

Appendix 3 – Examples Financial Incentives for Sustainable Development Standards and Considerations (March 2025)

1. **Development Charge Rebate/Refund:** Development Charge (DC) reductions, exemptions, or grants to provide a financial incentive usually after the project is completed and higher-level standards are verified. The City of Toronto has implemented a [Toronto Green Standard \(TGS\) Development Charge Refund Program](#) for verified Tier 2, 3 or 4 projects.

Considerations for King: Any development charge (DC) incentive would need to be replaced by tax funding to avoid shortfalls in the DC reserves. This could introduce an additional financial burden on taxpayers and complicate budget planning, making it unfavourable.

2. **Community Improvement Plans (CIP):** A designated project area where specific policy initiatives are implemented, with various financial incentives available. The City of Richmond Hill recently approved a [CIP for Affordable Housing and Sustainable Design](#).

Considerations for King: The [Township's current CIP](#) focuses on the revitalization of the Village Core areas of King City, Nobleton, and Schomberg as well as the Township's Countryside, including the hamlets, agricultural and rural uses, and the Highway 11 Corridor. The Township currently has an annual budget of \$70,000 to offer CIP grants. If the Township were to consider expanding the program in the future, additional funds will be required through the budget process. The CIP program would also need to be updated.

3. **Feasibility Study Grant:** A grant to aid the design process in identifying cost-effective design features necessary for constructing sustainable practices in buildings. This incentive can be implemented through a CIP.

Considerations for King: Should the Township consider expanding the CIP program to include this type of incentive in the future, it would be necessary to increase the budget for CIP grants. This would ensure adequate funding is available to support an increased number and extent of applications.

4. **Tax Increment Based Rebate:** Partial or complete waiver of property tax for a fixed period of time. This incentive can be implemented through a CIP. This is currently an incentive as part of the Township's CIP and the City of Richmond Hill's CIP for Affordable Housing and Sustainable Design.

Considerations for King: For tax increment-based rebates, additional funding would be required to offset any rebates given and would need to be prioritized with other requests as part of the budget process. This would necessitate prioritizing these rebates over other crucial budgetary

needs, potentially requiring additional budget to provide more rebates which will overall increase the financial burden for taxpayers.

5. **Loan Support:** Offers financial support through a loan to mitigate perceived risks when implementing sustainable design. This incentive can be implemented through a CIP.

Considerations for King: Implementing loan programs would be problematic for the Township because it requires extensive administrative work to manage the loans effectively. Additionally, the loan rates must align with market rates to avoid contravening the Municipal Act, which prohibits municipalities from providing financial advantages to specific businesses (known as municipal bonusing). This administrative burden and the need for compliance can complicate the Township's operations and financial planning.