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Rental Housing Community Improvement Plan

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The intent of the Rental Housing Community Improvement Plan (CIP) is to increase Sault Ste. Marie's inventory of affordable rental accommodations. This will benefit both local residents and support current initiatives to attract significant investment to the community.

Application Form

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Rental Housing Community Improvement Plan

The intent of the Rental Housing Community Improvement Plan (CIP) is to increase Sault Ste. Marie's inventory of affordable rental accommodation. This will benefit both local residents and support the current initiatives to attract newcomers to the community.

Specifically, the CIP permits the use of property tax assistance, including grants, as an incentive to encourage new investment in rental housing. A grant may be provided as a direct payment or as a tax credit.

The Rental Housing Community Improvement Project Area is shown on Schedule "A." This area includes all vacant and occupied properties zoned to permit apartment buildings of four or more units.

Project Objectives

The Rental Housing Community Improvement Plan creates a financial incentive to encourage new rental housing development in Sault Ste. Marie.

The Objectives are:

- To attract significant new investment to Sault Ste. Marie
- To further diversify the range and type of rental accommodation available
- To increase the municipality's residential tax base
- To encourage the construction of additional "barrier free" accommodation
- To encourage the development of facilities that support "assisted living" environments

Who is eligible?

To be eligible for the proposed financial incentive described below, the following criteria must be met:

- The participant's operation must be located on property located within the City of Sault Ste. Marie that is zoned to permit apartment buildings and multiple attached residential buildings in Zoning By-law 2005-150.
- A significant total project investment is required, creating a minimum of four new rental units.

Eligible program participants include registered owners, assessed owners, tenants and assignees as identified in Section 28(7) of the Planning Act.

Subject to City Council approval, the following financial incentive tool (the program) may be used to encourage new development and the rehabilitation of lands and buildings that meet the eligibility criteria within the Project Area:

Rental Housing Tax Increment Equivalent Grant

The Rental Housing Tax Increment Equivalent Grant Program will provide a grant to property owners who undertake the development or redevelopment of properties that result in a reassessment. The determined amount of the grant would be based upon the incremental increase in the municipal taxes.

A Tax Increment Equivalent Grant (TIEG) is generally delivered as a "pay-as-you-go" grant - meaning the owner is responsible for the upfront remediation and redevelopment costs. Each eligible year, the owner must pay the property taxes owed in full. Afterward, the municipality will provide to the registered owner a grant equal to a portion of the tax increment.

A TIEG is a favorable incentive with little expense to the City. The subject sites that are underutilized today make tax a contribution which reflects their current value. Without an incentive to invest, the situation is unlikely to improve. While the municipality forgoes the tax increases of redeveloped property in the short-term, the investment generates economic activity, creates much needed rental housing, and will possibly revitalize building stock needed to produce a higher level of taxation.

Grants are equal to a percentage of the municipal tax increment on a declining rate basis for a maximum 3 year period. When an approved project is complete, a grant will be paid annually by the City to the eligible applicant following the full payment of property taxes. In year one, the grant to the approved applicant may equal 75% percent of the incremented taxes for the subject property. Year one is defined as the first full calendar year in which taxes are paid after the project has been completed and reassessed.

Additional Grant

The grant amount for this program shall not exceed 75% of the increase in the municipal portion of the taxes, decreasing to 50% in year two and 25% in year three.

The grants also support the inclusion of assisted living facilities and encourage developments that exceed the minimum requirements for barrier free designs. Projects that include the following will be eligible for one additional year of incentive of up to 75% tax grant.

Incentive 1: Assisted Living Facilities

Projects which provide facilities that contribute to an improved assisted living environment such as additional space for nurses, physiotherapists, social service agencies or personal support workers will be eligible for up to one additional tax grant year.

Incentive 2: Additional Barrier Free Units



Projects which exceed the minimum number of barrier free units required under the Ontario Building Code (The OBC require that 10% of all new residential units in multi-unit buildings shall be designed to be barrier free).

Both incentive programs may be combined.

The maximum payment schedule for all Rental Housing Tax Grants will be as follows:

Time	Basic	With Incentive
Year 1	75%	75%
Year 2	50%	75%
Year 3	25%	50%
Year 4		25%

In addition, eligible program participants may apply for cancellation of the educational portion of property taxes through the Province of Ontario's Brownfields Financial Tax Incentives Program (BFTIP). Provision of tax assistance for the education portion of a property tax increase is subject to application by the City to the Ministry of Municipal Affairs and Housing. Provision of the tax assistance for the educational portion of a property tax increase is limited to those costs associated with remediation.

Administration

Project incentives available under this Community Improvement Plan will be administered by a committee with representation from the City's Engineering, Planning and Finance Departments. Final approval of any assistance is subject to City Council authorization.

- An application to the City must be received prior to the application for a building permit for the project to be considered under the program.
- Property taxes must not be in arrears at the time of application.
- If the property is under an assessment appeal, the application will be held in abeyance until the appeal is resolved.
- Applicants must agree to not file a property tax appeal while receiving a grant or rebate under this program.
- Outstanding Work Orders and requests to complete from the City's Fire Services or Building Services Division and shall be addressed prior to grant approval.

- Improvements made to the buildings or land shall be made pursuant to a Building Permit, and constructed in accordance with the Ontario Building Code and applicable Zoning requirements.
- Should the project fail to meet the eligibility requirements during the program, the full amount of property taxes including interest will become due and payable as if no incentives had been approved.
- Approved project incentives are applicable to the registered owner and the municipal tax assistance portion is assignable to any person to whom such an owner has assigned the right to receive the incentives such as a tenant or other assignee.
- This program may be used in combination with any other program provided that the total amount of assistance provided does not exceed the eligible costs.
- This program will remain in effect for five years but may be extended by City Council subject to appropriate review and notice.

Where the program is approved for use, the following conditions apply:

- This program would not exempt property owners from an increase in municipal taxes due to a general tax rate increase or a change in assessment for any other reason after the property has been improved.
- The property owner would be responsible for the full payment of the taxes, after which the City would provide the grant. For the timeframe beyond the approval period, the owner would be required to pay the full amount of the taxes with no grant provisions.
- The tax assistance is based upon increases in property taxes as a result of development and rehabilitation, and is not based on occupancy or changes in occupancy.
- In mixed-use projects, any tax assistance is limited to the residential portion of the building.
- The maximum assistance will be calculated based on the difference between the assessed value of the property prior to the date of the application for building permit and the assessed value at occupancy.
- The municipal portion of the tax assistance will be calculated after tax capping calculations have been applied as required by Part 9 of the Municipal Act.

- If the property is sold, conveyed, assigned or otherwise transferred in whole or in part before the program lapses no further assistance shall be given by the City. Nothing in this section prevents the City from entering into a new agreement with any subsequent owners of the property to receive the balance of the assistance under this program.

City Council will review this Community Improvement Plan at regular intervals to ensure that the intent and project objectives are being met. City Council may discontinue or modify all or part of the program incentives without a formal amendment to the Community Improvement Plan, provided that the variation does not exceed the original maximum credit allowed.

If a court of competent jurisdiction declares any section or part of a section of this by-law to be invalid, such section or part thereof, shall not be construed as having persuaded or influenced City Council to pass the remainder of the bylaw, and it is hereby declared that the impugned section shall be severable and distinct from the remainder of the by-law, and the remainder of the by-law shall be valid and remain in force.



**Sault Ste. Marie
Industrial Community Improvement Plan
Municipal Tax Increment Rebate Program
Application Form**

1. Applicant:	
Name:	
Address:	
Telephone:	Fax:
Email (optional):	

2. Registered Owner:	
Name:	
Address:	
Telephone:	Fax:
Email (optional):	

Registered Owner's Signature
(Indicating concurrence with the application)

_____ *I have authority to bind the corporation*

3. All mail should be directed to:
Applicant: <input type="checkbox"/>
Owner: <input type="checkbox"/>

4. Civic Address of Subject Property:
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5. Legal Description:

6. Assessment Roll Number:

7. Is the property in tax arrears? Yes <input type="checkbox"/> No <input type="checkbox"/>

8. Business Description: (Please provide a brief history of your business, i.e. year established, change in ownership, description of clients/markets, etc.)

9. Project Description: (Please provide in detail the work to be done as part of this project)

10. Project Benefits: (Please describe the elements of the project, including whether the project includes any Assisted Living Facilities and/or Additional Barrier free units).

11. Project Investment:			
PROJECTED EXPENSES	AMOUNT	FUNDING SOURCES	AMOUNT
Capital Costs		Applicant	\$
Value of land acquisition	\$		
Value of site preparation	\$		
Value of construction of new facility/ Upgrading existing building	\$		
TOTAL	\$	TOTAL	\$

12. Current Assessed Value of the Property	\$
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13. Current Property Taxes	\$
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14. Are there any outstanding work orders on this property? If yes, please identify the Nature of the Work Order(s):		
	Yes	No
Fire Code	<input type="checkbox"/>	<input type="checkbox"/>
Building Code	<input type="checkbox"/>	<input type="checkbox"/>
Property Standards	<input type="checkbox"/>	<input type="checkbox"/>
Zoning By-law infractions	<input type="checkbox"/>	<input type="checkbox"/>
Other Municipal By-law infraction	<input type="checkbox"/>	<input type="checkbox"/>
Please attach copies of existing work orders or enforcement notices to this application, if applicable.		

15. Have you/your company previously applied for a Municipal Tax Increment Rebate under any other Community Improvement Plan initiative? If yes, please provide details.
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<p>16. Required Attachments</p> <p>Applications will not be reviewed unless all required attachments are received. A copy of each of the following is required:</p> <ul style="list-style-type: none"> • Site plans, elevation drawings, landscape plans illustrating new construction or buildings to be upgraded • Interior Floor Plans • Proof of ownership of property • All relevant quotes, by a qualified professional, for site preparation, construction, landscaping, e.c.t.

17. Certification

All information provided is subject to the Municipal Freedom of Information Act and the Corporation of the City of Sault Ste. Marie's financial reporting duties.

The Municipal Tax Increment Rebate **cannot** be applied retroactively to work already done.

The applicant consents to the use of its name and address in connection with any program funding announcements.

I/We hereby apply for a Municipal Tax Increment Rebate under the Sault Ste. Marie Rental Housing Community Improvement Plan initiative. I/We agree to abide by the terms and conditions of the rebate program. I/We understand that the rebate can be reduced or cancelled if the agreed work is not completed or if contractors/suppliers are not paid. I/We hereby certify that the information given herein is true, correct and complete in every respect and may be verified by the Corporation of the City of Sault Ste. Marie (the Corporation). If any information provided is or subsequently becomes untrue, incorrect and/or incomplete, the Corporation may immediately cancel the rebate and full repayment of any money already advanced, with interest, shall become due and payable. Any failure on behalf of the Corporation to verify the information provided is not a waiver of the Corporation's rights. I/We are not involved in any action or proceeding involving claim for damage with the Corporation.

Signature of Owner or Applicant

Date

Signature of Owner or Applicant

Date

Please submit application to:

Stephen Turco

Planner

Corporation of the City of Sault Ste. Marie

99 Foster Drive, Sault Ste. Marie, Ontario, Canada, P6A 5X6

Phone: (705) 759-5279

Fax: (705) 541-7165 Email: s.turco@cityssm.on.ca

