

# **CITY OF CHARLOTTETOWN** **AFFORDABLE HOUSING INCENTIVE PROGRAM**

**Policy Number:** P-Admin-2021 (01)

**Originating Committee:**

*Strategic Priorities and Intergovernmental Cooperation*

**Approved By:** City Council

**Date of Approval:** July 26, 2021

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## **Objective**

To both encourage and assist the private and non-profit sectors to come forward with various housing projects under the various provincial funding programs, that will assist the City of Charlottetown in meeting its residents housing demands; thereby creating a larger inventory of affordable and accessible housing stock for all demographics within the City.

## **Strategic Direction**

- 1) To encourage renovation of the City's downtown building stock, including the upper levels (2<sup>nd</sup> floor and above) commercial buildings within the existing downtown core.
- 2) To ensure the City has taxation policies that will encourage further development of its affordable housing stock throughout the City.
- 3) To encourage new development that will provide affordable housing options and opportunities for the City's most vulnerable citizens.
- 4) To ensure the City's Zoning & Development Bylaw reflects the housing affordability challenges experienced by various population segments.
- 5) To recognize that the conversion of residential housing stock to short term rentals (STRs) is occurring at an increasing rate, diminishing long-term housing stock and/or rental options in the City.

## **Eligibility**

- 1) This Affordable Housing Incentive Program is valid if and/or when the City's vacancy rate as determined by CMHC's Quarterly Market Survey is less than 5%.
- 2) Within the City of Charlottetown this strategy applies to:
  - a) Any developer, Provincial Body and Crown Corporation, non-profit agency(s), rental co-operatives and/or other person or organization that provide new affordable housing opportunities and are receiving financial assistance from the Province of PEI through a program designed for affordable housing needs.
  - b) Residential projects that meet the definition of *Affordable Housing* as defined in the City of Charlottetown Zoning & Development By-law.

- 3) In order to qualify for assistance, the housing development must comply with all City of Charlottetown Zoning and Development By-law regulations, Local Building and Fire Codes and that the project has received all the approvals, certificates, permits, including final occupancy, and licenses that may be required at any time and for any reason by the City of Charlottetown.
- 4) These incentives only apply to the property or part-there-of while the property or segment(s) of the property are being occupied as an affordable housing project or unit as confirmed by the provincial affordable housing authority.
- 5) The City of Charlottetown reserves the right to amend and/or alter existing criteria or to impose additional or alternative criteria, as it may deem appropriate.

#### **Incentive Availability**

- i.) The Zoning and Development By-law was amended on March 11, 2019, to include in Regulation 44.1 (Parking Spaces Standards) a reduced parking rate of 0.75 spaces per affordable housing dwelling unit provided that the property is located within 500 metres of a public transit stop.
- ii.) The Zoning and Development By-law was amended on March 11, 2019, to include Regulation 3.12 (Bonus Height Applications) which permits Bonus Height in certain zones in exchange for public benefits in which affordable housing was listed as a public benefit.
- iii.) The policies of the City's Official Plan and its Zoning and Development By-laws requires all residential developments to follow sound planning principles and be developed in residential and/or mixed-use areas only in order to ensure compatible land use planning. Furthermore, the Zoning and Development By-law was amended on March 11, 2019, to include a requirement in Regulation 3.14.1 (Design Review) that Building and Development Permit applications for affordable housing developments be subject to the Design Review process in order to ensure high quality building design.
- iv.) The Planning and Heritage Department implemented a pre-application review process whereby Planning and Heritage Department staff firstly meet with internal and external departments to identify any potential issues or barriers to the approval of the proposed affordable housing development. From there, pre-application consultation meetings can be held with prospective affordable housing developers to provide detailed guidance on the application requirements and applicable approval processes for incentives in order to clarify requirements upfront and provide support to fast-track affordable housing applications.
- v.) The Planning and Heritage Department will provide 50% rebates or part thereof on building permit and development fees taken at time of permit. These fees will be rebated in the form of a grant at the time of Occupancy Permit approval, provided that affordable housing units comply with the affordable housing definition established by the City of Charlottetown Zoning and Development By-law.

vi.) The City offers a diminishing Property Tax incentive on all new affordable housing units meeting and maintaining the City's strategic housing needs for a period up to 10 years as follows:

- 90% municipal property tax in years 1-2
- 75% municipal property tax in years 3-4
- 60% municipal property tax in years 5-6
- 45% municipal property tax in Year 7-8
- 30% municipal property tax in Year 9-10

Payment of benefit shall begin on the first full calendar year following the occupancy of affordable units and shall be remitted upon receipt of payment of final installment of taxes in each year (pro-rated based on number of units occupied).

### **Timely Application Required**

An applicant shall make application for the program when a building permit has been deemed complete by the Planning & Heritage Department. The onus to make a timely application and initiate contracts within the Provincial Affordable Housing Authority rests entirely with the developer.

### **Agreement**

The applicant and the City shall enter into an agreement upon completion of the project. The agreement shall include but not be limited to:

- a.) An approved City of Charlottetown building permit
- b.) An approved City of Charlottetown Occupancy permit
- c.) To continue to receive the annual benefits, the applicant must submit annually confirmation from the Provincial Affordable Housing Authority to the satisfaction of the City demonstrating that the property continues to operate as an affordable housing complex/unit(s).
- d.) Benefits paid under the contract are not assignable without express written permission from the City of Charlottetown via the CAO.

### **Interpretation, Application & Appeal**

The proper interpretation or application of this program shall be determined by the City's CAO or his/her designate. Where in doubt the matter shall be referred to City Council and Council's determination shall be final and binding.

### **Administration**

The City of Charlottetown's Affordable Housing Incentive Program shall be administered by the Planning and Heritage Department who shall report to the Chief Administrative Officer.

### **Amendment**

This program shall be evaluated on a bi-annual basis to determine whether the goals and objectives of the program are effectively and efficiently being met. Council may amend, alter, or terminate the program at their discretion.