



## Not for Profit Affordable Housing Tax Grant Program Guide

Edmonton

Affordable Housing and Homelessness  
Assessment and Taxation

## INTRODUCTION

The **Not for Profit Affordable Housing Tax Grant Program** is managed jointly by the City of Edmonton Affordable Housing and Homelessness area of the Social Development Branch and the Assessment and Taxation Branch. This document describes how to qualify for a grant and provides details about the grant program. The program's funding tools are intended to offset, on an ongoing annual basis, any municipal property taxes for affordable housing and supportive housing providers. The grant recipient must also meet a number of other criteria as outlined below.

All material submitted to the City of Edmonton as part of a grant application may be shared internally within the City of Edmonton, and externally with any relevant government agencies.

Property, or portions of property, that are already exempt under Alberta legislation will not qualify.

Any non-residential/commercial portions of a property will not qualify.

Grants are conditional that the property continues to meet the requirements for the remainder of the tax year. If a property no longer qualifies before the end of a taxation year, the City may, in its sole discretion, remove all or part of the grant credit for the current taxation year from the tax roll.

### Application Process

Applications may be submitted at any time and will be processed once received. An Applicant must be the assessed owner of the property pursuant to Section 304 of the Municipal Government Act, or a management body for that entity. Where there are multiple owners, all owners do not have to sign off on the application but should be aware of the application.

Applicants may apply for the grant by completing a grant application and submitting this to the City. The grant application must provide the following information:

- The Applicant's name (and the name of the owners of the property);

- The property location (address);
- Contact information;
- The nature of the property and how it qualifies for the grant.
- The documentation that will show it meets the eligibility requirements for grant;

After reviewing the application, the City may require an Applicant to provide any additional information that may be needed to determine whether the grant should be approved.

### Eligibility Criteria for Grants

The following criteria must be met to be eligible for a grant:

- The Applicant must be the assessed person for the property under Section 304 of the Municipal Government Act (either the owner of the property or the lessee of a property owned by a government entity.), or a management body for that entity.
- The housing provider must be a non-profit entity, or a partnership between a non-profit entity and a for profit entity. Where a for profit entity is part of the ownership, the non profit entity must own at least 50% of the property.
- The property must be providing residential housing accommodation to the public or in the process of being constructed with the intention of providing residential accommodation to the public. Residential housing accommodation includes the provision of housing intended for permanent living accommodation but may also include transitional housing;
- There are no tax arrears associated with the property;
- A minimum of at least 25% of the units on the property must qualify as one or more of the following types of Housing:
  - **Government Supported Housing:** A property for which there is an agreement in place with a level of government that the property will provide affordable or supportive housing for a defined period of time. The agreement may relate to some form of grant or subsidy, or any other type of agreement that requires the property to remain as affordable or supportive housing. The property will only qualify during the term of the legal agreement. This category includes agreements with the Canada Mortgage and Housing Corporation.
  - **Other Permanent Affordable Housing:** A property which provides long term occupancy to individuals where the rent that is charged is limited by some enforceable legal agreement or requirement to a maximum of either 80% of the rental rate that the property would be expected to receive in the open market, or to no more than 30% of the pre-tax gross household income of the residents. The property will only qualify during the term of the legal agreement.

Government supported housing and other permanent affordable housing can include:

- **Transitional Housing:** A property that provides temporary housing for individuals experiencing and struggling with homelessness in order to find them permanent housing. This type of housing will typically allow stays between 1 week and 6 months.

- **Supportive Housing:** A property which provides either temporary housing or long term occupancy where support services are provided at the property for people with high needs related to issues including physical or mental health, developmental disabilities or substance use.
- There are no significant legal issues associated with the property or the owners. Issues that may disqualify the property or owner include:
  - Development compliance issues or safety code issues associated with the property;
  - The Applicant is involved in any litigation with the City, excluding any litigation surrounding the assessment or exemption status relating to taxes;
  - The Applicant is involved in any litigation relating to the property including foreclosures, or builders liens;
  - Other properties owned by the Applicant or a related entity are the subject of foreclosures;
  - The Applicant or an entity related to the Applicant is in bankruptcy or receivership;
  - Any other issues as identified by Reviewer

While grant eligibility will be based on property as a whole, the grant will be prorated so that it is payable on the units within the property that meet the criteria outlined above. The grant shall not take into account any portion of the property which has a non-residential/commercial use and will not apply to any units or portion of a property that is already exempt from municipal taxation.

Properties that restrict or give precedence to who can use the property are not disqualified from the grant. For greater certainty this means that properties that are limited to use by certain genders, ethnic groups, cultures or some other characteristics are not disqualified from the grant.

### **Subsidy/Affordable Housing Agreements**

Where a housing provider does not yet meet the criteria outlined above, the City of Edmonton, in its sole discretion, may enter into a subsidy/affordable housing agreement which will allow the property to qualify by requiring it to remain as affordable housing for a period of time.

### **Ongoing Nature of the Grant**

While the grant is an annual process, once a grant has been awarded on a property, at the discretion of the City, the City may waive the application process for the grant in subsequent taxation years.

In waiving the requirements to apply for the grant, the City may continue to request any additional information from the property owner that is required by the City to ensure that the eligibility requirements of the grant continue to be met.

### **Amount of the Grant**

On an annual basis, the grant will offset the amount of annual municipal property taxation including any community revitalization levies. The offset shall not include local improvement taxes, special taxes, provincial education taxes or requisitions or any other tax other than municipal property tax and community revitalization levies. The grant shall not cover any taxes on any portion of the property which is non-residential/commercial.

### **Prorated Grant**

If only a portion of the property meets the criteria for the grant, the grant shall be calculated as follows:

Grant = Total Municipal Taxes on the residential portions of the property \* (Number of Units Meeting Criteria/Total Number of Units on Property)

Where some units on a property are already exempt from taxation, they shall not be taken into account in the above calculation.

### **Grant payable during construction**

A grant shall be payable during any period where a property that will meet all of the criteria when complete is under construction. No grant shall be payable when the period of construction exceeds 3 years. Where a project which is under construction will contain both a residential and a non residential/commercial portion the City will allocate, in its sole discretion, the amount of the grant based on the likely proposed portion of the property that will qualify once the project is complete.

### **Partial Year Grant**

Where an Applicant has taken over a project or property partway through the taxation year, the grant shall only be applied for that portion of the year that the Applicant has owned the property and meets the criteria for the grant.

Where a grant is based on the existence of a grant agreement, or some other legal requirement, the grant shall only be paid after the agreement or requirement is in force.

### **Method of Payment of the Grant**

The grant shall be credited directly to the property tax account for the property. In the event that the tax roll has been credited, but no longer meets the requirements for the grant part way through the tax year, the credit may be removed from the tax roll for the remainder of that taxation year.

### **Grant is Discretionary**

Whether to provide a grant will be a purely discretionary decision on the part of the City. The City may refuse to issue a grant for any reason. In addition, grants are always subject to funding approval, and grants may no longer be issued if funding is no longer available or if there is a question of whether there is sufficient funding remaining in the program. There is no appeal from any decision on whether to provide a grant.

An Applicant that fails to comply with a request for information about the property may be refused the grant.