Affordable Gentle Density Housing Grant Policy

Purpose

The purpose of the Affordable Gentle Density Housing Grant, funded by the Government of Canada via the Housing Accelerator Fund and Canadian Mortgage and Housing Corporation (CMHC) is to temporarily incentivize the creation of affordable "missing middle housing" supply within fully serviced areas of the Town of Mahone Bay.

Legislative Authority

The Affordable Gentle Density Housing Grant Policy derives its authority from Section 57(4) of the Municipal Government Act.

Definitions

1. For the purposes of this policy, the following definitions shall apply:
    a. "Affordable Housing" means housing that is adequate, suitable and where a household spends less than 30% of its pre-tax income on such unit based on the Lunenburg County's median household income.
    b. "Business" means a landlord as defined in the *Residential Tenancies Act* as "a person who is deemed to be a landlord, a lessor, an owner, the person giving or permitting the occupation of premises and such person's heirs and assigns and legal representatives."
    c. "Missing-middle housing means multi-unit or clustered housing types that are compatible in scale with single family homes but provide more housing options and diversity; for example, duplexes, triplexes, four-plexes, row houses, townhouses, secondary suites, and accessory dwelling units.
    d. "Town" means the Town of Mahone Bay limits

Authority

2. *Municipal Government Act 52(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.

Roles and Responsibilities

1. The CAO, or designate(s), shall expend funds allotted for Housing Accelerator Fund Grant Initiatives in accordance with the provisions contained in this Policy.

General Program Eligibility

2. Applicants must have valid Development and Building Permits issued on or before April 1, 2029.
3. The Development Permit and Building Permit referenced in Section 2 shall be for one or more of the following:
    a. The construction of a new accessory dwelling unit
    b. The construction of a new missing-middle housing dwelling(s) or
    c. A building conversion or reuse/upgrade of vacant buildings to accessory dwelling units or missing-middle housing.
4. Unless otherwise approved by the CAO or designate(s), eligible applications may only be accepted until April 1, 2029, or until all funds allotted for grant programs under the Housing Accelerator Fund have been awarded, whichever occurs first.
5. Projects must include a cost estimate supported by documentation such as quotes from a qualified professional.
6. The housing project must be located within the Town boundary.
7. The housing project must comply with all applicable legislation.
8. The application must be submitted by the registered owner of the lot, or an authorized agent acting on behalf of the registered owner. The applicant can be for-profit or a non-profit housing provider.
9. Housing units must not be used as a short-term rental or a per-night rental.
10. Where an applicant is found to be in violation or in contravention of this Policy, or of the Agreement deemed to be entered into pursuant to s. 23 of this Policy or of any Town bylaw or is subject to any outstanding work orders or any other enforcement procedures of the Town or any other governmental authority, the applicant may not be accepted, may be refused, deemed ineligible, or any pending grant disbursements may be cancelled, and any grants already paid may be compelled by the Town to be reimbursed (sometimes referred to in this Policy as the grant being “recalled”).

Grant Details

11. The Affordable Gentle Density Housing Grant provides up to $7,000 per eligible unit, to a maximum of up to $28,000 per application per building.
12. The project must consist of affordable missing-middle housing.
13. In addition to general eligibility requirement, the total grant cannot exceed 75% of the overall project cost estimates.

Grant Application Requirements

14. An application for a grant under this Policy must include the following:
    a. A completed application form (attached in Appendix A of this Policy)
        i. A written authorization from the registered owner of the subject property may be required as applicable
        ii. Applications may be submitted to the Town by mail, email, or in person.
    b. A copy of the approved Development Permit and Building Permit for eligible housing project.
    c. A project schedule indicating the following key milestones:
        i. Project start date

    ii. Estimated date of completion of framing inspection (for new construction only)
    iii. Estimated date of project completion
  d. Project cost estimates – The applicant must provide an invoice/quote, or cost to construct budget provided by a qualified professional at the time of the application.
  e. Statement of a commitment to affordable sale or affordable housing rental for a period no less than five (5) years. Affordable sale prices and affordable rents for missing middle units shall be less than 30% of the median household income based on most recent Statistics Canada information. The statement may assume a 2.5% annual cost of living increase.
  f. Statement of a commitment to provide to the CAO or designate upon demand any or all documentation of sales or lease transactions within the 5-year period for which the applicant has committed to the affordability of the housing units for which grants have been made.
  g. Statement of acknowledgment of contractual commitment (per section 23).
  h. Any other information that may be requested by the CAO or designate.
  i. Applications may be considered without a Building Permit if the costs associated with documentation to receive a Building Permit are determined by the CAO in their sole discretion to be unreasonably high.
  j. Any other documentation requested by the CAO at the time of application.

Grant Application Review

15. Applications will be reviewed by the CAO and/or designate(s).
16. Funding will be committed in the order that applications are received, provided that the project meets all applicable eligibility criteria and the application is complete.
17. Program intake may pause or cease to occur at the discretion of the CAO based on limitations in available funds.
18. Final approval of all applications for the Grant, and the amount thereof, is at the sole discretion of the CAO.
19. Notification of the decision by the CAO will be emailed and/or mailed to applicants after it is made.
20. Due to limited funds, not all eligible applications may receive funding.
21. There is no appeal process once a decision has been made.

Disbursement or Recall of Grant Funds

22. No grant funds will be disbursed to successful applicants until the applicant has entered into an Affordable Gentle Density Housing Grant Agreement.
23. An approved application, signed by the CAO or designate constitutes an Affordable Gentle Density Housing Grant Agreement whereby in consideration of receiving a grant the applicant agrees to adhere to all provisions of this Policy which shall be deemed to be terms of an agreement between the Town and the applicant, enforceable as a contract.
24. Funding available under this Policy will depend on the following considerations

a. Number of grant applications received and availability of funding for Housing Accelerator Fund.
b. The Town receiving federal funding for the Housing Accelerator Fund. Despite approval of an application under this Policy, planned disbursement of funds may be cancelled by the CAO at any time based on availability of funds.
c. Construction progress – the applicant will periodically confirm project commencement and/or construction progress to the CAO or designate. If no progress is demonstrated within six (6) months of the issuance of a Building Permit for the eligible housing project and the CAO or designate determines the project is at risk of not being completed, the grant may be withdrawn and/or recalled.
d. Affordability – should a complaint be launched against a business that the funds used per this program did not result in affordable housing for the duration of not less than five (5) years, the grant may be withdrawn and/or recalled.

25. Prior to disbursement of any grants under this Policy, the Town may withhold payment should any of the following be determined:
    a. The property taxes and/or utility fees for the property have not been paid in full.
    b. The property is in violation of any Town bylaws, or of this Policy, or of the agreement referred to in section 23 of this Policy.

Outcomes Report

26. Funding recipients will be required to submit an outcomes report outlining how funds were used in accordance with this grant program.
27. The Town reserves the right to request additional information or explanation for such reports.
28. Staff of the Town may use this information in any Housing Accelerator Fund reports to Council, Canada Mortgage and Housing Corporation, or in public reporting.

Clerk's Annotation for Official Policy Book

Date of notice to Council Members of Intent to Consider
[minimum 7 days notice] April 20, 2026

Date of Passage of Policy April 27, 2026

_____ _____
Town Clerk Date

Appendix A - Affordable Gentle Density Housing Grant – Application Form

To be read and completed in conjunction with the Affordable Gentle Density Housing Grant Policy.

SECTION 1 — Program Description

The Affordable Gentle Density Housing Grant Program provides funding to support the creation of missing-middle housing and accessory dwelling units within fully serviced areas of the Town of Mahone Bay. Applicants may receive $7,000 per eligible unit, up to $28,000 per application, not exceeding 75% of total project cost.

SECTION 2 — Eligibility Requirements

- Property located within Town boundary and fully serviced lot.
- Valid Development Permit and Building Permit issued on or before April 1, 2029.
- Project involves ADUs, missing-middle housing, or conversions.
- Units not used as short-term or per-night rentals.
- Applicant is a registered owner or authorized agent.
- No active by-law violations or outstanding work orders.
- Qualified professional cost estimates to be included.

SECTION 3 — Applicant Information

Applicant Name: _____

Civic Address of Project: _____

PID: _____

Mailing Address: _____

Primary Phone: _____

Alternate Phone: _____

Email: _____

Are you the registered owner? ☐ Yes ☐ No (Attach authorization if No)

SECTION 4 — Project Description

Type of Eligible Housing Project:

☐ New Accessory Dwelling Unit (ADU) ☐ New Missing-Middle Housing

☐ Conversion or reuse of vacant building

Summary of Proposed Housing Project. If Missing-Middle, please indicate type:

Fully serviced lot? ☐ Yes ☐ No Within Town boundary? ☐ Yes ☐ No

SECTION 5 — Project Schedule

Project Start Date: _____

Estimated Framing Inspection Date (if applicable): _____

Estimated Completion Date: _____

SECTION 6 — Project Cost Information

Total estimated project cost: $_____

Number of eligible units: _____

Grant calculation ($7,000 × units; max $28,000; ≤75% of cost): $_____

Grant amount requested: $_____

SECTION 7 — Required Attachments

☐ Valid Development Permit

☐ Valid Building Permit

☐ Project schedule

☐ Cost estimates / quotes

☐ Owner authorization (if required)

☐ Affordability and Document Production Commitment statements under s. 14(e) and (f) and acknowledgment of the contractual commitment reflected in s. 23.

☐ Additional documents as requested

SECTION 8 — Applicant Declaration

- I confirm all information provided is true and complete.
- I have read and understand the Affordable Gentle Density Housing Grant Policy.
- I agree to comply with the Grant Agreement and all program conditions.
- I confirm units will not be used as short-term rentals.
- I understand the Town may withdraw the grant if requirements are not met.

Applicant Signature: _____ Date: _____

Co-Owner Signatures (if applicable):

Name: _____ Signature: _____

Name: _____ Signature: _____

SECTION 9 — Town Use Only

Application complete:	☐ Yes	☐ No
Eligibility verified:	☐ Yes	☐ No
Permits issued before April 1, 2029:	☐ Yes	☐ No
No violations outstanding:	☐ Yes	☐ No
Cost estimates verified:	☐ Yes	☐ No
Eligible units confirmed:	☐ Yes	☐ No

Approved Grant Amount: $_____

Authorized by (CAO/Delegate):

Name: _____ Signature: _____

Date: _____