permitted by the local Zoning By-law.</p> <p>Financial incentives include:</p> <ul style="list-style-type: none"> <li>Affordable Housing Loan Program for the creation of affordable rental units; and</li> <li>Surplus Lands and Buildings Program may be offered for sale at reduced or no cost, through a Request for Proposals (RFP) process.</li> </ul>
<p><u><a href="#">Township of Chatsworth CIP (2023)</a></u></p>	<p>Entire municipal boundary</p>	<p>To increase attainable housing stock, multi-unit housing, rooming house developments, purpose built rental housing, and apartment dormitory style developments.</p> <p>The total combined value of grants approved by the Township for any given year for any one property shall not exceed \$15,000 for the housing and rehabilitation grant or 50% of eligible costs whichever is less. This maximum does not include any other incentives such as tax increment funding, or tax deferral funding.</p> <p>Financial incentives include:</p> <ul style="list-style-type: none"> <li>A maximum of \$2,500 planning fee grant</li> <li>A maximum of \$2,500 building permit and/or demolition fee grant</li> <li>A maximum \$15,000 housing rehabilitation and conversion grant</li> <li>A maximum of \$5,000 environmental study grant</li> </ul>
<p><u><a href="#">Township of Georgian Bluffs Draft CIP (2024)</a></u></p>	<p>CIP is in draft stage, and the boundary is not available</p>	<p>The Township is in the process of drafting their CIP. The 2024 draft version provides incentives through the six focus areas/streams, including one for housing. The housing stream provides opportunity to</p>

Municipal CIP	CIP Boundaries	Goals, Objectives and Value
		<p>fund a maximum of two new units per project and comprises of the following grants:</p> <ul style="list-style-type: none"> <li>• A maximum of \$5000 per project for creating additional residential units within or adjacent to existing buildings through the Housing Rehabilitation and Conversion Grant</li> <li>• A maximum of \$5000 per project for new purpose-built rental housing that is priced below AMR through the Affordable Purpose Build Rental Housing Grant</li> <li>• A maximum of \$5000 per project for new multi-unit rental or condominium development through the Multi-Unit Housing Grant</li> </ul>
<p><u><a href="#">Municipality of Grey Highlands CIP (2024)</a></u></p>	<p>Entire municipal boundary</p>	<p>The CIP aims to facilitate the revitalization and improvement of the entire Municipality of Grey Highlands and provide a menu of incentives to promote and support priority development and revitalization projects. Some of the priorities are to increase the diversity and attainability of ownership and rental housing stock, and to support the adaptive re-use of commercial, industrial and institutional buildings. However, there are currently no active housing specific incentives.</p>
<p><u><a href="#">Township of Southgate CIP (Amended in 2023)</a></u></p>	<p>Entire municipal boundary</p>	<p>To increase attainable housing stock, multi-unit housing, rooming house developments, purpose built rental housing, and apartment dormitory style developments.</p> <p>Financial incentives include a Tax Increment Equivalent Grant, Planning and Building Permit Fee and Development Charges Grant, and the Housing Rehabilitation and Conversion Grant, all of which could be applied to the conversion of upper-storey space from commercial, office or mixed-use property into attainable or affordable residential units. Surplus lands and buildings owned by the County may also be offered from time to time with top priority given to affordable and attainable housing.</p>

Municipal CIP	CIP Boundaries	Goals, Objectives and Value
		<p>The amount of each financial incentive is listed below.</p> <ul style="list-style-type: none"> <li>• A maximum \$2,500 planning fee grant</li> <li>• A maximum \$2,500 building permit fee grant</li> <li>• A maximum \$10,000 development charges grant</li> <li>• A maximum \$12,000 grant for housing rehabilitation and conversion</li> </ul>
<p><u>Municipality of West Grey CIP</u></p>	<p>Entire municipal boundary</p>	<p>Aims to address housing affordability and access by increasing and diversifying the attainable housing stock (i.e. secondary suites, multi-unit housing, rooming house developments, purpose-built rental housing, and apartment dormitory-style developments) in both ownership and rental markets.</p> <p>The CIP establishes financial incentives, including:</p> <ul style="list-style-type: none"> <li>• A Maximum \$2,500 Planning Fee Grant &amp; a maximum \$2,500 Building Permit Grant to encourage infill development and redevelopment</li> <li>• A Secondary Suite Development Grant that offsets a maximum of \$5,000 in development charges associated with developing secondary suites</li> <li>• A Surplus Land &amp; Building Grant that will prioritize affordable housing among developments</li> </ul>

*\*Incentive lists are summarized and are not exhaustive of those available per municipality.*

The above assessment shows that many of the surrounding communities offer some form of incentives to support residential development. The Town of Blue Mountains’ programs are robust when compared to other assessed communities in the region. As a result, the ability to attract development to a community is likely impacted by factors beyond just incentives.

Looking beyond Grey County in Table 3, a select number of recent CIPs have been reviewed from other communities to provide additional context.

Table 3 – Scan of Comparable Community Housing CIPs

Town and CIP	CIP Area	Incentives
<a href="#"><u>Town of Georgina ARU Construction and Renovation Grant</u></a>	Town-wide on any residentially zoned property including agricultural and rural zones with additional restrictions. This CIP is supported by the Housing Accelerator Fund.	<b>ARU construction Grant</b> - up to \$30,000 or a max of 50% of project value. <b>ARU Renovation Grant</b> - up to \$15,000 or max of 50% of project value.
<a href="#"><u>North Perth – Attainable Housing Community Improvement Plan</u></a>	Focused on urban areas within the larger rural community of North Perth.	Planning and Building Permit Grant - a max of \$5,000 per application. <b>Additional Residential Unit Grant</b> - \$15,000 or 50% of project costs. Tax incremental grant for a period of 10 years with a 10% reduction in value per year. <b>Development charge rebate program</b> – 100% of development charges for selected projects.
<a href="#"><u>Saugeen Shores Community Improvement Plan</u></a>	Plan areas cover urban areas of Port Elgin and Southhampton with additional coverage in some rural hamlets. All programs can be aligned with the County of Bruce incentives generally waiving the equivalent value from the County.	<b>Tax Increment Equivalent Grant (TIEG) Program</b> – up to 100% of municipal tax proportion with a decreasing amount. Municipal Fee incentive program – one-time municipal fee reduction of 50%. <b>Predevelopment study and design program</b> – up to 50% of eligible project costs. <b>Development Charge Program</b> – An incentive equal to 100% of development charges paid. <b>Local Improvement Charge Program</b> – Equal to the cost of 100% of work to offset development/redevelopment of land.
<a href="#"><u>Lambton Shores Community Improvement Plan</u></a>	The Plan area covers the entire municipality with certain incentives being targeted to specific commercial or residential zoned properties or Official Plan areas.	<b>The Commercial Area Housing Grant</b> - will match 50% of the cost of improvement with up to \$10,000 in grant funding being available per project, for up to a maximum of \$20,000 of project being matched. <b>Development Charge Grant</b> - This cost, to a maximum of 100%, is reimbursed to the Owner or developer, in the form of a grant based on the in-force Development Charge rates at the time of application.

Town and CIP	CIP Area	Incentives
<a href="#"><u>Lakeshore Community Improvement Plan for Housing, Main Streets and Rural Economic Development</u></a>	Covers the entire municipality of Lakeshore with program specific criteria based on zoning.	<p><b>Municipal Land Program</b> that allows the municipality to offer surplus or underutilized municipally owned lands for the development of affordable housing through one of the following mechanisms:</p> <ul style="list-style-type: none"> <li>• Sale of land at a price below appraised market value; lease of land at a rate below market value; and donation of land for nominal consideration.</li> </ul> <p><b>Forgivable Loan / Capital Grant for Medium Density Housing and Additional Residential Units</b> for 100% of eligible costs for Missing Middle Housing (\$61,000 per unit for owners, \$80,000 per unit for rental) or Additional Residential Units (\$26,000 per unit for owners, \$34,000 per new units for rental).</p> <p><b>Fee and Charge Rebates/Waivers for High Density Housing</b> – 100% rebate for planning, building and Development charges on high density units.</p> <p><b>Accessibility and Sustainability Top-Up Grant</b> – up to \$20,000 per project incorporating identified sustainability and accessibility features.</p> <p><b>Septic System Improvement for Housing in Rural Communities</b> – 25% of cost to a max of \$10,000.</p>

When compared to other selected municipalities outside of Grey County, the Town of Blue Mountains offers a broad range of programs that match many other communities in scope and value.

The Town of Collingwood, although not through a CIP, has provided incentives for the development of affordable housing targeting moderate income households (households within 4<sup>th</sup> to 6<sup>th</sup> income decile) through the creation of an Affordable Housing Task Force, the introduction of various housing specific By-laws and other initiatives. These By-laws include the Short Term Accommodations Licensing By-law, 2024, which helps to regulate short-term stays of 30 days or less to incentivise longer-term rental accommodations; the Affordable Housing Zoning By-law Amendment regarding Additional Residential Units (ARUs) which was updated to allow four dwelling units on serviced residential and rural properties with reduced parking requirements, and the re-launch of the Rapid Additional

Residential Unit Program that provides pre-approved designs for building Additional Residential Units that is intended to provide much needed rental housing units to residents in Collingwood. In the Town of Blue Mountains, where there is a significant seasonal population, the prevalence of secondary homes and short-term rentals reduce housing that could otherwise be available for full-time residents; regulating short-term rentals could be worth pursuing outside of this CIP process.

## Current CIP Uptake

As part of this assessment municipal staff shared data on CIP uptake in the Town of Blue Mountains. Data from Spring 2023 through November 2025 was shared illustrating the following uptake:

**Table 4 – Town of Blue Mountains CIP Projects 2023-25**

CIP Programs Engaged	Count of Projects Proposed
Additional Dwelling Unit Program	1
Attainable Housing Feasibility Grant Program	1
Building Facade & Signage Grant Program	19
Building Improvement and Renovation Program	22
Destination Infrastructure Program	5
Development Charges Grant Program	1
Energy Efficiency Improvement Program	5
Municipal Fees Grant or Loan Equivalent Program	5
Property Enhancement & Improvement Program	12
Vacant Building Conversion or Expansion Program	2

In summary, approximately \$328,000 has been rewarded across 25 projects, enabling approximately \$763,000 of total project value. Three projects totaling to \$168,000 in value were denied. Currently, \$1.85 million across 10 proposed projects were under review at the time of this report with no CIP amounts disclosed.

Three of the housing incentive programs were not utilized: the Tax Increment Equivalent Program, the Downtown Apartment Rehabilitation or Conversion Program, and the Surplus Land Grant Program. There were only two projects proposed that were directly housing related, both are under review. One applied under the Additional Dwelling Unit program and the other applied under the Attainable Housing Project and leveraged the Development Charge Grant, Municipal Fee Grant, and the Property Enhancement program.

A deeper exploration of the land acquired through the Landbanking policy (if any) is required to better understand its usage. Fundamentally, the Town’s willingness to acquire land or leverage surplus land drives the utilization of the granting program.

In smaller communities, like the Town of Blue Mountains, certain factors tend to influence uptake toward broader housing incentives. These factors include but are not exclusive to:

1. **Limited Number of Developers/Builders** – Small communities tend to have few numbers of developers/builders. The existing developers have established business models and processes that are profitable often across multiple municipalities in a region. These developers have more limited capacity to take on new projects at a point in time, even with incentives, which highlights the importance of aligning incentives with their development cycle. With the smaller scale, developers/builders do not benefit from economies of scale and therefore the ability to attract new developers to their community requires significant incentives or targeted/favorable programming.
2. **Loans vs Grants** – Few developers prefer loans to grants and even forgivable loans are often seen as burdensome as annual compliance reporting could be seen as a barrier. The existing CIP offers more generous loan values that often exceed the grant values. The greater loan amount illustrates the potential fiscal capacity of a municipality and can create an inverse incentive for developers to see if a more significant grant or other favourable terms can be secured through delaying a project.
3. **Size of the Incentive and Expected Outcomes** –The size of the incentive often drives whether a project is financially viable or not and that directly links to the expected outcome of the development. A deeply affordable unit (50% average market rent) will require a larger incentive than an attainable unit (100-125% average market rate) to move forward. Fundamentally lack of uptake can often be driven by incentives that are not large enough to change the financial balance on a particular project given construction and other development costs.
4. **Ongoing Administrative Element** – Certain incentives or funding tied to ongoing performance or affordability levels that are required to be reported to the municipality can be seen as a burden to a potential applicant regardless of actual requirements or rigor of reporting.
5. **Scope of CIP** – The geographic scope of the CIP matters, the larger the scope the more likely uptake will occur. Finding pathways to support a range of housing types in forms across a range of zoning and approval areas is important, for example, the constraints of the underlying zoning and other policy factors can be a barrier to CIP utilization and uptake.
6. **Funding Timing** –For non-profit or Co-op developers, funding for soft costs and other pre-development work is often crucial. Even for private developers seeking to build affordable units, overcoming design, planning and other pre-construction costs play an important role in project feasibility. Beyond this, the timing of when funding is released can impact cashflow on projects and for smaller developers or non-profits, it can be a barrier to start.

Overall, the analysis underscores a need to recalibrate the CIP to better reflect market conditions, local capacity constraints, and the specific financial realities of affordable and attainable housing development. Strengthening the alignment between CIP tools, development cycles, and the local housing gaps identified in the Housing Needs Assessment will be essential to positioning the updated CIP for greater impact. The importance of alignment with senior levels of government housing programs/assistance (such as the Federal government’s new Build Canada Homes initiative) is also important to maximize the impact of the assistance.

## 7. Conclusion

The Town of Blue Mountains is at an important juncture in refreshing its Community Improvement Plan (CIP), with an opportunity to realign incentives to better respond to current housing, economic, and community development needs. While the existing CIP provides a strong legislative foundation and offers a wide range of financial tools, uptake has been uneven—particularly among programs intended to stimulate attainable housing development. Program activity to date has leaned heavily toward economic revitalization initiatives, with limited utilization of the housing-focused tools such as the Tax Increment Equivalent Program, Downtown Apartment Rehabilitation, and the Surplus Land Grant Program. This suggests a need to recalibrate program design, funding structure, and administrative processes to better reflect the development realities, market conditions, and capacity constraints within the Town.

The CIP review also underscores the strategic importance of aligning with updated provincial and County policy directions, the Town’s evolving Official Plan, and local housing needs identified in the Housing Needs Assessment—especially around attainable rental housing, seniors’ housing, workforce housing, and opportunities for incremental intensification. With these considerations in mind, the upcoming phases of engagement and program refinement provide a critical opportunity to develop a CIP that is more targeted, streamlined, and impactful.