

AFFORDABLE RENTAL HOUSING TAX INCREMENT GRANT PROGRAM GUIDE

1) Program Description

This program offers a percentage rebate on the annual municipal property taxes (City portion only) derived from the increased assessment value generated by an eligible affordable rental housing project.

2) Who can apply?

Private property owners and non-profit housing providers interested in developing affordable housing within the CIP Project Area (Urban Area Boundary identified in the City of Welland Official Plan) which are eligible for program incentives under the CIP. 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?

The annual grant will range from 60% to 80% of the increase in annual property taxes dependent on the net percentage of affordable units developed for a duration of 10 years. The grant value is as follows;

- 30% - 54% Affordable Units = 60% Tax Increment Percentage
- 55% - 79% Affordable Units = 70% Tax Increment Percentage
- 80% - 100% Affordable Units = 80% Tax Increment Percentage

This grant may be combined with other CIPs in the City (not including other Tax Increment Grants) however the grant shall in no instance exceed the eligible costs. The program is structured as a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the project.

Then, as the municipality receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant.

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

The Development or Redevelopment of properties to create Affordable Rental Housing Dwelling Units. An eligible project must:

- result in an increase in the assessed value and taxes on the property involved.
- create at least 5 new affordable rental units.
- create a minimum of 30% affordable units out of total residential units.

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:

- Any non-profits or other tax-exempt bodies may not be eligible for the Tax Increment Grant;
- Grant does not apply to Additional Dwelling Units;
- The applicant/property owner will provide a statement to the City of Welland annually confirming the affordable dwelling units remain affordable for the term of the agreement as well as a statement or other evidence as identified to show that the units are in good repair;
- 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;
- Individual condominium units are not eligible for the TIG program;
- The City may require the applicant to submit for approval impact studies such as traffic studies and studies of microclimatic conditions (sun, shadow, wind); and,
- The applicant will be required to submit at least two (2) cost estimates from bona fide licensed contractors, including a detailed breakdown of costs;

6) Is there a fee to apply?

No.

7) When will the grant funds be advanced?

The grant will be advanced in full when:

- The eligible project is complete;
- Final building inspections have taken place;
- An occupancy permit has been issued (as applicable);
- All deficiencies have been addressed;
- The property has been reassessed by the MPAC;
- The new property taxes have been paid in full for the year; and,
- The confirmation documentation for each year has been submitted to and approved by the City.

8) What are the default provisions?

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

- property taxes on the property are more than three (3) months in arrears;
- the applicant declares bankruptcy;
- the applicant uses the grant for works that are not eligible for this program;
- the applicant fails to maintain the development as required in the Grant Agreement; and,
- the applicant is in default of any of the provisions of the Grant Agreement.
- the dwelling units are not occupied by an arm's length tenant at an affordable rent

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.
- Once you have submitted a complete application, you will be notified of this in writing.
- Staff will perform an initial site visit(s) and inspection(s) of the property (as necessary).
- Staff may require the applicant to present their project to the City's Affordable Rental Housing Committee.
- 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.
- Upon completion of the works, staff will conduct a final site visit(s) and inspection(s) (as necessary) to ensure compliance with the Grant Agreement.
- 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 once the new property taxes have been paid in full for the year;
- 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