

Housing Accelerator Fund First Time Homebuyers Grant (hereinafter referred to as the “Program”)

1. Program Overview/Purpose

The goal of the Housing Accelerator Fund First Time Homebuyers Program is to facilitate economic development opportunities with respect to affordable home ownership to qualified households to further support the range of housing options in the City of Fredericton (“City”) during the Housing Accelerator Fund (HAF) funding period (2024-2026). To facilitate this objective, a limited number of serviced lots on City owned land will be made available to qualified Applicants.

2. Application

The Program applies to moderate-income first-time homebuyers building a new, modestly designed, and priced home. The Director of Planning and Development, or designate thereof, is solely responsible for administering this Program including approving applications receiving funding and determining the contribution amounts for each successful Applicant.

3. Definitions

Moderate Income means a maximum Total Gross Annual Household Income of one hundred thousand dollars (\$100,000.00).

Newly constructed home means a home that was not built at the time of application.

Total Gross Annual Household Income means the annual income from all sources for all household residents over the age of eighteen (18) and not enrolled in school. E.g., employment income, self-employment income, pensions, other income including interest, government assistance, disability payments etc.

4. Available Grant Amount

The program will provide a grant of up to twenty thousand dollars (\$20,000.00) to qualified Applicants for homes built on selected serviced lots to be purchased from the City. The grant may be repayable as described in section 6 below. This restriction will be secured through a restrictive covenant for a ten (10) year period.

Applicant Selection Process

The City will offer a limited number of serviced lots, at various City owned locations. Applicants will enter into a selection process. Applications will be received up to a specified date and reviewed for completeness and compliance with Program criteria. Applications will be assigned a number and numbers subsequently chosen by random from all qualified Applicants. If the offer is not accepted, the next qualified Applicant will be offered the lot.

An information package for each City-owned site will be prepared and available on the website. A communications strategy will be developed for the Program.

Applicants will be required to submit their application with a five hundred dollar (\$500.00) refundable deposit as well as a fifty dollar (\$50.00) non-refundable application fee.

Applicants will enter into an agreement of purchase and sale with the City and the land must be purchased within forty-five (45) days of notification of their selection for the Program.

A building permit must be obtained within nine (9) months of the land sale completion date, with construction completed within two (2) years.

The agreement of purchase and sale shall contain a provision providing the City with the right to repurchase the lot at the original purchase price should a building permit not be obtained within the specified time frame.

The City will provide a twenty thousand dollars (\$20,000.00) grant per successful Applicant to offset the cost of constructing a new home utilizing funds from the Housing Accelerator Affordable Home Ownership Program. The grant is payable once a building permit has been issued, the foundation is complete and confirmation is received that the home is under construction.

Once purchased, the grant contribution is repayable to the City in the event the purchaser transfers the land to another individual or ceases to use the property for their family's principal residence during the period of ten (10) years following construction.

5. Eligibility Requirements

Applicants must meet the following criteria:

- Canadian citizen or permanent resident;
- Be at least eighteen (18) years old;
- Have lived in Fredericton for the past twelve (12) months;
- Not own other property anywhere in the world;
- Currently live in rental housing or other non-ownership housing;
- Have a combined gross household income of those living in the home not exceeding One Hundred Thousand Dollars (\$100,000.00); and
- Be a first-time home buyer

Applicants must be pre-approved for a mortgage by a recognized financial institution. Loans with unregulated or private lenders are ineligible. The pre-approval must include confirmation that the City's restrictive covenant is acceptable to be registered on title. A copy of the form of covenant is attached as Appendix B.

The property must meet the following criteria:

- The new dwelling unit must have the following affordable features:
 - Minimum two bedrooms
 - 1400 maximum sq ft – 2-bedroom homes
 - 2000 maximum sq ft – 3+ bedroom homes
 - No garages
 - Maximum lot frontage of 15 M for single family homes

- Will be the Applicant's principal residence
- Will have a property tax assessment indicating "owner-occupied" status

Modular built homes are permitted under the Program.

Ineligible projects include:

- Homes that will be subsequently leased to another occupant; except for owner-constructed secondary dwelling units in the form of basement apartments with lease terms of six (6) months or longer.
- Garden homes
- Mini homes
- Short-term rentals

6. Repayment Requirements

The grant must be repaid if the:

- a. Property is sold, transferred, or disposed of during the period of ten (10) years from construction;
- b. Applicant ceases to occupy the residence as a sole and principal residence during the period of ten (10) years from construction;
- c. Any false statements or misrepresentations are made;
- d. Any default of the program criteria; or
- e. Applicant is in mortgage default.

7. Repayment Calculation

In the event of any of the conditions in section 6 occurring, before the end of the restrictive covenant ten (10) year term, a pro-rated amount of the original grant amount provided must be repaid to the City plus the City's legal fees to discharge the restrictive covenant.

In the case of a sale, transfer or lease of the home, prior to the end of the ten (10) year term, the Applicant must repay, in addition to the full grant, the amount equal to five percent (5%) of the increase in the fair market value of the home since it was constructed.

See Appendix D for sample repayment calculations.

8. Early Repayment of the Grant

Applicants have the option to pay back the grant while still living in the home. In such case, the Applicant must repay the full grant amount plus an amount equal to five percent (5%) of the increase in the fair market value of the home since it was constructed, as well as the City's legal fees to discharge the restrictive covenant.

See Appendix D for sample repayment calculations.

9. Application Process/Submission Requirements

An Application, in the form attached as Appendix A, must be completed, and submitted. The Application Form provides details of which documents must be included.

If selected, Applicants must also submit an executed copy of the Affidavit in Appendix C.

10. Evaluation Criteria/Process:

Applications received by the closing date and time will be reviewed for completeness and compliance with eligibility requirements. Valid applications will be assigned a number. All numbers will be drawn at random until all available lots are assigned. Eligible Applicants whose number was not selected will be placed on a wait list and contacted if one of the successful Applicants does not proceed with the sale. Successful Applicants will be notified and will receive a time-limited Letter of Conditional Approval.

Selected Applicants must enter into an Agreement of Purchase and Sale in the form stipulated by the City within forty-five (45) business days of receipt of the Letter of Conditional Approval.

Note that the mortgage pre-approval process is different from the approval process for this Program. Applicants may be approved for one but not necessarily the other. Mortgage pre-approval is a required condition under this Program.

A Restrictive Covenant will be registered on title - after the 1st mortgage. After ten (10) years, the City of Fredericton will remove the covenant. See Appendix B

Funding is dependent on the receipt of federal funding from the HAF and contributions will be available until HAF funding is depleted for any year under the three (3) year program. The Program may be cancelled at the sole and absolute discretion of the Director of Planning and Development where the HAF funding is depleted or revoked.

11. Disbursement Process

The City will provide up to twenty thousand dollars (\$20,000.00) as a grant for successful Applicants under this program..

The grant is payable once a building permit has been issued, the home's foundation is complete and confirmation is received that the home is under construction.

All payments will be made by direct deposit only.

This Program expires upon the disbursement of all HAF funds.

12. Monitoring

The homeowner will provide confirmation of continued residency on request by the City of Fredericton.

Any misrepresentations may result in an Applicant being deemed ineligible.

The City reserves the right to verify information provided by the Applicant.

13. Contact Information

Affordable Housing Development Coordinator
housing@fredericton.ca

Submit the completed application form, along with two separate payments: a \$500.00 refundable deposit, and a \$50.00 (inclusive of HST) non-refundable administration fee and attachments to the Service Centre, City Hall, Attention: Affordable Housing Development Coordinator, 397 Queen Street, Fredericton, N.B. E3B 1B5 by 3:00 pm, August 11 2025 (insert applicable date and time).

Payments are to be made by cash, cheque, debit or credit card. Cheques to be made payable to the City of Fredericton.

Appendix A

Housing Accelerator Fund First Time Homebuyer Grant Application

Note: All sections must be completed, and all required documents attached before the application can be reviewed. The application must be dropped off at the Service Centre, Fredericton City Hall, 397 Queen Street by 3:00 pm on August 11, 2025 .

Complete all details, incomplete applications will not be processed.

SECTION 1 – Applicant Information

LAST NAME

FIRST NAME

MARITAL STATUS

DATE OF BIRTH

SIN

Co-Applicant

LAST NAME

FIRST NAME

RELATION TO APPLICANT

DATE OF BIRTH

SIN

HOME PHONE

WORK PHONE

MOBILE PHONE

Mailing Address

STREET

UNIT NUMBER

PO BOX

CITY/TOWN

PROVINCE

POSTAL CODE

Email Address

Number of Dependent Children _____ Ages / / / / /

I confirm this is my first home purchase. Applicants must complete the attached Affidavit. (Appendix B) prior to closing if they are chosen to purchase one of the lots.

Residency Status in Canada (attach proof)

Canadian Citizen _____ Permanent Resident _____

Applicant has been a resident of Fredericton for the last 12 months (at the time of application) Yes/No

List all household members who will be living in the home and their relationship with the Applicant.

SECTION 2 – Documents to attach:

The following documents must be attached to your signed Application Form:

- A copy of your pre-approval for first mortgage financing confirming that the City's Restrictive Covenant is acceptable for financing.
- Notice of Assessment from the Canada Revenue Agency (CRA) for each household member over the age of eighteen (18) not attending school full time for the tax year prior to the year you are applying for the Program.
- Proof of income - a copy of your most recent pay stubs; monthly pension statements etc., for each household member over the age of eighteen (18) not attending school
- Written confirmation of employment, hire date, position, annual income, employment status (F/T; P/T; Casual, Seasonal for each household member over the age of 18 and not attending school full time.
- Proof of status in Canada – birth certificate/Canadian citizenship, Canadian Passport/Landed Immigrant/Permanent Resident Card for all Applicants
- Past Housing history – copy of current lease or rent receipt
- \$500.00 refundable deposit
- \$50.00 non-refundable application fee

Declaration and Consent

I/We the undersigned

- a) Declare and certify that the information provided in this application is true and complete;
- b) Consent and give permission to the City of Fredericton to use and disclose my personal information for the purpose of administering this Program. I understand this information will only be disclosed to City of Fredericton personnel who need the information to fulfill the responsibilities of their job, and to other organizations who may need to be contacted to process the application. Statistics on this Program will be reported at a City level and will not personally identify individuals;
- c) Hereby grant the City of Fredericton, or its agents, permission to conduct necessary inquiries for the purpose of determining my/our income, assets, liabilities, and credit information;
- d) Authorize the City of Fredericton to investigate any and or all the statements made herein, being fully aware that discovery of any false statements will cancel this application. I/We further agree that such action by the City of Fredericton will be without penalty or liability for damages;
- e) Understand that this application does not constitute an agreement by the City of Fredericton or its representatives to provide assistance;
- f) Acknowledge the right of the City of Fredericton its agent (s), at any time prior to the execution and delivery to me/us for assistance hereby applied for, to withdraw, revoke or cancel, without penalty or liability for damages or otherwise, any acceptance of the application made or given;
- g) Will use the purchased home as my/our sole and principal residence;
- h) Have read the information about the Program and understand the Program rules and eligibility requirements; and
- i) Understand this consent will apply to inquiries made relating to my/our initial and ongoing eligibility for the Program.

SIGNATURES

By signing below, I certify that all the information on, and included with, this Application Form is truthful and accurate.

Print name:

Dated at the City of Fredericton this _____ (day) of _____ (month),

_____ (year).

Appendix B – Restrictive Covenant

As prepared by the City Solicitor and in a form and content approved by the Director of Planning and Development for the City of Fredericton.

Appendix C – to be completed by successful Applicants prior to closing

Affidavit

I/We _____ of _____

_____ in the City of Fredericton, make oath
and say as follows.

1. That I/We am/are First Time Homeowners/Purchasers and I/we both meet the following conditions:
 - a. Never purchased or had an interest in a home before, or
 - b. Has gone through a breakdown of marriage or common-law partnership; or
 - c. Has not occupied a home that either they or their current spouse or common-law partner owned in the past five years.
2. That I/We make this Affidavit for the purpose of obtaining financial assistance through the City of Fredericton Housing Accelerator Fund First Time Homebuyers Program, knowing it is a criminal offense to falsely swear an Affidavit.

Applicant

Co-Applicant (if applicable)

SWORN TO at _____, in the City of Fredericton,

This _____ day of _____, 20____.

Before me:

A Commissioner of Oaths, Notary Public, Solicitor

Appendix D – Repayment Examples

Early Repayment (Still Living in the Home, Sale, Transfer)					
Purchase Price	Assessed Value	Gain/Loss	Original Grant	Appreciation - 5%	Repayment Amount
\$ 375,000	\$ 375,000		\$ 20,000	\$ -	\$ 20,000
\$ 400,000	\$ 380,000	\$ (20,000)	\$ 20,000	\$ -	\$ 20,000
\$ 400,000	\$ 425,000	\$ 25,000	\$ 20,000	\$ 1,250	\$ 21,250
\$ 400,000	\$ 450,000	\$ 50,000	\$ 20,000	\$ 2,500	\$ 22,500
Early Repayment (Other Conditions)					
Purchase Price	Original Grant	Prorated Repayment Amount	# of Years in the Home		
\$ 375,000	\$ 20,000	\$ 10,000	5		
\$ 400,000	\$ 20,000	\$ 15,000	4		
\$ 400,000	\$ 20,000	\$ 16,000	2		
\$ 400,000	\$ 20,000	\$ 5,000	8		

FOR LOCAL GOVERNMENT USE ONLY

To be completed by City of Fredericton staff

Application Number: _____

The application is/is not approved in the amount of \$ _____ payable to
_____.

Director of Planning and Development (or designate)

Date: _____, 20____