



## TOWN OF PASADENA

### AFFORDABLE & MISSING MIDDLE HOUSING DEVELOPER GRANT PROGRAM DESCRIPTION

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#### Program Summary

The Town of Pasadena Affordable & Missing Middle Housing Developer Grant Program (Developer Grant Program) provides direct financial incentives to developers to stimulate construction of missing middle and affordable housing. The goal of the program is to increase the diversity and affordability of housing types in the community.

#### Program Offering

- \$30,000 Base Grant (per building)
- \$8,000 Per-Unit Grant (for each additional unit per building, excluding the first unit)
- \$12,000 Top-Up Grant for buildings with 5 or more units
- \$5,000 Top-Up Grant for each ‘accessible-ready’ unit or \$8,000 for each ‘enhanced accessibility’ unit beyond code requirements (e.g. 1<sup>st</sup> accessible unit in a 2- to 4-unit building, 2<sup>nd</sup> accessible unit in a 5- to 10-unit building, 3<sup>rd</sup> accessible unit in an 11- or 12-unit building) (see Program Conditions for details)
- Applicants must include the minimum number of affordable units as outlined in the table below (see Program Conditions for details)
- Maximum total grant amount of \$250,000 per Applicant

| Building Type                                                       | Units | Grant Per Building | Minimum Number of Affordable Units |
|---------------------------------------------------------------------|-------|--------------------|------------------------------------|
| Duplex (Semi-Detached)                                              | 2     | \$38,000           | 1                                  |
| Townhouse<br>(i.e. multiplex, rowhouse)<br>or<br>Apartment Building | 3     | \$46,000           | 1                                  |
|                                                                     | 4     | \$54,000           | 1                                  |
|                                                                     | 5     | \$74,000           | 1                                  |
|                                                                     | 6     | \$82,000           | 2                                  |
|                                                                     | 7     | \$90,000           | 2                                  |
|                                                                     | 8     | \$98,000           | 2                                  |
|                                                                     | 9     | \$106,000          | 2                                  |
|                                                                     | 10    | \$114,000          | 3                                  |
|                                                                     | 11    | \$122,000          | 3                                  |

|  |    |           |   |
|--|----|-----------|---|
|  | 12 | \$130,000 | 3 |
|--|----|-----------|---|

### **Excluded Building Types**

- Detached (single-family) houses
- Apartment buildings or townhouse complexes larger than 12 units

### **Eligible Applicants & Projects**

Applicants must meet the following criteria to be considered for a grant:

- Be the registered owner of the property within the Town of Pasadena or have written authorization from the registered owner to apply on their behalf.
- The building permit for the proposed project must not yet have been issued at the time of application.
- Project must be completed within 24 months of building permit issuance.
- The proposed building(s) must meet the type and size requirements as shown above (no single-family homes, no multi-unit buildings larger than 12 units).
- All proposed developments must meet the Affordability Requirements (see Program Conditions).
- Any units to be rented must meet the Long-Term Rental Requirements (see Program Conditions).

### **Application & Approval Process**

- Please read all program materials to confirm eligibility. If you have any questions, please contact the Town of Pasadena at (709) 686-2075 or cway@pasadena.ca
- Complete the Town of Pasadena *Development and Building Permit Application* and the Pasadena *Developer Grant Application Form*. Both forms must be submitted together. Along with the supporting documents required to submit the Building Permit Application (site plan on legal survey, detailed drawings, etc.), the following additional documents are required with your grant application:
  - Articles of Incorporation and/or Provincial Registration Number
  - Certificate of Insurance
  - Proof of property ownership (property deed or title) or written authorization for the proposed project from the registered owner of the property
  - **For non-profit applicants only:** Confirmation of Financing/Balance of Funds (letter from financial institution or other funding provider confirming funds are in place to complete the project)
- Upon receipt and review of the application, the Town may request additional information to confirm that the proposed scope of work meets the program requirements.
- Once the building permit application and grant application are approved, the Town of Pasadena will advise the Applicant to complete the Pasadena *Developer Grant Agreement Form* which will formalize the Applicant's commitment to meeting the terms and conditions of the grant program.

*Applications will be assessed by the Town on a first-come, first-served basis until program funds are exhausted.*

### **Construction**

- Once the building permit is issued by the Town, construction can begin.
- The project must be completed within 24 months of the date of building permit issuance.
- Once construction is complete, the Applicant will submit an *Application for Occupancy Permit* to the Town, at least 1 week before tenant/owner occupancy.
- Town staff will schedule a walk-through to confirm all program requirements are met. The occupancy permit will be issued upon confirmation of compliance.

### **Funding Disbursement**

#### **For-profit Applicants**

- Funds will only be made available once construction is completed

If units are rented:

- First 20% installment is granted upon occupancy permit approval and submission of rental agreement confirming compliance with the Affordability and Long-Term Rental requirements.
- Each year thereafter, the Applicant must confirm continued long-term tenancy and affordable rental rate to receive subsequent 20% installments (100% of grant amount disbursed over 5 years).

If units are sold:

- 100% of grant is disbursed upon occupancy permit approval and submission of sale agreement which demonstrates compliance with the Affordability requirements (see Program Conditions below).

#### **Non-profit Applicants**

- Upfront disbursement of 50% of total grant amount available upon signature of agreement (funds available prior to construction start)
- Remaining 50% of total grant amount disbursed upon occupancy permit approval and confirmation that Affordability and Long-Term Rental (as applicable) requirements have been met.

### **Housing Design Catalogue Resource**



Full technical design packages for missing middle housing are available at no cost through the [Housing Design Catalogue](#) published by the Canada Mortgage and Housing Corporation (CMHC). Applicants are encouraged to utilize this resource when developing their project proposal. While the designs are categorized by region, the Town of Pasadena will accept any design from the national catalogue which meets local development regulations and is suitable to the local climate. Many of the designs in the catalogue also provide an option for accessible-ready units.

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# Program Conditions

## General Conditions

- Maximum total grant amount of \$250,000 per Applicant. Multiple applications may be submitted by the same Applicant, but total funding across all applications cannot exceed this amount per organization.
- The building permit for the proposed project must not yet have been issued at the time of application.
- Project must be completed within 24 months of building permit issuance.
- The proposed development must comply with the Town of Pasadena’s Development Regulations.
- All construction must meet or exceed the National Building Code of Canada, latest edition.
- The proposed building(s) must meet the type and size requirements as shown above (no single-family homes, no multi-unit buildings larger than 12 units).

## Affordability Requirements

A minimum number of units in each building must be affordable as defined in the table above. Affordability is defined as follows:

### For units that are rented:

- **Monthly rent** (excluding utilities) must not exceed the *Newfoundland & Labrador 10,000+, Private Apartment Average Rents* for the relevant *Bedroom Type*, as published annually by CMHC in the Rental Market Survey for Geography: Newfoundland and Labrador, latest year edition, and found at <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

For example, for the 2025 calendar year, the average rates are:

|          | Bachelor | 1 Bedroom | 2 Bedroom | 3 Bedroom |
|----------|----------|-----------|-----------|-----------|
| Max Rent | \$895    | \$1,002   | \$1,208   | \$1,201   |

OR;

- Total shelter costs are less than 30% of the household’s before-tax income (for renters, total shelter costs include rent and utilities) OR;
- Rental rates are in compliance with the criteria of another government or non-governmental agency’s affordable housing program (i.e. CMHC, NLHC, FCM, etc.)

### Additionally,

- Where utilities are included in the rental agreement, utility charges to the tenant may not be more than:  $[(\text{Floor Area of Unit}) \div (\text{Total Floor Area of Building})] \times \text{Total Utility Costs for the property.}$
- The initial rental rate may be increased by no more than two percent (2.0%) per year, provided any such increase complies with the notice requirements and limitations set out in the *Residential Tenancies Act*.

- Affordability must be maintained for at least 5 years.
- If tenancy changes within the 5-year period, the rental rate may be redetermined based on the most recent CMHC Rental Market Survey. The 2% annual increase limitation then applies to the new rate for the new tenant.

#### **For units that are sold:**

- Dwelling unit **purchase prices** can be demonstrated by the Applicant as achieving affordability. The onus is on the Applicant to make a reasonable argument for affordability. Rationale shall be presented to the Town Council, and a decision will be made. Examples of affordability in a resale context include, *inter alia*:
  - Total shelter costs are less than 30% of the household's before-tax income (for homeowners, total shelter costs include mortgage payments, property taxes and condominium fees, and utilities) OR;
  - Demonstration that the purchase price is set below market appraisal; OR
  - Purchase prices are in compliance with the criteria of another government or non-governmental agency's affordable housing program (i.e. CMHC, NLHC, FCM, Habitat for Humanity, etc.).

#### **Long-Term Rental Requirements**

Any units that are rented must be used exclusively as long-term rentals for a minimum of 5 years from the date of occupancy permit issuance. Short-term rentals are prohibited during this 5-year period (including Airbnb, VRBO, or any other short-term rental arrangement).

Long-term tenancy must be confirmed for each of the 5 years (before the anniversary date of when the occupancy permit was issued) by submitting signed rental agreements to the Town.

#### **Accessibility Top-Up Grant Eligibility**

Many of the designs in the CMHC Housing Design Catalogue provide an option for 'accessible-ready' or 'enhanced accessibility' units. These are described in the [User Guide](#) (Section 6, page 16). Applicants must demonstrate that they are incorporating the accessible-ready or enhanced accessibility units as provided in the catalogue, or meeting the same or higher accessibility criteria within their own design to be eligible to receive a Top-Up Grant (\$5,000 for accessible-ready or \$8,000 for enhanced accessibility or beyond).

The Buildings Accessibility Regulations under the Buildings Accessibility Act of NL requires at least one accessible unit in every 10 residential units once a building has more than 4 total residential units. The Top Up Grant does not apply to the accessible units required under these regulations - only steps taken to increase accessibility of additional units beyond what is required are applicable.

#### **Clawback Provisions**



If program requirements are violated prior to grant disbursement, the Applicant will be deemed ineligible for the Pasadena Developer Grant moving forward.

If program requirements are violated after the grant has been fully or partially disbursed, no further disbursements will be provided and the disbursed grant amount becomes immediately due and payable as a debt from the Applicant to the Town, and shall attract interest at a rate equal to the Royal Bank of Canada prime rate (determined on the date of violation, corresponding to an anniversary date of occupancy permit issuance) + 5% per annum until repaid in full.

## **DISCLAIMER**

*This program description does not create any contractual obligation on the part of the Town of Pasadena. The Town reserves the right to deny any application for any reason or to request additional information before making a determination. Submission of this application does not guarantee approval or entitlement to incentives. Approval of this application is contingent upon compliance with all applicable building codes, zoning regulations, municipal bylaws, and the execution of a separate agreement between the Applicant and the Town. The Applicant is solely responsible for ensuring that the development meets all legal and regulatory requirements.*