

HOUSING INFILL & REDEVELOPMENT INCENTIVE PROGRAM

Goals

- TRIGGER NEW DEVELOPMENT
- INCREASE THE DIVERSITY OF THE HOUSING MARKET
- LEVEL THE PLAYING FIELD FOR INFILL AND REDEVELOPMENT
- BOOST THE “VALUE PER HECTARE” OF OUR URBAN AREAS
- RECOUP THE INCENTIVE WITH NEW TAX BASE
- BUILDS ON EXISTING INFRASTRUCTURE

Description of Incentive

How much funding is available for this incentive?

The funding will be set at \$1,400,000.00 for this program as set out below:

This Incentive Program provides an incentive for development of new housing within the defined areas.

- 1.1. Tier 1 Incentives provides an incentive of \$15,000 per dwelling unit, to a maximum of \$750,000 for new residential development on a single site, and subject to the remaining funds available in this Incentive Program at the time of application.
- 1.2. Tier 2 Incentives provides a single incentive of \$7,500 for a Backyard Suite development on a single site, and subject to the remaining funds available in the Incentive Program at the time of application.

Eligibility for this Incentive Program

Applicants, proposed projects, and properties must meet all the following requirements, as determined by the City, in order to be eligible for this Incentive Program.

- 1.3. **Eligible development forms** - Eligible residential development-built forms include various forms of Multiple Unit Housing (i.e. Apartments, townhouses, stacked townhouses, fourplexes, etc.), Row Housing, Duplex Housing, Triplex Housing, and Semi-Detached Housing. Detached Houses and Basement Suites are not eligible for the Incentive Program. All development proposals are subject to conformance with the City of Medicine Hat Land Use Bylaw.
- 1.4. **New construction of housing units** – re-purposing of existing non-residential or residential space does not create a substantial net increase of the tax base. Only new construction projects will be considered as eligible development for this Incentive Program. Demolition of existing buildings and redevelopment of a site qualifies for this program. E.g. three existing houses are demolished and a new apartment is built. At the sole discretion of the City Manager, redevelopment or repurposing of existing non-residential buildings may be considered for an Incentive Program Application on a case-by-case basis if there are remaining unallocated funds within the Incentive Program on September 1st, 2024.
- 1.5. **Maximum incentive per project** – A maximum incentive per project site of \$750,000 will be applied for Tier 1 development projects. The City at its sole discretion will determine what constitutes a project site. On a site that can accommodate multiple large-scale projects, at the sole discretion of the City they may be considered as separate sites.

- 1.6. **Incentive Program Application process** – All Incentive Program Applications received will be reviewed by a panel composed of staff from Planning & Development Services, Land & Real Estate, and Medicine Hat Economic Development to determine successful Applicants for approval by the City’s Executive Leadership Team.

An incentive will be held for approved applicants for a period of three (3) months from the Incentive Program Application approval date to secure a Development Permit. This process applies to both Tier 1 and Tier 2 Incentives.

- Two intake periods
 1. April 15, 2024 to May 15, 2024 – accept applications; May 15, 2024 -June 1, 2024 – evaluation and approval period
 2. June 1, 2024 – Subject to remaining funds available (first come-first served)
 - All approved applications are subject to a 90-day window for the applicant to obtain the development permit. This process applies to both Tier 1 and Tier 2 Incentives.
 - All development permits must be secured between December 1, 2023 and December 1, 2024.
 - If after the first intake, it will be at the sole discretion of the City Manager to approve:
 - Project sites that are outside of the City Centre map boundary but are in close proximity to the boundary as identified by the City, may be considered on a case-by-case basis for an Incentive.
 - Other infill or redevelopment project sites may be considered for an Incentive Program Application on a case-by-case basis if there are remaining unallocated funds within the Incentive Program on September 1st, 2024.
- 1.7. **Securing a development permit** - Applicants must secure a Development Permit, or, at the sole discretion of the City, make substantial progress on securing a Development Permit to continue to be eligible for the Incentive Program and have incentives held for their project. Projects that receive a Development Permit between the period of December 1, 2023 – December 1, 2024 will be eligible to apply for this Incentive Program.
- 1.8. **Incentive Award** – The Incentive Program will provide the incentive to the applicant upon receiving Building Occupancy for the project from a Safety Code Officer within. At the sole discretion of the City, a portion of the incentive, not exceeding 25% of the total incentive, may be awarded to the Applicant upon successful completion of the building foundations as determined by a Safety Code Officer approval.
- 1.9. **Development compliance** – All approved development projects must meet all Development Permit requirements, Safety Code approvals, and must not be in arrears in municipal taxes or utilities to be eligible for an incentive.

Program Incentive Boundary

- 1.10. The Tier 1 Incentives would apply to the area within the red boundaries as shown in the City Centre Incentives Area map attached as Appendix A.
- 1.11. The Tier 2 Incentive would apply to the following neighborhoods: Downtown, Riverside, Harlow, Herald, River Heights, Kensington, SE Hill, SW Hill, South Flats, and River Flats. The boundaries of the neighborhoods listed are determined by the City.
- 1.12. At the sole discretion of the City Manager, project sites that are outside of the City Centre map boundary but are in close proximity to the boundary as identified by the City, may be considered on a case-by-case basis for an incentive.
- 1.13. At the sole discretion of the City Manager, other infill or redevelopment project sites may be considered for an Incentive Program Application on a case-by-case basis if there are remaining unallocated funds within the Incentive Program on September 1st, 2024.

WHAT IS THE APPLICATION PROCEDURE?

Incentives will be awarded to approved applicants only. Applicants will be contacted by the Incentive Staff to set-up an appointment. Prior to the appointment, the Incentive Staff will provide the applicant a list of information that will be required to assess the work that the applicant wishes to be carried out on an Infill Property (the “Proposed Project”.) The required information will include all of the following:

- a completed Program application form;
- a description of the Property and the Proposed Project;
- a recent and accurate land title certificate in respect of the Property showing that the interested person is registered owner thereof (the “Owner”) or, alternatively, a fully executed, and in full force and effect, real estate purchase contract in respect of the Property which the interested person has entered into as “Purchaser”;
- a government-issued photo ID of the interested person;
- if the applicant is a corporation, a corporate search result in respect of the applicant from the applicable corporate registry no older than three (3) months that demonstrates the corporation is active and in good standing; and
- any additional documents or information that the Incentive Staff may, at their sole discretion, require in order to assess the Proposed Project

At the meeting, the interested person will have the opportunity to outline their Proposed Project and deliver the required information to Incentive Staff.

The Incentive Staff will then confirm with the City or our internal records each of the following:

- (i) that the owner has not applied for funding on more than one other Infill or Redevelopment Property;
- (ii) the owner has not received funding on the specific Infill or Redevelopment Property from another existing incentive program
- (iii) that the Infill or Redevelopment Property is not in arrears in respect of any municipal taxes, levies or other charges payable to the City;

- (iv) that the applicant is not in arrears in respect of any City utility charges or other amounts payable to the City; and
- (v) that an application for a development permit in respect of the Proposed Project has not been received by the City prior to December 1, 2023.

Once confirmed, the application will be submitted for evaluation by a city committee between May 15th and June 1, 2024. See appendix for scoring matrix.

Approved applicants will be issued a Incentive Approval Letter in respect of the Proposed Project. The Approval Letter shall specify the funding limits associated with the approved application. An approved applicant has two years from the time the application has been approved to obtain all applicable occupancy permits and final approvals to occupy have been issued in respect of the Proposed Project.

Once the Incentive Program budget has been exhausted, no further applications will be approved.

If, following the issuance of an Incentive Approval Letter to the applicant, the Applicant fails to meet any eligibility requirement for that Incentive, then the approval will be cancelled and the applicant will not receive the incentive.

If, following the issuance of an Incentive Approval Letter to the applicant, any permit issued by the City to the applicant in respect of the Proposed Project lapses or is revoked, cancelled or terminated, then the approval will be cancelled and the applicant will not receive the incentive.

Further:

- the Infill or Redevelopment Property including, without limitation, all Residential Buildings and Dwellings, must be in compliance with all applicable construction codes including building, electrical, gas and plumbing, development requirements, zoning requirements, City bylaws, permits, orders and all other applicable law;
- the Infill or Redevelopment Property must not be in arrears in respect of municipal taxes, levies or other charges payable to the City;
- the applicant must not be in arrears in respect of City utility charges payable to the City;
- The Medicine Hat Economic Development Department may share and advertise your project on the City of Medicine Hat social media channels. Our marketing specialist will work with you to ensure your content, project, and brand is accurately represented prior to any publication. This allows us to acknowledge and celebrate the development with the community.

WHEN WILL THE INCENTIVES BE PAID?

The Incentive funding will be paid to the applicant once all applicable occupancy permits and final approvals to occupy have been issued in respect of the Proposed Project and provided the applicant met all requirements of the incentive approval. If a Proposed Project requires an extension of their approval passed the 2-year timeline of approved application date, it will be at the sole discretion of the City Manager to review and approve an extension.

Appendix A – City Centre Incentives Area map

