

## AFFORDABLE RENTAL HOUSING EXTENDED BENEFIT GRANT PROGRAM GUIDE

### 1) Program Description

The goal of this grant is to bridge the gap between the rent levels which are the prescribed definition of affordable and the deep level of affordability that some individuals require. Eligible projects may receive the Extended Benefit Grant (EBG). The EBG program aims to support the provision of rents as deeply as 20% of Average Market Rent (AMR) through to 60% of AMR unless otherwise defined in the program guide. The grant will provide:

- a) A maximum \$6,000.00 per affordable rental unit per year
- b) for up to 10 units per property
- c) for a period of five (5) years

### 2) Who can apply?

Only projects which have been approved for and met all requirements of the Tax Increment Grant (TIG) Program and/or Affordable Residential Forgivable Loan (ARFL) Program, including completion of the approved eligible works, construction of the proposed building project, and substantial building occupancy, may apply for this program. Visit [Affordable Rental Housing Community Improvement Plan](#) for more eligibility requirements. The City retains the right and absolute discretion to reject an application received from a person or corporation which in the opinion of the City or its professional advisers, does not possess the experience, financial, technical, personnel or other resources that may be required to carry out the obligations that the applicant proposes to assume under the terms of its application and grant agreement.

### 3) How does the program work?

Funding for this program is subject to availability and applications are taken on a first come basis. The property owner of the eligible unit will receive the difference between the 80% CMHC AMR and the rent level of the unit in a lump payment equivalent to a 12-month rental period. The grant

will be paid annually once the required documentation confirming the affordable dwelling units were rented to a tenant at the specified affordable rent is submitted to City Staff. The submission of required documentation is the responsibility of the property owner. Upon approval the applicant will enter into an agreement with the City.

#### **4) What types of work are eligible for a grant?**

An eligible project must:

- create rental housing that is deeply affordable (as deeply as 20% of AMR through to 60% of AMR)

#### **5) What conditions must be met to be eligible for a grant?**

In addition to the General Program Requirements, the following program specific requirements must also be met:

- Must be a purpose-built rental unit;
- Must be approved for and met all requirements of the Tax Increment Grant (TIG) Program and/or Affordable Residential Forgivable Loan (ARFL) Program, including completion of the approved eligible works, construction of the proposed building project, and substantial building occupancy;
- The rent must be 60% of AMR or below to a limit of 20% AMR, or at a level identified in the program guide;
- At the start of the tenancy agreement the tenant household must have a household income which is not greater than the Household Income Limits for low- and moderate-income households who are eligible to apply for financially assisted housing through Niagara Regional Housing;
- The unit may be a new or existing unit that meets the rent level requirements (grants will not be paid retroactively);
- The unit must be physically maintained as agreed to within a signed agreement between the City and the program applicant;

- Individual condominium units are not eligible for the EBG program;

#### **6) Is there a fee to apply?**

No.

#### **7) When will the grant funds be advanced?**

The grant will be advanced in full when:

- A final inspection has been made, and occupancy permit has been issued by the municipality for the unit in the event of new or redevelopment;
- a Grant Agreement has been signed and executed;
- Proof through a lease or other documentation as required by the City that the dwelling unit is occupied by an arm's length tenant at an affordable rent is submitted by the property owner;
- The required proof of rental level is submitted to the City and City Staff give approval;
- The City may also require an annual audit from a certified third party at the expense of the applicant confirming the affordable dwelling units were rented to a tenant and at an affordable rate for the term of the agreement;
- Confirmation the property has no outstanding work orders, taxes arrears, local improvement charges, or any other charges of the City or other agencies.

#### **8) What are the default provisions?**

The default provisions are contained in the Grant Agreement. Payment of the grant may be cancelled if:

- the applicant declares bankruptcy;
- the applicant uses the grant for works that are not eligible for this program;
- property taxes on the property are more than three (3) months in arrears;
- the applicant fails to maintain the development as required in the Grant Agreement;

- the dwelling units are not occupied by an arm's length tenant at the specified affordable rent; and,
- the applicant is in default of any of the provisions of the Grant Agreement.

### **9) How do I apply for a grant?**

- a) Arrange a pre-application meeting with staff to determine program eligibility, proposed scope of work, project timing, etc....
- b) If authorized to apply for a grant, complete and submit the application form. Ensure that all required signatures have been provided and that the application is accompanied by all required documentation as shown in the required documents checklist.

### **10) What happens next?**

- Applications and supporting documentation are reviewed by staff to ensure that they meet all the eligibility requirements. If your application does not meet the eligibility requirements, you will be notified of this in writing.
- Staff may request clarification or additional supporting documentation.
- Staff may require the applicant to present their project to the City's Affordable Rental Housing Committee.
- Once you have submitted a complete application, you will be notified of this in writing.
- A recommendation on the grant application will be made by staff and forwarded to Council or Council's designate.
- You will be notified in writing of the decision made by Council or Council's designate on your application.
- If Council or Council's designate approves of your application, you will be sent a Grant Agreement for your signature, and then the grant agreement will be executed by the City. A copy of the executed agreement(s) is then returned to you for your records.
- Construction of the approved works may now commence, subject to issuance of a building permit(s).
- Contact City staff toward the completion of the works.
- Submit to the City copies of paid invoices.

- Upon review and approval of all submitted documentation, the City will issue a grant cheque to the applicant for the full amount of the approved funding.
- The applicant will be asked to complete a grant receipt form and return this to the City.
- The City reserves the right to audit the cost of the works prior to advancing the grant payment.

**For further information on this program, please contact Nicolas Aiello, Planning Supervisor - Policy at (905) 735-1700, Extension 2132 or via e-mail at [nicolas.aiello@welland.ca](mailto:nicolas.aiello@welland.ca)**