

BY-LAW NO. 7294

BEING A BY-LAW of the City of Brandon to establish an Affordable Housing Incentive Program to provide Financial Assistance for housing projects that align with the City of Brandon's housing priorities as a means of supporting the new construction of affordable housing in the City of Brandon.

WHEREAS Section 261.2 (1) of The Municipal Act, R.S.M. 1996, c. M225 authorizes the Council of a municipality to establish by by-law financial assistance programs;

AND WHEREAS the Council of The City of Brandon has recognized the importance of having affordable housing units in the City of Brandon;

AND WHEREAS the Council of The City of Brandon has deemed it necessary and expedient to pass a by-law for the purpose of establishing the terms and conditions for a financial assistance program that would encourage the construction of such affordable housing units;

NOW THEREFORE the Council of The City of Brandon, duly assembled, enacts as follows:

1. In this by-law,

(a) **ADMINISTRATION** means the City of Brandon's Director of Economic Development or designate.

(b) **ELIGIBLE UNIT** means:

(i) a residential unit used solely for residential occupation;

(ii) a residential rental unit contained within a building of three (3) or more rental units and renting for a maximum of median market rent (established annually by Canada Mortgage and Housing Corporation);

(iii) a residential owner occupied unit (condominiums excluded) that sells for a maximum of 90% of the most current available annual average house price for Brandon, Manitoba;

(iv) a residential owner occupied condominium that sells for a maximum of 90% of the most current available annual average condominium price for Brandon, Manitoba;

(v) Garden / secondary suites.

(c) **FINANCIAL ASSISTANCE** means a grant, land donation, and/or tax credit for municipal taxes.

(d) **MUNICIPALITY** means the City of Brandon.

(e) **MUNICIPAL TAXES** means the property taxes imposed for municipal purposes by the Municipality.

(f) **LAND DONATION** means municipally owned property that is provided to the Property Owner at a purchase price less than market value.

(g) **TAX CREDIT** means a grant offered to reduce the payable Municipal Taxes.

(h) **PROPERTY OWNER** means a person who is the registered owner under The Real Property Act of land on which a building is located, or the granted thereof of a valid conveyance registered under The Registry Act, or an agent of either such owner.

- (i) **QUALIFYING UNIT** means an Eligible Unit that is rented and/or owned by an occupant whose annual household income does not exceed the current upper second quintile established by Statistics Canada or the terms set forth in funding programs utilized by the Property Owner and offered by higher levels of Government, whichever is the lower.
 - (j) **AFFORDABLE HOUSING RESERVE** means a fund established under sub-section 168(1) of the Manitoba Municipal Act in which the Municipality sets aside funds for use at a future time, relating specifically to Affordable Housing.
2. That an Affordable Housing Incentive program comprised of the three categories (section 2.1, 2.2 and 2.3) listed below be established for newly constructed housing projects whereby the level of Financial Assistance an eligible Property Owner shall receive will be determined on a case by case basis. Further, the City of Brandon shall approach consideration of providing affordable housing incentives using the following guidelines:
- a. Proposed project alignment with the City of Brandon's current affordable housing priorities;
 - b. The provision of capital grants shall be limited to situations in which the Municipal grant provided to the Property Owner is minor when compared to contributions from higher levels of government and is dependent upon the availability of sufficient funds in the Affordable Housing Reserve;
 - c. Preference for affordable housing incentives shall be given to projects:
 - i. that guarantee long term affordable housing (greater than 10 years);
 - ii. that will be owned and operated by a not for profit organization; and
 - iii. that will be owned and operated by an organization with a demonstrated track record of successfully developing and operating affordable housing projects.
- 2.1 **One-Time Capital Grant** - a one-time grant earned over a minimum five years with the value of the grant determined by the Municipality on a case by case basis and earned at a rate equal to the total grant divided by the months over which the grant is earned.
- 2.2 **Tax Credit** – a credit approved by Council equal to a percentage of the Municipal Taxes for all Qualifying Units that create affordable housing in Brandon for a period not to exceed twenty (20) years, commencing in the year the building is first assessed for taxation purposes. The Tax Credit shall be calculated by dividing the number of Qualifying Units by the total number of rental units in the housing project multiplied by the annual Municipal Taxes multiplied by the Council approved Tax Credit percentage.
- (a) this Tax Credit does not apply to portions of the property used or intended to be used for non-residential purposes;
 - (b) this Tax Credit does not include special taxes, local improvement levies, utility charges, development fees or other such charges or fees properly imposed by the Municipality or other taxing authority; and
 - (c) the scope of the Tax Credit, including calculation of any percentage or proportion and the determination of any use or cost, shall be conclusively determined by Administration.
- 2.3 **Land Donation** – a one-time provision of municipally owned land at a purchase price that is less than market value.

3. In order for the incentives cited in Section 2 to be provided:
 - (a) the applicant must be the Property Owner(s);
 - (b) the construction project must be located within the boundaries of the City of Brandon and must be new construction and not completed or have commenced at the time of application;
 - (c) the unit must meet the criteria of a Qualifying Unit and Eligible Unit;
 - (d) the Property Owner must be free of any City of Brandon Building and Safety Maintenance Orders, and all outstanding taxes, utility charges or other amounts owing to the municipal government by the Property Owner must be paid.

4. The proposed construction project must conform with all applicable provisions of the Municipality’s zoning and building by-laws, and with any applicable design approval process.

5. Requests for City of Brandon affordable housing incentives will be received on a first-come, first-served basis. The City reserves, at its discretion, the right to approve or deny all applications. Requests for affordable housing incentives shall be submitted to Administration in the form of a written request that includes at a minimum the following information:
 - (a) Applicant’s name and contact information;
 - (b) Municipal address and property tax roll No. of the Brandon property proposed to be used for the affordable housing project;
 - (c) Proof of land ownership or an accepted offer to purchase for the site proposed to house the affordable housing project for which financial incentives are being requested; and
 - (d) Overview of the proposed project including but not limited to: the type of project (rental or home ownership), number and type of units, proposed construction timelines, proposed monthly rent and/or sale price, estimated construction value, funding sources for the project, description of project amenities and highlights, description of the incentive request and rationale for incentive request. Administration, as required, may request additional information to assess the incentive request and generate a recommendation for Brandon City Council’s consideration.

7. Applicants approved for Brandon affordable housing incentives will be required to enter into a funding agreement with the Municipality with details of the agreement negotiated based on the parameters of each approved incentive application.

8. This by-law shall come into force and take effect on the day following its passage.

DONE AND PASSED by the Council of The City of Brandon this 18th day of January A.D. 2021.

“R. Chrest”
MAYOR

“H. Ewasiuk”
CITY CLERK

Read a first time this	4 th	day of	January	A.D. 2021
Read a second time this	18 th	day of	January	A.D. 2021
Read a third time this	18 th	day of	January	A.D. 2021

I, Heather Coreen Ewasiuk, Clerk of the City of Brandon, DO HEREBY CERTIFY the above within to be a true and correct copy of By-law No. 7294.

Original Signed By
H. Ewasiuk
H. Ewasiuk, City Clerk