CORPORATE POLICY and PROCEDURE		Policy No.: DEV-03 Pages: 11 Effective Date: September 29th, 2026 Supersedes: N/A

SECTION: Development Services

SUBJECT: Affordable Housing and Reserve Fund Policy

PURPOSE

This *Policy* is intended to guide the establishment and administration of the *Affordable Housing and Reserve Fund Policy* and a *Voluntary Contribution Program* to support the creation and continuation of affordable housing within the *Township* of Woolwich (the "*Township*").

This *Policy* provides a clear and transparent framework for collecting voluntary contributions from development applicants and other sources, and for the future allocation of funds from the *Reserve Fund* to affordable housing initiatives.

This *Policy* supports the housing objectives of the *Township*'s Official Plan and *Affordable Housing Framework* by establishing a mechanism through which development applicants and the community can contribute to affordable housing across the *Township*.

This *Policy* is intended to provide a framework for:

a) the voluntary contribution options available to development applicants under this *Policy*; and

b) the collection and administration of contributions to the *Reserve Fund*; and

c) *Township* initiatives or a future grant program to allocate funds from the *Reserve Fund*, once sufficient contributions have accumulated.

DEFINITIONS

"*Additional Residential Unit (ARU) / Accessory Dwelling Unit (ADU)*" means a separate, self-contained dwelling unit which is subordinate to and located within the principal dwelling unit and/or permitted accessory building located on the same lot.

"*Affordability Period*" means the minimum period during which an *affordable unit* must remain affordable in accordance with this *Policy* and any applicable *contribution agreement*.

"*Affordable Housing Development/Affordability Criteria / Affordable Unit*" means

a) In the case of ownership housing, the least expensive of:

i) Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or

ii) Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area.

b) In the case of rental housing, the least expensive of:

i) A unit for which the rent does not exceed 30 percent of the gross annual household income for low- and moderate-income households; or

ii) A unit for which the rent is at or below the average market rent (See *Table 1 in* Schedule A*)* of a unit in the Regional market area.

For the purposes of this definition low- and moderate-income households mean, in the case of ownership housing, households with income in the lowest 60 percent of the income distribution for the Regional market area, or in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the Regional market area.

"*Affordable Housing Framework*" means the framework adopted by the *Township* to support and facilitate the delivery of affordable housing.

"*Affordable Housing* and *Reserve Fund Policy"* means this *Policy*, as adopted by the *Council*.

"***Affordable Housing Reserve Fund***" **or** "***Reserve Fund***" means the dedicated reserve fund established by this *Policy* to receive, hold, and allocate contributions for the purpose of supporting the creation, continuation, or retention of affordable housing within the *Township.*

"*Average Market Rent / AMR*" means a measure generated annually by the Canada Mortgage and Housing Corporation (CMHC) through its Rental Market Survey. It captures the average rent charged by private landlords for units, broken down by neighbourhood, urban zone, and the number of bedrooms.

The Maximum Affordable Rent applicable under this Policy is set out in Table 1 in Schedule A.

"*Cash Contribution*" means a voluntary monetary contribution made to the *Affordable Housing Reserve Fund*, whether by a development applicant under Option A-2 of the *Voluntary Contribution Program*, or by an individual, corporation, foundation, charitable organization, or other funding body under Option B, in accordance with this *Policy*.

"*Community Improvement Plan / CIP*" means a municipal planning tool under Section 28 of the Planning Act that permits a municipality to provide financial incentives, such as grants or loans, within a designated community improvement project area to support eligible development, redevelopment, rehabilitation, or community improvement objectives.

"*Contribution Agreement*" means an agreement between the *Township* and a development applicant that sets out the terms of a voluntary contribution made under this *Policy*, including any requirements for *Affordable Units*, *Cash Contributions*, timing of payment, and registration on title.

"Council" means the Council of the Township of Woolwich.

"*Eligible Development Application*" means a development application identified in this *Policy* as eligible, to be introduced to the *Voluntary Contribution Program*, including new residential development proposing five or more dwelling units and any other application type specified by the *Township*.

"*In-Kind Contribution*" means a voluntary contribution made under this *Policy* in the form of affordable dwelling units provided within a development, as opposed to a *Cash Contribution*.

"***Low- and Moderate-Income Households***" means, for ownership housing, households with incomes in the lowest 60 percent of the income distribution for the *Regional Market Area*, and for rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households in the *Regional Market Area*.

"*Regional Market Area*" means the Regional Municipality of Waterloo.

"*Registered on Title*" means that an agreement, notice, restriction, or other legal instrument is registered, against the property in the applicable land registry system so

that it binds the lands and provides notice to current and future owners of the applicable obligations.

"*Township*" means the Township of Woolwich.

"*Voluntary Contribution Program*" means the voluntary program outlined in this *Policy*.

Any other term that is not defined in the DEFINITIONS section of this *Policy* will be interpreted to have the same meaning prescribed to it in the Township's Official Plan and/or Zoning By-law.

SCOPE

This *Policy* applies to the administration of the *Affordable Housing Reserve Fund* and all contributions to and allocations from the *Reserve Fund*. It applies to development applicants who choose to contribute through the voluntary contribution options set out in this *Policy*, and to individuals and organizations that make donations to the *Reserve Fund*. This *Policy* is administered by Development Services, in collaboration with Financial Services.

All contributions made under this *Policy* are voluntary. Nothing in this *Policy* creates a mandatory charge, levy, or condition of any planning or development approval, and a contribution does not guarantee, expedite, or otherwise influence the outcome, timeline, or decision on any application under the *Planning Act*. This *Policy* does not replace or limit any requirements under applicable legislation, including the *Planning Act*, the *Municipal Act, 2001*, and the *Development Charges Act, 1997*, or the policies of the *Township*'s Official Plan**.**

POLICY STATEMENT

The *Township* is committed to supporting the creation and continuation of affordable housing within its communities. To advance this commitment, the *Township* establishes the *Affordable Housing Reserve Fund* and a voluntary contribution program that together provide a dedicated, transparent mechanism for collecting contributions and directing them toward *Township* initiatives.

The *Township* will administer the *Reserve Fund* and the contribution program in a fair, consistent, and accountable manner, in accordance with this *Policy* and all applicable legislation.

POLICY IMPLEMENTATION

1. Delegated Authority

Council has decision-making authority over the *Affordable Housing and Reserve Fund Policy*.

The Director of Development Services (the "DS Director") and the Director of Finance / Treasurer (the "FIN Director") have the following delegated responsibilities:

- DS Director to administer the Policy on a day-to-day basis; and
- DS Director to execute Contribution Agreements on behalf of the Township, provided they are consistent with the Policy; and
- DS Director, in collaboration with FIN Director, to allocate funds from the Reserve Fund for affordable housing initiatives, once sufficient fund has been accumulated over time; and
- DS Director to approve routine administrative updates to Schedule A annually; and
- approve other minor or administrative amendments to the Policy, provided that any substantive changes, including to the contribution range or program options, are brought to Council for approval.

The FIN Director will report to *Council* on an annual basis on the use of the *Affordable Housing Reserve Fund*, including the amount and purpose of any funds disbursed, the amount of contributions received, and the balance remaining in the *Reserve Fund*.

Any amendment to this *Policy* not expressly delegated above requires *Council* approval.

2. Voluntary Contribution Program

The *Voluntary Contribution Program* provides eligible development applicants with the option to support affordable housing in the *Township* through two contribution options. Voluntary contributions may be made either as an *In-Kind Contribution* of *Affordable Units* provided within the development itself, or as a *Cash Contribution* deposited into the *Reserve Fund*, at the applicant's choice. Participation in the *Voluntary Contribution Program* is entirely voluntary and is offered consistently to all eligible applications. *Cash Contributions* received under this *Voluntary Contribution Program* are directed toward *Township* initiatives and may, as funds are received and accumulated in the *Reserve Fund*, support the introduction of a future grant program for affordable housing.

3. Eligible Development Applications

This *Policy* applies to new residential development proposing five (5) or more dwelling units. *Eligible Development Applications* include:

- Site Plan; and
- Draft Plans of Subdivision; and
- Draft Plans of Condominium; and
- Official Plan Amendments and Zoning By-law Amendments involving residential intensification; and
- Residential development projects eligible for municipal incentives or funding under a Community Improvement Plan (CIP).

4. Development Exclusions

This *Policy* does not apply to the following:

- *Additional Residential Unit (ARU) / Accessory Dwelling Unit (ADU); and*
- Developments by not-for-profit housing providers or projects that already provide affordable housing; and
- Minor residential additions or conversions.

5. Uniform Introduction

The *Voluntary Contribution Program* will be introduced consistently to all *Eligible Development Applications* at the pre-consultation stage. Every applicant will receive the same information about the contribution options set out in this *Policy*, presented in a consistent manner regardless of the applicant, the project, or the outcome of prior discussions.

Participation in this *Voluntary Contribution Program* is entirely voluntary. An applicant's decision to participate, decline, or select a particular contribution option will not influence, and must not be interpreted as influencing, the review, timeline, evaluation, or outcome of any development application under the *Planning Act*. This *Policy* does not create a condition of approval, and no *Township* staff, during pre-consultation or any other stage of application review, must represent or imply that a contribution affects the processing or determination of an application.

6. Permitted Sources of Fund

The *Affordable Housing Reserve Fund* may receive contributions from the following sources. The *Township* encourages development applicants and community members to support affordable housing through the voluntary options set out in Section 7.

7. Voluntary Contribution Program Options

Should an eligible development applicant or community member choose to contribute, the following options are available:

Option A-1: In-Kind Contribution (Affordable Units)

The applicant may voluntarily provide *Affordable Units* equal to five percent (5%) of the total residential units within the proposed development. Units provided under this option must:

i. meets the *Affordability Criteria* set out in this *Policy*; and
ii. remain affordable for a minimum of twenty (20) years, or such other period as determined by *Council*, secured through an agreement *Registered on Title*; and
iii. be integrated into the development and be of comparable quality and appearance to the market units.

Option A-2: Cash Contribution

The applicant may voluntarily contribute between one thousand dollars ($1,000) and two thousand dollars ($2,000) per dwelling unit within the proposed development. The contribution amount is determined by Development Services staff and is payable at the time of execution of the *Contribution Agreement*. All contributions received under this option will be deposited into the *Affordable Housing Reserve Fund*. This range may be adjusted from time to time by resolution of *Council* to reflect inflation and changing housing market conditions.

Option B: Philanthropic Contributions and Grants

The *Township* may accept voluntary donations, grants, and philanthropic contributions to the *Affordable Housing Reserve Fund* from private individuals, corporations, foundations, charitable organizations, and other funding bodies. All contributions will be accepted in accordance with applicable *Township* policies, and donations may be eligible for a charitable donation receipt where permitted under the *Income Tax Act*. Grants and contributions will only be accepted where their terms are consistent with the purposes of this *Policy*.

Option C: Intergovernmental Transfers

The *Township* may direct funding received from the Government of Canada, the Province of Ontario, the Region of Waterloo, or other sources to the *Reserve Fund*, where the funding is provided for affordable housing purposes and the transfer is consistent with any applicable funding agreement.

8. Contribution Agreement

Where an applicant elects to contribute under Option A-1, the applicant and the *Township* will enter into a *Contribution Agreement* before the contribution is finalized. For an *In-Kind Contribution*, the agreement will be *Registered on Title* to the lands and will set out, at a minimum:

i. the number, type, and location of the *Affordable Units* within the development; and
ii. the *Affordability Criteria* the units must meet, as defined in this *Policy*; and
iii. the *Affordability Period* and the obligations of the owner during that period; and
iv. requirements for the quality, appearance, and integration of the units.

Where an applicant elects to contribute under Option A-2, the applicant and the *Township* will enter into a *Contribution Agreement* that sets out the contribution amount, the timing of payment, and confirmation that the funds will be deposited into the *Affordable Housing Reserve Fund*.

All agreements will be prepared to the satisfaction of the *Township* and executed prior to the finalization of the applicant's contribution, or at such other time as agreed to by the *Township*.

9. Integration with the Township's Affordable Housing Framework and Official Plan

Affordable Housing Framework

The *Township* has adopted an *Affordable Housing Framework* to support and facilitate the delivery of affordable housing. Under the Framework, development projects that include a minimum of ten percent (10%) *affordable units* may be eligible for enhanced municipal support measures, which may include:

i. a dedicated staff liaison; and
ii. coordinated interdepartmental review; and
iii. expedited processing timelines, where feasible; and
iv. assistance in navigating applicable incentives and funding programs.

Participation in the *Voluntary Contribution Program* is separate from, and does not guarantee, eligibility for these support measures. Any expedited processing or enhanced support will occur within existing legislative requirements and *Township* service standards.

Official Plan

Applicants are required to demonstrate, as part of a complete development application, how the proposed development addresses applicable policies of the Official Plan, including those relating to affordable housing under Chapter 9. Section 9.2.1(j) of the Official Plan directs the Township to consider innovative financial arrangements and other tools or mechanisms to encourage and support the development and maintenance of non-profit and affordable housing, and the Policy operationalizes this

direction through a voluntary contribution mechanism. While contributions under the Policy remain voluntary and are not a condition of development approval, they may represent one means by which an applicant chooses to address and respond to applicable Official Plan policies as part of a complete application.

10. Review Cycle

This *Policy* will be reviewed by Development Services at least annually from its effective date to ensure it remains consistent with the *Township*'s *Affordable Housing Framework*, applicable legislation, and current housing market data and conditions.

The *Township* may review this *Policy* on an earlier basis where warranted by changes to the *Planning Act*, the *Municipal Act, 2001*, the *Development Charges Act, 1997*, or other applicable legislation, or where directed by *Council*.

Schedule A

Table 1: Average and Below Market Rent

This table sets out affordable monthly rent for the following unit sizes, based on the *Affordable Residential Units for the Purposes of the Development Charges Act, 1997* Bulletin, 2026:

Unit Size	Affordable Monthly Rent (AMR or below AMR)
Bachelor Unit	$1,261
1 Bedroom	$1,438
2 Bedroom	$1,597
3 Bedroom	$1,980

Table 2: Rent based on Income

$ 2,270

Note: Rent that equals 30 percent of the gross annual household income for a household at the 60th percentile of the income distribution for renter households in the local municipality.

Table 3: Affordable Purchase Price

This table sets out affordable purchase prices for the following housing types, based on the *Affordable Residential Units for the Purposes of the Development Charges Act, 1997* Bulletin, 2026:

Housing Type	Affordable Purchase Price
Detached House	$523,800
Semi-detached House	$523,800
Row/Townhouse	$523,800
Condominium Apartment	$459,000

Table 4: Purchase Price based on Income

$ 523,800

Note: Purchase price that results in annual accommodation costs (assumes 5% down payment, 25-year amortization, 5-year fixed mortgage rate, 0.125% house value/month property taxes and 4.0% mortgage insurance premium) which equal 30 percent of gross annual household income for a household at the 60th percentile of the income distribution for all households in the local municipality.