

Housing Accelerator Fund Non-Profit Modest Home Ownership Grant (hereinafter referred to as the “Program”)

1. Program Overview/Purpose

The goal of the Housing Accelerator Fund Modest Home Ownership Grant Program is to facilitate opportunities for affordable home ownership to qualified moderate income households to further support the range of affordable options in the City of Fredericton during the Housing Accelerator Fund (HAF) funding period (2024-2026). Non-profit developers as defined below are eligible for funding under this component of the Program subject to Program guidelines.

2. Application

This Program applies to the construction of new dwellings creating additional affordable home ownership opportunities. The Director of Planning and Development, or designate thereof, is solely responsible for administering this Program including approving projects receiving funding and determining the grant amounts for each successful project.

3. Definitions

Non-Profit Developer means a charitable, or non-profit organization or corporation, or housing cooperative, where no part of the income is payable to, or otherwise available for, the personal benefit of any proprietor, member, or shareholder.

CMHC means Canada Mortgage and Housing Corporation

4. Available Grant Amount

A grant amount of \$40,000 per new home ownership unit is available.

Grants under this program may in some cases be combined with other City of Fredericton housing grant programs. Please contact housing@fredericton.ca for additional details.

Funding for a maximum of 10 units per application is available for condominium style development .

As per CMHC requirements for the HAF program, contributions from the City from HAF funds may be used in conjunction with other Provincial, CMHC or federal government programs if applicable and available.

5. Eligibility Requirements

- Units must be located in the City of Fredericton.
- Projects must be connected to municipal water and sanitary sewer services.
- This Program prioritizes projects that are shovel ready but acknowledges that applicants must often seek funding commitments early in the project development process.
- Projects must create net new ownership units; renovations of existing housing units are not eligible.
- Applicants must be the owner of the land or have an agreement of purchase and sale.
- The proposed project must comply By-law No. Z-6, A By-law to Adopt a Municipal Plan for the City of Fredericton, as amended, and By-law No. Z-5, A Zoning By-law for the City of Fredericton, as amended.

- The Applicant must provide proof of sufficient funding to construct the project.
- Only developments that have applied for a building permit after the December 12, 2023 signing of the Housing Accelerator Fund Contribution Agreement between CMHC and the City of Fredericton are eligible for grants.
- If a building permit is not submitted with the application, the proponent must participate in a pre-application meeting with the City of Fredericton and obtain a building permit within nine (9) months.
- Newly constructed units must meet the following specific affordability criteria:
 - Maximum lot frontage 15M for single family homes
 - No garages
 - Minimum of 2 bedrooms
 - 1500 maximum square feet for 2-bedroom units
 - 2500 maximum square feed for 3+ bedrooms
- Successful Applicants will agree to the registration of a restrictive covenant against the title of their land in a form acceptable to the City of Fredericton committing that the successful Applicant, or their successor in title, shall maintain its program of affordable home ownership for a period of twenty (20) years.

Ineligible projects include:

- Secondary suites including Accessory Dwelling Units (ADUs)
- Hostel & Rooming Houses
- Shelters
- Projects that are fully funded (100%) by other government agencies or entities
- Special Care Homes
- Nursing Homes
- Single Room Occupancy Dwellings
- Student dormitory housing with shared amenities
- Short Term Rentals
- Rental Housing

6. Eligible Expenditures

The following expenditures are eligible:

- Construction costs, materials including building and site works
- Construction costs, labour
- Land (lot) purchase
- Water and sewer connections
- Building permits and City fees

7. Ineligible Costs

The following costs are ineligible:

- furnishings and in-unit appliances

- costs associated with the preparation and submission of the application
- Fees/costs specifically covered through other government grants or forgivable loan programs (e.g., Proposal Development Funding) shall not be eligible for a grant under this Program.

8. Application Process/Submission Requirements

An Application Form, in the form attached hereto as Appendix A, must be completed, and submitted **prior to** the commencement of any work and prior to applying for a building permit. Section 2 of the Application Form provides details of which documents must also be attached to the signed Application Form.

9. Project Evaluation

Applications will be reviewed and evaluated in the order they are received.

A committee will review each Grant application. The committee will be comprised of the following:

- Director of Planning and Development or delegate
- City Treasurer or delegate
- Affordable Housing Development Coordinator, Chair

If the Application is not approved, the Affordable Housing Development Coordinator will provide a letter of explanation.

If the request is approved, the Affordable Housing Development Coordinator will notify Applicants and provide a form of Grant Agreement, and other requirements to be satisfied by the Applicant, within thirty (30) days of receipt of the completed and signed Application Form.

Successful Applicants must enter into a Grant Agreement with the City of Fredericton in the form of Appendix B (the "Grant Agreement") ensuring, among other things, affordability for twenty (20) years. The Grant Agreement sets out the terms and conditions of the Grant which include the grant amount and reporting requirements. The successful Applicant will also agree to the City of Fredericton registering a restrictive covenant against the title of their land.

In addition, successful Applicants shall ensure that if they sell or transfer the property, they will secure the commitment to affordability as required by the Program from the purchaser, for any remainder of the original minimum period of twenty (20) years.

When multiple applications are received at the same time, funding will be committed to projects in the order they were received. Eligible projects that are not selected and funded during the first cycle may be added to a waitlist and evaluated against projects in other HAF funding cycles. If construction has proceeded on projects that did not originally receive funding, applicants must submit a statement of continuing need for funding.

Grant funding is dependent on the receipt of federal funding from the HAF and grants will be available until HAF funding is depleted for any year under the three (3) year program. The grant may be cancelled at the sole and absolute discretion of the Director of Planning and Development where the HAF funding is depleted or revoked.

10. Disbursement Process

- All payments will be made by direct deposit only.
- Grants under the program will be paid at the time a building permit is issued.
- Notwithstanding the above, disbursements of funds may be provided prior to project completion should special circumstances arise. A business case must be prepared and submitted to the Director, Planning and Development for consideration.
- Successful applicants must allow City of Fredericton staff access to the site upon request.
- Successful applicants must provide the following documents to the City of Fredericton Planning Department:
 - Any other documentation indicated in the letter of confirmation or as requested by the City of Fredericton; and
 - Name of the homeowner, once units are transferred from the non-profit society

Should the Applicant not obtain a building permit within nine (9) months of grant approval the grant will expire and be rescinded. Any funds committed to the project will be reallocated to other projects unless there are extenuating circumstances acceptable to the Director of Planning and Development.

Grants will not be disbursed if the Applicant has property tax arrears or water/sewer arrears with the City or if the project is in violation of City of Fredericton by-laws or has any outstanding City orders.

This Program expires upon the disbursement of all HAF funds.

11. Contact Information

Affordable Housing Development Coordinator
housing@fredericton.ca

Appendix A

Housing Accelerator Affordable Home Ownership Grants Program

Note: All sections must be completed, and all required documents attached before the application can be reviewed. The application should be sent to housing@fredericton.ca

SECTION 1 – Applicant Information

Civic Address of the Project _____

Property ID (PID): _____

Name of Applicant: _____

Mailing Address: _____

Postal Code: _____

Telephone: _____ E-Mail: _____

Contact Person: _____

Person authorized to legal bind / sign documents on behalf of the entity: _____

Charitable Registration No. (if applicable): _____

Non-profit organization: _____

Are you the legal owner of the property? Yes No – Please indicate the legal owner’s contact information below

Owner: _____

Email Address: _____

Phone: _____

Mailing Address: _____

TO BE COMPLETED BY THE PROPERTY OWNER

Are you currently in good standing with the City of Fredericton, meaning you have no unpaid taxes, water/sewage fees or outstanding property related by-law violations? Yes No

Owner's Printed Name

Owner's Signature

DD/MM/YYYY

SECTION 2 – Documents to attach:

The following documents must be attached to your signed Application Form:

- a. Cover letter
- b. A description outlining the experience of the Applicant in the construction/development of housing projects:
 - i. Number of years of experience
 - ii. Existing properties owned and managed by the Applicant including the name and address of each property and the number of units
- c. Description of the proposed development.
- d. Description of the population targeted for the ownership initiative and the methods used to ensure affordability.
- e. Program description, if applicable, under which the affordable ownership units are being developed. (i.e., Habitat for Humanity or other provincial/federal programs)
- f. Proposed sale prices – if available.
- g. Project schedule.
- h. Target market – e.g., singles, families, seniors for the number of units allocated to each .
- i. A copy of the long-term land lease agreement or deed or transfer for the property on which the units will be situated. Applicants must have a registered interest in the property identified in the application based on the Service NB Property Identifier Number (PID); or an agreement of purchase and sale.
- j. Confirmation of funding from federal and/or provincial housing programs, if applicable.
- k. Confirmation that any additional funding required beyond confirmed government sources is available to complete the project. Letters of commitment from a Canadian Financial Institution attached where appropriate.
- l. Confirmation of the total number of units in the project.

NON-PROFIT AND CHARITABLE ORGANIZATIONS MUST ALSO ATTACH:

- m. A copy of your letters patent or other incorporating documents.
- n. Resolution of the Board of Directors authorizing the Project.
- o. List of Board of Directors.
- p. Five (5) years of audited financial statements.

CERTIFICATION

The Applicant acknowledges, accepts, and certifies that it will comply with and abide by the terms and conditions of the Program and the Grant Agreement.

The Applicant certifies that it has read and understands the requirements of the Program, and the Grant Agreement, and that the Applicant's proposed project meet such requirements.

The Applicant certifies that that information contained in this Application Form is true, correct, and complete and that it may be verified by the City of Fredericton.

The Applicant further acknowledges and agrees that the Program is subject to cancellation and/or change at any time by the City of Fredericton, in its sole and absolute discretion.

Dated at the City of Fredericton this _____ (day) of _____ (month),
_____ (year).

Name of Owner or Authorized Agent

Title

Signature of Owner or Authorized Agent

I have the authority to sign on behalf of the organization named below.

Name of organization

Submit the completed application form and attachments via email to: housing@fredericton.ca

FOR LOCAL GOVERNMENT USE ONLY

To be completed by City of Fredericton staff

Application Number: _____

The application is/is not approved in the amount of \$ _____ payable to

_____.

Director of Planning and Development (or designate)

Date: _____, 20__