



Staff Report P2026-14

Committee of the Whole 2026-04-20

Council 2026-05-04

Amendments

Submitted To: Committee of the Whole | Council
Submitted By: Summer Valentine, Director of Growth and Development
Prepared By: Claire de Souza, Housing Development Coordinator
Subject: Collingwood Housing Incentives Pilot Program and Town-owned Lands

Recommendation

THAT Staff Report P2026-14, Collingwood Housing Incentives Pilot Program and Town-owned Lands, dated April 20, 2026, be received;

AND THAT Council direct staff to revise the Collingwood Housing Incentives Pilot Program (CHIPP) policy and take any other steps necessary to include and implement an additional incentive stream related to the **[lease, sale or donation]*** of Town-owned lands located at High Street and Poplar Sideroad.

AND THAT Council direct staff to maintain the offer for donation of the lands under the County of Simcoe's Municipal Partnership in Affordable Rental Development program until such time as a **[lease, sale or donation]*** through the CHIPP is confirmed.

AND THAT should the County of Simcoe's prioritization of the lands for development under the Municipal Partnership in Affordable Rental Development program be expedited, that staff be directed to provide an update to Council to allow re-consideration of their inclusion in the CHIPP.

*** Alternative options to be selected**

Amendments

Should Committee of the Whole (COW) pass the staff recommendation or alternative recommendation requiring policy changes, the updated CHIPP policy will be attached

by amendment prior to Council ratification. Staff may require more than the usual two-week cycle between COW and Council to make these revisions.

1. Executive Summary

In October 2023, Town Council unanimously endorsed the [Affordable Housing Master Plan](#) (AHMP), which provides a comprehensive, prioritized, and costed framework to guide the Town's affordable housing efforts. The AHMP outlines 26 recommendations focused on actions within the Town's control, including the use of municipal tools, incentives, and assets to increase the supply of housing.

In December 2025, Council approved the Municipal Capital Facility By-law (MCFB) and Collingwood Housing Incentive Pilot Program (CHIPP) through [Staff Report P2025-30](#). As part of that approval, Council directed staff in Resolution RES-582-2025 to report back prior to the launch of the CHIPP on options and parameters for the sale or lease of Town-owned lands through the MCFB incentive framework and provide recommendations on policy amendments necessary to expand the CHIPP to consider the disposition of the municipal lands at the corner of High Street and Poplar Sideroad for affordable housing.

This Report responds to Council's direction and provides options for how the Town-owned lands at High Street and Poplar Sideroad could be leveraged to advance housing objectives within the CHIPP framework. The lands are currently constrained by access and servicing limitations and have been identified by the County of Simcoe as a longer-term opportunity for affordable housing development. In light of these constraints, staff have identified opportunities for the Town to take a more proactive role in advancing development on site by offering the lands as part of a revised incentive program.

Accordingly, this report presents options for Council's considerations:

- Creating a new CHIPP incentive stream that would offer the Town-owned lands through a long-term ground lease for the purpose of affordable housing, resulting in the Town maintaining ownership of the lands; or

- Creating a new CHIPP incentive stream that would facilitate conveyance the lands through a below market value sale or donation for the purpose of affordable housing, resulting in the successful proponent owning the lands; or
- Do not include the lease, sale or donation of the Town-owned lands in the CHIPP and maintain the offer of the lands to the County of Simcoe.

Each option is evaluated in terms of level of control, timing, and affordability outcomes. Irrespective of which option is selected, it is recommended that the offer to donate the lands to the County of Simcoe through their Municipal Partnership in Affordable Rental Development program be maintained until such time as lease or conveyance of the Town-owned lands is confirmed through CHIPP, should disposition be selected. Should the County's prioritization of development of the lands be expedited (currently in Phase 2, 10+ years and funding dependent), staff would return to Council for reconsideration on including the lands within the CHIPP.

2. Analysis

Background

A full review of the Town of Collingwood's work in affordable housing from inception of the Affordable Housing Task Force (AHTF) in March 2021 to the completion of the [Affordable Housing Master Plan](#) (AHMP) in late 2023 is detailed in the background section of Report [CAO2023-13](#).

One of the key recommendations from the AHMP was to establish an incentive program to support the creation of affordable housing. In December 2025, Council approved the Municipal Capital Facility By-law (MCFB) and Collingwood Housing Incentive Pilot Program (CHIPP) that will allow the Town to offer financial incentives to both non-profit and for-profit developers and housing providers building affordable housing. A comprehensive background and overview of the program is provided in [Staff Report P2025-30](#). The program includes the following key components:

- Two capital grant incentive streams, one for affordable Additional Residential Units (ARUs) providing up to \$70,000 per unit and one for affordable Multi-Unit Affordable Rentals offering up to \$200,000 per unit.

- Affordable rental rates are aligned with the Affordable Rental Rates as determined by the Affordable Residential Units for the Purposes of the [Development Charges Act, 1997 Bulletin](#).
- Eligible applicants include for-profit or non-profit developers or housing providers, with higher points awarded to non-profit entities.
- Applications will be accepted through one or more Calls for Applications and reviewed by an evaluation committee, with the final funding approvals being a decision of Council.
- Once funding agreements are approved and executed, the successful proponents will submit annual reporting to the Town to demonstrate compliance with the agreements.

The report also included an option related to the Town-owned lands at the corner of High Street and Poplar Sideroad, following an In-Camera discussion about potentially using the lands to create more cost-effective opportunities for affordable housing. Council directed staff to report back on how the lands could be incorporated into the CHIPP, noting that additional information would be required to understand the options for the disposition of the lands.

The lands at the corner of High Street and Poplar Sideroad were submitted to the County of Simcoe's Call for Proposals for Municipal Partnership in Affordable Rental Development. County of Simcoe [Staff Report HCB 2024-121](#) provided the outcome of the call for proposal exercise and outlines the prioritization of affordable housing developments across the County. The Town-owned lands located on High Street and Poplar Sideroad, were placed in the Phase 2 Project Prioritization table. Projects identified in the Phase 2 table do not have associated timelines but would be beyond the ten years estimated for completion of Phase 1 projects and would only be brought forward should the opportunity be presented such as funding from upper orders of government or a change in context that could facilitate the projects before 2033. Based on Phase 1 and Phase 2 Project Prioritization presented by the County and further discussion with County staff, it is unlikely that the development of the High Street and Poplar Sideroad lands would commence in the next several years.

The High Street and Poplar lands were likely placed on the Phase 2 table due to constraints around access and servicing. Independent access to the Town lands from High Street cannot be achieved due to the site's proximity to the Poplar Sideroad/High Street roundabout. As such, access to the site will be established through the adjacent [Summitview Phase 3 Subdivision](#), which requires conveyance of Block 40 to the Town to ensure safe access to the Town-owned lands. The Zoning By-law Amendment and Draft Plan of Subdivision for Summitview Phase 3 was approved by Council in July 2025, representing a critical step toward improving the development potential of the Town-owned parcels. While the developers of the Summitview Phase 3 project are eager to begin development, financial and other considerations beyond the Town's control, such as macro-economic trends and housing market fluctuations, will determine construction timelines.

Staff informed County of Simcoe about the Summitview Phase 3 subdivision approvals prior to [Staff Report HCB-2025-263](#) being presented at the Simcoe County Housing Corporation Board meeting on October 21, 2025. Despite the potential for near term resolution of the servicing and access issues, the October report did not include any revisions to the prioritization of projects listed in the Phase 2 table. Staff understand that the prioritization of the High Street and Poplar Sideroad lands is unlikely to change in the near-term. In an effort to advance an affordable housing project on the lands more quickly, Council may consider including an option for the disposition of these lands in the CHIPP.

Analysis

Using the research and findings from [Staff Report P2025-30](#) supplemented by legal advice that was circulated to Council by confidential email, staff have prepared the following options for Council's consideration.

Option 1: Land Lease

This option involves creating an additional CHIPP incentive stream that would offer the Town-owned lands at the corner of High Street and Poplar Sideroad through a long-

term ground lease to an eligible organization for the creation of a future affordable housing project. A ground lease would allow the Town to retain ownership over the lands, maintaining the lands as a public asset, ensuring control over the long-term use of the lands, while facilitating an affordable housing project. In this case, the lands would be leased to a third party, and the third party would develop the lands and rent the units in the building(s) to tenants at affordable rates. Both a lease agreement and Municipal Capital Facility Agreement (MCFA) would be required should this option be selected. There is flexibility within a ground lease agreement to add parameters, criteria, and stipulations beyond the provisions of the MCFB and CHIPP policy. The same obligations and liabilities of any landowner would apply to the Town, including but not limited to environmental, occupier, and tax liabilities. There may also be residential landlord obligations and liability, including being deemed a landlord (which can be mitigated through the terms of the lease agreement) and assumption of tenancies upon expiry or termination of the ground lease, in which case the security of tenure provisions of the *Residential Tenancies Act* must be adhered to.

A lease arrangement may disadvantage the recipient organization in its ability to obtain financing for a future project, but there are mitigative approaches depending on the ownership structure selected and execution of tri-party legal agreements between the lender, lease, and lessor.

The *Planning Act* generally imposes a maximum of 21-year term on land leases, however an exemption to this limitation applies to municipalities pursuant to Section 50(3)(c) or Section 50(5)(b) of the *Planning Act*. As a result, should the land lease option be selected, Council may approve a lease of any duration, noting that where a lease term exceeds 50 years, land transfer tax would apply based on the fair market value of the land. To align with the length of the MCFA, staff recommend a minimum 25-year lease be explored, with an opportunity to renew upon expiry. The ground lease can stipulate what occurs to the lands and buildings upon the end of the lease term, whether that be through expiry, termination or surrender. Should any tenancies be ongoing upon

end of the lease term, those tenancies will continue and the Town would become a landlord.

Should this option be pursued, Council is requested to provide additional direction on the lease rate and length of term. To maximize affordability, staff would recommend a low lease rate, such as a percentage of market lease value. Additionally, a longer lease term may create greater certainty when applying for funding and financing and thus be more attractive to proponents. Due to the existing constraints that will delay housing development on the property, a shorter lease term may be prohibitive.

Options 2A and 2B: Land Conveyance by Sale or Donation

These related options involve creating an additional CHIPP incentive stream for the conveyance of the Town-owned lands at the corner of High and Poplar Sideroad by either below market sale or donation to an eligible organization for the creation of a future affordable housing project. Unlike a land lease, under these scenarios the Town would not retain ownership over the lands. However, a MCFA would be executed and registered against the title of the lands to ensure key criteria and parameters around the sale of the lands are being met in order to achieve the desired affordable housing outcomes. Additional agreements could be entered into related to the use of the lands and future sale and purchase rights, such as the Town being offered first right of refusal in the case of a sale. The primary benefit to the Town of land sale or donation is reduced liability for the long-term operation and maintenance of the project and the main drawbacks are the loss of a municipal asset and a reduced level of control. The recipient organization would benefit from acquiring a valuable asset and would convert the savings on land acquisition from the donation or below-market sale into long-term affordability of units, with the lowest land cost (i.e. donation) being most preferable from their perspective.

Should this option be pursued, Council is requested to provide direction on whether the lands will be offered by donation or below market sale, and if the latter, the purchase

price for the lands, which may be set as a percentage below appraised market value. To maximize affordability, staff would recommend land donation as the best option.

Option 3: Maintain the CHIPP as Originally Approved

Option 3 is to maintain the CHIPP as originally approved, without making amendments, meaning that the pilot program would remain as focused on capital grants through two streams. Per the below, the subject lands would remain on the list of future County of Simcoe housing projects through the Municipal Partnership in Affordable Rental Development program.

County of Simcoe Offer

Irrespective of the option selected, staff recommend that the offer to donate the lands to the County of Simcoe through their Municipal Partnership in Affordable Rental Development program be maintained. In the case of Options 1, 2A or 2B, the offer would remain in place until such time as lease or conveyance of the Town-owned lands is confirmed through CHIPP. In the case of Option 3, the timing of development of the subject lands would remain under the control of the County. Should the County's prioritization of development of the lands be expedited (currently in Phase 2, 10+ years and funding dependent), staff would return to Council for reconsideration on including the lands within the CHIPP.

CHIPP Program Updates

If Options 1, 2A or 2B are selected, the following program enhancements to the CHIPP are recommended to facilitate the disposition of Town-owned lands through a third incentive stream.

Eligibility

Staff recommend limiting the eligibility for the lands to non-profit or not-for-profit or similar entities with a demonstrated and enduring mandate to deliver and steward affordable housing in order to safeguard community benefits, ensure a public asset is

used for broader community benefit, and encourage the longer-term provision of affordable housing, beyond the minimum 25-year term length stipulated in the MCFB. These organizations are purpose-driven to prioritize housing stability, affordability, and tenant well-being over the long term, and have strong governance requirements under the Ontario Not-For-Profit Corporations Act. As such, they are often better positioned to maintain affordability over time, reinvest surpluses into housing operations, and mitigate risks associated with market-driven rent escalation once the MCFA expires.

Partnerships with the private sector would be permitted and encouraged, where they enhance project viability, bring technical expertise, or leverage additional capital. However, to ensure that lands continue to serve a public-interest purpose, staff recommend that the primary applicant, leaseholder, or landowner, must be a registered non-profit, not-for-profit, or similar entity. This requirement ensures that ultimate control over the lands and affordable housing outcomes rests with an organization whose core mandate aligns with the Town's housing objectives.

For profit developers and owners, while critical partners in delivering housing, may not have the same long-term mandate or incentive to preserve affordability beyond the term of the MCFA. This can introduce risks of rent increases, loss of affordability, or increased tenant precarity once contractual affordability obligations expire. Given the value and scarcity of municipally owned land, staff recommend that the disposition of these lands – whether through lease, sale or donation – be limited to entities that are committed to long-term affordability and community benefit, rather than profit maximization. This does not diminish the fact that for-profit companies may also have strong philanthropic goals, community-minded decision making, or a vested interest in addressing the housing crisis.

Project Requirements

The following project requirements are recommended for a third stream related to the disposition of the lands in order to achieve the primary desired outcome of maximizing

the number of deliverable affordable units that meet the Town's needs as identified in the AHMP:

1. A future project may include a mixed-income building with a mix of market and affordable rental housing. However, a majority of the units (i.e. 51%) must meet the programs definition of Affordable. Projects that include a higher percentage mix of affordable units would be allocated more points in the evaluation.
2. The housing component of a future project must be rental housing only. However, a future project may include a mixed-use building, with a maximum of 25% of the total GFA dedicated to non-residential uses.
3. The design shall be compatible with and sensitive to the built form of the surrounding neighbourhoods, at minimum in accordance with the compatibility policies of the 2024 Official Plan.
4. The design must meet minimum density requirements that achieve a minimum of 100 units on the site or provide rationale if that minimum density cannot be achieved, with greater points available through evaluation for a higher number of units and noting that the maximum permitted density in the 2024 Official Plan is 3.5 FSI and 7.0 FSI for mid-rise and high-rise built forms respectively.
5. The future project must conform to the policies of the Future Neighbourhood designation of the Official Plan and should be a housing development of mid- or high- rise built form and density, with appropriate flexibility depending on the market conditions at the time of construction.
6. Small-scale neighbourhood retail or service uses should be considered in conjunction with the affordable housing units, recognizing a need for amenities in the south end of Town;
7. The project must demonstrate the ability to become shovel ready within 3-5 years after access and servicing is confirmed as available to the site or within a reasonable timeline as determined by the Town, including confirmation of other available funding sources or partnerships necessary for project viability.

CHIPP Incentive Stacking

Donating or offering land at a reduced price may not be sufficient to impact proformas for the delivery of affordable housing. While the use of no or low-cost public land may reduce the amount of subsidy that may be required, it does not necessarily eliminate the need for future per-unit incentives which may come in the form of direct cash contributions, waivers of fees and charges, taxation-related relief, loans, or forgivable grants. In consideration of the above, it would be recommended that financial incentives available through the incentive program delivered through the MCFB be stackable with land lease or donations. However, Council may wish to ensure CHIPP incentives are distributed to as many recipients as possible. In that case, stacking stream three with either of the existing CHIPP streams would not be advisable.

General Processes

The application process and other program guidelines as outlined in [Staff Report P2025-30](#) would remain the same, however an additional application form, submission materials, and evaluation matrix would be created for the third stream. The evaluation matrix would include criteria such as, but not limited to, applicant details (i.e. for-profit or non-profit), alignment with the project requirements, level of experience of the Applicant, preliminary project details including proposed uses, units numbers, and building and site design, level of affordability, and an evaluation of the financial/viability proposal provided by the applicant. Reporting requirements may also differ from other CHIPP streams as the land lease or disposition may not result in housing construction in the near term due to existing access and servicing constraints on the property.

Other Considerations

Depending on the option selected by Council, communication to or engagement with the community may be advisable prior to taking action. This may include public information sessions, press releases, signage on the property, newsletters or social media content, and any other outreach method deemed appropriate by the Town in consultation with partners that may be involved in future construction of affordable housing on the subject lands. If Council is in a position to authorize the sale or disposal of the lands to a

successful proponent, it must be in accordance with the applicable by-laws or policies. This process may provide the appropriate opportunity to trigger the engagement activities noted above.

Financial Impacts

The disposition of valuable Town-owned lands at no or low cost is a tool to subsidize the development of new affordable housing and is one way to use Town assets to have significant impact on project affordability. However, this approach also has a financial impact on the Town by essentially negating any future revenues from the sale of the lands, will reduce the net capital assets held by the Town, and would remove the “High and Poplar” site from consideration for other community uses. In October 2023, Cushman & Wakefield National Capital Markets Group conducted a Broker Opinion of Value for the two parcels, providing a confidential assessment of the value required for any future negotiations. There may be a significant loss of potential revenue for the Town, but it would be offset by the community benefits provided by the number of affordable housing units that could be unlocked on the property. Making the lands available at low or no cost, whether that be through conveyance or land lease opportunities, could represent a critical investment in the communities’ affordable housing supply, making a significant contribution to fulfilling the projected need of 1,300 affordable rental units.

Additional Financial Incentives

The federal Build Canada Homes (BCH) program is a national housing initiative launched in 2025 aimed at accelerating the construction of affordable and non-market housing by combining public land, low-cost financing and development expertise. The program prioritizes partnerships with non-profit, Indigenous, co-operative, and public housing providers, and encourages partnerships with municipalities to advance affordable rental housing projects. The availability of BCH incentive tools may improve project viability on Town-owned lands, enabling quicker delivery of housing and longer-term affordability.

Conclusion

Rising construction costs, supply chain challenges, and escalating land prices continue to threaten the viability of affordable housing projects. While many of these pressures lie beyond the Town's control, Collingwood has a unique opportunity to enable housing projects by leveraging a valuable asset – public land. Preserving public lands for projects that benefit the community is not only prudent but may prove to be essential for achieving our housing goals given the depth of shortfall. By strategically offering Town-owned lands at High Street and Poplar Sideroad through one of the CHIPP incentives, the Town can support organizations in overcoming financial barriers and enable projects that deliver long-term affordability and community benefits.

3. Input from Other Sources

In addition to referring to the Town's AHMP and [Staff Report P2025-30](#), staff consulted with representatives from the County of Simcoe to understand the status of affordable housing developments on municipally owned lands across the County. Staff also consulted with Legal Counsel to understand risks involved with the land disposition options.

This report was reviewed by Department Heads during on April 14, 2026, and the content responds to the advice received.

4. Applicable Policy or Legislation

- [Municipal Act \(2001, as amended\)](#)
- *Planning Act* (1990, as amended)
- Town of Collingwood Official Plan (2024)
- *By-law 03-42 Procedure Governing the Sale of Land by the Town of Collingwood*

Under Pillar #1 Sustainable of the 2024 Community Based Strategic Plan goal to “Encourage more housing options that meet community needs”, a key action is identified as:

Claire de Souza, RPP, MCIP, Housing Development Coordinator

Reviewed By:

Summer Valentine, RPP, MCIP, Director of Growth and Development

CAO Comments:

Endorsed by CAO Skinner on April 15, 2026 to proceed to COW.