

**THE CORPORATION OF THE MUNICIPALITY OF NORTH MIDDLESEX
BY-LAW 105 of 2025**

**BEING A BY-LAW TO ADOPT AMENDMENT NO.1 TO THE NORTH MIDDLESEX
COMMUNITY IMPROVEMENT PLAN**

WHEREAS the Council of the Corporation of the Municipality of North Middlesex adopted the North Middlesex Community Improvement Plan pursuant to Section 28 of the *Planning Act R.S.O c. P.13, as amended*, under By-law 045 of 2021;

AND WHEREAS the Council deems it favourable to update the Community Improvement Plan to better support the creation of attainable and sustainable housing options in the Municipality, as well as undertake certain revisions to ensure the plan is current with applicable legislation and policy;

AND WHEREAS the Council of the Corporation of the Municipality of North Middlesex has provided for the preparation of certain amendments to the Community Improvement Plan to reflect such updates, attached hereto as Schedule "A";

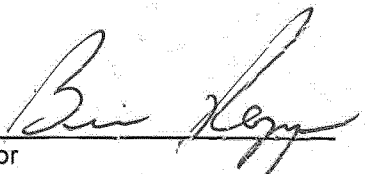
AND WHEREAS Section 28(5) of the *Planning Act, R.S.O., 1990, c.P. 13* provides for the adoption of community improvement plans and amendments thereto;

AND WHEREAS the Council of the Corporation of the Municipality of North Middlesex held a public meeting on October 15th, 2025, respecting the amendments to the Community Improvement Plan, pursuant to its authority and responsibility under Sections 17 and 28 of the *Planning Act, R.S.O. 1990. C. P.13, as amended*;

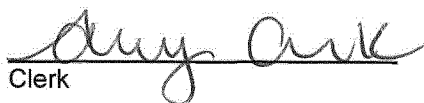
NOW THEREFORE BE IT ENACTED BY THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF NORTH MIDDLESEX AS FOLLOWS:

1. **THAT:** Amendment No. 1 to the North Middlesex Community Improvement Plan, attached hereto as Schedule "A" and forming part of this By-law, is hereby adopted pursuant to Section 28(5) of the *Planning Act, R.S.O., 1990, c.P. 13*.
2. **THAT:** This By-law shall come into force and take effect on the day of the final passing thereof.

**READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED IN OPEN
COUNCIL THIS 17 DAY OF DECEMBER 2025.**



Mayor



Clerk

**AMENDMENT NO. 1 TO THE
NORTH MIDDLESEX COMMUNITY IMPROVEMENT PLAN**

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STATEMENT OF COMPONENTS

PART A - PREAMBLE introduces the Amendment but does not constitute part of Amendment No.1 to the North Middlesex Community Improvement Plan.

PART B - AMENDMENT consists of detailed textual direction regarding Amendment No.1 to the North Middlesex Community Improvement Plan.

PART C - APPENDICES are provided to clarify the intent and to supply background information related to the Amendment but does not constitute part of Amendment No.1 to the North Middlesex Community Improvement Plan.

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PART A – PREAMBLE

1.0 PURPOSE AND EFFECT

The Municipality of North Middlesex undertook a review of the Community Improvement Plan (CIP) in 2025 as part of the Middlesex County Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund (HAF) CIP review project. The purpose of the Amendment is to:

- a) revise CIP financial incentive programming to better support the creation of affordable and sustainable housing in North Middlesex;
- b) update language used throughout the document as it relates to affordable/attainable housing;
- c) implement minor revisions and technical updates to outdated sections of the CIP.

2.0 LOCATION

The North Middlesex CIP applies to all lands within the Municipality of North Middlesex. This Amendment involves changes to textual components of the CIP which do not affect the applicable area of the Plan.

3.0 BASIS OF THE AMENDMENT

In response to the pressing need for more affordable and climate-resilient housing, Middlesex County and each of its local municipalities are together advancing a multi-municipal initiative supported by the Canada Mortgage and Housing Corporation (CMHC) through the Housing Accelerator Fund (HAF). This initiative focuses on enhancing existing Community Improvement Plans (CIPs) to better support the development of attainable and sustainable housing options. Rather than establishing a new CIP, this project seeks to strengthen and expand the existing CIP programming already in place within North Middlesex.

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PART B – AMENDMENT

4.0 INTRODUCTORY STATEMENT

All of this part of the document, entitled "Part B - Amendment", including the following text constitute Amendment No. 1 to the North Middlesex Community Improvement Plan (CIP). Please note the following details for the amendments described herein where:

- a) A **BOLDING** indicates the addition of new text
- b) A **STRIKETHROUGH** indicates the removal of existing text
- c) **EXISTING TEXT** will be left unchanged in format

5.0 DETAILS OF THE AMENDMENT

Section 2.1.4 is amended as follows:

2.1.4 Development Charges Act, S.O. 1997, c.27

Under Section 5 of the Development Charges Act, in developing the rules for a development charge by-law, a municipal council may opt to include provisions for full or partial exemptions for certain types of development and/or for the phasing-in of development charges. **Recent amendments to the Development Charges Act (effective June 1, 2024) introduced province-wide exemptions and discounts for specific housing types in an effort to strengthen tools for the creation of affordable housing:**

- **Full DC exemption for non-profit housing;**
- **Full DC exemption for affordable and select attainable residential units**
- **Discounts of up to 25% for qualifying purpose-built rental units.**

As a result, the Municipality should ensure that its Development Charge By-law reflects the legislative exemptions.

Section 2.2 is deleted entirely and replaced with the following text:

2.2 PROVINCIAL PLANNING STATEMENT (2024)

The Provincial Planning Statement (PPS) sets out Ontario's province-wide land use policy priorities and requires that all planning decisions be consistent with its policies. The PPS supports community improvement by encouraging compact, mixed-use development, reinvestment in main streets and downtowns, brownfield redevelopment, and infrastructure efficiency. It promotes long-term economic growth and complete communities by directing municipalities to strategically invest in areas that can accommodate growth and renewal. Community Improvement Plans are explicitly supported as tools for achieving these objectives and aligning local efforts with provincial interests.

CIPs are being leveraged more commonly by municipalities to support addressing housing needs/affordability by helping fund expansions in the supply and mix of housing, including affordable, rental, and supportive housing options, as well as climate resilient improvements.

Section 2.6 is amended as follows:

2.6 NORTH MIDDLESEX STRATEGIC PLAN (2018)

~~North Middlesex's 2018-2028 Strategic Plan is one of the most recently adopted municipal documents provides providing guidance and vision to the organization/community over a 10-year period. This document, particularly the~~

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findings of the consultation programme, ~~will tie in closely into~~ **were referenced in** the development of a vision for the CIP – ~~therefore, the consultation summary/themes identified in the Strategic Plan are were reviewed as part of the backgrounding exercise.~~ While much of the strategic direction in this document is high-level and organizational in scope, some of the specific priorities/items as they relate **related** to the **preparation of CIP** ~~include~~ **included:**

- Developing a community improvement plan
- Offering high-quality public spaces and places through investment in streetscaping, wayfinding, lighting, as well as the development of community design guidelines
- Providing incentives for affordable assisted living
- Improving non-vehicular connections throughout the community
- Identifying cultural heritage landscapes and architectural heritage, and encourage preservation
- Promote arts, culture, and heritage resources as tourism attractions
- Supporting the development of Ailsa Craig and Parkhill downtowns as vibrant and thriving areas, as well as supporting rural economic activity/diversity.

Section 2.7 is amended as follows:

2.7 NORTH MIDDLESEX ECONOMIC DEVELOPMENT STRATEGY (2015)

At the time of the CIPs adoption, The North Middlesex Economic Development Strategy ~~provides~~ **provided** a shared, community-based economic vision and strategic priorities to bolster the community's future growth and prosperity. Some of the relevant strategic priorities and recommended initiatives as they relate **related** to the development of a **the CIP at the time of writing** ~~include~~ **included:**

Strategic Priorities

- Build the economic development capacity in North Middlesex;
- Ensure the community is attractive to new residents and businesses;
- Business retention and expansion and supporting entrepreneurship.

Recommended Initiatives

- Establish business grant or loan programs for new and existing business funded in part with Vibrancy Fund money;
- Establish a community improvement plan targeting downtown development;
- Explore loans and funding mechanisms supportive of value added agriculture;
- Develop tax incentives/promotions to encourage residential development through a community improvement plan.

Sections 2.8 and 2.9 are deleted entirely, and Sections 2.10 and 2.11 are renumbered to 2.8 and 2.9, respectively.

The title of Section 2.11 is amended as follows:

2.11 DEVELOPMENT CHARGES BY-LAW (2013)

Section 5.1.3 is amended as follows:

1. Construction Costs Matching Grant

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Grant equal to 50% of the Construction Costs associated with the Eligible Project, up to a maximum of ~~\$5,000~~ **\$10,000**

Section 5.2.3 is amended as follows:

1. Construction Costs Matching Grant
Grant equal to 50% of the Construction Costs associated with the Eligible Project, up to a maximum of ~~\$5,000~~ **\$10,000**

Section 5.3.3 is amended as follows:

2. Construction Costs Matching Grant
Grant equal to 50% of the Construction Costs associated with the Eligible Project, up to a maximum of ~~\$5,000~~ **\$10,000**.

Section 5.3.3 is amended as follows:

5.3.6 ELIGIBLE PROGRAM COMBINATIONS

The grants & funding under this program may be combined with grants and funding from the following programs:

- 5.1 Beautification Program
- 5.5 Accessibility Program
- **5.7 Affordable Rental Housing Program**

Section 5.4.3 is amended as follows:

1. Construction Costs Matching Grant
Grant equal to 50% of the Construction Costs associated with the Eligible Project, up to a maximum of ~~\$5,000~~ **\$10,000**.

Section 5.5.3 is amended as follows:

1. Construction Costs Matching Grant
Grant equal to 50% of the Construction Costs associated with the Eligible Project, up to a maximum of ~~\$5,000~~ **\$10,000**.

Section 5.7.1 is amended as follows:

5.7.1 PURPOSE

Similar to the Additional Residential Unit Program, the Affordable Rental Housing Unit Program is intended to encourage the creation of new near-market and affordable rental **housing** units in the Municipality to help diversify the housing base and provide more housing options. **This will be accomplished through a combination of financial grants, municipal fee relief, and tax increment incentives, helping to offset the revenue losses that housing providers experience when incorporating affordable units in their developments.** This will be done through the relief of various municipal development fees that would typically be applicable to projects involving the creation of new residential units. The Municipality and development community will be encouraged to coordinate any prospective affordable housing projects with local/regional housing service providers or agencies (ex. London & Middlesex Community Housing).

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For the purpose of administrating this program, the Municipality will determine and publish an annual statement of Average Market Rent (AMR) for each of the following units, to be updated as-needed:

- Bachelor
- 1-Bedroom
- 2-Bedroom
- 3+ Bedroom

Section 5.7.3 is deleted in its entirety and replaced with the following:

5.7.3 AVAILABLE GRANTS & FUNDING

Applicants may apply for funding under one or a combination of the following grants,

1. Construction Costs Grant

Grant amount determined in accordance with the level of affordability achieved, which is measured as a percentage of the current Average Market Rent (AMR) for the respective unit type/size, as determined by the Municipality of North Middlesex and shown in the table below.

Affordability Level	Percentage of AMR	Max Grant Amount
Near-Market Unit	100% to 120%	\$5,000 per unit
Affordable Unit	<100%	\$10,000 per unit

2. Planning & Building Fee Grant

Grant equal to 100% of the costs of any required Building Permit or Planning Application required for the Eligible Project, up to a maximum of \$5,000 for the entire project.

3. Professional Fees Matching Grant

Grant equal to 50% of the Professional Fees associated with the Eligible Project, up to a maximum of \$2,500, for the entire project.

4. Tax Increment Grant (TIG)

The total annual grant offered under the Tax Increment Grant (TIG) will be tied to the number of rental housing units provided within each level of affordability, the combined annual maximum of which shall not exceed 50% of the tax increment.

TIG amounts will be determined in accordance with the level of affordability achieved, which is measured as a percentage of the current Average Market Rent (AMR) for the respective unit type/size, as determined by the Municipality of North Middlesex and shown in the table below.

Affordability Level	Percentage of AMR	Max Grant Amount	Grant Period
Near-Market	100% to 120%	\$1,500 per unit per year	Minimum 10 Years
Affordable	<100%	\$3,000 per unit per year	

The Municipality of North Middlesex shall maintain full discretion in the determination of Average Market Rent (AMR) based on unit size/type and the maximum rent permitted to qualify for each Affordability Level described above.

Section 5.7.4 is amended as follows:

5.7.4 ELIGIBLE PROJECTS

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The following non-exhaustive list is intended to provide guidance on the types of projects eligible for funding under the Affordable Rental Housing Unit Program:

- Development or redevelopment resulting in the creation of one or more new affordable rental housing units on a property **where at least 15% of units, with a minimum of one, are rented at or below Near-Market Rent as defined in this program. Any calculation of the 15% shall be rounded to the nearest whole number;**
- ~~Works associated with the improvement, redevelopment, and/or renovation of upper storey space (whether vacant, office, commercial or other non-residential use) to convert into new affordable rental housing units, provided that the ground floor space is a commercial or office space;~~

Notwithstanding the above, the determination of an Eligible Project shall be at the sole discretion of the Municipality of North Middlesex.

Section 5.7.5 is amended as follows:

5.7.5 PROGRAM-SPECIFIC ELIGIBILITY CRITERIA

The following eligibility criteria is specific to the Affordable Rental Housing Unit Program, and shall apply in addition to the General Eligibility Criteria outlined in Section 5.9:

- **Registered owners of lands and buildings must enter into an agreement with the Municipality outlining the obligations and responsibilities of the owner, including but not limited to the criteria listed in this section.**
- **A minimum of 15% of the total rental housing units in the development must be rented at or below Near-Market for a minimum period of 10 years from occupancy.**
- **If any unit(s) change in their affordability level but remain eligible for funding under this program, the grant amount(s) may be adjusted accordingly. If the units are no longer deemed to be affordable, the Municipality may cancel the annual grants paid under this program and/or may require past grant funding, plus interest, to become repayable to the Municipality in full.**
- **During tenancy, the housing provider must agree not to increase the rent during the affordability period by more than the prevailing rent increase guideline established for each calendar year pursuant to the *Residential Tenancies Act, 2006* or any successor legislation or the rental rates established through the agreement, whichever is less. However, the rent rate established through the agreement may be adjusted to the current year during unit turnover.**
- **The total combined annual maximum grant offered under the Tax Increment Grant (TIG) component shall not exceed 50% of the tax increment as defined below:**
 - Tax Increment: The incremental increase in property taxes generated by an eligible project. Determined as the difference between pre- and post-project completion municipal property taxes levied as a result of the revaluation of the property by Municipal Property Assessment Corporation (MPAC).*
- **Tenancy for Affordable Units should be coordinated with the City of London Housing Access Centre (HAC) to ensure those most in need of housing have priority access, based on wait list or other available data deemed appropriate.**
- **Any housing unit (affordable or not) within a development supported under this program shall not be used as a short-term rental for the duration of the grant period.**

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- **Prior to the payment of any TIG grants, the following must be satisfied:**
 - **The development is complete and occupancy permits have been issued;**
 - **The property has been reassessed by MPAC;**
 - **Property taxes for the respective year have been paid in full, and each year subsequent;**
 - **The Municipality of North Middlesex has confirmed the rent levels are in accordance with the requirements of the CIP and any funding agreement(s).**
- ~~The Municipality shall maintain full discretion in the determination of what part(s) of an eligible project qualify as an affordable rental housing unit, in accordance with the definitions provided in Appendix B;~~
- ~~Where only a portion of a the development contains units that will qualify as an affordable rental housing unit, only those qualifying units will be eligible for funding under this program;~~
- ~~Successful applicants must enter into an agreement with the Municipality outlining the obligations and responsibilities of the owner, including but not limited to the requirement to maintain the residential units as affordable for a period of no less than ten (10) years, or other minimum time period agreed to by the Municipality;~~
- ~~Conversion of ground-level non-residential floor space to residential is not eligible for funding under this program.~~

Eligible Project compliance/noncompliance with any or all applicable eligibility criteria shall be determined by the North Middlesex in their sole discretion.

Section 5.7.6 is amended as follows:

5.7.6 ELIGIBLE PROGRAM COMBINATIONS

The grants & funding under this program may be combined with grants and funding from the following programs:

- **5.3 Conversion, Expansion, & Redevelopment Program**
- **5.5 Accessibility Program (if the property is mixed-use)**

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Add the following new Section immediately following Section 5.7:

5.8 RENTAL HOUSING RETROFIT PROGRAM

5.8.1 Purpose

The Rental Housing Retrofit Program is intended to incentivize sustainability, energy efficiency, and climate-resilient upgrades to existing multi-unit residential rental buildings, including both market and affordable units. By supporting improvements such as high-performance building envelopes, efficient HVAC systems, and renewable energy installations, the program aims to reduce greenhouse gas emissions, improve tenant comfort, lower operating costs, and extend the life of buildings. This program is designed to complement existing provincial and federal funding opportunities, encouraging applicants to "stack" funding where permitted to maximize impact.

5.8.2 Eligible Areas

The Rental Housing Retrofit Program shall be limited to those buildings/properties located within the following Eligible Areas:

- Parkhill Settlement Area
- Ailsa Craig Settlement Area
- Nairn Settlement Area

Notwithstanding the above, the Municipality of North Middlesex may, in their sole discretion, approve grants and funding for Eligible Projects outside of the Eligible Areas listed above in extenuating circumstances.

5.8.3 Available Grants & Funding

Applicants may apply for funding under one or a combination of the following grants:

1. **Construction Costs Matching Grant**
Grant equal to 50% of the Construction Costs associated with the Eligible Project, up to a maximum of \$10,000

5.8.4 Eligible Projects

Projects must include retrofits or upgrades to a rental housing unit(s) that directly improve building sustainability, climate resilience, or energy efficiency. Eligible works may include:

- Implementation of tight building envelopes with high levels of insulation and airtightness.
- Installation of efficient HVAC systems, selected based on building design requirements.
- Use of high-performance windows with optimal orientation and thermal resistance, and shading to reduce summer heat gain.
- Installation of high-performance lighting systems, such as LED, and lighting controls (occupancy/daylight sensors).
- Upgrading to efficient water heating systems and ENERGY STAR® (or equivalent) appliances.
- Use of light-coloured or permeable exterior materials to reduce heat island effect.
- Incorporation of renewable energy systems (e.g., solar panels) or natural ventilation strategies.
- Integration of smart building technologies to improve energy performance and monitoring.

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- **Structural integrity upgrades, accessibility retrofits, or purely aesthetic improvements are not eligible under this program but may be eligible under other CIP programs.**

5.8.5 Program-Specific Eligibility Criteria

The following eligibility criteria is specific to the Rental Housing Retrofit Program, and shall apply in addition to the General Eligibility Criteria outlined in Section 5.9:

- **Only residential buildings and mixed-use buildings containing a legal rental housing units are eligible. For a mixed-use building, the Municipality may adjust the final grant amount to ensure that funding is applied only to those residential portions of the building/project.**
- **Applicants must disclose all other sources of funding for the project. The Municipality may adjust the final grant amount to ensure total funding from all sources does not exceed the eligible project costs.**

5.8.6 Eligible Program Combinations

- **5.1 Beautification Program**
- **5.3 Conversion, Expansion, & Redevelopment Program**
- **5.5 Accessibility Program**
- **5.7 Affordable Rental Housing Unit Program**

Renumber Section 5.8 to "5.9" and update the subsections accordingly.

Add the following new subsection immediately after subsection 7.1.7:

7.1.8 County Participation in the CIP

Section 28(7.2) of the *Planning Act* allows an upper-tier municipality to make grants or loans to a lower-tier municipality for the purpose of carrying out a community improvement plan, on such terms as to security and otherwise as council considers appropriate. To this end, Middlesex County may, from time to time and at their sole discretion, make grants or loans to North Middlesex for the purpose of participating in the grant programs or municipal leadership initiatives defined in this CIP.

Add the following new subsection immediately after subsection 8.2.3:

8.2.4 Housing Affordability and Resiliency Key Performance Indicators

The following housing-specific key performance indicators were identified in 2025 to complement the more general CIP statistics, by providing better insight on CIP impact on housing affordability and climate resiliency. The following indicators should be incorporated into the above monitoring and reporting to Council.

Indicator	Why it Matters
Total number of new affordable residential rental units supported through the CIP	Tracks the tangible outcomes of new affordable rental tenure residential units delivered with the assistance of the incentives
Amount of private capital investment leveraged per dollar	Tracks how effectively the incentives stimulate private sector participation in affordable housing

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amount of public investment in Housing through the CIP	development and the ability of the incentives to de-risks development for home builders
Total dollar value of incentives allocated per affordable housing unit delivered through the CIP	Tracks the cost-effectiveness of the incentives by quantifying how much public support is required to produce each affordable unit
Total dollar value of incentives leveraged per dollar amount of private investment in climate resiliency retrofits/improvements	Tracks how effectively the incentives encourage climate-resilient retrofits and improvements to the rental housing stock

Within the Glossary, delete the entirety of "Affordable Rental Housing Unit" and replace with the following definition:

Affordable Rental Housing Unit shall mean the least expensive of:

- **A unit for which the rent does not exceed 30% of gross annual household income for low- and moderate-income households, where low- and moderate-income households refers to households with incomes in the lowest 60% of the income distribution for renter households in the regional market area; or**
- **A unit for which the rent is at or below the average market rent of a unit in the regional market area.**

In determining the average market rent of a unit in the regional market area, the Municipality should reference Canada Housing and Mortgage Corporation (CMHC) data and/or the "Affordable Residential units for the Purposes of the Development Charges Act, 1997 Bulletin" published annually by the Ministry of Municipal Affairs and Housing (<https://data.ontario.ca/dataset/affordable-residential-units-for-the-purposes-of-the-development-charges-act-1997-bulletin>). In the event this bulletin is discontinued, or more up-to-date information is available from another source approved by the Municipality, the Municipality may use any such method that, in its opinion, is appropriate for determining average market rent for the purpose of implementing this community improvement plan.

Within the Glossary, add the following definition immediately after "Applicant":

Average Market Rent (AMR) means, for the purposes of this CIP, the average rent charged for a rental housing unit in the Municipality of North Middlesex, according to building type and number of bedrooms.

Within the Glossary, add the following definition immediately after "Redevelopment":

Tax Increment means the net increase between the pre-development and post-development municipal and/or county property taxes levied as a result of the revaluation of the property by the Municipal Property Assessment Corporation (MPAC).

Update all page numbering throughout the CIP to reflect the amendments outlined in this document.

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PART C – APPENDICES

APPENDIX A: Middlesex County Housing Accelerator CIP Updates: Joint
Background & Context Report (August 2025)