

REPORT

TO: Warden and Members of Shelburne Municipal Council

FROM: Jill Webb, Economic Development Officer

APPROVED BY: Val Kean, Director of Economic & Community Development

SUBJECT: Affordable Housing Grant Policy – Staff Report

DATE: September 10, 2025

PURPOSE:

To consider the approval and administration of an Affordable Housing Grant policy. As an initiative of the Housing Accelerator Funding, the Affordable Housing Grant Policy provides the Municipality with a tool to help address housing challenges in our community, promoting mixed income and sustainable communities.

RECOMMENDATION:

It is recommended to Council:

THAT Council approve the Affordable Housing Grant Policy as presented, to support the creation of affordable housing units within the Municipality of the District of Shelburne.

BACKGROUND:

The Municipality continues to face significant housing shortages. These challenges impact community stability, local economic growth, and the ability to attract and retain residents. The Municipal Government Act gives Municipalities authority to support the development of housing through sections 57, 65A, and 9A. Leveraging these authorities and the funds received from the Housing Accelerator Fund program, staff have developed the Affordable Housing Grant Policy, which outlines a structured approach to providing financial support to both non-profit organizations and for-profit developers on a per-unit basis.

DISCUSSION

The Affordable Housing Grant Policy outlines objectives and eligibility criteria to encourage the development of affordable housing within the Municipality. It aims to increase the supply of rental and ownership units, support mixed-income neighborhoods, attract private and non-profit investment, and strengthen community stability. Eligible applicants include incorporated non-profits and for-profit developers, with projects focused on new construction or conversions of non-residential buildings, and grants may cover development, construction, or infrastructure costs. Funding is provided on a per-unit basis and may be combined with other government programs, with affordability set at least 20% below market value and maintained for a minimum

of 20 years. Applications are accepted through scheduled application periods (as advertised on our website) and prioritized for non-profits, eligible developers, and mixed-income projects, with evaluations based on readiness, sustainability, accessibility, environmental standards, and community support. Final approval rest with Council and successful applicants must sign a Contribution Agreement. This policy is subject to review every three years.

BUDGET IMPLICATIONS

The grant program will operate within an annual budget allocation approved by Council. Funds to be allocated from the Housing Accelerator Fund. There is currently \$100,000 allocated in the 2025/2026 operating budget. Additional funding will be set annually.

ATTACHEMENTS

1. DRAFT Affordable Housing Grant Policy

NEXT STEPS:

Upon approval, staff will:

1. Work with legal to finalize Contribution Agreement, this will form Appendix A of the Affordable Housing Grant Policy
2. Publish Policy on website.
3. Launch staff and public communications to advertise available funding sources.
4. Establish a first round application period.



Affordable Housing Grant Policy
Municipality of the District of Shelburne
Effective Date:

1. Legislative Authority

This policy derives its authority from sections 57, 65A, and 9A of the Municipal Government Act:

57...(4) Notwithstanding subsection (2), a municipality may provide direct financial assistance to a business for the purpose of increasing the availability of affordable housing in the municipality.

65A...(1) Subject to subsections (2) to (4), the municipality may only spend money for municipal purposes if (a) the expenditure is included in the municipality's operating budget or capital budget or is otherwise authorized by the municipality;

9A...The purposes of a municipality are to; (b) provide services, facilities and other things that, in the opinion of the council, are necessary or desirable for all or part of the municipality; and (c) develop and maintain safe and viable communities.

2. Purpose

The Affordable Housing Grant Policy (the "Policy") supports the creation of affordable housing units within the Municipality of the District of Shelburne. The Policy offers financial assistance through the provision of Affordable Housing Grants ("Grant" or "Grants") to incorporated developers and non-profit organizations to increase the supply of safe and affordable housing.

3. Objectives

The objectives of the Policy are to:

- a) Increase the availability of affordable housing
- b) Promote mixed-income neighborhoods and economic diversity
- c) Leverage private and non-profit investment
- d) Support local economic development and community stability

4. Definitions

Dwelling Unit - one or more habitable rooms designed, occupied or intended for use by one or more individuals as an independent and separate housekeeping establishment in which cooking, sleeping, and sanitary facilities are provided for the exclusive use of such individual or individuals.

Dwelling, Secondary Suite - a single-unit dwelling accessory to the main residential use, either attached or located within the main residential building or located within an accessory structure, often referred to as an in-law suite, basement apartment, or backyard suite.

Municipality – “Municipality” means the Municipality of the District of Shelburne or Municipality of Shelburne.

Contribution Agreement - a written legal contract between the Municipality and a successful applicant that sets out the terms and conditions under which the Municipality provides financial assistance (a contribution) to support a specific project, program, or initiative, including reporting, accountability, and repayment requirements where applicable.

5. Eligibility

a) Eligible Applicants

Applicants must be one of the following:

- A non-profit organization
- A for-profit housing developer (subject to affordability conditions)
- Incorporated for at least one year and in good standing with the Registry of Joint Stocks
- Applicants and properties must be in good standing with the Municipality. This means property taxes and other municipal charges are up to date, and the property is not in violation of any municipal bylaws.

b) Eligible Projects

The project must fall into at least one of the following categories:

- New construction of affordable housing located in the Municipality of Shelburne

- Conversion of non-residential buildings into affordable residential units located in the Municipality of Shelburne
- Eligible projects must include a minimum of 2 (two) units OR must meet the criteria of a secondary suite under the Municipality's Land Use By-Law, and are subject to affordability criteria.
- Approved projects must be permitted within 4 months of grant approval notification.

c) Eligible Costs

Grant may be applied to costs of construction (e.g., material and labour costs), as well as onsite infrastructure costs where applicable (e.g., sewer, water).

d) Ineligible Costs

Grant may not be applied to costs associated with land acquisition or financing.

6. Grant Amounts & Structure

- **Grant Range** – Baseline funding amount may be approved up to \$10,000 per affordable unit. Additional funding may be considered at the sole discretion of the Chief Administrative Officer and final funds granted will reflect the number of affordable units, community benefit of mixed market units, and overall project type and budget.
- **Stacking with Other Funding** – Grants may be combined (“layered”) with other government funding sources.
- **Contribution Limits** – The municipal grant may cover up to a maximum of 50% of total project construction costs, as calculated at the time of application.

The Municipality reserves the right to limit funding allocations, and as such, not all eligible applications will necessarily receive funding. Funding allocations will be set annually in the Municipality's operating budget. Limited funding available. Applications will only be accepted until funding is exhausted.

7. Affordability Criteria

- Rented or sold for a minimum 20% below market value, based on Provincial and Federal market data. Affordability threshold will be further explored with applicants during the application review process.

- Successful applicants will have affordability obligations for a minimum of 20 years, subject to reporting requirements as outlined through a contribution agreement between the Municipality and the proponent.

8. Application Process

- a) A grant budget will be set annually, and application periods will be advertised on the Municipal website.
- b) Applicants must meet with the Director of Economic & Community Development and Economic Development Officer prior to application submission
- c) Priority will be given to eligible non-profit organizations
- d) Priority may be given to developers who have been approved under the provincial housing development grant.
- e) Priority may be given to mixed development projects that include affordable, deeply affordable and market housing units.
- f) All applications must include a detailed business plan containing, but not limited to, the following information:
 - Applicant's contact information including full address, phone and email
 - Summary of your organization or business
 - Background on previous development experience, including references
 - Proof of property ownership
 - Project business plan and inclusive project budget including details for all funding sources
 - Proposed construction timeline
 - Confirmed zoning compliance for project location
 - Number, type, and size of units for the project
 - Property details – address, PID, site plan, etc.
 - Affordability strategy – summary of target market, proposed rent structure
 - Accessibility – how will the property meet accessibility standards
 - Energy Efficiency – intentions and plans around energy efficiency
 - All other relevant documentation, as requested by Municipal staff

9. Evaluation Criteria

Applications will be assessed by municipal staff and may involve consultation with the Economic Growth Committee. Evaluation criteria include:

- Demonstrated project readiness
- Inclusion of market-rate housing
- Community benefits of the project

- Number of and affordability level of housing units
- Long-term sustainability and management
- Leverage of external funding
- Experience managing affordable housing
- Demonstrated community support
- Equity and anti-displacement strategies
- Site location and accessibility to services
- Accessibility beyond code requirements
- Environmental sustainability exceeding code requirements

10. Review & Approval Process

Applications will be reviewed and vetted by the CAO and municipal staff based on the evaluation criteria outlined in this policy. Recommendations for approval will be forwarded to Council for final decision. Notification of approval will be forwarded to the successful applicant and announced publicly in a timely manner.

11. Conditions of Approval

Successful applicants must sign a Contribution Agreement before receiving any grant funding. The Contribution Agreement will include, but is not limited to, the following information:

- a) Procedures regarding changes to the project and associated building or development permit
- b) Order and timeline of payment disbursement to successful applicants
- c) Reimbursement requirements if an applicant fails to uphold their obligations as outlined in the contribution agreement
- d) Affordability criteria requirements
- e) Reporting requirements for affordability
- f) All other legal obligations of the successful applicants and the Municipality, as identified by the Municipality or its legal representation.

12. Policy Review

The policy shall be reviewed every three (3) years to evaluate its effectiveness and respond to changing community housing needs.

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Affordable Housing Grant Policy on the _____ day of _____.

SIGNED this _____ day of _____, 20_____

WARDEN

CHIEF ADMINISTRATIVE OFFICER

Approved by Council:

Effective Date: