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Community Improvement Plans (CIPs)  
Financial Aspects

Northwestern Ontario Municipal Conference  
2017

# Important Notice

- The information in this presentation deals in a summarized fashion with complex matters and reflects legislation, policies and practices that are subject to change.
- The examples and links listed are the responsibilities of the municipalities or persons who implemented them.
- This information should not be relied upon as a substitute for specialized legal or professional advice in connection with any particular matter and should not be construed as legal or professional advice by the Ministry of Municipal Affairs and Housing. The user is solely responsible for any use or the application of this information.

# Legislation

- Section 28 of the *Planning Act*
- Sections 106 and 365.1 of the *Municipal Act, 2001*
- Other legislation may apply

# CIPs and Bonusing – Municipal Act

## What is bonusing?

**106. (1)** Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose. 2001, c. 25, s. 106 (1).

### Same

**(2)** Without limiting subsection (1), the municipality shall not grant assistance by,

- (a) giving or lending any property of the municipality, including money;
- (b) guaranteeing borrowing;
- (c) leasing or selling any property of the municipality at below fair market value;  
or
- (d) giving a total or partial exemption from any levy, charge or fee. 2001, c. 25, s. 106 (2).

**(3) Exception – Subsection 1 does not apply to a council exercising its authority under subsection 28(6), (7) or (7.2) of the Planning Act or under section 365.1 of the municipal Act.**

# CIP Approval Authority

- Municipalities are required to consult with the Ministry of Municipal Affairs and Housing prior to adoption of a CIP
  - Process details in the *Planning Act*
- No formal Ministry approval is required

# **FINANCIAL INCENTIVES – GRANTS AND LOANS**

# Limits to the Amount of Financial Incentives

Subsection 28(7.3) of the *Planning Act* limits the amount of grants or loans, and tax assistance that can be provided by a municipality in a CIP to “the eligible cost of the community improvement plan....”

Cannot exceed  
eligible costs



# Issues Around Grants

No statutory definition in the *Planning Act*

Municipalities may consider grants to offset fees

Waiver of Fees is not the same as Grants

- The term “waiver” can only be used where it is achieved through an amendment of the appropriate by-law, and where legislation permits this to occur (e.g., development charges by-law). However, the CIP may provide grants or loans which are equivalent to the amount of a municipal fee or charge.



# “Rebate” vs. “Grant”

- Rebate implies sense of entitlement, while grant sounds more discretionary
- A rebate implies a return of part of a payment, serving as a discount or reduction, while grant conveys the sense of giving or conferring something
- Transparency and accountability

# Grants / Loans to Owners, Tenants and Assignees

Section 28 (7):

For the purpose of carrying out a municipality's community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, **to pay for the whole or any part of the eligible costs of the community improvement plan.**

# Examples – Incentive Programs

Feasibility /Design Grant Program

Façade Improvement Program

Residential Grant Program

Brownfield Financial Tax Assistance  
Program

Tax Increment Grant Program

Fees Grant Program – planning  
applications, building permits, sign permits

# Best Practices – Program Requirements:

- No Tax Arrears
- Provisions in Case of Property Sale
- Performance Based Grants
- Retroactivity

# Thankyou - Questions



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