

ADDITIONAL DWELLING UNIT AND MULTI- PLEX HOUSING INCENTIVE PROGRAM



A. PROGRAM DESCRIPTION

The Additional Dwelling Unit and Multi-Plex Housing Incentive Program (the Program) is intended to provide a financial incentive to help offset eligible costs related to the creation of Additional Dwelling Units or Garden Suites within, or on the same property as, new or existing low-density houses or the creation of multi-plex developments with six (6) or fewer Dwelling Units. This Program is available as a result of the Canada Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund (HAF). As of October 9th, 2025, the grant value and requirements were amended by the Housing Sustainability Investment Roadmap (HSIR) Executive Committee. The revised Program Guide herein reflects the amendments.

The value of the Grant is 70 per cent of Eligible Costs, to a maximum of \$40,000 per Eligible Unit(s). The Grant is structured in two payments:

- The first advance is 20% of the total estimated grant amount, to a maximum of \$8,000 per Eligible Unit(s). Due to the timing of this payment, the first advance is calculated using a contractor's estimate for total Eligible Costs (20% of 70% of estimated Eligible Costs).
- The second advance will be calculated based on actual Eligible Costs incurred and is payable upon occupancy permit issuance. This advance is up to 70% of Eligible Costs incurred, less the amount of the first advance.
- In all cases, the total Grant provided, the sum of both advances, will not exceed \$40,000.

This Program applies to Sites located within the Housing for Hamilton Community Improvement Project Area (HHCIPA) with the exception of those within Sub Area 2 – Roxborough.

Applications under this Program are subject to approval, and the availability of funds, at the absolute discretion of the General Manager of the Healthy and Safe Communities Department (GM).

Grants provided under this Program shall be provided to the Applicant who is the registered owner of the Site.

The Program is intended to provide a financial incentive to help offset a portion of eligible project costs and is not intended to fully fund development or construction. Accordingly, all costs associated with the development and the requirements of this Program are to be borne

by the Applicant including but not limited to: construction, design, community benefit charges, development charges, parkland dedication, administration fees, appraisals, inspections, legal, discharge and registration fees (plus applicable taxes), where applicable. Applicants remain solely responsible for securing sufficient financing to fully deliver the project, independent of Program funding.

For the purposes of this Program:

- 'Site' shall mean all properties/parcels of land required for the planned development.
- 'Eligible Unit' shall mean any of the following, the construction of which has been the subject of a successful building permit issuance:
 - An 'Additional Dwelling Unit' or 'Additional Dwelling Unit – Detached' as defined under Hamilton Zoning By-law 05-200, as amended and which requires a building permit to create;
 - 'Garden Suite' as defined under the *Planning Act*, R.S.O. 1990, c. P.13, as amended; and
 - Residential or mixed use multi-plex developments of any form containing six (6) or fewer Dwelling Units within the same building, with 'Dwelling Unit' having the same meaning as defined in Hamilton Zoning By-law 05-200, as amended.
- 'Program Interest Rate' shall mean the prevailing interest rate established by City Council on tax arrears and charged per annum.
- 'Eligible Costs' shall mean costs that are required under the Building Permit for the Eligible Unit(s) issued by the Chief Building Official to facilitate construction of the Eligible Unit, including but not limited to, building materials, labour costs, new or upgraded HVAC systems and plumbing, and incurred after the Building Permit has been issued by the Chief Building Official.

'Ineligible Costs' shall mean, but are not limited to, household appliances, decorative amenities, financing, consulting fees, and fees to prepare building permit plans.

The Healthy and Safe Communities and Planning and Economic Development Departments, through the Housing Secretariat and Economic Development Divisions respectively, will periodically review the terms and availability of this Program and undertake updates from time to time subject to City Council approval and/or direction.

B. PROGRAM ELIGIBILITY AND CRITERIA

1. Applications to this Program must meet the goals of the Housing for Hamilton Community Improvement Plan (HHCIP).
2. Eligible Unit(s) shall be located on a Site within the Housing for Hamilton Community Improvement Project Area (HHCIPA) but shall not be located within Sub Area 2 – Roxborough.
3. This Program shall not apply to a Site where a designated heritage building, or any designated part thereof, has been demolished in contravention of the *Ontario Heritage Act* or any applicable City by-law or Official Plan policy respecting designated heritage buildings, or parts thereof. The maximum Grant provided under this Program shall be up to \$40,000 per Eligible Unit, to a maximum of \$240,000 per Site. An Applicant to this Program must be the registered owner of the Site with the Grant only being available to the successful Program Applicant. A Grant under this Program cannot be assigned or directed to any other payee unless otherwise provided for herein.
4. An Applicant may apply to this Program for any Eligible Unit(s) where the date of issuance of a building permit for the construction of the Eligible Unit(s) occurred on or after October 9th, 2025.
5. Prior to any application approval and the advance of the Grant, confirmation of the following shall be required: all municipal property taxes are paid and current on the subject Site, the Site is in compliance with Zoning By-law regulations, there are no outstanding property standards violations or orders, Building Code violations or orders or Fire Code violation or orders, or any other violations of law or any orders by any other judicial, governmental or regulatory authority, regarding the subject Site or the development on the subject Site and the Applicant is not in litigation with the City.
6. Receiving financial assistance through this Program does not inhibit the applicant from being eligible for other municipal programs.
7. Applications under this Program are subject to approval, and the availability of funds, at the absolute discretion of the GM.
8. Without limiting the discretion as set out in paragraph 7 herein, City Council, or its delegate, shall determine whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application received from an Applicant where, in the opinion of City Council, or its delegate, the commercial relationship between the City and the Applicant has been impaired by, but not limited to, the Applicant being involved in litigation with the City. Applicants shall include but not be limited to the following: The Applicant identified on the application form and, if a

- corporation, any person or entity with an interest in the corporation or any officer or director of the corporation, as determined by the GM in their sole, absolute and unfettered discretion.
9. Without limiting the discretion as set out in paragraph 7 herein, City Council, or its delegate, whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application without further consideration where due diligence undertaken by the City identifies municipal property tax arrears owed on the subject Site, mortgage payment(s) are not up to date, non-existence of property insurance coverage, non-compliance with respect to Zoning By-law regulations or existing outstanding property standards or Building Code or Fire Code orders in respect of the subject Site or any other judicial, regulatory or governmental order in respect of the subject Site.
 10. Without limiting the discretion as set out in paragraph 7 herein, City Council, or its delegate, whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application where the GM determines in their sole discretion that there is a financial risk to the City in terms of the financial capabilities of the Applicant to complete the development subject to the Program application.
 11. Without limiting the discretion as set out in paragraph 7, herein, City Council, or its delegate, whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application received from an Applicant where there is credible information that the Applicant has been involved recently or repeatedly in illegal activity supporting the conclusion that they will not conduct themselves with honesty and integrity in undertaking the activity, operation or business for which a Grant under this Program is being sought. For corporate Applicants, the Applicant, for the purposes of this paragraph 11, will be the corporation, the officers and directors of the corporation and the shareholders and this paragraph 11 shall apply jointly and severally to each of them.
 12. Buildings, uses and developments on the subject Site shall conform to the City's Official Plan(s), applicable Secondary Plan(s), Zoning By-Laws(s), Site Plan approval and any other applicable and approved municipal policies, by-laws or guidelines (e.g. urban design guidelines) and any other laws applicable to the subject Site and any development on it.
 13. A Program application may be denied by City Council, or its delegate, if the development is not supported by City Council notwithstanding any approval of *Planning Act* applications by any other authority including but not limited to the Ontario Land Tribunal or the Minister of Municipal Affairs and Housing.
 14. Approval, part approval or denial of a Program application shall not fetter City Council's discretion regarding any *Planning Act* applications regarding the subject Site or any other

decisions by City Council regarding the subject Site.

15. Approval of a Program application by City Council, or its delegate, may provide for a reduced Grant amount such that no Grant is provided in respect of any portion of the development which City Council does not support notwithstanding any approval of *Planning Act* applications by any other authority including but not limited to the Ontario Land Tribunal or the Minister of Municipal Affairs and Housing, and that City Council's decision on the application will not fetter its discretion on *Planning Act* applications. In such cases, the Applicant shall be required to provide additional supporting documentation, at the Applicant's own expense, to support the providing of financial assistance in accordance with City Council's approval/direction.
16. The maximum eligible Grant amount will be paid in two advances:
 - a. an initial advance of 20% of 70% estimated Eligible Costs up to a maximum of \$8,000; and
 - b. a second advance of up to 70% of actual Eligible Costs, less the amount of the first advance.

In all cases, the total Grant provided, the sum of both advances, will not exceed \$40,000.

17. Upon the necessary approvals by the City in writing for all Eligible Unit(s) required for eligibility under this Program as well as confirmation of compliance with all other Program conditions required for a Grant payment.
18. If an occupancy permit for the construction of the Eligible Unit(s) has not been issued within 18 months of the issuance of conditional approval to the Program or by August 4, 2027, whichever date is earlier, the Applicant is not eligible for any further Grant advances and the Grant shall be in default and subject to repayment in accordance with paragraph 19 d.
19. Applications for a Grant under this Program shall also be subject to the following conditions together with any other conditions as deemed appropriate by the GM and contained in the Grant Agreement:
 - a. The initial advance of the Grant will only be payable upon
 - i. building permit issuance for all Eligible Unit(s) required for eligibility under the Program;
 - ii. an approved complete construction cost estimate for the Eligible Unit(s); and compliance with all other Program conditions required for a Grant payment.
 - b. The second advance of the Grant will only be payable upon
 - i. issuance of an occupancy permit for all Eligible Unit(s) required for

- eligibility under the Program where the date of issuance of an occupancy permit for the construction of the Eligible Unit(s) has occurred within 18 months of the issuance of conditional approval to the Program or by August 4, 2027, whichever date is earlier;
 - ii. issuance of an Electrical Safety Authority Certificate of Acceptance;
 - iii. submission and approval of construction invoices for Eligible Costs; and
 - iv. compliance with all other Program conditions required for a Grant payment.
- c. Such reporting requirements as may be required at the sole discretion of the GM.
 - d. In the event of a default as defined herein and/or as further contained in the Grant Agreement, the Grant will be capped immediately at the advanced amount and, subject to the Program Interest Rate from the date the Grant was advanced together with the maximum penalty permitted under applicable law, shall become immediately payable to the City.
 - e. If a request for either the first or second advance of the Grant advance is not made by August 4, 2027, the Grant Agreement shall be deemed to be terminated and, without limiting the generality of the foregoing, the City shall not be obligated to provide the Grant.
 - f. A disposition, sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of all or a portion of the subject Site containing the Eligible Unit(s) for which all or a portion of a Grant under this Program remains outstanding or a change in the effective control of the majority of the voting shares of the Applicant where the Applicant is a corporation shall not be permitted and shall be deemed a default under the applicable Grant Agreement and result in no further Grant advance being provided if not already provided and require the immediate repayment of any portion of the Grant advanced together with the applicable interest in accordance with paragraph 19 d.
 - g. The Housing Secretariat will require, at its sole discretion, any specific insurance terms required to be met to protect the City's interest.
 - h. Applicants shall be required to enter into a Grant Agreement with the City. This agreement shall be entered into prior to a Grant advance, with provisions including, but not limited to, the terms and conditions set out herein and such additional conditions, including additional conditions for the advance of the Grant, as determined by the GM in their sole discretion.
20. Where the Applicant has not complied with all the terms of the Grant Agreement and such non-compliance has not been cured within 30 days' of written notice being

provided by the City, or such other period as determined at the discretion of the GM, the Grant shall be in default and subject to repayment in accordance with paragraph 19 d and the second advance of the Grant shall not be advanced.

C. PROGRAM APPLICATION CRITERIA

A complete Program application shall be submitted to the Healthy and Safe Communities Department through the Housing Secretariat Division. Required documents and information forming a complete application shall be identified within the Program's application form.

Any additional information may be requested by the Housing Secretariat to determine the Applicant's eligibility.

D. PROGRAM ADMINISTRATION

Housing Secretariat staff, in collaboration with staff from the Economic Development Division, as required, will review applications for eligibility in accordance with the HHCIPA, HHCI, the Program terms contained herein and in collaboration with other City departments as required. Acceptance of the application by the City in no way implies application approval.

The Site and Applicant will be the subject of due diligence undertaken by the City prior to any recommendation on the application being brought to City Council, or its delegate, for consideration and prior to payment of the Grant advance being provided. This will include, but may not be limited to, confirmation of the following: all municipal property taxes are paid and current on the subject Site, property insurance is current and payments up to date, mortgage payments are current and up to date, the Site is in compliance with Zoning By-law regulations, there are no outstanding property standards violations or orders, Building Code violations or orders, Fire Code violation or orders, or any violations of law or any orders by any other judicial, governmental or regulatory authority, regarding the subject Site or the development on the subject Site and the Applicant is not in litigation with the City. Failure to comply with any of the above will result in an application not being recommended for approval to City Council or its delegate, except where otherwise directed by City Council, or its delegate, or, if the application has been approved, non-payment of a Grant under this Program.

No decision will be made on an application until a building permit has been issued by the City in writing for all Eligible Unit(s) required for eligibility under this Program.

Where an application has been submitted but not yet approved by City Council, or its delegate, and the subject Site is sold/transferred to a new owner, the City may permit the transfer or assignment of the application to the new owner at the sole, absolute and unfettered discretion of the GM. An assignment or transfer may require the assignee or transferee to apply, assignment or transfer agreement and/or such other documents as determined by the GM in

their sole, absolute and unfettered discretion. The new owner shall be subject to all applicable due diligence required under this Program, including, but not limited to, applicable corporate title and litigation searches and financial risk, to the satisfaction of the City prior to the assignment being considered by the GM.

A Grant under this Program will be paid in two advances upon issuance of required permits as approved by the City in writing for all Eligible Unit(s) required for eligibility under this Program.

- The Grant advances will not be provided unless a written request for the Grant advance has been made by the Applicant; and
- Conditionally approved Applicants shall be required to enter into a Grant Agreement with the City containing the terms and conditions set out in this Program description and such additional terms and conditions as required by the GM or City Solicitor in their sole absolute and unfettered discretion. The form of the Grant Agreement shall be to the satisfaction of the City Solicitor.

The City reserves the right to require the submission of any additional documentation or enter into any additional agreements as deemed necessary by the City to ensure the goals and purpose of this Program and the HHCIP are met.

The City is not responsible for any costs incurred by the Applicant in any way relating to the Program or Eligible Costs, including without limitation, costs incurred in construction commencing prior to the issuance of a building permit, or anticipation of an application approval or Grant being provided.

Applications to this Program not yet approved by City Council, or its delegate, shall be subject to any changes to the terms of this Program which are required by the CMHC as a condition of funding to the City under the HAF and/or approved by City Council, or its delegate, prior to the application being approved.

A Program application may be denied by City Council, or its delegate, if the development is not supported by City Council notwithstanding any approval of *Planning Act* applications by any other authority including but not limited to the Ontario Land Tribunal or the Minister of Municipal Affairs and Housing, and that City Council's decision on the Program application will not fetter its discretion on *Planning Act* applications.

City Council may discontinue this Program at any time. However, Applicants with approved applications will still continue to receive the Grant subject to meeting the Program terms contained herein.