



ALBERTA
REAL ESTATE
FOUNDATION

Enabling Housing Choice Project

Guidebook Module 10:

Additional Policy Resources for Enabling Housing Diversity

September 2024



RURAL
DEVELOPMENT
NETWORK

LAND ACKNOWLEDGMENT

The Enabling Housing Choice (EHC) team wants to acknowledge our connection with the ancestral peoples who have been on this land for millennia.

RDN's physical office is located on lands traditionally known as amiskwachiwaskahikan (A Miss Gwa Che Wuss Sky Gun) - aka Beaver Hills House, or Edmonton, the historical land of Treaty 6 Territory, which is also within the Metis Nation District 9.

We acknowledge and confirm our commitment and responsibility to foster better relationships with Indigenous peoples, and to improve our own understanding of the unique and diverse cultures of local First Nations, Inuit and Metis people. We make this acknowledgement as an act of reconciliation and gratitude to those whose territory we gather on.

RDN is committed to connecting our programming to the recommendations of the Truth and Reconciliation Commission, the Missing and Murdered Indigenous Women and Girls Report, and the United Nations Declaration on the Rights of Indigenous Peoples as benchmarks for our reconciliation journey.

It is our sincere hope that the information provided in this guide will help communities address their own unique and diverse housing needs, and provide greater housing security and inclusion for both Indigenous and non-Indigenous peoples, both in the community and the surrounding area.





PROJECT ACKNOWLEDGMENTS

First, the Enabling Housing Choice (EHC) team wants to thank the Alberta Real Estate Foundation (AREF) for their funding and support in this research project.

We also want to acknowledge the 6 Alberta communities that participated in this research: (alphabetically) City of Airdrie, Town of Bow Island, Town of Claresholm, Town of Mayerthorpe, Town of Pincher Creek and Town of Trochu. These communities embraced the EHC team's mandate and research process, enabling them to collect practical and compelling information about current housing issues, barriers and opportunities in their community.

Finally, we want to express our gratitude to the housing stakeholders who participated in the various community engagement exercises that were conducted for this project. We appreciate the time and effort you dedicated to sharing your insights, identifying challenges, highlighting opportunities, and suggesting ways to improve housing diversity in your community. Your contributions have played a vital role in shaping the understanding of the current housing landscape and guiding the research towards meaningful solutions. Your generosity and willingness to collaborate have been instrumental in our goal to facilitate a more inclusive and diverse housing environment, both in your community and across Alberta.

MODULE 10 ADDITIONAL POLICY RESOURCES FOR ENABLING HOUSING DIVERSITY

MODULE 10 OF 10

INTRODUCTION

While this guidebook provides a comprehensive outline of strategies to foster housing diversity within municipalities, it's essential to acknowledge the abundance of supplementary policy resources available to support communities in implementing these measures effectively.

One such resource is a compendium detailing policy incentives adopted by various municipalities in Alberta, aimed at attracting housing development interest. These incentives serve as practical examples for communities seeking to emulate successful policy incentives that serve their community's housing needs.

PURPOSE

The purpose of this module is to provide municipalities and organizations a compendium of policy incentives that can be explored to help attract developer interest and support the community in providing diverse housing types.



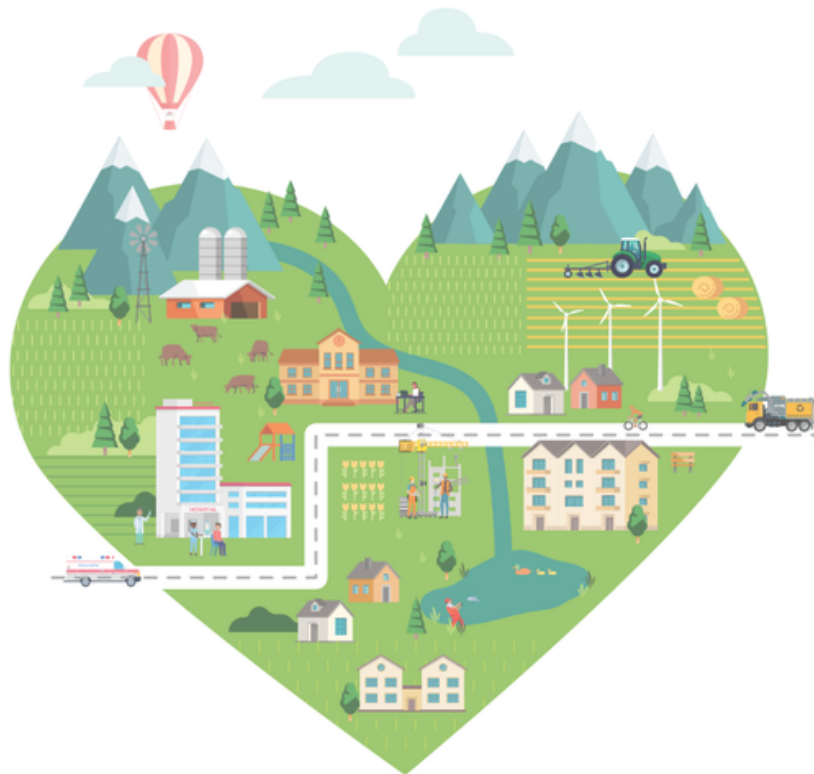
POLICY INCENTIVE RESOURCES COMPENDIUM:

This document is a compendium of policy incentives gathered from various municipalities within the province of Alberta. To ensure that these policy incentives are relevant to smaller, rural communities looking to attract developer interest, we have only included cities and towns with populations under 100,000.

This approach ensures that the examples provided are applicable and beneficial to communities with similar demographic and economic profiles, to help better facilitate the adoption and adaptation of these policies to local contexts.

If your municipality or organization is wondering where to start in developing a policy incentive, the Rural Development Network's Sustainable Housing Initiative is eager to begin a conversation.

We can utilize our expertise to help you craft and tailor a policy incentive solution that addresses the unique housing needs of your community. Our team is committed to providing the guidance and support needed to create effective and sustainable housing policies that will drive development and growth in your area.



ALBERTA POLICY INCENTIVES:

LOCATION: City of Airdrie

POPULATION: 80, 600 (2023 Census)

POLICY/BYLAW: Affordable Housing Incentive Policy P-DEV-15-C (2023)

DESCRIPTION: Creation of affordable housing projects by exempting development permit and building permit fees, to encourage and streamline the construction of affordable housing units.

LOCATION: Town of Bassano

POPULATION: 1, 216

1. POLICY/BYLAW: Residential Housing Development Incentive Policy P-TOB66/003-22 (2016)

DESCRIPTION: *Revitalization Development Incentive 1:* The purpose of the revitalization development incentive is to improve the condition of a privately owned vacant, abandoned, derelict, or poorly conditioned properties in the Town.

Backyard Suite Development Incentive 2: The purpose of the backyard suite development incentive is to add to the residential housing stock, to promote infill development, and to provide a diverse range of housing options.

2. POLICY/BYLAW: Residential Vacant Land Development Incentive P-TOB66/004-23 (2023)

DESCRIPTION: Each parcel of vacant land is available for purchase and development in accordance with LUB 921/21. Each parcel of vacant land has a fair market value. The list price shall be reduced during the term of this policy. A municipal tax credit is applied to the developed property (at occupancy) based on an improved property assessment. The property assessment is determined by the Town's assessor. Property assessment is not fair market value.

LOCATION: Town of Beaverlodge

POPULATION: 2, 271

POLICY/BYLAW: Redevelopment Tax Incentive Policy (C2 - 1) (2023).

DESCRIPTION: The purpose of this policy is to adopt a tax incentive program to encourage redevelopment of older neglected properties and to encourage development on vacant properties to improve neighborhood appearances, increase assessments and to make effective use of existing infrastructure

LOCATION: Town of Calmar

POPULATION: 2, 183

POLICY/BYLAW: Development Incentive Grant Program (2022).

DESCRIPTION: A three-year development incentive grant program that has been established for new development projects. This is a two-part grant available to both the landowner or developer and the home or building owner who are eligible to apply separately for the grant. Applicants can apply for a one-time, single project grant.

LOCATION: Town of Castor

POPULATION: 803

POLICY/BYLAW: Re-Development incentive Program (Bylaw 1055) (2018)

DESCRIPTION: New principle residential and commercial properties shall receive a municipal property tax rebate on all land and buildings for properties where old, low value principal structures are demolished and replaced with new construction

LOCATION: City of Chestermere

POPULATION: 22, 163

POLICY/BYLAW: Economic Development Incentive Policy (651) (2019)

DESCRIPTION: To promote and incentivize economic development through the cancellation, reduction or refund of the municipal portion of supplementary taxes on new construction of commercial, industrial and specified residential buildings in defined areas within the City of Chestermere.

LOCATION: City of Cold Lake

POPULATION: 16,000

POLICY/BYLAW: Secondary Suite Development Incentive Program Policy No: 237-AD-24

DESCRIPTION: The purpose of the Secondary Suite Development Incentive Program Policy is to encourage the development of new secondary suites and encourage property owners to legalize existing, unapproved secondary suites, though the provision of a financial incentive intended to offset a portion of the costs incurred to develop a secondary suite.

LOCATION: Town of Devon

POPULATION: 6, 545

POLICY/BYLAW: Downtown Incentives Program (Policy 4004) (2018)

DESCRIPTION: The Downtown Incentives Program is designed to contribute to this vision by encouraging building improvements and/or new residential development which will increase residential population density in the Town's downtown core through the use of incentives. Such incentives include a grant up to maximum of \$8,000 per dwelling for any Mixed-use Apartment that creates new Dwellings above eligible ground floor Commercial Use and for a maximum of \$60,000 in a grant. Also, a grant up to maximum of \$5,000 per dwelling for a new Dwelling for any Apartment Building project and for a maximum of \$60,000 in a grant.

LOCATION: Town of Drumheller

POPULATION: 7, 909

POLICY/BYLAWS: Drumheller Residential Developer Housing Incentive Program and the Multi-Unit Residential Rental Incentive Program (Bylaw 13.20). (2020).

DESCRIPTION: Incentivizes the development of certain residential dwellings that are built to be sold, through a 5-year property tax abatement as well as affordable multi-unit residential rental dwellings through a 4-year property tax abatement.

LOCATION: Town of Elk Point

POPULATION: 1, 399

POLICY/BYLAWS: Residential New Building Incentive (Policy 8-2-16). (2023).

DESCRIPTION: Provides 10% refund of a total lot cost upon receipt of an Occupancy Permit for either new or infill residential service lots

LOCATION: Town of Fairview

POPULATION: 2, 817

POLICY/BYLAWS: Development Incentive Policy. (2023).

DESCRIPTION: Residential properties that are new and/or increased by a minimum of 50% of the preimprovement tax assessment value will qualify for a residential development incentive tax rebate on the assessment portion above the pre-improvement assessed value. The Rebate only applies to the increased assessment due to new construction and is over a 3-year period (100% rebate in year one; 75% rebate in year two; 50% rebate in year three).

LOCATION: Town of Fort Macleod

POPULATION: 3, 297

POLICY/BYLAW: Residential Multi-Unit Tax Incentive (Bylaw 1962). (2023).

DESCRIPTION: Provides a 100% exemption of the municipal portion of property taxes on new multi-unit and mixed-use residential development on specific properties for a period of up to 15 years. The total value of the tax exemptions will depend on the capital costs to build the development and cannot exceed 5% of eligible capital costs. Brownfield sites are defined as properties that are, or could possibly be, contaminated; is vacant, derelict or under-utilized, and is suitable for development.

LOCATION: City of Fort Saskatchewan

POPULATION: 27, 088

1. POLICY/BYLAW: Brownfield Tax Exemption (Bylaw C15-22). (2022).

DESCRIPTION: Provides a 100% exemption of the municipal portion of property taxes on new multi-unit and mixed-use residential development on specific properties for a period of up to 15 years. The total value of the tax exemptions will depend on the capital costs to build the development and cannot exceed 5% of eligible capital costs. Brownfield sites are defined as properties that are, or could possibly be, contaminated; is vacant, derelict or under-utilized, and is suitable for development.



2. POLICY/BYLAW: Downtown Development Grants (FIN-015-C). (2022).

DESCRIPTION: Provides a cash-based grant equivalent to 3% of the eligible capital costs to create a mixed-use or multi-unit residential development on properties in the downtown that would not qualify for the tax exemptions. The development grants will be subject to certain conditions and are paid out only once the project is complete.

LOCATION: City of Grand Prairie

POPULATION: 64,141

POLICY/BYLAW: Development Incentives and Grants (DIG) Program (357). (2021).

DESCRIPTION: *Residential Infill Grant:* A grant of Fifteen Thousand (\$15,000.00) Dollars per lot for the new construction or Reconstruction of a Single Detached Dwelling, Duplex or Multi-Attached Dwelling within the eligible Residential Infill Area.

Municipal Fee Rebate: A grant equal to the City imposed portions of all Inspection Services Permit Fees, Engineering Services Fees and Planning & Development Fees to a maximum of Ten Thousand (\$10,000.00) Dollars for new residential construction projects. Land Use Bylaw Amendment Fees as outlined in the Fees, Rates and Charges Bylaw C-1395, may be rebated one hundred percent (100%) for an approved application and fifty percent (50%) for applications not approved.



LOCATION: Town of Hannah

POPULATION: 2, 394

POLICY/BYLAW: Development Incentive (2021-02), (2021)

DESCRIPTION: *Property Tax Incentive:* The Town of Hanna will review any requests for a deferral of property taxes on a case-by-case basis to encourage development within our municipal boundaries. These can include:

A deferral of property taxes on new development as well as expansions and improvements of existing buildings (where the improvement increases the existing assessment value of a property by at least 50%). Deferrals on expansions or improvements of existing buildings will only apply to the improved portion of the property assessment.

Infrastructure Improvement Incentive: The Town of Hanna will partner with new projects to install new or upgrade existing municipal infrastructure such as:

- Road improvements, such as resurfacing or the addition of new roads or turning lanes
- Water and /or sewer utility additions or extensions
- Trenching for utilities and /or other site preparation work

Demolition Incentive: To encourage the redevelopment of existing residential and non-residential properties, the Town of Hanna will provide a rebate to property owners to partially offset the costs associated with the removal of a principal building on a property



LOCATION: Town of Innisfail

POPULATION: 7, 985

POLICY/BYLAW: Developer Incentives (BYLAW NO. 1219-21)(2021).

DESCRIPTION: The Residential Infill Incentive Program is intended to promote the redevelopment of existing residential properties with the aim of increasing the diversity of options available to potential real estate buyers. Developers will be able to apply for potential reimbursement of up to \$15,000 for each approved project.

LOCATION: Town of Lamont

POPULATION: 1, 744

POLICY/BYLAW: Municipal Property Tax Rebate Program (Bylaw 04/21). (2021).

DESCRIPTION: This program allows for prospective developers to apply for a property tax rebate up to three-years, offering an incentive to developers to invest in Lamont. This includes: New residential or commercial construction projects which are constructed on vacant lands.
New residential or commercial construction projects which are replacing existing structures.

LOCATION: City of Lethbridge

POPULATION: 98, 406

POLICY/BYLAW: Affordable and Social Housing Capital Project Grant (CC49) (2021).

DESCRIPTION: Provides financial support to non-profit and for-profit organizations for eligible projects that involve purchasing, constructing, renovating or retrofitting affordable and social housing units in their community.

LOCATION: Town of Mayerthorpe

POPULATION: 1, 259

1. POLICY/BYLAW: Development Tax Incentive (Policy X-005). (2024).

DESCRIPTION: To establish a rebate structure for municipal tax incentives to encourage new housing, commercial and industrial development. Municipal tax rebate for new industrial/commercial Development is as follows:

- a. Supplemental Municipal Tax – 100%
- b. 1st Year Municipal Tax – 85%
- c. 2nd Year Municipal Tax – 70%
- d. 3rd Year Municipal Tax – 65%
- e. 4th Year Municipal Tax – 50%
- f. 5th Year Municipal Tax – 35%

2. POLICY/BYLAW: Subdivision Tax Refund Program (Policy X-003). (2024).

DESCRIPTION: Establishes guidelines that provide for refund of municipal tax on lots created by subdivision Program applies to a subdivision where the number of new lots being created are equal to or greater than five. Qualifying municipal tax refund:

- a) 75% of the first-year municipal tax.
- b) 60% of the second-year municipal tax.
- c) 45% of the third-year municipal tax.



LOCATION: City of Medicine Hat

POPULATION: 63, 271

POLICY/BYLAW: Housing Infill and Redevelopment Incentive Program (2023).

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

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.

LOCATION: Town of Mundare

POPULATION: 689

POLICY/BYLAW: Residential Tax Incentive Policy No. 12-07(2015).

DESCRIPTION: This Incentive Policy is intended to encourage development of residential housing by providing a short term property tax exemption. The exemption only applies to new construction and is a 100% exemption on municipal taxes for three years. The exemption will start on January 1 the year following the start of construction.





LOCATION: Town of Peace River

POPULATION: 6, 619

POLICY/BYLAW: Downtown Revitalization Grant Program (Policy No. P-64-13-A) (2015).

DESCRIPTION: This Grant Program is intended to encourage the revitalization of Downtown by providing a grant to Landowners who construct new mixed-use development, multi-family residential development, or commercial development in the Downtown or who renovate existing mixed-use, multi-family residential or commercial development in the Downtown.

The maximum Downtown Revitalization Grant is:

- In the first year – is equivalent to 100% of the portion of the municipal property tax attributable to the increase on assessed value of the building;
- In the second year – is equivalent to 50% portion of the municipal property tax attributable to the increase on assessed value of the building;
- In the third year – is equivalent to 25% portion of the municipal property tax attributable to the increase on assessed value of the building;

LOCATION: Town of Ponoka

POPULATION: 7, 331

1. POLICY/BYLAW: Residential New Build Incentive

DESCRIPTION: New and existing residents who build or buy a newly-built home not previously occupied in the Town of Ponoka can qualify for this program. This incentive allows citizens to enjoy the following tax savings over three years:

- 75% reduction on the municipal portion of your property taxes in the first year following the construction of a new home;
- 50% reduction in Year 2; and
- 25% reduction in Year 3.

2. POLICY/BYLAW: Major Home Renovation Incentive Program

DESCRIPTION: Ponoka residents who complete major renovations on their home, which increase their property's assessment value by at least 20 per cent (excluding land assessment value), can qualify for the following property tax breaks:

- 75% reduction on the assessment increase in the municipal portion of their property taxes in Year 1;
 - 50% reduction on the increase in Year 2; and
 - 25% reduction on the increase in Year 3.
-

LOCATION: Town of Redcliff

POPULATION: 7, 331

POLICY/BYLAW: Residential Tax Incentive (Bylaw No. 1973/2024). (2024).

DESCRIPTION: The Residential Tax Incentive Program applies to multi-family projects larger than 2 units to residentially zoned vacant &/or underdeveloped properties within the Town of Redcliff boundaries. The Tax Incentive Program is where the Town of Redcliff will exempt the municipal portions of residential taxes to a maximum of five (5) years

LOCATION: Town of Rocky Mountain House

POPULATION: 6, 765

POLICY/BYLAW: Development Incentive Policy (No. 006/2023) (2023).

DESCRIPTION: The Town of Rocky Mountain House is willing to defer the off-site levies at the time of the subdivision process for non-residential and residential lots and enter into a Development Agreement with the developer on how and when to collect off-site levies.

LOCATION: Town of Sedgewick

POPULATION: 761

POLICY/BYLAW: Residential Infill Incentive

DESCRIPTION: The Residential Infill Incentive applies to properties that are developed within an “infill” area of the Town of Sedgewick.

Applicants can apply for up to \$15,000 towards the demolition of an existing structure on an infill lot when a replacement dwelling is built. Applicants are also eligible for up to \$10,000 in tax exemptions applied to their property if the new dwelling increases the property's assessed value by at least \$200,000.

LOCATION: Town of Trochu

POPULATION: 998

POLICY/BYLAW: Economic Development Incentive Policy (2021).

DESCRIPTION: The Economic Development Incentive Policy provides the following incentives:

- **Residential New Build/Lot**

- During the construction phase for a period of up to one (1) year, the Council may consider canceling 100% of all municipal taxes
- In the first year of occupancy the Council may consider canceling 100% of all municipal taxes
- In the second year the Council may consider canceling 50% of all municipal taxes

- **Residential/New Build/Expansion or Addition to Existing House or Lot**

- The Town Council may consider canceling taxes using the same formula based on the finished assessed value for properties who expand or add a home or revenue property to their property. The value of construction must be greater than \$75,000.



LOCATION: Town of Vermillion

POPULATION: 3, 948

1. POLICY/BYLAW: Community Improvement and Infill Program (2018).

DESCRIPTION: To encourage the demolition of an old residential dwelling and subsequent construction of a new residential dwelling within existing residential districts through a one-year tax cancellation incentive.

2. POLICY/BYLAW: Multi-Family Development Incentive Program (2017).

DESCRIPTION: The purpose of this policy is to encourage the development of new multi-family residential dwellings within the Town of Vermillion. The intent of this program is to provide an incentive for the construction of new multi-family dwellings with 4 or more units.

LOCATION: Town of Westlock

POPULATION: 4, 921

POLICY/BYLAW: Residential Development Grant Program

DESCRIPTION: Under its' Housing Action Plan, Town of Westlock has launched a Residential Development Grant program to incentivize the development of new housing units. The grant program involves two grant streams: **new residential construction & suites**. Residential home builders, contractors and home owners are all eligible to apply under this program.

- **New Home Construction Stream:**

- **Available Funding:** \$15,000 per unit grant
- **Eligible Development:** New construction of up to four (4) units per property

- **Suite Stream:**

- **Available Funding:** \$10,000 per suite grant
- **Eligible Development:** Secondary (within principal dwelling), garden and garage suites (maximum one (1) per property)

LOCATION: Town of Vermillion

POPULATION: 3, 948

1. POLICY/BYLAW: Community Improvement and Infill Program (2018).

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DESCRIPTION: The purpose of this policy is to encourage the development of new multi-family residential dwellings within the Town of Vermillion. The intent of this program is to provide an incentive for the construction of new multi-family dwellings with 4 or more units.

LOCATION: Town of Westlock

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- **New Home Construction Stream:**

- **Available Funding:** \$15,000 per unit grant
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- **Available Funding:** \$10,000 per suite grant
- **Eligible Development:** Secondary (within principal dwelling), garden and garage suites (maximum one (1) per property)



Email: housingchoice@ruraldevelopment.ca

Website: housingredefined.ca/enabling-housing-choice-project