

M.D. of Opportunity No. 17
LAND POLICY

TITLE: **SUBSIDIZED SUBDIVISION GRANT PROGRAM**

EFFECTIVE DATE: **JANUARY 28, 2015**

POLICY NUMBER: **L.2**

Purpose of Policy:

The purpose of this Policy is to establish the Subsidized Subdivision Grant Program (the "Program") in order to encourage owners of residential lands to further subdivide their lands and invest in improvements that will increase the assessed value of the property and increase the inventory of housing units and housing options available within the Municipality.

POLICY STATEMENTS:

The Municipal District of Opportunity No. 17 (the "Municipality") is committed to encouraging low, medium and high density residential development within the hamlets of the Municipality to accommodate current housing needs as well as future growth.

To this end, Council has established a subsidized subdivision grant program for eligible development projects to encourage the further subdivision of residential lands into smaller parcels (i.e. lot splitting) and subsequent construction of new residential dwellings on these newly created lots within the hamlets of the Municipality.

1. Application Area, Effective Date and Program Funding

- a) This Program applies to newly created lots (as a result of an approved lot split) located within a hamlet of the Municipality that are zoned for residential purposes in accordance with the Municipality's Land Use Bylaw.
- b) This Program becomes effective upon approval by Council and may be amended or repealed by Council at any time.
- c) All Program funding is subject to Council approval within the Municipality's operating budget and all applications for grants shall be processed on a first come, first serve basis subject to the availability of funding as approved by Council.

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2. Eligibility

- a) To be eligible for grant approval, the residential dwelling to be constructed or placed on the lot must result in an increase of at least \$50,000 in the assessed value of the property, as determined by the Municipality through a post construction/installation assessment.
- b) The residential dwelling to be constructed on the lot must be either:
 - (i) of stick-built construction on a concrete foundation;
 - (ii) a modular home placed on a permanent(concrete or pilings) foundation; or
 - (iii) a new or used designated manufactured home having a minimum assessed value of \$50,000.00 and be placed on a permanent(concrete or pilings) foundation.
- c) No work must be performed until subdivision approval has been granted, a development agreement between the applicant and the Municipality has been entered into, the applicant has obtained all required permits for the work and the grant applicant has been approved by the Municipality. Work that has commenced prior to the Municipality's approval is not eligible for a grant through this Program.
- d) The Program is limited to one (1) grant application per lot. If the approved lot split results in two (2) vacant lots, the applicant may apply for a grant for each newly created lot.
- e) The applicant must be the registered property owner and/or his or her designate.
- f) Applicants must be in good standing with the Municipality in order to qualify under this Program. Applicants that have outstanding taxes (including tax arrears), outstanding utilities or any litigation with the Municipality will not qualify for this Program. If any tax or utility payments are missed or received late for the property, the Municipality may terminate any application related to that property.
- g) Government offices and agencies and any organizations exempt from paying property taxes to the Municipality will not qualify for this Program.
- h) To be eligible for a grant, the applicant must (prior to commencing any work) pay to the Municipality **\$5,000.00** (per lot) as security for the performance of the applicant's obligations to construct the residential dwelling on the lot within the allotted time under the terms of the Program and as more particularly set out in the development agreement entered into by the applicant and the Municipality for the development project.

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- i) All projects approved under this Program must be completed in a timely manner. Construction of the residential dwelling must be completed within twenty four (24) months of registration of the subdivision. If construction has commenced and it can be demonstrated that circumstances clearly beyond the applicant's control prohibit completion within twenty four (24) months, the Municipality may, in its discretion, grant a one (1) year extension. Failure to complete the project in a timely manner will result in cancellation of the application at the discretion of the Municipality.
- j) Applicants are required to comply with all planning and development regulations, including any relevant policy or statutory plan which applies to the area, the Municipality's Land Use Bylaw and other relevant Bylaws. Applicants will be responsible for securing all required development permits and building permits and all work must comply with all applicable Provincial and Federal legislation.
- k) All contractors must be licensed by the Province of Alberta. All construction contracts will be between the applicant and the contractor.
- l) Final determination of qualification for a grant pursuant to this Program will not be made until the construction is substantially complete and a review has been undertaken by the Lands, Planning and Development Department assessing the project against the applicant's previously approved proposal.

3. Subsidized Subdivision Grant

- a) As a grant under the Program, in relation to a newly created residential lot, the Municipality will:
 - (i) construct, at its sole cost, an approach to the property line of the lot;
 - (ii) construct, at its sole cost, water and sewer services up to the property line of the lot;
 - (iii) ensure that a legal survey of the lot is prepared, at its sole cost;
 - (iv) reimburse the applicant for the cost of the subdivision application fee;
 - (v) reimburse the applicant for the cost of the subdivision endorsement fee; and

- (vi) ensure that utility right of way and easement agreements, as applicable, are prepared and registered against title, at its sole cost.
- b) The grant is subject to the applicant successfully completing the development project within the allotted time, in accordance with the terms and conditions of the Program, as set out in this Policy, and in accordance with the terms and conditions of: (a) the subdivision approval granted to the applicant, (b) the development agreement entered into by the applicant and the Municipality and (c) all permits issued to the applicant in relation to the development project.
- c) If the applicant fails in any way to comply with any of the requirements of Section 3(b) above, the Municipality reserves the right to deny the grant application or reduce the grant payable and, without restricting the foregoing, the Municipality may, in its discretion, draw on the security held by the Municipality for any costs the Municipality has incurred in carrying out the items described in Section 3(a) above.
- d) If, following a post construction/installation inspection by the Municipality, it is determined that the applicant has complied with all requirements of the Program, the subdivision approval, the development agreement and the permits issued in relation to the development project, the Municipality shall, within thirty (30) days of giving its final approval:
 - (i) return to the applicant the \$5,000.00 held by the Municipality as security (or such lesser amount if the Municipality has exercised its right to draw on the security); and
 - (ii) reimburse the applicant for those out of pocket expenses paid by the applicant described in Section 3(a) above.

4. Application Requirements

- a) Applications submitted under this Program must include the following components:
 - (i) A detailed written explanation, with plans/drawings where applicable, of the proposed residential dwelling to be constructed or placed on the lot;
 - (ii) Legal description of the lot and legal name of the owner(s);
 - (iii) An approved Development Permit and/or approved Building Permit for the residential dwelling;

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- (iv) Payment of the \$5,000.00 deposit as security for construction completion of the approved residential dwelling on the lot within the allotted time; and
- (v) Any additional information the Chief Administrative Officer may reasonably require.

5. Application Process

- a) In conjunction with or prior to filing an application, the applicant shall review this Policy and consult with the Lands, Planning and Development Department regarding the application process, requirements, criteria, rules of eligibility, project design and other relevant details of the proposed project.
- b) In order to ensure adequate, consistent review and evaluation, the project proposal shall be prepared in accordance with the format established by the Chief Administrative Officer.
- c) Applications for grants under the Program will be accepted throughout each calendar year subject to available funding for the Program. Completed applications shall be submitted to the Municipality's Lands, Planning and Development Department.
- d) Upon receipt of the application by the Lands, Planning and Development Department, the applicant will be required to contact the Department to schedule a pre-construction inspection of the subject property to determine the pre-construction status of the lands.
- e) To be eligible for a grant, no work must be performed until approved by the Municipality. Work that has commenced prior to approval by the Municipality is not eligible for a grant.
- f) The Municipality reserves the right to accept, reject or modify any application and render decisions in regards to complete applications as approvals, approvals with conditions, and refusals.

6. General Program Conditions

- a) The general conditions and requirements of the Program are not necessarily exhaustive and the Municipality reserves the right to include other conditions, considerations and requirements as deemed necessary on a property specific basis. All grants pursuant to this Program are subject to the following general conditions and requirements:

- (i) The Municipality is not responsible for any costs incurred by the applicant in relation to the Program, including without limitation, costs incurred in the anticipation of the grant;
- (ii) If an applicant is in default of any of the Program’s requirements or conditions, or any other requirement of the Municipality, the Municipality may delay, reduce or terminate an approved grant and may draw on the security held by the Municipality;
- (iii) The Municipality may discontinue the Program at any time but applicants with approved grants will continue to receive said grant subject to meeting the Program’s conditions and requirements;
- (iv) All proposed projects approved under the Program shall conform to all relevant codes, policies, procedures, standards and guidelines, including any applicable Bylaws of the Municipality, zoning requirements and approvals;
- (v) The Municipality may inspect the property that is subject to an application under this Program at any time;
- (vi) Outstanding work orders, and/or orders or requests to comply, and/or other charges from the Municipality (including tax arrears) must be satisfactorily addressed prior to any payment being issued at any time;
- (vii) If the post-construction assessment is appealed by any party for a property that is the subject of an application under this Program and the post-construction assessment is reduced, the Municipality will recalculate payments made to the applicant that were based on the higher assessment and any overpayment shall be repaid to the Municipality by the applicant.

7. Responsibilities

a) Council

- (i) Approves changes to this Program and Policy;
- (ii) Approves Program funding for implementation of this Program; and
- (iii) Evaluates the effectiveness of the Program.

b) Chief Administrative Officer

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- (i) Recommends to Council the application of this Program;
- (ii) Recommends to Council the Program funding for implementation of the Program;
- (iii) Recommends changes to the Program to Council;
- (iv) Provides administrative evaluation of the effectiveness of the Program;
- (v) Identifies a funding source for the Program and makes recommendations to Council accordingly;
- (vi) Renders decisions regarding the approval, approval with conditions or refusal of grant applications pursuant to this Program;
- (vii) Administers the funding source;
- (viii) Ensures that adequate notice is given to the public annually regarding the Program by, for example, advertising the Program in the Municipality's newsletter, public bulletin posters and local newspapers (e.g. Fever, Athabasca Advocate & Lakeside Leader) as the Chief Administrative Officer deems appropriate; and
- (ix) May delegate the Chief Administrative Officer's authority under this Policy as deemed appropriate.

c) Lands, Planning and Development Department

- (i) Recommends to the Chief Administrative Officer the Program funding for implementation of the Program;
- (ii) Recommends changes to the Program to the Chief Administrative Officer;
- (iii) Recommends a funding source for the Program to the Chief Administrative Officer;
- (iv) Evaluates the Program annually, provides reports to the Chief Administrative Officer regarding its performance and makes appropriate recommendations regarding its ongoing implementation;
- (v) Serves as the Municipality's contact for receipt of applications for Program grants issued pursuant to this Program;

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- (vi) Evaluates applications for completeness;
- (vii) Coordinates the administrative review of applications throughout the period between submission of the application and project completion;
- (viii) Prepares a written report to the Chief Administrative Officer on each application with a recommendation to approve, conditionally approve or refuse an application; and
- (ix) Conducts on-site pre-construction, post-construction and periodic inspections of the subject project.

APPROVED: April 3, 2013 – MOTION 0215-2013-17MDC
AMENDED: June 12, 2013 – MOTION 0345-2013-17MDC
AMENDED: January 28, 2015 - MOTION 0053-2015-17MDC

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