

Effective Date
January 1, 2024

Approving Authority
City Council

Policy Owner
Director, Indigenous
Relations

2024-01-CM

Housing Incentives Policy

Purpose & Scope

Purpose

- 1 The objectives of the incentives provided under this policy are:
 - (a) to support below market, affordable and accessible housing options,
 - (b) to stimulate below market and affordable rental housing development,
 - (c) to encourage housing development that makes efficient use of established City infrastructure and helps build vibrant, sustainable and inclusive neighbourhoods,
 - (d) to better aim the City's resources where there are gaps in the private market's ability to address housing needs, namely the needs of low-income households, and
 - (e) to encourage diverse housing options including housing for distinct and special needs groups.

Scope

- 2 Providers of affordable, accessible and rental housing including non-profit organizations, private developers and property owners.

Policy Provisions

Definitions

- 3 The following definitions apply to this policy:
 - 3.1 **Affordable ownership unit** means a dwelling unit that is sold to a household whose income is at or less than the maximum income threshold (for affordable ownership units).

- 3.2 **Affordable rental unit** means a dwelling unit that is rented to a household whose income is at or less than the maximum income threshold and at a rate that is at or less than the maximum rental rate (for affordable rental units) or, for units receiving tax exemptions for rental repair, the affordability criteria of the CMHC program from which the project is receiving funding.
- 3.3 **Applicant** means a non-profit housing provider or private sector developer that is the registered owner of the lands for which they are applying for financial incentives under this policy.
- 3.4 **Application** means a single application for incentives under this policy for the creation of one or more dwelling units or on-site support suites, or the repair of existing dwelling units or residential buildings.
- 3.5 **Assessed value** means the value of a property as determined by the City Assessor in accordance with *The Cities Act* and the Saskatchewan Assessment Manual adopted by the Saskatchewan Assessment Management Agency.
- 3.6 **Assisted care rental unit** means a self-contained, purpose-built rental unit available to any tenant that includes common areas for dining and socialization, and services such as meals, housekeeping and personal care but excludes a group care facility or personal care home.
- 3.7 **Backyard suite** means a subordinate, self-contained dwelling unit within an accessory building or portion of an accessory building, in the side or rear yard, on a lot that contains a principal dwelling unit, as defined in *The Regina Zoning Bylaw No. 2019-19*.
- 3.8 **Branch Manager** means the manager of the branch primarily responsible for administration of this policy, or their designate.
- 3.9 **Builder** means an individual or incorporated entity that constructs dwelling units for which an application has been made for financial incentives under this policy but does not include the non-profit housing provider or private sector developer that owns the land on which the dwelling units are situated.
- 3.10 **Building** means a structure used for the shelter or accommodation of persons, animals, goods, possessions, or equipment, having a roof which is supported by columns or walls situated on private property when so used.
- 3.11 **Building permit** means a permit issued under *The Building Bylaw* of the City of Regina authorizing the construction of a building.

- 3.12 **Capital grant agreement** means an agreement entered into between the City and a registered owner to allow the City to provide capital grants to the registered owner upon completion of a project and the owner meeting all other terms of the capital grant agreement.
- 3.13 **City Assessor** means the City of Regina City Assessor or their designate.
- 3.14 **City Manager** means the City of Regina City Manager or their designate.
- 3.15 **CMHC** means the Canada Mortgage and Housing Corporation.
- 3.16 **Condominium** means the land included in a condominium plan together with the buildings and units and the common property and common facilities belonging to them.
- 3.17 **Detached dwelling unit** means a dwelling unit contained in a "Building, Detached" as defined in *The Regina Zoning Bylaw No. 2019-19*. A detached dwelling unit may also contain a secondary suite subject to the regulations of *The Regina Zoning Bylaw No. 2019-19* as amended from time to time.
- 3.18 **Director** means the director of the department primarily responsible for administration of this policy, or their designate.
- 3.19 **Duplex** means a dwelling unit contained in a "Building, Stacked" with two dwelling units as defined in *The Regina Zoning Bylaw No. 2019-19* as amended.
- 3.20 **Dwelling unit** means a self-contained living unit of one or more rooms containing cooking facilities, sanitary facilities, living quarters and/or sleeping quarters.
- 3.21 **Emergency shelter space** means a space where an organization provides shelter to individuals on an emergency or temporary basis, typically within a property with a land use of Institution, Humanitarian Service, as defined in *The Regina Zoning Bylaw No. 2019-19*.
- 3.22 **Funding commitment** means a commitment by the City, authorized by the Director, to provide an amount of funding or maximum amount of funding for a project upon fulfilling the criteria to receive payment.
- 3.23 **Gross household income** means the combined total annual income of the purchaser(s) or all persons 18 years or older living in an affordable rental unit, as identified in the most recent notice of assessment issued by Revenue Canada and includes all income before taxes and deductions.
- 3.24 **Group care facility or personal care home** means a supervised dwelling unit, contained in a "Building, Detached, "Building, Row", or a "Building, Stacked" as defined in *The Regina Zoning Bylaw No. 2019-19* as amended and licensed or approved under provincial statute, for the accommodation of persons, excluding staff, referred by hospitals, courts, government agencies or recognized social services agencies or health officials. This does not include an assisted care rental unit.

- 3.25 **Major repair** means where a dwelling unit is deemed to be unsafe or unsuitable for habitation by Fire & Protective Services, Regina Police Services, Ministry of Health, Bylaw Enforcement or Building Standards.
- 3.26 **Market ownership units** means units constructed without requirements that purchasers meet maximum income thresholds. These are units offered in the open market to any buyer.
- 3.27 **Market rental units** means units constructed without requirements for maximum rental rates or maximum income thresholds. These are units offered in the open market to any tenant.
- 3.28 **Maximum income threshold (for affordable ownership units)** means the maximum gross household income to determine eligibility for affordable ownership units as determined by the City of Regina based on a percentage of median income, and with consideration of household net worth.
- 3.29 **Maximum income threshold (for affordable rental units)** means the maximum gross household income to determine eligibility for affordable rental units established by provincial Saskatchewan Household Income Maximums (SHIM) for each unit size by Saskatchewan Housing Corporation (SHC).
- 3.30 **Maximum rental rates** means the rate determined by the City calculated as 30 per cent of gross income using the provincial Saskatchewan Household Income Maximums (SHIM) for each unit size as determined by Saskatchewan Housing Corporation (SHC) and updated annually.
- 3.31 **Multi-dwelling unit** means a dwelling unit contained in a "Building, Row" or "Building, Stacked" with three or more dwelling units as defined in *The Regina Zoning Bylaw No. 2019-19* as amended.
- 3.32 **New dwelling unit** means a dwelling unit contained in a "Building, Detached", "Building, Row", or a "Building, Stacked" as defined in *The Regina Zoning Bylaw No. 2019-19* as amended and constructed within two years of issuance of from a building permit.
- 3.33 **Non-profit housing provider** means a charitable or membership non-profit corporation incorporated or registered pursuant to *The Non-profit Corporations Act, 1995* or the *Canada Not-for-profit Corporations Act*.
- 3.34 **Occupancy permit** means an occupancy permit issued by the City for the unit or units. May include a temporary, conditional or partial occupancy permit. Where this policy references the date an occupancy permit was issued, the date the last occupancy permit issued for a project will be used as the reference.
- 3.35 **On-site support suite** means a dedicated, self-contained space within a project where support services are provided to assist households on the premises maintain their optimal level of health and well-being and may take a variety of forms or vary in intensity based on the clients' needs (e.g., space for residents to meet with a counsellor).

- 3.36 **Owner-occupied unit** means a dwelling unit where the registered owner of the property resides in the unit, and it is their primary and only residence.
- 3.37 **Ownership unit** means a dwelling constructed for intended sale to a purchaser as a principal place of residence including condominium units.
- 3.38 **Private sector developer** means any developer or person that provides housing that does not fit within the definition of non-profit housing provider.
- 3.39 **Project** means the creation of new dwelling units or on-site support suites, or repair of existing dwelling units and residential buildings on a property or adjacent properties, or more than one non-adjacent properties subject to the approval of the Branch Manager. Projects may include multiple applications for incentives, subject to the approval of the Branch Manager.
- 3.40 **Property** means a discrete parcel of land as determined by the City Assessor.
- 3.41 **Purpose-built rental unit** means a rental unit that is designed and built for rental purposes and is not intended as an ownership unit. This includes duplex, semi-detached, townhouse and multi-dwelling units. Secondary suites and backyard suites are not purpose-built rental units.
- 3.42 **Quantity surveyor** means a Professional Quantity Surveyor (PQS) or Construction Estimator Certified (CEC) designated by the Canadian Institute of Quantity Surveyors, an architect, or an architectural technologist.
- 3.43 **Rental unit** means a dwelling unit for rent or lease to a tenant as a principal place of residence.
- 3.44 **Secondary rented unit** means an ownership unit where the registered owner rents the unit to a tenant or tenants who are not registered as owners on the property title. Secondary rented units are not purpose-built rentals but intended as owner-occupied units or investor-owned properties and include condominiums and detached dwelling units.
- 3.45 **Secondary suite** means a subordinate, self-contained dwelling unit within a building or portion of a building that contains a principal dwelling unit, as defined in *The Regina Zoning Bylaw No. 2019-19*, and where both dwelling units constitute a single real estate entity.
- 3.46 **Semi-detached dwelling unit** means a dwelling unit contained in a "Building, Row" with two dwelling units as defined in *The Regina Zoning Bylaw No. 2019-19*.
- 3.47 **Short-term accommodation** means the provision of sleeping and bathing quarters for less than 30 days, and where a daily or weekly rate is charged.
- 3.48 **Support service provider** means an organization that provides services to support households in maintaining occupancy of their housing unit. This may include supports for physical disabilities, mental illness, addictions, behavioural challenges, or a number of issues concurrently.

3.49 **Tax exemption agreement** means an agreement entered into between the City and a registered owner, as approved by City Council, to allow the City to provide a tax exemption on a property owned by the registered owner upon completion of a project and the owner meeting all other terms of the tax exemption agreement.

3.50 **Townhouse** means a dwelling unit contained in a "Building, Row" with three or more dwelling units as defined in *The Regina Zoning Bylaw No. 2019-19* as amended.

TRANSITION PROVISIONS

Tax Exemptions

- 4 Applications for tax exemptions will be considered under the following terms:
 - (a) All applications for tax exemptions for affordable rental and affordable ownership units will be considered under the Housing Incentives Policy that was in effect at the time of conditional approval for capital grants or where conditional approval was given for tax exemptions only under section 37.
 - (b) All applications for tax exemptions for market rental and market ownership units will be considered under the Housing Incentives Policy that is in effect at the time of application.

Capital Grants

- 5 All applications for capital grants received and conditionally approved before the effective date of this policy will be considered under the Housing Incentives Policy that was in effect at the time of conditional approval. All applications for capital grants received and conditionally approved on or after the effective date of this policy will be considered under this policy.
- 6 Where a capital grant application was conditionally approved before December 31, 2019 and the applicant subsequently converted an affordable unit to an on-site support suite, that applicant may receive a grant payment for the converted unit provided:
 - (a) the grant payment does not exceed the funding amount originally committed for the unit, and
 - (b) the applicant provides confirmation that the on-site support suite complies with the criteria established in this policy.

TAX EXEMPTIONS FOR NEW BUILDS AND RENTAL REPAIR

- 7 Tax exemptions may be provided for housing projects that meet the policy criteria as outlined below. Tax exemptions described in this policy will be considered on a case-by-case basis. Per-unit tax exemption percentages and time periods within each program area are noted in Table 1 below and are summarized in Appendix C. They correspond to the program areas in Map 1, Appendix A.

- 8 The tax exemption percentages in this policy include the municipal, education and library portion of property taxes but excludes all other laneway, local improvement charges, utility charges or any other charges added to the taxes. Provisions within *The Education Property Tax Act* require provincial approval to exempt the education portion of the property taxes where the value of the educational tax is equal or greater than \$25,000 in a single year. If this approval is not granted, tax exemption percentages in this policy will cover the municipal and library portions of the taxes only.
- 9 The portion of assessed value on which property taxes are to be exempted will be determined in the following manner (See Appendix D for an example):
 - 9.1 In all cases, only the portion of a property used for residential purposes or on-site support suites will be eligible for tax exemptions.
 - 9.2 For affordable and market rental units, and on-site support suites in a rental project, the percentage of assessed value eligible for exemption will be determined based on the weighted share of affordable or market rental units and on-site support suites in a project receiving tax exemptions compared to the total dwelling units or on-site support suites within a project.
 - 9.2.1 Weighted shares for dwelling units will be adjusted based on unit size according to the base rents for bachelor, 1-bedroom, 2-bedroom and 3-bedroom units in the most recent Multi-Residential Low-Rise Model, Multi-Residential High-Rise Model and Multi-Residential Townhouse Model used by the City Assessor to determine assessed values for property tax purposes. Weights will be calculated based on the ratio of base rents for each unit relative to the 1-bedroom unit in the Multi-Residential Low-Rise Model and averaged across all models for each unit size.
 - 9.2.2 Weighting for on-site support suites will be equal to the weighting for 1-bedroom dwelling units.
 - 9.3 For affordable and market ownership units, and on-site support suites in an ownership project, the percentage of assessed value eligible for exemption will be determined based on the assessed value for individual dwelling units and on-sites support suites.
 - 9.4 For secondary suites and backyard suites, the percentage of assessed value eligible for exemption will be determined based on the assessed value of the property in which the secondary suite or backyard suite is located.
 - 9.5 For rental repair, the percentage of assessed value eligible for exemption will be determined based on the assessed value of the property where rental repair work is being done and the eligible tax exemption amount remaining as described in the rental repair tax exemption section.
 - 9.6 The portion of a property's assessed value that is exempted from taxation will not be adjusted due to changes in assessed value resulting from revaluation during a revaluation year as described in *The Assessment Management Agency Act*.

Table 1 – Tax Exemption by Program Area

Unit Type	Area 1 City Centre	Area 2 North Central and Heritage	Area 3 Established Areas	Area 4 New Areas
Affordable rental unit	Five years, 100%			
Affordable ownership unit (Charitable non-profit housing providers only)	Five years, 100%			
On-site support suite	Five years, 100%			
Market rental unit	Five years, 100%		None	
Market ownership unit	Five years, 100%		None	
Secondary suite/backyard suite	Five years, 25%			None
Rental repair	The lesser of: <ul style="list-style-type: none"> ▪ 50% of the actual eligible costs incurred, ▪ the financial contribution made by CMHC (or similar), or ▪ the total property taxes payable for five years. 			

Tax Exemptions for New Builds and Rental Repair – General Eligibility Requirements

- 10 Tax exemptions are available for the creation of new dwelling units and new on-site support suites through new construction or conversion of existing non-residential buildings to dwelling units, creation of new or legalization of existing secondary or backyard suites, and repair of purpose-built rental units. Additional eligibility requirements are identified for specific tax exemptions, below.
- 11 Rental units must be purpose built rental units. Secondary rented units are not eligible for tax exemptions, except in Program Area 1.
- 12 Group care facilities, personal care homes, emergency shelter spaces, and units that are offered for short-term accommodation are not eligible for tax exemptions.
- 13 Assisted care rental units are eligible for tax exemptions.
- 14 Incentives are not provided where a designated heritage building has been demolished.
- 15 The City Assessor shall conclusively determine the portion of the project and individual residential units to be exempted including calculation of any percentage or proportion and the determination of any use.
- 16 To be eligible, units must comply with all applicable laws and policies.

- 17 Applicants, owners or properties for which an application is made with taxes or other charges past due to the City are not eligible for tax exemptions under this policy. The amount must be paid before an application will be considered.
- 18 The owner of the property must remain in good standing for local improvement charges, non-exempt portion of levies and other charges to tax accounts to remain eligible for tax exemptions received under this policy.
- 19 The City may require an applicant to provide any additional information as deemed necessary to confirm eligibility for incentives under this policy.
- 20 The tax exemption provided under this policy is only available for residential portions of a project.
- 21 Where the eligible residential portion of the project is also eligible for tax exemption under another City policy, the applicant may only receive the tax exemption provided under one of the policies. The applicant may choose which exemption they would like to apply.
- 22 Where a project includes a non-eligible residential portion or a non-residential portion that is eligible for tax exemption under another City policy, the other policy will apply to that portion of the project.
- 23 Other City programs that provide incentives must be applied for separately.
- 24 Tax exemptions provided under this policy may be eligible to stack with programs and incentives through provincial and federal governments.
- 25 Units or properties that cease to meet the eligibility criteria in this policy and the conditions of the exemption agreement for the property shall be fully taxable in the year in which the breach of conditions occurs and in all subsequent years. In addition, the tax exemption may be revoked for a unit receiving a capital grant in any year in which the terms of the capital grant have not been met. Relaxation of these requirements is at the discretion of the City Manager.
 - 25.1 Where the City Manager relaxes these requirements, the registered owner of the properties in the project may be required to repay all or a portion of the tax exemptions received during the period where the units or projects were not eligible for tax exemptions, or some other remedy as determined by the City Manager. Where there are non-compliant units, reducing the portion of a property's assessed value exempt from property taxes as stated in the tax exemption agreement may be an option where approved by City Council.

Tax Exemptions for New Builds and Rental Repair – Application Requirements

- 26 The following are required for all tax exemption applications. Additional application requirements are identified for specific tax exemptions, below.
- 27 The applicant must be the registered owner of the lands being developed in order to be eligible for tax exemptions under this policy.

- 28 The registered owner of the land must enter into a legal agreement with the City in order to receive a tax exemption.
- 29 Complete tax exemption applications may be submitted during construction and must be submitted no later than October 31 of the calendar year in which an occupancy permit or letter of completion is received. The deadline to apply for dwelling units that receive an occupancy permit or letter of completion after October 31 of a given calendar year is October 31 of the following calendar year. Relaxation of these requirements is at the discretion of the Branch Manager.
- 30 Occupancy permits and applicable end-of-project documentation must be received for all dwelling units in a project and there must not be any outstanding taxes, utilities or other charges owing to the City before the tax exemption is applied. Occupancy permits and letters of completion must be received no later than October 31 in order to receive a tax exemption in the following year. Where occupancy permits or letters of completion are received after October 31, the property will be considered by City Council for a tax exemption beginning in the year two years after occupancy is received. Relaxation of this requirement is at the discretion of the Branch Manager.
 - 30.1 Where a project spans multiple applications, all units in the project must have received occupancy permits or letters of completion before an application for tax exemptions will be considered.
- 31 The tax exemption will begin on January 1 of the year the property was approved to begin receiving a tax exemption by City Council. The date for commencing the exemption for the property may be deferred for one year at the discretion of the Branch Manager.

Affordable Rental and Affordable Ownership Tax Exemptions

- 32 Subject to the conditions below and set out in Table 1, tax exemptions may be provided for the creation of new affordable rental and ownership units.
- 33 Affordable rental and affordable ownership units must comply with all requirements under sections 59 to 107 of this policy in order to be eligible for a tax exemption.
- 34 Affordable ownership units must have capital grants committed under sections 59 to 107 of this policy in order to be eligible for a tax exemption.
- 35 Only charitable non-profit housing providers are eligible for affordable ownership tax exemptions. For affordable ownership units, tax exemptions are non-transferable except in Program Area 1.
- 36 Affordable rental and ownership units must have received a funding commitment for capital grants under sections 59 to 107 of this policy in order to be eligible for a tax exemption.
- 37 Notwithstanding section 36, affordable rental units that apply and qualify for capital grants and comply with all affordability requirements under sections 59 to 107 of this policy but do not receive a funding commitment due to the applicant exceeding unit maximums or capital funding being fully committed are eligible for a tax exemption. These units must

comply with all requirements for affordable rental capital grant requirements in sections 59 to 107.

On-Site Support Suite Tax Exemptions

- 38 Subject to the conditions below and set out in Table 1, tax exemptions may be provided for the creation of new on-site support suites in affordable rental or affordable ownership projects.
- 39 An applicant must provide evidence that it has partnered with a support service provider to use the on-site support suite.
- 40 The support service provider must have proven experience in the service provision of proposed services and be licensed under the applicable government agency. The support service provider can be an applicant or an external organization with a contractual partnership with the applicant.
- 41 The on-site support suite must be used as an on-site support suite or rental unit, only be used to support the tenants of the property, and will not be used for commercial activity for 15 years from the date of the occupancy permit.
 - 41.1 Where an on-site support suite is used as a rental unit within the first 10 years from the date of the occupancy permit, it must be offered as an affordable rental unit in accordance with the terms set out in this policy.
- 42 Applicants are limited to one on-site support suite where the project has 1-20 units, two on-site support suites where the project has 21 to 40 units and three on-site support suites where the project has 41 or more units.

Market Rental Tax Exemptions

- 43 Subject to the conditions below and set out in Table 1, tax exemptions may be provided for the development of new purpose-built rental units.
- 44 Eligible market rental units must be in a two-unit building or more.
- 45 A two-unit building in an R1 zone as provided for in Regina Zoning By-law 2019-19, as amended, constructed by a private sector developer is eligible for a secondary suite exemption regardless of whether both units are rented.
- 46 A two-unit building in an R1 zone as provided for in Regina Zoning By-law 2019-19, as amended, constructed by a non-profit housing provider is eligible for a 100 per cent market rental exemption.
- 47 Market rental units must remain rental for 10 years and shall not be eligible for conversion to condominiums, or for uses such as but not limited to group care facilities, personal care home, emergency shelter spaces, secondary rental units or for short-term accommodation during this time.

- 48 Tax exemptions may be transferred to a new owner under the same terms and conditions as the approved exemption and subject to the new owner entering into an assignment agreement.

Market Ownership Tax Exemptions

- 49 Subject to the conditions below and set out in Table 1, tax exemptions may be available for the development of new market ownership units.
- 50 In Program Area 1, buildings in a project must have a minimum of four units.
- 51 In Program Area 2, there is no unit minimum, but the unit must be owner-occupied.
- 52 In Program Area 2, a project is only eligible for a tax exemption where the subject property is vacant or contains building(s) that are in need of major repairs and will be demolished.
- 53 In Program Area 2, buildings in a project are only eligible for a tax exemption where the registered owner has promptly responded to any building or community standard orders in the previous five (5) years to the satisfaction of the Director.
- 54 Tax exemptions may be transferred to a new owner under the same terms and conditions as the approved exemption and subject to the new owner entering into an assignment agreement.

Secondary Suite and Backyard Suite Tax Exemptions

- 55 Subject to the conditions below and set out in Table 1, tax exemptions may be provided for the development of new secondary suites and backyard suites or the legalization of existing secondary suites and backyard suites.
- 56 Secondary suites and backyard suites must be rented for the full term of the exemption and are subject to the same eligibility requirements as other rental units within the Housing Incentives Policy.
- 57 Tax exemptions may be transferred to a new owner under the same terms and conditions as the approved exemption and subject to the new owner entering into an assignment agreement.

Rental Repair Tax Exemptions

- 58 Subject to the conditions below and set out in Table 1, tax exemptions may be provided for the repair of purpose-built rental units.
- 59 Rental repair projects must receive a funding commitment through one of CMHC's repair programs (e.g., National Housing Co-Investment Fund, Mortgage Loan Insurance Select, etc.), or a similar Provincial program, with an affordable rental component. Alternative programs may be considered, subject to approval by the Branch Manager.
- 59.1 Applications for rental repair tax exemptions may be made before issuance of a funding commitment from CMHC or another program. Applications must include all items under the general application requirements for tax exemptions as well

as an itemized schedule of proposed repairs and costs for each individual property receiving repairs.

- 59.2 Within six months from the date of funding commitment approval, applicants must provide the City with a copy of any evaluation materials required by the CMHC program or other program (e.g., a signed Integrity Declaration and Scoring/Viability Assessment Calculator under the National Housing Co-Investment Fund) and proof of funding commitment received from the other program. The Branch Manager has discretion to either extend the timeline for submission or withdraw the City's funding commitment if the documentation is not submitted by the deadline.
- 60 Tax exemptions for rental repair are based on eligible costs incurred. Eligible costs are determined by the CMHC program, or other program, under which the project is receiving funding.
- 61 Tax exemptions will be the lesser of the following: 50 per cent of the actual eligible costs incurred by the applicant; the financial commitment made by CMHC or similar program; or an amount equivalent to the total property taxes on each repaired purpose-built rental property payable for five years. Actual eligible costs will be confirmed through a Quantity Surveyor's Report.
- 62 The tax exemption will begin on January 1 of the year following confirmation that the project has complied with all program requirements, including submission of the Quantity Surveyor's Report and affidavit confirming compliance with affordability criteria.
- 63 Where an applicant does not meet the requirements of this policy within two years of an application receiving a funding commitment the Director has discretion to extend the deadline or withdraw the City's funding commitments.
- 64 Applicants are required to submit an affidavit annually for five years from the date the occupancy permit, letter of completion or similar documentation is issued confirming the rental units receiving tax exemptions are in compliance with the affordability criteria of the CMHC or Provincial program under which they received funding. Other documentation may be accepted at the discretion of the Branch Manager.
- 65 Tax exemptions may be transferred to a new owner under the same terms and conditions as the approved exemption and subject to the new owner entering into an assignment agreement.

CAPITAL GRANTS FOR NEW BUILDS

- 66 Capital grants may be provided for housing projects that meet the policy criteria as outlined below. Per unit amounts for capital grants available within each Program Area are noted in Table 2 and in maps in Appendix A, and are summarized in Appendix C.

Table 2 – Capital Grants by Program Area

Unit Type	Area 1 City Centre	Area 2 North Central, Heritage	Area 3 Established Areas	Area 4 New Areas
Affordable Rental Unit	\$20,000 per unit (< 1 bedroom) \$40,000 per unit (1-2 bedroom) \$45,000 per unit (≥ 3 bedroom)		\$10,000 per unit (<1 bedroom) \$20,000 per unit (1-2 bedroom) \$25,000 per unit (≥ 3 bedroom)	<u>Non-profits:</u> \$10,000 per unit (< 1 bedroom) \$20,000 per unit (1-2 bedroom) \$25,000 per unit (≥ 3 bedroom) <u>Private developers:</u> \$0 per unit (<1 bedroom) \$10,000 per unit (1-2 bedroom) \$15,000 per unit (≥ 3 bedroom)
Affordable Ownership Unit <i>(Charitable non-profit housing providers only)</i>	\$15,000 per unit (≤ 2 bedroom) \$20,000 per unit (≥ 3 bedroom)		\$10,000 per unit (≤ 2 bedroom) \$15,000 per unit (≥ 3 bedroom)	
On-Site Support Suite	\$20,000 per unit			<u>Non-profits:</u> \$20,000 per unit <u>Private developers:</u> \$10,000 per unit

Capital Grants for New Builds – General Eligibility Requirements

- 67 Capital grants are provided for the creation of new dwelling units and new on-site support suites exclusively. Renovations of existing residential units will not be eligible. Additional eligibility requirements are identified for specific capital grants, below.
- 68 Projects may be new construction or conversion of an existing non-residential building for new dwelling units and new on-site support suites, or for expansion of existing residential construction that results in new dwelling units or new on-site support suites.

- 69 Non-profit housing providers can apply for up to a combined maximum of 80 grants for new affordable rental units and new on-site support suites or 20 grants for new affordable ownership units per calendar year. Relaxation of this requirement is at the discretion of the Director.
- 70 Private sector developers can apply for up to a combined maximum of 40 grants for new affordable rental units and new on-site support suites per calendar year. Relaxation of this requirement is at the discretion of the Director.
- 71 Projects developed by the same builder can receive a maximum of 80 capital grants for new dwelling units per calendar year. Relaxation of this requirement is at the discretion of the Director.
- 72 Group care facilities, personal care homes, emergency shelter spaces, secondary rented units, secondary suites, backyard suites and units that are offered for short-term accommodation are not eligible for capital grants.
- 73 Capital grants are not provided where a designated heritage building has been demolished.
- 74 Capital grants may be provided in addition to or in lieu of property tax exemptions or other in-kind assistance.
- 75 Applicants, registered owners or properties for which an application is made with taxes or other charges past due to the City are not eligible for capital grants under this policy. The amount must be paid before an application will be considered.
- 76 To be eligible, units must comply with all applicable laws and policies.
- 77 Capital grants may be used in conjunction with incentives under other City policies, or provincial or federal programs unless it is determined by the Director that the program duplicates the City's capital grant program. At the discretion of the City Manager, exception may be made for non-profit housing providers who can ensure long-term affordability of units.
- 78 Capital grants will be disbursed after the following conditions are met: an occupancy permit is issued; the applicant has submitted an affidavit demonstrating all units have been rented at rates at or below the maximum rental rates to tenants with incomes at or less than the maximum income threshold; there are no taxes, utilities or other charges owing to the City and any other requirements specified in the capital grant agreement have been met.
- 79 Capital grants for all units in a project will be disbursed in one payment when all units have received occupancy permits. Where a project spans multiple applications, all units in the projects must have received occupancy permits before capital grants will be disbursed. Relaxation of this requirement is at the discretion of the Director.
- 80 Capital grants may be transferred to a new housing provider or developer where grant payment has not yet been issued, provided a new owner enters into a new capital grant agreement with the City of Regina and meets all requirements of the capital grant.

- 81 Where a property is transferred or sold after capital grants have been paid and prior to all requirements under this policy being met, the City may, at the discretion of the City Manager, require full or partial repayment of the capital grants.
- 82 The Director has discretion to relax the requirement that an occupancy permit is issued before grant payments for affordable rental housing applications are disbursed once a building has been erected and is fully enclosed with roof, walls, locking doors and windows and the applicant has entered into a capital grant agreement with the City. Requests to relax this requirement will be considered on a case-by-case basis and may consider the applicant's experience in completing projects in a timely manner.
- 83 Where a relaxation of this requirement has been approved, the City may disburse a portion of the committed grants equal to the portion of the project deemed completed by a qualified quantity surveyor with the remainder of the committed grants to be disbursed upon project completion. A pre-occupancy payout may be provided once for each project. Where a project spans multiple applications, each application may be considered for one pre-occupancy payout, subject to availability of supporting evidence.

Capital Grants for New Builds – Application Requirements

- 84 The following are required for all capital grant applications. Additional application requirements are identified for specific capital grants, below.
- 85 The applicant must be the registered owner of the lands being developed in order to be eligible for capital grants under this policy. Third-party applicants may be considered if the registered owner has provided authorization to make the application on their behalf.
- 86 The registered owner of the property must enter into a capital grant agreement with the City in order to receive a capital grant.
- 87 Capital grants are disbursed to the registered owner. Capital grants may be disbursed to a third party if recognized in the capital grant agreement.
- 88 Applications may be made before issuance of a development permit or building permit. Applications must include:
- (a) copy of the land title showing registered ownership of the property or an accepted offer to purchase,
 - (b) concept drawings of the building and site,
 - (c) an indication of the number and type of units to be built:
 - (i) by tenure type (affordable/market rental, affordable/market ownership, on-site support suite), and
 - (ii) by unit size (i.e., bachelor, 1-bed, 2-bed, 3-bed, on-site support suite, etc.),
 - (d) a project budget,
 - (e) a project pro forma,

- (f) proof of registration as a non-profit or a business with the Information Services Corporation (ISC) of Saskatchewan,
 - (g) if a membership non-profit housing provider, a statutory declaration stating the corporation provides housing primarily for the benefit of the public at large with revenue from the corporation invested back into affordable housing, and
 - (h) a completed Design and Development Criteria Scorecard (Appendix B).
- 89 The City may require an applicant to provide any additional information as deemed necessary to confirm eligibility for incentives under this policy.
- 90 Applicants must provide the City with:
- (a) a copy of the development or building permit, and
 - (b) a copy of the land title showing registered ownership of the property,
- within six months of receiving a funding commitment. The Branch Manager has discretion to either extend the timeline for submission or withdraw the City's funding commitment.
- 91 Where an applicant does not meet the requirements of this policy within two years of an application receiving a funding commitment or, if a development permit is issued after the funding commitment is made, within two years of the project receiving a development permit, the Director has discretion to withdraw the City's funding commitments.
- 92 Applications will not be accepted retroactively once an occupancy permit has been issued. Relaxation of this requirement is at the discretion of the Director.
- 93 All applications must include the Design and Development Criteria Scorecard found in Appendix B.
- 94 All applications must be complete and submitted between January 1 and July 31 to be considered for incentives that year.
- 95 Applications submitted by non-profit housing providers in all program areas as well as by private sector developers in Program Areas 1 and 2 will be evaluated and prioritized for funding until July 31.
- 95.1 Eligible applications will be evaluated and prioritized for funding based on the Design and Development Criteria Scorecard (Appendix B).
 - 95.2 Complete applications received by March 31 will be evaluated starting April 1, with up to half of the annual capital budget allocated to these applications.
 - 95.3 All remaining complete applications received by July 31 will be evaluated starting August 1, with the remaining annual capital budget to be allocated. Eligible applications that did not receive funding under section 87.2 will be included in this evaluation.

- 96 Applications submitted by private sector developers in Program Areas 3 and 4 will be evaluated and prioritized for funding based on the Design and Development Criteria Scorecard (Appendix B) after August 1, subject to available capital funding remaining. This will take place after eligible applications described under section 87 have been allocated capital grants.
- 97 If funding remains after applications have been considered under sections 87 and 88, the City may accept applications on a first-come basis and award remaining funding to eligible applications that meet the minimum requirements of the Design and Development Criteria Scorecard (Appendix B).

Affordable Ownership Capital Grants

- 98 Subject to the conditions below and set out in Table 2, capital grants may be provided for the creation of new affordable ownership units that are sold to households whose incomes are at or less than this policy's maximum income threshold.
- 99 There is no minimum for the number of units that must be built to receive affordable ownership capital grants.
- 100 Only non-profit housing providers with chartable non-profit incorporation status are eligible for affordable home ownership capital grants.
- 101 Eligible affordable housing ownership units are those sold to purchasers who are individuals or families whose incomes are at or below the maximum income threshold and where the capital grant is transferred to the purchaser. The purchaser cannot currently own a residential property other than the property that is subject to the grant.
- 102 Affordability will be confirmed through confirmation from a member in good standing of an accounting profession recognized pursuant to *The Accounting Profession Act* stating that purchaser of the unit has a household income at or below the maximum income threshold.
- 103 Capital grants must be passed along to an eligible purchaser of the unit as a down payment assistance grant or reduction in the sale price.
- 104 The registered owner is responsible for providing signed declarations from each purchaser receiving affordable ownership capital grants that they comply with the eligibility requirements under this policy.

Affordable Rental Capital Grants

- 105 Subject to the conditions below and set out in Table 2, capital grants may be provided for the creation of new purpose-built rental units that are rented to households whose incomes are at or less than this policy's maximum income thresholds and where rents are provided at or below this policy's maximum rental rates.
- 106 Affordable rental units must be offered at rental rates that are at or below the maximum rental rate requirements to tenants whose gross household income is at or below the maximum income threshold (for affordable rental units) for 10 consecutive years or more commencing from the date an occupancy permit is issued.

- 107 Buildings in a project must be purpose-built rentals and have at least two dwelling units. Private sector developers must have a minimum of four units per project.
- 108 Maximum rental rates and maximum income thresholds will be confirmed on an annual basis through an affidavit stating that the number of dwelling units in the project as required by the capital grant agreement or tax exemption agreement are at or below the maximum rental rates and rented to households whose incomes are at or less than maximum income thresholds as established by the City of Regina and updated annually. Maximum income thresholds must be confirmed for any new tenant.
- 108.1 The number of dwelling units required to be below the maximum rental rates and at or below the maximum income thresholds must correspond to the type of the units (i.e., 1-bed, 2-bed, on-site support suite, etc.) for which capital grants were committed or tax exemptions provided. Where flexibility is desirable, relaxation of this requirement is at the discretion of the Branch Manager.
- 109 Non-profit and private sector housing providers can rent dwelling units directly to a support service provider provided that the support service provider in turn provides the dwelling unit to individuals or families that are at or below the maximum income threshold and at or below maximum rental rates.
- 110 Affordable rental units must remain rental for a minimum of 15 years after the issuance of the occupancy permit and shall not be eligible for conversion to condominiums, or for uses such as but not limited to group care facilities, personal care home, emergency shelter space, secondary rental units or for short-term accommodation during this time.

On Site Support Suite Capital Grants

- 111 Subject to the conditions set out below and set out in Table 2, capital grants may be provided for the creation of new on-site support suites where an affordable rental or affordable home ownership project includes an on-site support suite.
- 112 An applicant must provide evidence that it has partnered with a support service provider to use the on-site support suite.
- 113 The support service provider must have proven experience in the service provision of proposed services and be licensed under the applicable government agency. The support service provider can be an applicant or an external organization with a contractual relationship with the applicant.
- 114 The on-site support suite must be used as an on-site support suite or rental unit, only be used to support the tenants of the property, and not be used for commercial activity for no less than 15 years from the date of the occupancy permit.
- 114.1 Where an on-site support suite is used as a rental unit within the first 10 years from the date of the occupancy permit, it must be offered as an affordable rental unit in accordance with the terms set out in this policy.
- 115 Applicants are limited to one on-site support suite where the project has 1-20 units, two on-site support suites where the project has 21 to 40 units and three on-site support suites where the project has 41 or more units.

Roles and Responsibilities

- 116 In addition to the authorities specified in this policy, the Branch Manager conclusively determines compliance with the eligibility criteria for tax exemptions and capital grants under this policy.
- 117 In addition to the authorities specified in this policy, the Director or their designate:
- (a) approves any funding commitments and capital grant agreements entered into pursuant to this policy;
 - (b) authorizes payments of capital grants;
 - (c) may make amendments to this policy provided that such amendments are technical or editorial changes and do not materially affect its substance or content; and
 - (d) exercises the authorities of the Branch Manager in absence of the Branch Manager.
- 118 In addition to the authorities specified in this policy, the City Manager or their designate:
- (a) conclusively interprets this policy and is the final authority on all aspects except those aspects for which City Council is responsible, or as otherwise determined through law;
 - (b) may make minor substantive amendments to this policy where specific policy provisions conflict with the objectives of the policy;
 - (c) makes recommendations to City Council regarding tax exemption agreements and major policy changes; and
 - (d) exercises the authorities of the Director in the absence of the Director.
- 118.1 A report shall be brought before City Council at least once per year outlining any substantive changes authorized by the City Manager. If no changes are authorized, no report needs to be brought before City Council.
- 118.2 An informational memo shall be sent to Executive Committee at least once per quarter outlining any substantive changes authorized by the City Manager. If no changes are authorized, no memo needs to be sent to Executive Committee. The memo may be combined with the report required by section 118.1 where the two would overlap.
- 119 City Council is responsible for approving amendments to this policy and determining the annual allocation for capital grants through the budget process.
- 120 Annual capital grants committed under this policy shall not exceed \$1,500,000 annually, though a greater or lesser amount may be authorized by City Council through the budget approval process. If the full allocation is not committed in a given year, the uncommitted

amounts will be returned to the Social Development Reserve at the end of the year as well as any funds that are uncommitted from previously approved applications and repayments of capital grants. Uncommitted allocations remaining in the Social Development Reserve may be committed in the current year in addition to the annual commitment through the budget process.

- 121 As per subsection 262(4) of *The Cities Act*, all tax exemptions under this policy must be done through a tax exemption agreement authorized by City Council through adoption of a by-law.
- 122 Under the *Education Property Tax Act* and *The Education Property Tax Regulations*, the Government of Saskatchewan's approval is required to exempt the education portion of the property taxes where that portion of the taxes is equal to or greater than \$25,000 in a single year. If this approval is not granted, the exemption will cover the municipal and library portions of the taxes only.

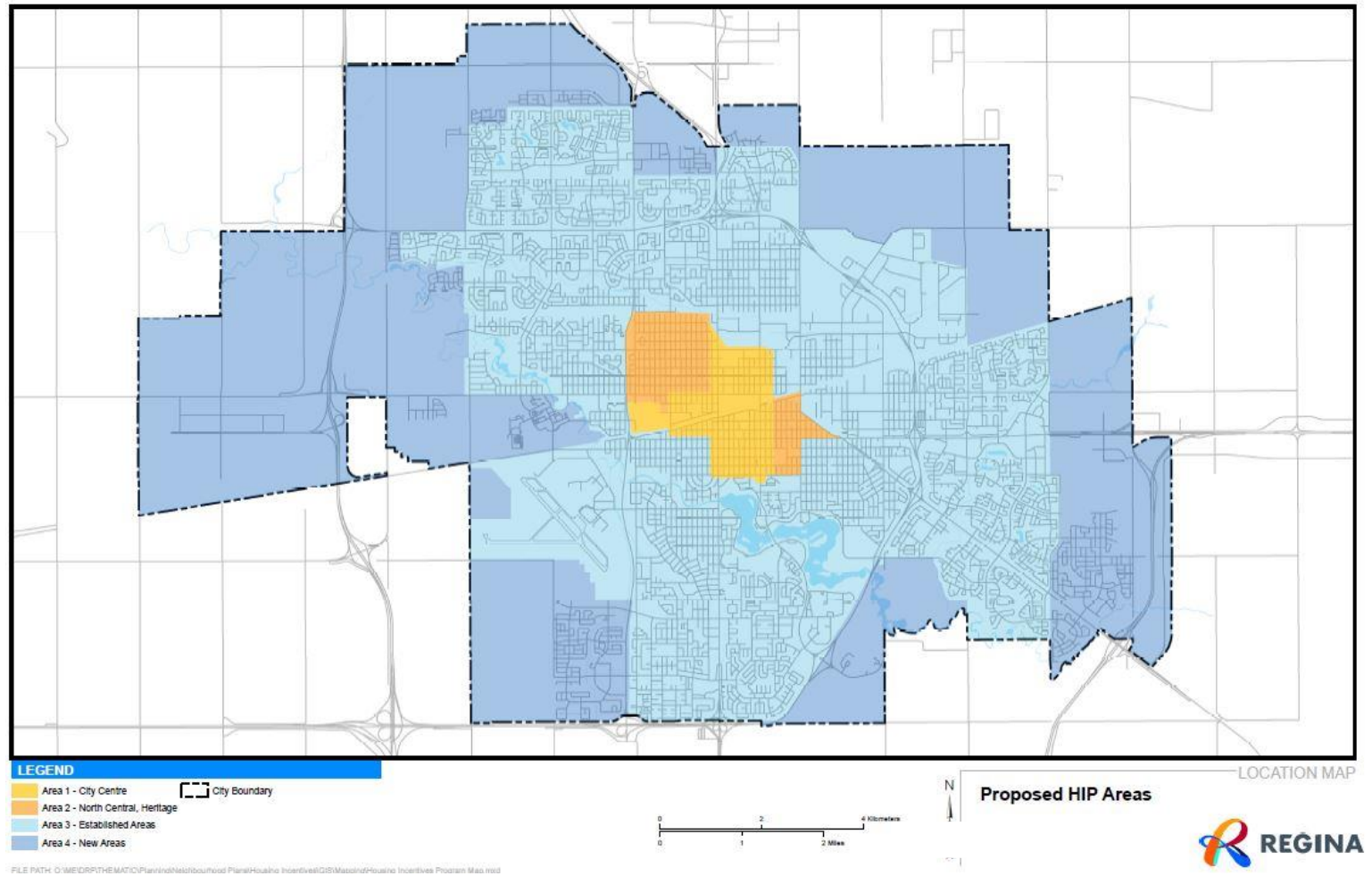
Related Forms

- 123 An application should be made by completing one of the following application forms:
 - (a) Housing Incentives Policy: Tax Exemption Application for Market Rental and Ownership
 - (b) Housing Incentives Policy: Tax Exemption for Rental Repair
 - (c) Housing Incentives Policy: Tax Exemption for Secondary Suites and Backyard Suites
 - (d) Housing Incentives Policy: Tax Exemption Application for Affordable Ownership Units
 - (e) Housing Incentives Policy: Tax Exemption Application for Affordable Rental Units
 - (f) Housing Incentives Policy: Capital Grant Application

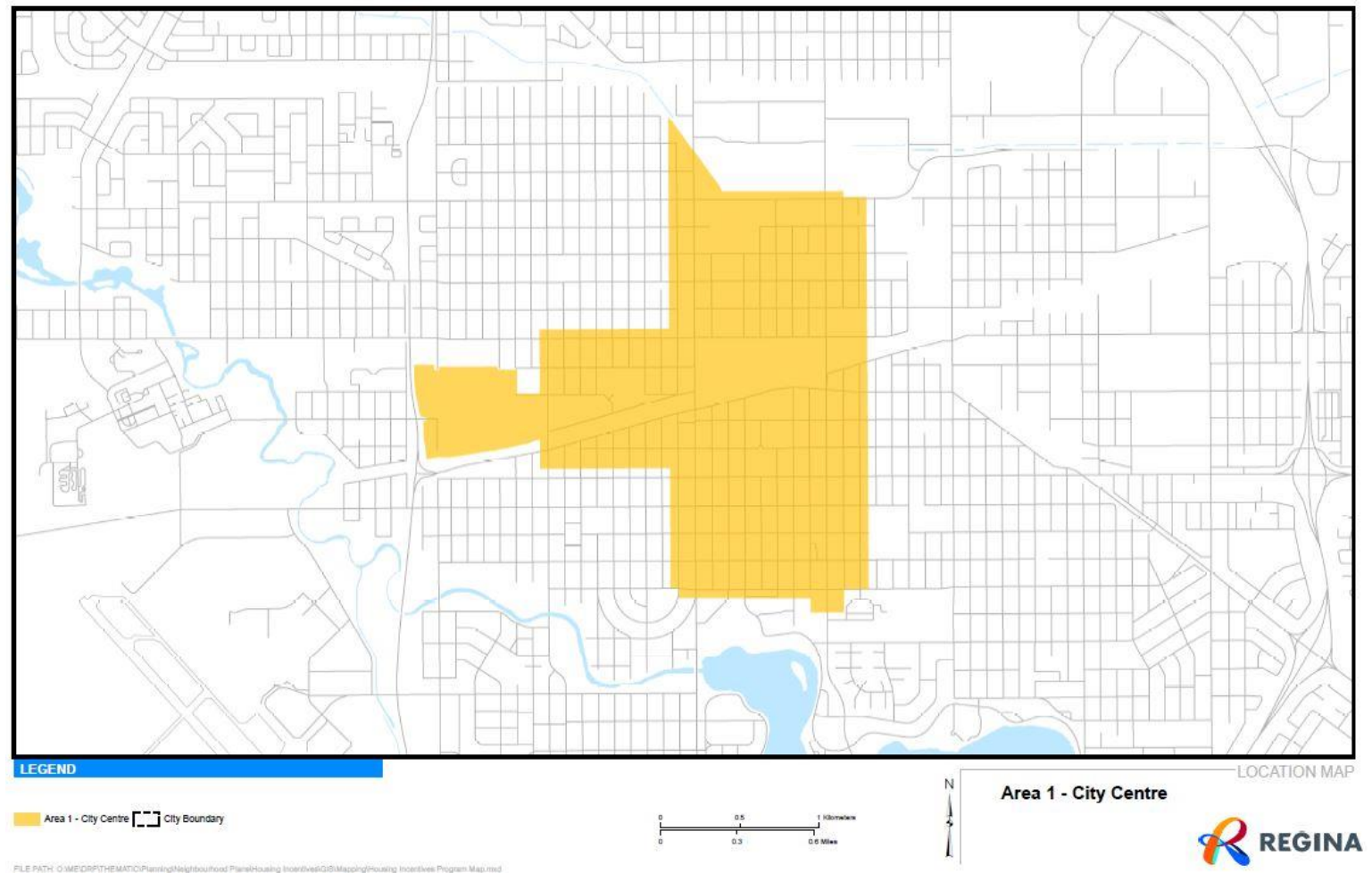
Date Approved	February 14, 2024
Date of Last Review	November 8, 2023
Date of Next Review	November 8, 2027

APPENDIX A: Program Areas for Housing Incentives Policy

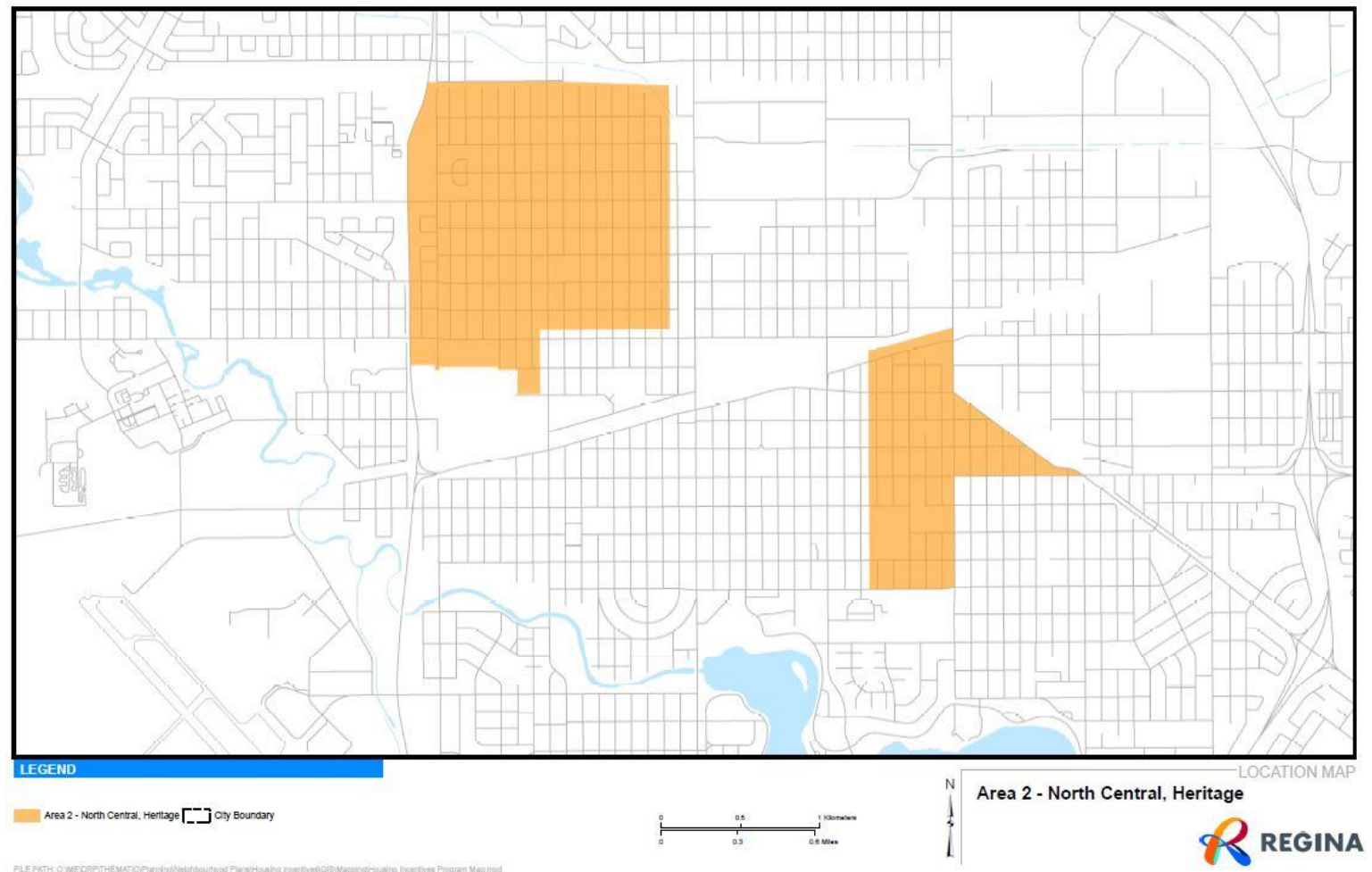
Map 1: Program Areas



Map 2: Detailed Map of Program Area 1



Map 3: Detailed Map of Program Area 2



APPENDIX B: Design and Development Criteria Scorecard

All applications to the Housing Incentive Policy must complete this Score Card and submit it with an application for capital grants. Criteria are drawn from the Design and Development Criteria of the *Housing Incentives Policy* as well as relevant policies of *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*. For each criterion, partial credit cannot be applied unless specified within the criteria. Applicants may be asked for further information or documentation to prove that they meet the requirements set out below. While the applicant is asked to fill out and submit this form with its application, the final evaluation and determination of the points for each category shall be conclusively determined by the Branch Manager.

Development Features		Potential Points	Earned Points
Housing Needs (45 points)	50% of units are either: 1) Modest housing (units equal to or less than 500 Square Feet) or 2) Large units for families (3 BR or more). 50% of units must be either unit type to receive points.	5	
	<p>The project is intended to serve one of the following groups:</p> <ul style="list-style-type: none"> • Survivors fleeing domestic violence, particularly women and children; • Youth; • Seniors; • Indigenous people; • People with mental or physical disabilities; • People dealing with mental health and addictions issues; • Veterans; • 2SLGBTQIA+; • Racialized groups; • Recent immigrants including refugees; • People experiencing homelessness; or • Other vulnerable groups identified in the National Housing Strategy, by the Federal Housing Advocate, or similar authority. <p>Applicants must submit proof of partnership with a support service provider or an organizational mission statement as supporting evidence.</p>	20	
	Accessible, barrier free design principles (wheelchair accessible buildings, units and bathrooms) of 10% or more of units.	10	
	On-site Support Suite included (e.g.: counselling, day care).	10	

Building and Urban Design Elements (13 points)	Street level activity/pedestrian comfort/safety: three points if <u>one</u> of the following is met: a) porches or programmed amenity space (e.g. benches, play equipment, bike racks, etc.); b) there is interface with the street such as low or no fences; c) ground floor commercial development has been included or retained in mixed-use building.	3	
	Façade design: Building design includes variation in massing, materials or colour and avoids use of blank walls that are visually prominent.	3	
	Open site design: three points will be earned if either is met: a) there is continuity of the existing street and lane grid; b) the development's front facades do not turn back on adjacent houses, street or other buildings.	3	
	Active/weather-compatible amenity space and landscaping: one point if either of the following is met: a) 15% or more amenity area for planned groups containing 20 or more units (includes amenities for children, families, seniors, etc.); b) landscape improvements in excess of minimum planting requirements in a residential zone, as specified in <i>The Regina Zoning Bylaw No. 2019-19</i> . The requirements apply even when not required by the Zoning Bylaw (e.g., for Dwelling, Unit land use).	1	
	Construction uses and skill development and training initiatives recognized by the Saskatchewan Apprenticeship and Trade Certification Commission or a Municipal, Provincial or Federal labour market development program.	3	
Parking Facilities (5 points)	Parking/vehicular access is by the rear lane. Where no rear lane exists, any front yard parking is screened by the residential buildings or landscaping.	1	
	Enclosed or covered bicycle parking in excess of 10% of units.	1	
	On-site Car Share or Bicycle Share for tenants. ¹	3	
Adaptive Re-use/Infill (7 points)	Building Adaptive Re-use for conversion of a non-residential building to residential use or infill on a previously developed vacant or brownfield site in an established residential or mixed-use neighbourhood. ²	7	
Complete Neighbourhoods³ (21 points)	Access to public transit (within 400 m of a transit stop). ⁴	5	
	Access to nearby licensed child care (within 1000 m of licensed child care centre).	5	
	Access to nearby employment opportunities or shopping facilities (within 1000 m of commercial district).	5	
	Access to nearby green public space (within 500 m to a public park).	2	
	Access to nearby leisure facilities (within 1000 m of a public leisure centre).	2	
	Access to nearby schools (within 500 m of an elementary, secondary or high school).	2	

¹ For a car share, an agreement with Regina Care Share or equivalent is required; for a bike share program documents including a program description, membership requirements and other operational details are necessary to receive points.

² Redeveloped school sites are subject to the "School Site Re-Use Guidelines" (Appendix B of the OCP).

³ Based on the travel distance of a pedestrian using existing sidewalks or public pathways.

⁴ Project is eligible if the subject property is within 400m of a planned transit stop in an approved Concept Plan.

Sustainable Design (9 points)	On-site renewable energy generation.	2	
	One point is earned for outdoor landscaping or irrigation systems that meet one of the following requirements: (a) an irrigation system that uses grey water (b) an irrigation system equivalent for water capture, storage and reuse; or (c) permeable pavement.	1	
	Energy Efficiency (25% better than National Building Code).	5	
	Green roof or passive solar design.	1	
Total		100	
Minimum to Qualify for Capital Incentives		40	
City evaluation completed by: _____		Date: _____	

APPENDIX C: Summary of Housing Incentives By Area

Area 1 – City Centre

Unit Type	Capital Grant	Tax Exemption
Affordable Rental Units <ul style="list-style-type: none"> • Minimum 2 units per building • Minimum 4 units per project for private developers • Maximum Rental Rates and Income Thresholds apply 	\$20,000 per unit (< 1 bedroom) \$40,000 per unit (1-2 bedroom) \$45,000 per unit (≥ 3 bedroom)	5 years, 100%
Affordable Ownership Units <i>(Charitable Non-Profit Housing Providers only)</i>	\$15,000 per unit (≤ 2 bedroom) \$20,000 per unit (≥ 3 bedroom)	5 years, 100%
On-Site Support Suites	\$20,000 per unit	5 years, 100%
Market Rental Units: <ul style="list-style-type: none"> • 2-unit building minimum 	None	5 years, 100%
Market Ownership Units: <ul style="list-style-type: none"> • 4-unit building minimum 	None	5 years, 100%
Secondary Suites	None	5 years, 25%
Backyard Suites	None	5 years, 25%
Repair of Existing Rental Units <ul style="list-style-type: none"> • Project must be eligible under CMHC or Provincial repair program 	None	The lesser of: <ul style="list-style-type: none"> • 50% of the actual Eligible Costs incurred; • the financial commitment made by CMHC through the National Housing Co-Investment Fund; or • the total property taxes payable for 5 years

Area 2 – North Central and Heritage

Unit Type	Capital Grant	Tax Exemption
Affordable Rental Units <ul style="list-style-type: none"> Minimum 2 units per building Minimum 4 units per project for private developers Maximum Rental Rates and Income Thresholds apply 	\$20,000 per unit (< 1 bedroom) \$40,000 per unit (1-2 bedroom) \$45,000 per unit (≥ 3 bedroom)	5 years, 100%
Affordable Ownership Units <i>(Charitable Non-Profit Housing Providers only)</i>	\$15,000 per unit (≤ 2 bedroom) \$20,000 per unit (≥ 3 bedroom)	5 years, 100%
On-Site Support Suites	\$20,000 per unit	5 years, 100%
Market Rental Units <ul style="list-style-type: none"> 2-unit building minimum 	None	5 years, 100%
Market Ownership Units <ul style="list-style-type: none"> No unit minimum 	None	5 years, 100%
Secondary Suites	None	5 years, 25%
Backyard Suites	None	5 years, 25%
Repair of Existing Rental Units <ul style="list-style-type: none"> Project must be eligible under CMHC or Provincial repair program 	None	The lesser of: <ul style="list-style-type: none"> 50% of the actual Eligible Costs incurred; the financial commitment made by CMHC through the National Housing Co-Investment Fund; or the total property taxes payable for 5 years

Area 3 – Established Areas

Unit Type	Capital Grant	Tax Exemption
Affordable Rental Units <ul style="list-style-type: none"> • Minimum 2 units per building • Minimum 4 units per project for private developers • Maximum Rental Rates and Income Thresholds apply 	\$10,000 per unit (< 1 bedroom) \$20,000 per unit (1-2 bedroom) \$25,000 per unit (≥ 3 bedroom)	5 years, 100%
Affordable Ownership Units <i>(Charitable Non-Profit Housing Providers only)</i>	\$10,000 per unit (≤ 2 bedroom) \$15,000 per unit (≥ 3 bedroom)	5 years, 100%
On-Site Support Suites	\$20,000 per unit	5 years, 100%
Market Rental Units	None	None
Market Ownership Units	None	None
Secondary Suites	None	5 years, 25%
Backyard Suites	None	5 years, 25%
Repair of Existing Rental Units <ul style="list-style-type: none"> • Project must be eligible under CMHC or Provincial repair program 	None	The lesser of: <ul style="list-style-type: none"> • 50% of the actual Eligible Costs incurred; • the financial commitment made by CMHC through the National Housing Co-Investment Fund; or • the total property taxes payable for 5 years

Area 4 – New Areas

Unit Type	Capital Grant	Tax Exemption
Affordable Rental Units <ul style="list-style-type: none"> Minimum 2 units per building Minimum 4 units per project for private developers Maximum Rental Rates and Income Thresholds apply 	<u>Non-profits:</u> \$10,000 per unit (<1 bedroom) \$20,000 per unit (1-2 bedroom) \$25,000 per unit (≥3 bedroom) <u>Private developers:</u> \$0 per unit (<1 bedroom) \$10,000 per unit (1-2 bedroom) \$15,000 per unit (≥3 bedroom)	5 years, 100%
Affordable Ownership Units <i>(Charitable Non-Profit Housing Providers only)</i>	\$10,000 per unit (≤ 2 bedroom) \$15,000 per unit (≥ 3 bedroom)	5 years, 100%
On-Site Support Suites	<u>Non-profits:</u> \$20,000 per unit <u>Private developers:</u> \$10,000 per unit	5 years, 100%
Market Rental Units	None	None
Market Ownership Units	None	None
Secondary Suites	None	None
Backyard Suites	None	None
Repair of Existing Rental Units <ul style="list-style-type: none"> Project must be eligible under CMHC or Provincial repair program 	None	The lesser of: <ul style="list-style-type: none"> 50% of the actual Eligible Costs incurred; the financial commitment made by CMHC through the National Housing Co-Investment Fund; or the total property taxes payable for 5 years

APPENDIX D: Calculating Portion of Assessed Value Eligible for Tax Exemption

This appendix describes the procedure for determining the portion of a property's assessed value that is eligible for exemption. In all cases, the eligible portion of assessed value is determined by the City Assessor. *Note, the values presented here are for example only and may not reflect the values used when calculating a specific tax exemption.*

Step 1: Determine the base eligible assessed value

Affordable or Market Ownership Exemption: The full assessed value of each eligible dwelling unit is used when calculating the exemption amount.

Affordable or Market Rental Exemption: The full assessed value of the residential portions of all properties in a project, less the assessed value of any ownership units in the project, used when calculating the exemption amount, subject to Steps 2 and 3.

On-Site Support Suite:

- If the project is entirely ownership units, the full assessed value of each eligible on-site support suite is used when calculating the exemption amount.
- If the project contains any rental units, include the on-site support suite as a 1-bedroom rental unit for calculating the portion of assessed value used when calculating the exemption amount.

Secondary/Backyard Suite: The full assessed value of the property in which the suite is located is used when calculating the exemption amount.

Rental Repair: The full assessed value of the residential portions of the properties in a project used when calculating the exemption amount.

Step 2 (for rental projects only): Calculate share of total rental units

The portion of a rental property's assessed value to be used when calculating the exemption amount is determined based on the number of rental units and on-site support suites eligible for exemption as a share of total rental units and on-site support suites in the project (i.e., 30 affordable units/100 unit project = 30 per cent of the assessed value of the property eligible for exemption).

Step 3 (for rental projects only): Adjust exempt portion based on unit type

The portion of assessed value eligible for exemption is then adjusted to reflect unit sizes. This is accomplished by weighting units according to their approximate contribution to the assessed value based on the assessment models in effect at the time of application.

Given that HIP funding can be provided for units in a variety of building types, the policy uses the average ratio of base rents for unit sizes across the Multi-Residential High-Rise (M-H), Multi-Residential Low-Rise (M-L), and Multi-Residential Townhouse (M-T) assessment models, relative to the 1-Bedroom base rent in the M-L model, as shown in Table D1.

Table D1: Unit Type Weighting Calculation (2021 Assessment Models)

	Rents			Ratios*			Average Ratio (Weight)
	M-H	M-L	M-T	M-H	M-L	M-T	
Bachelor	\$956	\$929	N/A	0.90	0.88	N/A	0.89
1-Bedroom	\$1,118	\$1,059	\$1,072	1.06	1.00	1.01	1.02
2-Bedroom	\$1,296	\$1,197	\$1,213	1.22	1.13	1.15	1.17
3-Bedroom**	\$1,428	\$1,369	\$1,374	1.35	1.29	1.30	1.31
4-Bedroom	N/A	N/A	\$1,498	N/A	N/A	1.41	1.41

*Ratios are calculated relative to 1-bedroom unit in M-L model

**3-Bedroom rents in M-H and M-L apply to units with 3 or more bedrooms. Not included for 4-Bedroom ratios.

Example:

A 100-unit rental property with 30 2-bed affordable rental units eligible for exemption and 70 1-bedroom market rental units not eligible for exemption.

Step 1: Determine the base eligible assessed value

The property is entirely residential use. 100 per cent of the assessed value is used as the base.

Step 2: Calculate share of total rental units

30 affordable rental out of 100 units = 30 per cent.

Step 3: Adjust exempt portion based on unit type

32.96 per cent of assessed value eligible for exemption based on adjustment (Table D2).

Table D2: Sample Exemption Calculation

	Type	Count	Unweighted Total	Weight	Weighted Count
Affordable	2-Bed	30	30	1.17	35.1
Market (no exemption)	1-Bed	70	70	1.02	71.4
Total			100		106.5
Affordable Share			30%		32.96%

This example assumes the project contains only a single property. It is possible for a project to be spread over multiple properties in which case the share is calculated for the project as a whole and the portion (e.g., 32.96 per cent) is applied to the residential portion of each property.