

**THE CORPORATION OF THE MUNICIPALITY OF STRATHROY-CARADOC
BY-LAW XX-25**

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

WHEREAS the Council of the Corporation of the Municipality of Strathroy-Caradoc adopted the Strathroy-Caradoc Community Improvement Plan pursuant to Section 28 of the *Planning Act R.S.O c. P.13, as amended*, under By-law 49-20;

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 Strathroy-Caradoc 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 Strathroy-Caradoc held a public meeting on October 20th, 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 STRATHROY-CARADOC AS FOLLOWS:

- 1. **THAT:** Amendment No. 1 to the Strathroy-Caradoc 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 ____ DAY OF NOVEMBER 2025.**

Mayor

Clerk

AMENDMENT NO. 1 TO THE
STRATHROY-CARADOC 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 Strathroy-Caradoc Community Improvement Plan.

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

PART A – PREAMBLE

1.0 PURPOSE AND EFFECT

The Municipality of Strathroy-Caradoc 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 Strathroy-Caradoc;
- 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 Strathroy-Caradoc CIP applies to all lands within the Municipality of Strathroy-Caradoc. 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 Strathroy-Caradoc.

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 Strathroy-Caradoc 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

The fourth paragraph in Section 2.1 is amended as follows:

Development Charges Act - 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) have 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.

The fifth paragraph in Section 2.1 is deleted entirely and replaced with the following text:

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 5.3 is amended as follows:

All instances and references to the term “Garden Suite” are deleted from this Section

Amend the program summary on page 23 as follows:

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The additional unit program is designed to assist property owners with the cost of creating new residential rental units on eligible properties. In addition to new units, this program will also assist property owners with costs associated with bringing non-compliant units up to code to legalize existing units and ensure the safety and wellbeing of tenants is maintained. This program is intended to encourage an increase in the stock and diversity of rental housing options throughout **our settlement areas** ~~the Municipality as well as allow for increased~~ **increasing** density in built-up urban areas with larger lot fabrics.

Amend “Eligible Stream Zones (Schedule A)” as follows:

Eligible Stream Zones (Schedule A)

- ~~• Entire Municipality~~
- Strathroy Settlement Area
- Mount Brydges Settlement Area

Amend “Eligible Works” as follows:

Eligible Works

- Development or redevelopment that results in the creation of a new additional residential rental unit or “Dwelling, Secondary Suite” on a property;
- Works or upgrades that may be required to achieve compliance with building/fire codes and/or the zoning by-law, in order to “legalize” an existing unit;
- ~~• Development or redevelopment that results in the establishment of a “Garden Suite” on a property;~~
- Professional fees for any designs or services reasonably associated with the works above;
- Any combination of the above.

Amend “Incentive Details” as follows:

Incentive Details

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

Building Permit & Planning Fee Grant

The maximum amount of the grant is 75% of the total building permit and planning fees associated with the project, **up to \$2,500.**

Construction Costs Matching Grant

The maximum amount of the grant is 25% of the construction costs of the eligible works, up to \$15,000.

Professional Fee Matching Grant

The maximum amount of the grant is 50% of the professional fees associated with the eligible works, up to ~~\$1,500~~ **\$2,500.**

Amend “Eligible Program Combinations” as follows:

Eligible Program Combinations

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

- ~~• Rural Economic Development & Agri-Tourism~~
- **None**

Sections 5.4 and 5.5 is deleted entirely and replaced with the following:

5.4 ATTAINABLE RENTAL HOUSING PROGRAM

The Rental Housing Support Program is designed to support the creation of new attainable and near-market rental housing units in the settlement areas of Strathroy and Mount Brydges. The incentives available under this program will seek to offset the costs of rental housing development and encourage a further diversification of the Municipality’s housing stock. By supporting housing development and infill within the core areas of the community, we can help reduce long-term infrastructure costs and impacts on the environment, while improving housing affordability.

Eligible Stream Zones (Schedule A)

- Strathroy Settlement Area
- Mount Brydges Settlement Area

Eligible Works

Development or Redevelopment that results in the creation of one or more new rental housing units where at least 25% of all units in the development are rented at or below Average Market Rent (AMR). For clarity this program supports housing creation in residential-only and mixed-use developments.

Incentive Details

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.

2. Professional Fees Matching Grant

Grant equal to 50% of the Professional Fees associated with the Eligible Project, up to a maximum of \$10,000, for the entire project.

3. Tax Increment Grant (TIG)

TIG amounts will be determined in accordance with the level of attainability achieved, which is measured as a percentage of the current Average Market Rent (AMR) for the respective unit type/size, as defined by the Canada Mortgage and Housing Corporation (CMHC) and shown in the table below.

Attainability Level	Percentage of AMR
Average Market	91% to 100%
Near-Market	81% to 90%
Attainable	≤ 80%

The Municipality of Strathroy-Caradoc 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 Attainability Level described above.

Attainability Level	Grant Details
Average Market	Annual grant of up to \$2,000 per unit, rented and maintained at this affordability level.
Near-Market	Annual grant of up to \$3,500 per unit, rented and maintained at this affordability level.
Attainable	Annual grant of up to \$5,000 per unit, rented and maintained at this affordability level.

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 attainability, the combined maximum of which shall not exceed 50% of the tax increment annually.

Eligibility Criteria

In addition to the general criteria outlined in Section 7.3, the following eligibility criteria apply to projects under this program:

- 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 25% of the total rental housing units in the development must be rented at or below Average Market Rent (AMR) for a minimum period of 25 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 grants, 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 annual grant offered under the Tax Increment Grant (TIG) shall not exceed 50% of the tax increment.

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 Attainable Units rented at 80% or less of AMR 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 (attainable 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.
- 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 Strathroy-Caradoc has confirmed the rent levels are in accordance with the requirements of the CIP and any funding agreement(s).

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- **Conversion of ground-level non-residential floor space to residential is not eligible for funding under this program, unless explicitly permitted by the Municipality in its sole discretion;**
- **Projects located within Downtown Strathroy shall be subject to the requirements of the Downtown Strathroy Urban Design Guidelines.**

Eligible Program Combinations

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

- **Environment & Sustainability**

Section 5.10 is amended as follows:

Amend the program summary on page 36 as follows:

The Environment and Sustainability Program is intended to incentivise environmentally conscious development practices and improvements that reduce the impact of our build environment on the natural environment. This program will encourage the pursuit of improvements to buildings and properties that incorporate Low Impact Design (LID) elements, green technologies, sustainable building materials, energy efficiency, and/or active transportation. **This program is intended to support improvements to both non-residential and multi-unit residential buildings used for rental housing and is designed to complement existing provincial and federal funding opportunities.**

Delete the entirety of “Eligible Works” and replace with the following:

Eligible Works

Retrofits or upgrades to a building that directly improves building sustainability, climate resilience, or energy efficiency, such as but not limited to:

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

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Site design improvements that are designed to promote climate-resiliency and sustainable practices, such as but not limited to:

- Provision of active transportation amenities such as permanent bike parking or repair stations;
- Installation of permanent electric vehicle charging stations;
- Development or redevelopment of parking lots or other outdoor on-site facilities to incorporate green infrastructure elements such as but not limited to porous concrete or vegetated stormwater swales/planting beds;

Professional fees for any designs or services reasonably associated with the works above;

Any combination of the above.

Amend the first bullet under “Eligibility Criteria” as follows:

- Only buildings and properties containing the following non-residential uses are eligible for funding under this program:
 - Commercial
 - Office
 - Institutional
 - ~~○ Mixed-use~~
 - Recreational (if directly associated with a business)
 - ~~○ Residential containing a minimum of 3 or more dwelling units (e.g. apartments)~~
 - **Residential buildings and mixed-use buildings containing at least three 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.**

Amend “Eligibility Program Combinations” as follows:

- Eligible Program Combinations
- The grants under this program may be combined with grants from the following programs:
- Beautification
 - Intensification & Redevelopment
 - ~~• Downtown Rental Housing~~
 - ~~• Attainable Rental Housing~~
 - **Rental Housing Support**
 - Heritage
 - Public Art & Interim Use
 - Urban Economic Development
 - Rural Economic Development & Agri-Tourism

Add the following new subsection immediately after subsection 7.5.3:

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
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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 amount of public investment in Housing through the CIP	Tracks how effectively the incentives stimulate private sector participation in affordable housing 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

Add the following new subsection immediately after subsection 7.1.8:

7.1.9 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 Strathroy-Caradoc for the purpose of participating in the grant programs or municipal leadership initiatives defined in this CIP.

Within the Glossary, delete the entirety of “Attainable Rental Housing” and replace with the following definition:

Attainable 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 will 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 “Agri-Tourism”:

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

Within the Glossary, add the following definition immediately after “Targeted Sector”:

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.

PART C – APPENDICES

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