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# The Regional Municipality of Durham Report

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To: Committee of the Whole  
From: Commissioner of Social Services, Commissioner of Finance,  
Commissioner of Community Growth and Economic Development, and  
Commissioner of Works  
Report: #2026-COW-17  
Date: April 15, 2026

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**Subject:**

Request for Funding Reallocation Under the At Home Incentive Program for Affordable Housing

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**Recommendation:**

That the Committee of the Whole recommends to Regional Council:

- A) That the request by Kindred Works to reallocate \$1,950,000 in approved Regional funding under the At Home Incentive Program (AHIP) from the 1066 Dunbarton Road project in the City of Pickering to their affordable rental housing project located at 15-23 Main Street North in the Township of Uxbridge be approved.
- B) That Regional funding in the aggregate amount of \$4,700,000 consisting of \$1,950,000 in previously approved funds to be reallocated from the 1066 Dunbarton Road project and \$2,750,000 in previously approved funding for the 15-23 Main Street North project to be provided from the At Home Incentive Program Reserve Fund (AHIPRF), be advanced to Kindred Works to support the development and construction of the affordable rental housing project located at 15-23 Main Street North in the Township of Uxbridge, based on the following key construction milestones:
  - 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security.
  - 40 per cent at confirmation of fully enclosed building.
  - 10 per cent at confirmation of occupancy.
- C) That the funding provided by the Region be conditional upon Kindred Works providing written confirmation of funding by all third-party financiers prior to execution of the required Municipal Capital Housing Facilities and Contribution Agreement.

D) That the Regional Solicitor be directed to prepare the necessary by-laws.

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## Report:

### 1. Purpose

- 1.1 The Regional Municipality of Durham (the Region) administers the “At Home Incentive Program” (AHIP) to actively encourage the creation of new purpose-built affordable rental housing projects in Durham.
- 1.2 Kindred Works (KW) is an independent development company established in 2022 in partnership with the United Church of Canada to provide a way to redevelop church lands into mixed-income rental housing. KW has twice been successful in receiving allocations for AHIP funding for its proposed affordable housing projects.
- 1.3 KW was allocated AHIP funds to support the creation of affordable units in the City of Pickering (Pickering) in 2023, and in the Township of Uxbridge (Uxbridge) in 2024. KW has requested the reallocation of approved funds from their Pickering project to their Uxbridge project (see Attachment #1).
- 1.4 The purpose of this report is to summarize both projects and present staff’s recommendations in support of the reallocation request.

### 2. Previous Reports and Decisions

- 2.1 The following provide background information related to this report:
  - a. On March 29, 2023, Regional Council approved the Recommendations for AHIP eligible projects including the 1066 Dunbarton Road project ([Report #2023-COW-13](#)).
  - b. On April 24, 2024, Regional Council approved Recommendations for AHIP eligible projects, including the 15-23 Main Street North project ([Report #2024-COW-15](#)).

### 3. Summary of Kindred Works Proposals

- 3.1 Kindred Works proposed AHIP funded projects are summarized below.

#### **15-23 Main Street North, Uxbridge**

- 3.2 In 2024, KW received a \$2.75 million AHIP commitment to build 25 affordable units of an overall 95-unit project at 15-23 Main Street North in Uxbridge. Redevelopment will occur on the site of the former Trinity United Church on the east side of the downtown.
- 3.3 The project will contain one-, two- and three-bedroom apartments. The project was selected due to its proximity to services and amenities, accessibility, building performance, sustainability and development readiness.

- 3.4 Official Plan and zoning permissions are in place, and the project is currently in the site plan review process.
- 3.5 KW indicates that due to significant unforeseen physical challenges (including soil contamination and poor soil bearing capacity) and the need for a new electrical transformer, there will be additional costs that will affect the project's financial viability.

#### **1066 Dunbarton Road, Pickering**

- 3.6 In 2023, KW received a \$1,950,000 AHIP commitment to develop 13 affordable units within a 41-unit project at 1066 Dunbarton Road in Pickering. The site is currently used as a community and worship space.
- 3.7 The Dunbarton project does not yet have official plan or zoning permissions. KW indicates that the project encountered significant neighborhood opposition regarding the proposed density. In addition, there is a desire to ensure continuity for all current site users including existing childcare services. Therefore, KW is reconsidering this project.

#### **4. Reallocation Request**

- 4.1 KW has requested a reallocation of AHIP funding from the 1066 Dunbarton Road project to the 15-23 Main Street North project as a critical component to move to a formal loan agreement with CMHC.
- 4.2 KW's request aims to maintain affordability to the extent possible. A total of 39 affordable units will be provided in the Uxbridge project with greater depths of affordability (69% of the median market rents, instead of 100% of the average market rents). The request will result in an aggregate increase of one (1) affordable unit, while depths of affordability will also increase. Affordable units will be provided over a 40-year period.
- 4.3 The 15-23 Main Street North project will continue to target equity seeking groups including racialized LGBTQ2S, Indigenous peoples, recent immigrants, and people with disabilities. The project is also proposing more units that will meet enhanced accessibility standards.
- 4.4 The project seeks to spend 80 per cent of construction with local labour and prioritizing Indigenous procurement. Additionally, 10 per cent of all labour hours during construction will be new employment opportunities for equity-seeking groups.
- 4.5 Modern prefabricated methods of construction will be used. The project will meet passive house standards, and targets using 65% less energy than building code minimum requirements. It will include landscaping with native species designed for minimal water need.

- 4.6 It is recommended that the Region support the AHIP reallocation request. With this recommendation, KW will be able to implement a formal loan agreement with CMHC. The Region and KW will then enter into a Municipal Capital Housing Facilities and Contribution Agreement to:
- a. maintain affordable rents for the specified affordability period
  - b. continue to use the eligibility requirements for tenants
  - c. enable the use of capital grants for eligible purpose-built affordable rental housing projects
  - d. provide accountability and reporting requirements
  - e. ensure the proponent provides written confirmation of funding by third-party financiers (if applicable) for which Regional funding will be contingent.
- 4.7 Should Kindred Works decide to seek AHIP funding for a future project at the Dunbarton Road site, they would need to reapply.

## **5. Financial Implications**

- 5.1 It is recommended that the request by Kindred Works to reallocate \$1,950,000 in funding under the At Home Incentive Program (AHIP) from the 1066 Dunbarton Road project in Pickering to their affordable rental housing project located at 15-23 Main Street in Uxbridge be approved.
- 5.2 It is also recommended that Regional funding in the aggregate amount of \$4,700,000 to be provided from the At Home Incentive Program Reserve Fund (AHIPRF) be advanced to Kindred Works to support the development and construction of the affordable rental housing project located at 15-23 Main Street North in Uxbridge, based on the following existing key construction milestones:
- 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security
  - 40 per cent at confirmation of fully enclosed building
  - 10 per cent at confirmation of occupancy.
- 5.3 Further, it is recommended that the funding provided by the Region be conditional upon Kindred Works providing written confirmation of funding by all third-party financiers prior to execution of the Municipal Capital Housing Facilities and Contribution Agreement.

## **6. Relationship to Strategic Plan**

- 6.1 This report aligns with/addresses the following Strategic Direction(s) and Pathway(s) in Durham Region's 2025-2035 Strategic Plan:
- a. Connected and Vibrant Communities
    - C2. Enable a full range of housing options, including housing that is affordable and close to transit.

b. Environmental Sustainability and Climate Action

- E2. Collaborate with partners on the low-carbon transition to reduce community greenhouse gas emissions across Durham Region.

c. Strong Relationships

- S3. Collaborate across local area municipalities, with agencies, non-profits, and community partners to deliver co-ordinated and efficient services.
- S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.

## 7. Conclusion

- 7.1 The At Home Incentive Program provides funding for purpose built affordable rental housing to support the delivery of needed affordable rental housing in Durham. The requested reallocation will enable expediting the previously approved 15-23 Main Street North AHIP project in Uxbridge, anticipated to begin in late 2026.

## 8. Attachments

Attachment #1: Letter from Kindred Works dated February 13, 2026

Respectfully submitted,

Original signed by

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Stella Danos-Papaconstantinou  
Commissioner of Social Services

Original signed by

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Nicole Pincombe. CPA, CMA  
Commissioner of Finance

Original signed by

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Sandra Austin  
Commissioner of Community Growth and  
Economic Development

Original signed by David Dunn, Director, Transportation  
and Field Services for

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Ramesh Jagannathan MBA, M.Eng.,  
P.Eng., PTOE  
Commissioner of Works

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



Sent via Email

February 13, 2026

Gary Muller  
The Regional Municipality of Durham  
605 Rossland Road East  
Whitby, Ontario L1N 6A3

Subject: Kindred Works  
Funding Reallocation Request

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Dear Mr. Muller,

Kindred Works, on behalf of the projects located at 1066 Dunbarton Road, Pickering and 15-23 Main Street North, Uxbridge, is formerly requesting the reallocation of the \$1.95 million in At Home Incentive Program (AHIP) funding from the Pickering project to the development project in Uxbridge.

This request is driven by a commitment to ensuring The Regional Municipality of Durham capital is deployed effectively and without further delays. The reallocation of these funds is critical for two distinct reasons: Escalating costs due to site-specific challenges at 15-23 Main Street, alongside ongoing approval concerns at 1066 Dunbarton Road.

#### Uxbridge Project Background

The development at 15-23 Main Street North in Uxbridge is proposed as a six-storey, purpose-built rental building comprising 95 units, offering a variety of one-, two-, and three-bedroom suites. The subject lands are zoned to permit apartment residential units and Kindred Works is working to finalize a Section 37 agreement with the Township. The project is currently in Site Plan Application phase; having received initial staff feedback, Kindred Works is targeting a resubmission to the Township in early Q2, with construction anticipated to begin in late 2026.

Pre-development investigations at the Uxbridge site have revealed significant, unforeseen physical challenges that have impacted the project's financial viability. Specifically, we have identified soil contamination requiring remediation and poor bearing capacity that necessitates the use of helical piles for the foundation. Furthermore, existing power supply constraints require the installation and ongoing maintenance of a new, owner-owned electrical transformer. Collectively, these site-specific requirements have introduced substantial costs to the development.

These conditions have increased costs to a level where the project requires a restructured capital stack to proceed. We have secured a conditional commitment from the Canada Mortgage Housing Corporation (CMHC) Affordable Housing Fund (AHF) for a combination of repayable and forgivable loans. The reallocation of the Durham AHIP funding is a critical component required to move to a formal loan agreement with CMHC.

### Pickering Project Background

The proposed development at 1066 Dunbarton Road in Pickering originally envisioned 41 purpose-built rental homes, comprising a mix of two-storey townhouses and three-storey walk-up apartments while retaining a portion of the existing church. While the required Zoning By-law and Official Plan Amendments are currently under review, the approval process has encountered significant neighborhood opposition regarding the proposed density. This feedback, coupled with municipal staff comments, requires us to reduce the number of units to address these ongoing concerns.

Consequently, shifting toward a smaller-scale development offers the opportunity to preserve the church building in its entirety and ensure continuity for all current site users, most notably the essential childcare services onsite. A project better aligned with the existing community scale would also allow us to explore expanded programming for these groups. However, this change in direction presents a financial challenge: a smaller-scale project will lack the necessary density to remain financially viable as a purpose-built rental and would severely limit our ability to achieve the original affordability targets. These compounding pressures have compromised the project's feasibility and will delay the deployment of the committed \$1.95 million within the originally anticipated timeframe.

### Preferred Approach

Our proposed path looks to reallocate the funding while aiming to maintain the affordability requirements as best as possible. By transitioning our debt financing to the CMHC's AHF, which we have secured a conditional commitment for a mix of repayable and forgivable loans.

As we enter the final underwriting stage, the reallocation of Pickering funding is the critical component required to ensure project viability. Beyond stabilizing the budget, the shift allows us to deepen the development social impact.:

- 41% (39 units) affordable units: An increase from the original 26% (25 units) target.
- 69% of Median Market Rate (MMR): A deepening of affordability from the initial 100% of Average Market Rent (AMR), as detailed below.

| Bedroom Type | 100% of AMR (Per Month) | 69% of MMR (Per Month) | Monthly Rent Reduction |
|--------------|-------------------------|------------------------|------------------------|
| 1 Bedroom    | 1,264                   | 724                    | (540)                  |
| 2 Bedroom    | 1,664                   | 1,036                  | (628)                  |
| 3 Bedroom    | 1,777                   | 1,139                  | (638)                  |

*Based on CMHC data for The Region of Durham as of February 2025*

- Enhanced Accessibility Standards:
  - 26-30% of units meet accessibility standards
  - Barrier-free common areas
  - Rick Hansen Foundation Gold Certification

Reallocating these funds ensures that AHIP capital is deployed immediately towards a shovel-ready project rather than remaining idle.

By shifting these resources, we are ensuring that AHIP capital is deployed into a shovel-ready project that provides more meaningful impact.

We thank you for your consideration of the request and would be happy to provide any further required information related to the project and its potential impact.