



Subject: *Affordable Housing Financial Assistance Policy*
To: Planning Advisory Committee
Date Prepared: October 1, 2026
Related Motions: C26(116), C26(117)
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Summary

This is a second report regarding the development of an Affordable Housing Financial Assistance Policy for the Municipality.

The proposed approach would direct the highest level of assistance to deeply affordable rental housing, defined as housing with maximum rents based on a Rent-Geared-to-Income (RGI) model and capped at 30% of gross household income. Other qualifying non-profit housing would receive more targeted assistance.

The policy would address property tax relief, municipal fees and a deed transfer tax assistance grant, with affordability agreements and reporting requirements.

Recommendation

That Staff be directed to draft an Affordable Housing Financial Assistance Policy based on the approach outlined in this report, prepare related amendments to Bylaw F-400, and consult with the non-profit housing sector once a draft policy is prepared.

Recommended Motion

Move that Planning Advisory Committee recommend that Council direct Staff to:

- Draft an Affordable Housing Financial Assistance Policy based on the approach outlined in the staff report dated October 1, 2026;
- Prepare related amendments to Bylaw F-400; and
- Consult with the non-profit housing sector once a draft policy is prepared.

Background

The Municipality has received requests from developers and housing providers seeking municipal tax and fee relief to enable additional below-market rental housing in East Hants. In addition, the Municipal Housing Strategy identified a need for a policy to provide financial assistance for affordable housing. The previous report considered Provincial public housing and non-profit housing together because both proponents were proposing housing described as affordable.

Council has since identified an important distinction between housing that is deeply affordable and other forms of non-profit housing. Deeply affordable housing provides a particularly strong public benefit because rents are directly related to household income and are intended to remain within a level that is affordable to households with significant housing needs. By contrast, non-profit ownership does not necessarily guarantee deep affordability.

The proposed approach therefore shifts the primary eligibility test from the identity of the housing provider to the affordability of the housing being created and retained.

Proposed Policy Approach

1. Deeply Affordable Housing

Qualifying deeply affordable housing would receive the highest level of municipal assistance available under the program. The assistance would be available regardless of whether the housing is owned or operated by the Province, housing co-op or non-profit organization, provided that the project satisfies the Policy's eligibility requirements and would include the following elements:

- 50% property tax (general rate) relief for 10 years, excluding area rates and waste management fee;
- 100% relief from applicable municipal building and development fees, excluding infrastructure charges;
- A grant equal to 100% of the municipal deed transfer tax payable on the acquisition of property for the eligible project; and
- An agreement requiring the project to remain deeply affordable for the required affordability period and establishing reporting, verification and repayment provisions.

Deeply Affordable Housing would be defined as rental housing provided by a government or non-profit organization where maximum rents are established using a Rent-Geared-to-Income (RGI) model, where all rents in the project do not exceed 30% of gross household income. The Policy would require the applicant to demonstrate how household income is determined, how rent is calculated, and how compliance will be maintained and verified.

In addition, in all instances, the maximum rent of the units in the project would be at or below the 30th percentile of rents in the subject market (as determined by CMHC Rental Market Survey) for units of a similar type (i.e. number of bedrooms).

As of the 2025 CMHC Rental Survey for East Hants, this would equate to a rent of \$968 for a 1 bedroom apartment at the 30th percentile. By comparison, a rent at the 80th percentile would be \$1550.

2. Affordable Housing

Non-profit projects that do not meet the definition of deeply affordable housing, but are still considered affordable housing, would remain eligible for a separate, more targeted level of assistance where they provide demonstrably affordable rental housing:

- 25% property tax (general rate) relief for 10 years, excluding area rates & waste management fee;
- 100% relief from applicable building and development fees, while infrastructure charges would remain payable; and
- 50% deed transfer tax assistance would be provided by grant where the project satisfies the Policy's affordability requirements.
- An agreement requiring the project to remain affordable for the required period and establishing reporting, verification and repayment provisions.

Affordable Housing would be defined as rental housing provided by a government or non-profit organization where at least 80% of the units in the project are at or below the 30th percentile of rents in the subject market (as determined by CMHC) for units of a similar type (i.e. number of bedrooms).

3. Deed Transfer Tax Assistance

The Municipality cannot waive the deed transfer tax, but could provide a grant to offset this cost. The municipal deed transfer tax would continue to be calculated and dealt with through the normal land-registration process. The Municipality would instead provide an approved grant to the eligible housing provider.

For an eligible **Deeply Affordable Housing** project, the grant would equal the municipal deed transfer tax payable on the acquisition of land for the approved project. For other qualifying **Affordable Housing**, a grant equal to 50% of the deed transfer tax would be available.

Financial Impact

The financial impact will amount to lost revenue and will vary depending on the number, size and assessed value of future projects that seek assistance. Staff would monitor the impact of such a policy and report to Council if warranted.

Alternatives

Alternative 1 - Apply the same incentives to all affordable and deeply affordable housing

Council could establish one incentive program for all eligible deeply affordable and affordable housing projects. This would be simpler to administer but would not distinguish between projects providing RGI-based deep affordability and projects containing a mixture of affordable and market-rate units.

Alternative 2 - Alter the Program parameters

Direct staff to design a financial assistance policy with different parameters for deeply affordable and/or affordable housing:

- Specify a higher or lower tax reduction amount
- Specify a higher or lower time frame from the 10 years proposed by staff
- Include a declining exemption amount per year (e.g., 90% year 1 and 30% in year 10)
- Provide a general government grant to cover all or a portion of Include Infrastructure Charges

Alternative 3 - No municipal incentive program

Council could decide not to establish a municipal incentive program and rely on provincial, federal and other funding programs to support affordable housing development.