

## **Housing Accelerator Fund Rental Housing Grant – Construction of New Housing Units (hereinafter referred to as the “Program”)**

### **1. Program Overview/Purpose**

The goal of the Housing Accelerator Fund Rental Housing Grant Program is to increase the supply of rental housing using incentives during the Housing Accelerator Fund (HAF) funding period (2024-2026). Both non-profit and private sector developers as defined below are eligible for funding under the Program subject to Program guidelines. Projects developed under this Program will promote the “missing middle” housing forms. Incentives are aligned with the City of Fredericton’s (the “City”) Imagine Fredericton - Municipal Plan with funding prioritized to the Urban Core (City Centre, North and South Core) and New Neighbourhoods. Development in certain areas outside the identified growth areas will also be considered. Projects located in the Urban Core include a focus on the development of affordable housing.

### **2. Application**

The Program applies to new developments creating additional lower end of market housing and/or affordable housing units. The Director of Planning and Development, or designate thereof, is solely responsible for administering this Program including approving projects receiving funding and determining the grant amounts for each successful project.

### **3. Definitions**

**Affordable Rental Housing Program (ARHP)** means the program administered by Housing NB to provide capital grant funding towards the creation of new housing units for low- and moderate-income households in New Brunswick.

**Affordable Rental Housing** means basic affordable housing units that would, at a minimum, rent at or below the median market housing rents, as published by Canada Mortgage and Housing Corporation (CMHC) in the annual Rental Market Report, for a dwelling unit of the same type in the community.

**Below Market/Lower End of Market Housing** means housing that addresses a critical gap in Fredericton’s rental market by providing homes for moderate-income renters who may not qualify for subsidized housing but find new market rentals too expensive. The project must create basic affordable housing units that would, at a minimum, rent at the median market housing rents, for new construction, as published by the CMHC in the annual Rental Market Report, for a dwelling unit of the same type in the community.

**CMHC/Federal Funding Programs** means programs offered by CMHC under the National Housing Strategy which includes, but is not limited to, the National Housing Co-Investment Fund and the Apartment Construction Loan Program (previously known as RCFI).

**Missing Middle Housing** means ground oriented housing types that includes duplexes, fourplexes, row housing, courtyard housing and low-rise apartments (4 storeys or less).

**Non-Profit Developer** means a charitable, or non-profit organization or corporation, or housing cooperative, where no part of the income is payable to, or otherwise available for, the personal benefit of any proprietor, member, or shareholder.

**Other Multi-Unit Housing** means all multi-unit housing excluding missing – middle housing.

**Private Sector Developer** means any developer or person that provides housing that does not fit within the definition of a Non-Profit Developer.

**Urban Core** means the City Centre, North and South Core as defined in the Municipal Plan.

**New Neighbourhoods** means the areas identified in the Municipal Plan to accommodate growth.

See Neighbourhood Map in Appendix B.

#### 4. Available Grant Amount

Per Unit Incentives					
	Base Amount	Urban Core/ Growth Node	3+ Bedrooms	Accessibility/ Inclusion	Total Potential Per Unit Incentive
Non-Profit Developer	\$20,000	\$ 5,000	\$ 10,000	\$ 5,000	\$40,000
Private Developer	\$10,000	\$ 5,000	\$ 10,000	\$ 5,000	\$30,000
Maximum funding per project is 10 units					
Non-Profit	\$ 400,000				
Private Developer	\$ 300,000				

Accessible/Inclusion bonus will apply for Applicants who include units for those with physical and other disabilities including intellectual disabilities.

Grants under this program may in some cases be combined with other City of Fredericton housing grant programs. Please contact [housing@fredericton.ca](mailto:housing@fredericton.ca) for additional details.

**Funding for a maximum of 10 units per application is available.**

As per CMHC requirements for the HAF program, contributions from the City from HAF funds can be used in conjunction with other CMHC or federal government programs such as the Co-Investment Fund.

#### 5. Eligibility Requirements

- Projects must be located in the City of Fredericton but projects within the Urban Core (City Centre, North and South Core) and the New Neighbourhoods will be prioritized.
- Projects must be connected to municipal water and sanitary sewer services.
- This Program prioritizes projects that are shovel ready but acknowledges that applicants must often seek funding commitments early in the project development process.
- Mixed use and mixed income housing projects will receive bonus points in the evaluation process.
- Projects must create net new rental units; renovations of existing rental units are not eligible.
- Projects must be a minimum of four (4) units.
- Projects must offer long term tenancies – more than six (6) months.
- Student apartment-style housing will be considered – units must be self-contained with kitchen, living space and private bathrooms.

- Applicants must be the owner of the land; have an agreement of purchase and sale or have entered into a long-term land lease agreement (greater than twenty (20) years).
- Multi-tenant projects targeting vulnerable populations must include a plan detailing the wrap-around services to be offered in the building along with written commitment from other government agencies of funding and other resources required to provide the services.
- The proposed project must comply By-law No. Z-6, A By-law to Adopt a Municipal Plan for the City of Fredericton, as amended, and By-law No. Z-5, A Zoning By-law for the City of Fredericton, as amended.
- The Applicant must provide proof of sufficient funding to construct the project.
- Only developments that have applied for a building permit after the December 12, 2023 signing of the Housing Accelerator Fund Contribution Agreement between CMHC and the City of Fredericton are eligible for grants.
- If a building permit is not submitted with the application, the proponent must participate in a pre-application meeting with the City of Fredericton and obtain a building permit within nine (9) months.
- Units must maintain affordability, defined as Affordable Rental Housing and Below Market as defined in this Program above for the minimum period of twenty (20) years.

Ineligible projects include:

- Secondary suites including Accessory Dwelling Units (ADUs)
- Hostel & Rooming Houses
- Shelters
- Projects that are fully funded (100%) by other government agencies or entities
- Special Care Homes
- Nursing Homes
- Single Room Occupancy Dwellings
- Single Family Homes
- Student dormitory housing with shared amenities
- Short Term Rentals

## **6. Eligible Expenditures**

The following expenditures are eligible:

- Construction costs, materials including building and site works
- Construction costs, labour
- Consultant fees for professional services
- Shared amenity costs such as appliances for shared laundry facilities or appliances and equipment for shared community spaces

## **7. Ineligible Costs**

The following costs are ineligible:

- furnishings and in-unit appliances
- costs associated with the preparation and submission of the application
- costs related to the execution of the Grant Agreement
- Fees/costs specifically covered through other government grants or forgivable loan programs (e.g., Proposal Development Funding) shall not be eligible for a grant under this Program.

## **8. Application Process/Submission Requirements**

An Application Form, in the form attached hereto as Appendix A, must be completed and submitted **prior to** the commencement of any work and prior to applying for a building permit. Section 2 of the Application Form provides details of which documents must also be attached to the signed Application Form.

## **9. Project Evaluation**

Applications will be reviewed and evaluated in the order they are received.

A committee will evaluate each Grant application. The committee will be comprised of the following:

- Director of Planning and Development or delegate
- City Treasurer or delegate
- Affordable Housing Development Coordinator, Chair

The Committee's role is to confirm eligibility of each project and evaluate the project based on the following criteria.

- History of successful management of existing housing units
- The number of affordable housing units
- Number of lower end of market or below market units
- Project location – located within the Urban Core or the New Neighbourhoods
- Proximity to amenities – transit, grocery stores, parks, childcare, healthcare etc.
- Application includes a building permit submission
- Letter of commitment from Federal and/or Provincial Partners if applicable
- Number of three (3) bedroom, or more, units
- Accessibility/Inclusion – number of units allocated and confirmation of community supports where applicable
- Commitment to affordability, as described in this Program above, for a minimum of twenty (20) years.
- Mixed use and mixed income housing projects will receive bonus points in the evaluation process.

If the Application is not approved, the Affordable Housing Development Coordinator will provide a letter of explanation.

If the request is approved, the Affordable Housing Development Coordinator will notify Applicants and provide a form of Grant Agreement, and other requirement to be satisfied by the Applicant, within thirty (30) days of receipt of the completed and signed Application Form.

Successful Applicants must enter into a Grant Agreement with the City of Fredericton in the form of Appendix C (the “Grant Agreement”). The Grant Agreement sets out the terms and conditions of the Grant which include the grant amount, eligible expenses and reporting requirements. Successful applicants must also agree to ensure that if they sell the property, they will secure the commitment to affordability as required by the Program from the purchaser for any remainder of the original minimum period of twenty (20) years.

When multiple applications are received at the same time, funding will be committed to projects that score the highest number of points according to the evaluation criteria. Eligible projects that are not selected during the first cycle may be added to a waitlist and evaluated against projects in other HAF funding cycles. If construction has proceeded on projects that did not originally receive funding, applicants must submit a statement of continuing need for funding.

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

#### **10. Disbursement Process**

- All payments will be made by direct deposit only.
- Grants under the program are disbursed as follows:
  - Fifty percent (50%) once the foundation is complete and confirmation is received that the project is under construction; and
  - Fifty percent (50%) once the project is completed and a final building inspection by the City of Fredericton is completed, the results of which being acceptable to the City; Satisfaction of all conditions under the Grant Agreement is required prior to the disbursement of any remaining funds.
  - Notwithstanding the above, disbursements of funds may be provided prior to project completion should special circumstances arise. A business case must be prepared and submitted to the Director, Planning and Development for consideration.
- Successful applicants must allow City of Fredericton staff access to the site upon completion of the project to conduct a final inspection prior to the disbursement of any remaining funds.
- Successful applicants must provide the following documents to the City of Fredericton Planning Department:
  - Any other documentation indicated in the letter of confirmation; and
  - Current rent roll, confirming units are occupied consistent with funding provided as detailed in the letter of confirmation. Fulfillment of the bonus criteria which was applied for may be audited by the City of Fredericton upon project completion.

Should the Applicant not obtain a building permit within nine (9) months of grant approval or not reach completion/occupancy within two (2) years of receiving a building permit, the grant will expire and be rescinded. Any funds committed to the project will be reallocated to other projects unless there are extenuating circumstances acceptable to the Director of Planning and Development.

Grants will not be disbursed if the Applicant has property tax arrears or water/sewer arrears with the City or if the project is in violation of City of Fredericton by-laws.

This Program expires upon the disbursement of all HAF funds.

#### **11. Monitoring**

Applicants who have not partnered with Housing NB for the construction of affordable housing units must provide an annual attestation confirming affordability of the units that received grant funding.

The City of Fredericton reserves the right, upon reasonable request, to require the Applicant to provide an up-to-date rent-roll to confirm units are occupied consistent with funding application accepted under the Program.

The Applicant shall ensure that it identifies to all tenants, and obtains their consent, that their personal information may be shared with the City, and may be shared by the City with CMHC, for the purpose of verifying compliance with the Program requirements. The City may demand production of such consent from the Applicant at any time.

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

#### **12. Contact Information**

Affordable Housing Development Coordinator  
housing@fredericton.ca

## Appendix A

### Housing Accelerator Rental Housing Grants Program – Construction of New Housing Units

#### Application Form

**Note:** All sections must be completed, and all required documents attached before the application can be reviewed. The application should be sent to [housing@fredericton.ca](mailto:housing@fredericton.ca)

#### SECTION 1 – Applicant Information

Civic Address of the Project \_\_\_\_\_

Property ID (PID): \_\_\_\_\_

Name of Applicant: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Person authorized to legal bind / sign documents on behalf of the entity: \_\_\_\_\_

Charitable Registration No. (if applicable): \_\_\_\_\_

Organization Type: ☐ Non-profit organization  
☐ Other incorporated entity

Non-profit organization/private developer: \_\_\_\_\_

Are you the legal owner of the property? ☐ Yes ☐ No – Please indicate the legal owner's contact information below

Owner: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**TO BE COMPLETED BY THE PROPERTY OWNER**

Are you currently in good standing with the City of Fredericton, meaning you have no unpaid taxes, water/sewage fees or outstanding property related by-law violations? ☐ Yes ☐ No

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Owner's Printed Name

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Owner's Signature

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DD/MM/YYYY

**SECTION 2 – Documents to attach:**

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

- a. Cover letter
- b. A description outlining the experience of the Applicant in the operation and property management of housing developments including:
  - i. Number of years of management experience
  - ii. Existing properties owned and managed by the Applicant including the name and address of each property and the number of units
- c. Description of the proposed development.
- d. Proposed rental rates.
- e. Project schedule.
- f. Target market – e.g., singles, families, seniors for the number of units allocated to each and a full description of any wrap around services provided.
- g. A copy of the long-term land lease agreement or land deed for the property on which the Project will be situated. Lease terms must be for a period greater than the term of any mortgage - a minimum of twenty (20) years not including any right of renewal periods. Applicants must have a registered interest in the property identified in the application based on the Service NB Property Identifier Number (PID); or an agreement of purchase and sale.
- h. Confirmation of funding from federal and/or provincial housing programs, if applicable.
- i. Confirmation that any additional funding required beyond confirmed government sources is available to complete the project. Letters of commitment from a Canadian Financial Institution attached where appropriate.
- j. Confirmation of the total number of units in the project and the number of affordable housing and lower end of market units and any commercial components.

**NON-PROFIT AND CHARITABLE ORGANIZATIONS MUST ALSO ATTACH:**

- k. A copy of your letters patent or other incorporating documents.
- l. Resolution of the Board of Directors authorizing the Project.
- m. List of Board of Directors.
- n. Five (5) years of audited financial statements.



## SIGNATURES

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

Dated at the City of Fredericton this \_\_\_\_\_ (day) of \_\_\_\_\_ (month),  
\_\_\_\_\_ (year).

\_\_\_\_\_

Name of Owner or Authorized Agent

\_\_\_\_\_

Title

\_\_\_\_\_

Signature of Owner or Authorized Agent

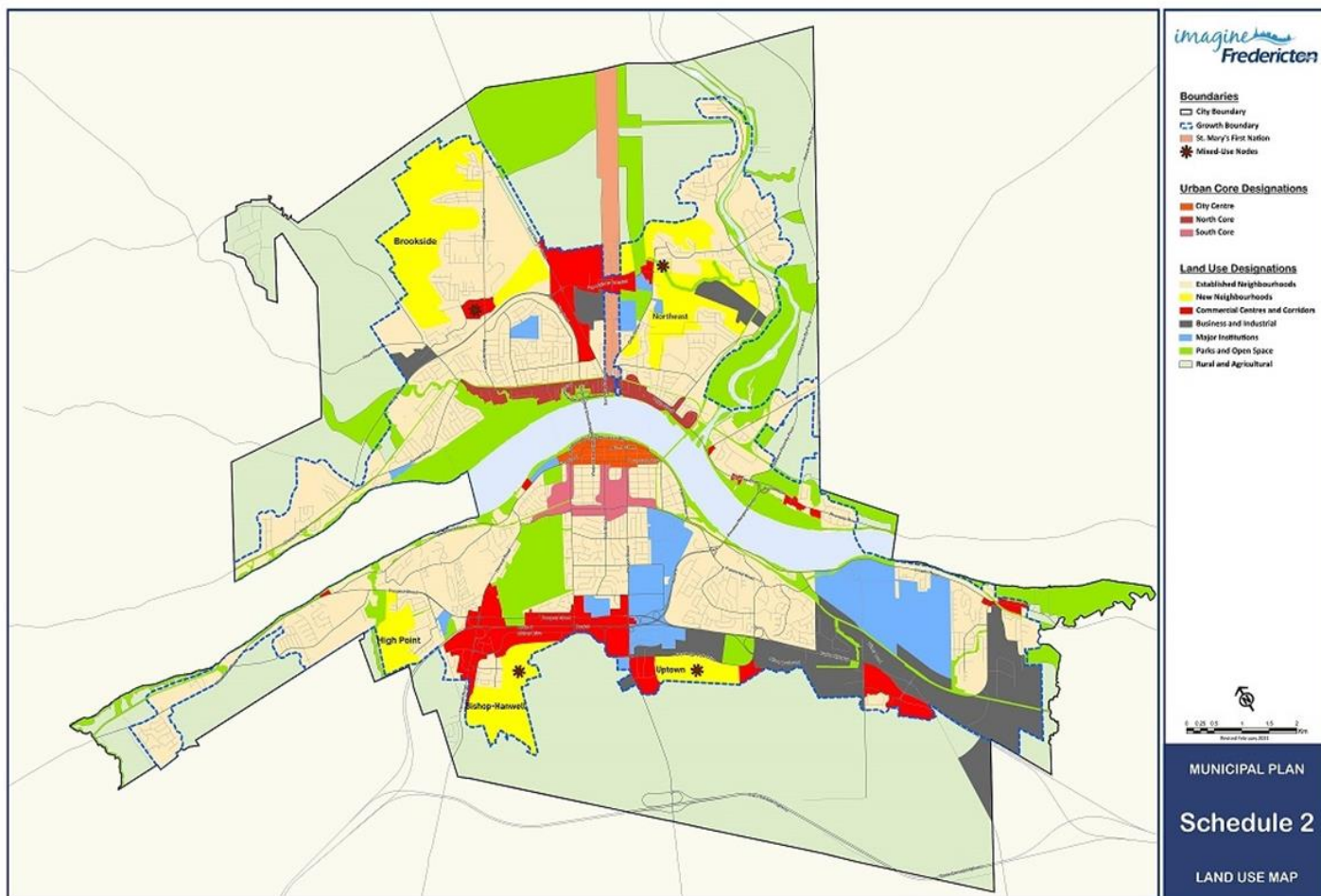
☐ I have the authority to sign on behalf of the organization named below.

\_\_\_\_\_

Name of organization

**Submit the completed application form and attachments via email to: [housing@fredericton.ca](mailto:housing@fredericton.ca)**

## Appendix B



**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\_\_\_\_