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|  | <b>Affordable Housing Incentives</b> |                      |
|   | <b>Policy Type:</b>                  | Executive Limitation |
|   | <b>Number:</b>                       | EL-F-2.2             |
|   | <b>To be Reviewed:</b>               | Once per term        |
|   | <b>Approval Date:</b>                | June 24, 2024        |
|   | <b>Motion Number:</b>                | 24.C.218             |
|   | <b>Revised Date(s):</b>              |                      |

## Policy Statement

This policy identifies what types of decisions and actions the Chief Administrative Officer (CAO), and or designates **may not do** in order to achieve Council’s Ends.

These limitations set boundaries regarding the facilitation of the development of affordable housing projects within Okotoks through financial incentives to attract investment from other levels of government and as to what means to achieve the Ends **would be unacceptable** even if the means worked.

Without limiting the scope of the above statement, financial incentives shall not be provided to non-profit organizations to provide affordable housing units in Okotoks that do not:

- increase the supply of affordable rental, supportive or transitional housing units in Okotoks for low and moderate income households;
- leverage funding opportunities from senior levels of government;
- complement the Town’s housing friendly policies and regulations; and/or
- attract and retain a stable local workforce through provision of diverse and affordable rental housing.

### 1. General Eligibility Criteria

In order to facilitate the development of affordable housing projects through financial incentives, the CAO shall not permit:

- 1.1 Non-profit applicants that do not comply with the specific conditions and requirements as outlined in this policy;
- 1.2 Projects that do not result in the creation of at least 5 new affordable rental, supportive or transitional housing units;
- 1.3 New construction, commercial to residential conversions, and unit acquisition that do not provide the minimum number of new units required;
- 1.4 Projects that are not located within the Town of Okotoks and do not have access to full municipal servicing; and
- 1.5 Projects that are not approved by a federal or provincial affordability focused program (e.g. those provided by CMHC or a provincial grant program).

## 2. Capital Incentives

In order to ensure capital incentives off-set costs associated with constructing, converting or acquiring units for the purposes of providing affordable rental, supportive or transitional housing units, the Chief Administrative Officer shall not permit:

### 2.1. Building Permit Fee Rebates

Approval of building permit (municipal portion) fee rebates unless:

- i. The project includes a mix of affordable and market based rental units, provided at least 50% of units are designated as affordable, to receive a building permit fee rebate for all units;
- ii. The project has approval by a federal or provincial affordability focused program, prior to any building permit fee rebates; and
- iii. The rebate does not exceed 50% of the building permit fee to a maximum of \$50,000 for the project.

### 2.2. Capital Grant

Approval of capital grants that exceed \$15,000 per dwelling unit to a maximum of \$150,000 per project unless:

- i. The applicant has not received a financial incentive through the purchase of land from the Town at a discounted rate;
- ii. The grant is used to offset construction and design costs, or to purchase dwelling units for the purposes of providing affordable rental, supportive or transitional housing;
- iii. The grant supports purchase of dwelling units subject to an agreement between the non-profit applicant and 3<sup>rd</sup> party to transfer ownership of the land and unit(s) to the non-profit organization;
- iv. The project receives funding support through a federal or provincial affordability focused program;
- v. Deny conditional approval of grant for projects that meet the requirements of this policy and require municipal support as a criteria for federal/provincial support;
- vi. Operating costs are excluded;
- vii. The applicant enters into an agreement with the Town to maintain the units as affordable for a minimum of 20 years;
- viii. The project has a lapse in development or building permits, approved grants will be cancelled;
- ix. Requests for funding that exceed \$15,000 per dwelling unit are approved by Council and do not:
  - propose rents that are affordable (not to exceed 30% of income) to households earning less than 50% of the area median household income for Okotoks as determined through the most recent federal census;
  - include a commitment to maintaining units as affordable for more than 20 years, as determined by Council;
  - demonstrate how the proposal addresses the greatest needs in the community as identified in the most recent housing needs assessment;

- commit to building sustainability measures that improve energy efficiency, water conservation and reduced greenhouse gas emissions produced by building operations.
- 2.3. The Chief Administrative Officer shall not permit any financial incentive payments under this policy until the project has been completed and a permit services report confirming occupancy has been granted.

### **3. Definitions**

- 3.1. Affordable - means rental rates that are established through a federal or provincial affordability focused program, unless otherwise specified in this policy.
- 3.2. Capital Costs - means the costs associated with constructing, converting or acquiring units for the purposes of providing new affordable units.
- 3.3. Building Permit Fee - means the municipal portion of all applicable Building Permit fees associated with a new construction or conversion project that results in new affordable units. Excludes assessment administration fees and site licences fees.
- 3.4. Operating Costs - means costs related to the operation and management of new affordable units after occupancy has been achieved. These costs generally include insurance premiums, legal fees, utilities, property taxes, maintenance and repair costs.
- 3.5. Supportive Housing - is subsidized housing with ongoing supports ongoing assistance aligned with need. The level of support varies from low to minor to full support to house people stably in the longer-term, or enable transitions to other forms of housing.
- 3.6. Transitional Housing - is intended to offer a supportive living environment for its residents, including offering them the experience, tools, knowledge and opportunities for social and skill development to become more independent. It is considered an intermediate step between emergency shelter and supportive housing and other independent housing forms. Stays are typically between three months and three years.