

Proposed Amendments to Policy No. C09-002, Innovative Housing Incentives Policy

(Bolted highlights denote proposed amendments;
Bolted underlined wording denote proposed rewording; and
Highlighted strikethroughs denote proposed deletions)

4.2 Affordable Housing Capital Contribution

- a) The financial assistance provided by the City for affordable housing projects shall be in the form of a grant of up to 10 percent of the total capital cost of the residential portion **for new projects, including the conversion of existing buildings to affordable housing or up to 10 percent of the cost of renovation for existing affordable housing units.** Projects applying for a capital grant will be evaluated using criteria based on priorities in the City's current Housing Business Plan (as summarized in Appendix 1) and may qualify for up to a 10 percent capital grant.
- b) The maximum contributions provided for projects qualifying for the full 10 percent will be: \$25,000 for units with three or more bedrooms; \$20,000 for units with two bedrooms; \$17,000 for one bedroom or bachelor units; \$10,000 per bedroom for residential care homes and shelters; and \$12,000 per unit for renovation of market apartments.

The maximum contributions per unit listed in this section will be prorated for projects qualifying for less than a 10 percent grant. For example: the maximum contribution for a two bedroom unit qualifying for an 8 percent contribution will be \$16,000.

- c) Projects qualifying for a capital grant of up to 10 percent for an affordable rental housing project under the provisions of section 4.2 a) may qualify for a supplemental grant of up to 5 percent of the total capital cost to offset the increased cost of land for locating in an area with a low concentration of affordable rental housing.

This supplemental grant will be equal to the price paid for the land selected for the project less the fair market value of a comparable site in an area with an existing high concentration of affordable rental housing to a maximum of 5 percent of the total capital cost of the project.

- d) **Capital contributions towards the cost of renovating existing affordable rental housing will be to a maximum of 10 percent of the cost of the renovation, not including the value of the existing land and building. Projects will only be eligible to receive a capital**

contribution towards the cost of renovations once every ten years.
Projects involving the renovation of existing affordable rental housing must meet the following criteria:

- i) the housing units must have been in the affordable rental market for at least ten years;**
 - ii) the proponent must agree to keep the renovated units in the affordable rental market for at least ~~ten~~ five more years;**
 - iii) the renovation project must have funding support from the federal or provincial government;**
 - iv) the project must be a ~~complete~~ renovation of all major systems and finishes, such as structural components, foundation, roofing, insulation, doors, windows, mechanical systems, electrical, plumbing, exterior finishes, drywall, paint, floor covering, cabinets, and fixtures;**
 - v) the project ~~should~~ must include incorporate upgrades to achieve a significant reduction in energy use at a minimum, any upgrades with an initial cost that will be recovered by projected energy savings within a ten-year period should be included in the renovation project; and**
 - vi) the application must include a ten-year business plan showing the sustainability of the project over the long term.**
- e) The City will not provide funding for the on-going operations of an affordable housing project, including repairs, replacements of capital assets, or other operational activities.
- f) This incentive is subject to the project meeting the eligibility criteria defined in section 3.1 “Eligibility Criteria – Affordable Housing.”
- g) In lieu of a cash grant, proponents purchasing land pre-designated for affordable housing under the Land Cost Reduction Program may receive a discount on the purchase price of the land equal to the grant that would have been provided under section 4.2 a) and 4.2 c).