

Town of Riverview

COUNCIL REPORT FORM



Presented to: Mayor & Council

Department: Economic Development

Date: July 8, 2024

Subject: Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development Grant

BACKGROUND

The Town of Riverview is working closely with the Canada Mortgage and Housing Corporation (CMHC) on an action plan as part of our Housing Accelerator Fund (HAF) agreement. As a reminder, the [HAF is a federal program administered by CMHC](#) that provides funding to local communities to deliver initiatives aiming to support more affordable and diverse housing development.

In alignment with the Town's agreement with CMHC, staff developed an action plan with the objective to increase the local housing supply and meet growth targets. Growth is measured by the number of new dwelling units created, with funding provided for completing the action plan initiatives, complying with the program's requirements, and meeting CMHC's set growth targets.

The Town's HAF action plan is comprised of 8 ambitious initiatives such as delivering a grant program incentivizing in-law and garden suites, implementing another development grant incentivizing affordable, barrier free units, and 3-bedroom units, revising the density capacity for multi-residential builds, upzoning residential areas identified through the Municipal Plan review process, streamlining the project approval process, delivering the affordable housing strategy informed by the housing needs assessment, developing a new community economic development strategy where housing is a prioritized, and decreasing parking requirements where appropriate in residential zones to also promote active and public transportation networks.

Following last week's exciting announcement of the Town's HAF agreement, Council has before them a draft of Riverview's very first Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development Grant. With the objective of increasing the supply of high-demand housing units in town and support the development of affordable, inclusive, equitable and diverse communities, this initiative would provide developers the opportunity to access a grant (terms and conditions will apply) for the creation of affordable, barrier free, and 3-bedroom dwelling units. Successful applicants could receive up to a maximum of \$20,000 per unit for for-profit developers, and \$25,000 per unit for non-profit developers, if creating new units representing market gaps in Riverview. Bringing systemic change in the realms of affordable, barrier-free, and 3-bedroom housing units respectively, this grant would aim to increase support of vulnerable populations through incentivizing the creation of more units to fit their specific needs.

To ensure units would truly be “affordable” through this initiative we would leverage CMHC’s definition, thus being a housing unit that costs less than 80% of the median market rent maintained for a minimum of 20 years (per the definition included in CMHC’s Co-Investment Fund program), or alternatively, a unit that costs 30% or less of a household’s before tax income maintained for a minimum of 20 years (per the definition included in CMHC’s Rapid Housing Initiative), whichever is lesser. By requiring applicants successful under the Town’s new grant to already partake in affordable housing programs offered by CMHC or other levels of government, we are more efficiently able to leverage their existing enforcement mechanisms and create cohesion across governing bodies relating to how affordability is tracked measured.

Given the opportunity to offset their development costs through this grant, we hope to see developers rise to the occasion and further contribute to providing housing to our Town’s most vulnerable populations. Persons with physical disabilities and/or impairments, larger and/or multi-generational families, and community members facing financial or other barriers would represent the primary benefactors of this grant program, as it would support the development of a more affordable, inclusive, equitable, and diverse community and provides more housing types that serve the varied and evolving needs of our resident profiles.

Through our recent Housing Needs Assessment Survey, we know affordability was the dominant concern expressed in survey responses, with 52.1% characterizing it as a “Critical Need” and another 29.5% calling it a High Need (81.6%). This great expression of need for more affordable housing options from the community, paired with our HAF sub target to achieve at least 5% of overall incented units as affordable, represents strong rationale in favour of incentivizing such units through this new grant.

Survey respondents also emphasized the need for more rental housing (62.3%) and seniors housing (65.0%) and recognized the need for all types of housing. Given Riverview’s older demographic profile (compared to some neighbouring municipalities), aging population, and community members facing physical disabilities, it is no surprise barrier free housing has also been identified as a key inclusion in this new grant.

Recent years have seen rapid population growth in the Moncton CMA (which includes Riverview), mainly driven by immigration (showing a population increase of 46% interprovincially, 28% internationally, and 26% intraprovincially between 2021 and 2022). In fact, according to most recent data from Statistics Canada, the fastest growing group of Permanent Residency admissions is aged 15-29, while the largest share continues to be the 30-44 age group (of childbearing age) and, given the parallel rise in 0–14-year-old admissions, a large share of newcomers are arriving here as families. Based on trends, we know that recent immigrants are more likely than Canadian-born persons to live in extended family situations, as well as given recent home and rental prices may drive some’s choice to live with roommates. These factors, paired with the current low availability of 3-bedroom units on the market, give us basis to also includes such units as incentivized by our new grant.

The Town's new Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development would aim to encourage the development of high-demand housing units in Riverview. A Grant amount of up to a maximum of twenty thousand dollars (\$20,000) per unit for for-profit developers, and twenty-five thousand dollars (\$25,000) per unit for non-profit developers, would be available to successful applicants creating new dwelling units in Riverview, which constitute one or more of the following: i) an affordable dwelling unit, ii) a barrier-free dwelling unit, and iii) a 3-bedroom dwelling unit, upon successful completion of the building's foundation and successful passing of a preliminary inspection by a building inspector for said foundation. Development and application approval and funding would need to fully occur within the duration of the Housing Accelerator Fund program (February 16, 2024 – February 16, 2027). The Grant budget is capped at \$300,000 annually with the possibility to revise if/once fully allocated. The full grant criteria are provided in the Council Meeting document attachment, however, below is a brief overview of some of the conditions included:

Non-profit developers can apply for:

- A maximum amount of fifteen thousand dollars (\$15,000) per new affordable dwelling unit created, for a maximum amount of one hundred and fifty thousand dollars (\$150,000) per project (10 units).

For-profit developers can apply for:

- A maximum amount of ten thousand dollars (\$10,000) per new affordable dwelling unit created, for a maximum amount of one hundred thousand dollars (\$100,000) per project (10 units).

Both non-profit and for-profit developers can apply for:

- A maximum amount of five thousand dollars (\$5,000) per new barrier-free dwelling unit created for a maximum of sixty thousand dollars (\$60,000) per project (12 units).
- A maximum amount of five thousand dollars (\$5,000) per 3-bedroom dwelling unit created for a maximum of sixty thousand dollars (\$60,000) per project (12 units).

All units considered for funding under this Grant must be:

- Located within Town boundaries;
- Connected to municipal water and sanitary sewer services;
- Subject to a bona fide and binding written residential lease with a term of at least one (1) year (for clarity, a lease with a month-to-month term will not qualify) and with a commencement date within 180 days from the date of the foundation's preliminary inspection approval of the building inspector in respect of the dwelling unit, or at the Review Committee's discretion a written undertaking of the applicant to provide such qualifying lease(s) within the lesser period of: i) 365 days from the date of the foundation's preliminary inspection approval of the building inspector in respect of the dwelling unit, and ii) 30 days from the end of the Funding Period (and which at the discretion of the Review Committee may constitute a condition for the disbursement of the Grant funds to the applicant);
- Cannot be used for short-term rentals;
- Compliant with all provisions in [the Town's Zoning By-Law No. 300-7](#) and Municipal Plan; and

- Subject to a minimum of construction costs, renovations costs, and/or rehabilitation costs of twenty thousand dollars (\$20,000) in the aggregate.

Applicants must:

- Be the owners of the land;
- Be the lease holders (landlord) for the affordable, barrier-free, and/or 3-bedroom dwelling units;
- Be proposing a project consisting of at least one (1) affordable, barrier-free, and/or 3-bedroom dwelling unit.
- Not be in arrears on property taxes or water/sewer charges in respect of any property owned within the Town of Riverview;
- Obtain a building permit within six (6) months of the approved application (and within the Funding Period), for the creation of the new units; and
- Complete the project within two (2) years of receiving said building permit and within the Funding Period.

Learning from similar grant programs delivered by other New Brunswick municipalities, staff have incorporated industry standards, criteria, best practices, and processes into Riverview's Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development Grant, while also including some unique criteria that speak to the Town's strong code of ethics. We are thrilled to produce this grant having potential to engage developers in bettering housing conditions in their community, specifically for projects proposing high-demand housing typologies in Riverview.

CONSIDERATIONS

Legal:

- The Town's contracted and retained legal firm has conducted an initial review of the new grant policy and has provided suggestions and feedback which have been implemented in the documents presented at today's Council meeting.
- A final legal and internal review will be conducted, further to Council's review, to ensure optimal program structure, criteria, and considerations.

Financial:

- Funding for the HAF is contingent upon completing the action plan initiatives, complying with the program's requirements, and meeting growth targets.
- This Grant would be funded by the HAF program.
- This Grant budget is capped at \$300,000 annually, with the possibility to revise if/once fully allocated.
- Finance is engaged in establishing the right budget flow and payment cadence, considering existing budget schedules.

Stakeholders:

- Town Council; in advocating on behalf of the community's housing needs.

- Town Administration; in carrying out the HAF action plan initiatives.
- Resident Base; in receiving the benefits of future housing development initiatives engendering increases in the local housing stock.
- CMHC; in working inter-governmentally on better housing conditions in communities across the nation.

Strategic Plan:

Under the “Safe and Inclusive” pillar; the following objectives would be supported through this initiative:

- Trust is present in the community and all residents enjoy a good quality of life and sense of belonging.

Under the “Thriving Community” pillar, the following objectives would be supported through this initiative:

- Riverview is a desirable place to live, shop, visit and play.

Under the “Active and Engaged Community” pillar, the following objectives would be supported through this initiative:

- Healthy community.
- Engaged community.

Interdepartmental Consultation:

Inter-departmental consultations with top leadership at the Town, urban planning, communications, and finance have been ongoing throughout the development of initiatives that make up the Town’s HAF action plan, as well as staff has been collaborating regularly to review initiatives with the experts at CMHC, considering input and ideas from inter-governmental entities, as well as our contracted regulatory firm.

Communication Plan:

Further communication of initiatives will become available as they are rolled out. The Town’s Communications Department will be engaged in this exercise, and multi-channel campaigns to promote programs will ensue Council’s approval of any and all HAF initiatives.

An internal grant review committee will be formed, comprised of staff members from top leadership, economic development, urban planning, and finance to review and evaluate individual applications. While Council is tasked with reviewing and approving the overall grant programs, it was determined individual applications should be assessed by an internal committee using an evaluation matrix to streamline and accelerate the review process to be better position the Town to successfully achieve ambitious housing creation targets set over the 3-year duration of the HAF program.

To prioritize transparent communication between staff and Council relating to grant progress and updates, a new bi-yearly report will be developed and presented at Committee of the Whole meetings to report on HAF initiatives, and more specifically on related grant applications and allocations. Clear reporting to Council will ensure awareness of program specifics and status of individual applications.

OPTIONS

- Move forward with the launch of a new Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development Grant, pending final internal and legal review.
- Forego the launch of a new Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development Grant and forfeit future HAF payments related to successful completion of action plan initiatives.

RECOMMENDATION FROM STAFF

Council approves the Town of Riverview launch a new Housing Accelerator Fund Affordable, Barrier-Free, and 3-Bedroom Unit Development Grant, pending final internal and legal review.

Prepared by: Shanel Akerley, Economic Development Manager