

DECISION/DIRECTION NOTE

**Title: Incentives for Multi-Unit Purpose-Built Rental Development
(Housing Accelerator Fund Action Plan Initiative)**

Date Prepared: July 3, 2024,

Report To:

Councillor and Role: Councillor Ron Ellsworth

Ward: N/A

Decision/Direction Required: Approval of an incentive program for multi-unit purpose-built rental units.

Discussion – Background and Current Status:

The City of St. John's entered a Housing Accelerator Fund (HAF) Agreement with Canada Mortgage Housing Corporation on February 7, 2024, with a commitment to provide incentives to encourage the development of or conversion to Multi-Unit Purpose-Built Rental housing projects (PBR).

The Departments of Housing and Planning, Engineering and Regulatory Services have approved this program. The following outlines the program eligibility, application process, and key considerations.

Proposed PBR Incentive Program

The proposed program will apply to the development of **Multi-Unit Purpose-Built Rental (PBR)** projects, defined as:

“Attached multi-unit housing of at least four (4) private dwelling units (with private kitchen, bathroom, and living area[s]) built specifically for long-term rental tenure.”

Eligible applicants/projects would include:

- Corporations that are registered to carry out business in the Province of Newfoundland and Labrador and individuals.
- At least 75% of the dwelling units in an eligible project will be designated for long-term residential rental accommodation. This will provide some flexibility of tenure to project owners/operators.

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Eligible property:

- Projects must comply with all applicable federal, provincial and municipal legislation, including the Development Regulations, the City of St. John's Municipal Taxation Act and all applicable by-laws and regulations
- Must not be used for short-term rentals.

Fee exemptions considered for this initiative would include applicable:

- Building, Renovation, and Repair Permit Fees
- Plumbing, Electrical, and Building Permit Fees.
- Development Application and Development Fees

Development Agreement and Appeal Fees are not subject to exemption. Eligible fee exemptions apply only to projects approved between February 7, 2024, and December 31, 2026, and must be completed by 2027.

Application Process and Responsibilities

General oversight of the Multi-Unit Purpose Built Rental Incentive Program, including reporting to the Canada Mortgage and Housing Corporation, will take place within the Housing Division.

Applicants would be expected to acknowledge any exempted fees as an in-kind contribution from the City of St. John's in any related documents (for example, applications for funding), news releases, or other communications that acknowledge funding received for the project.

Key Considerations/Implications:

1. Budget/Financial Implications: This initiative is made possible through HAF funding, which allows the City to recover exempted municipal fees.
2. Partners or Other Stakeholders: This initiative derives from an action plan that makes up an agreement between the City and the Canada Mortgage and Housing Corporation. Other stakeholders would include private and non-profit housing developers.
3. Alignment with Strategic Directions/Adopted Plans: 10-Year Affordable Housing Strategy, Housing Accelerator Fund Action Plan
4. Legal or Policy Implications: N/A
5. Accessibility and Inclusion: Departments of Healthy City and Inclusion and City of St. John's Accessibility Plan have been consulted.
6. Privacy Implications: N/A

7. Engagement and Communications Considerations: The Housing Division will work with Communications to promote this initiative widely and with key stakeholders.
8. Human Resource Implications: Using HAF funding, the City has hired a HAF coordinator who will be responsible for monitoring and reporting on this initiative.
9. Procurement Implications: N/A
10. Information Technology Implications: N/A
11. Other Implications: N/A

Recommendation: That Council approve the incentive program for multi-unit purpose-built rental projects.

Prepared by/Date:
Reviewed by/Date:
Approved by/Date:

Attachments: