



TOWNSHIP OF

Hornepayne

## **Housing Sales Discount and Tax Rebate Program Guidelines - Community Improvement Plan (CIP)**

**The Housing Sales Discount and Tax Program aims to increase the number and quality of dwelling units occupied by primary residents, tourists, or workers in Hornepayne by offering financial incentives. These incentives include a property tax rebate and a sales price discount for eligible properties.**

### **Program Objectives**

- Increase housing availability for new residents and workers in Hornepayne.
- Stimulate economic growth through increased property tax revenues and local spending.
- Support residential development aligned with the Township's community improvement goals.

### **Program Eligibility**

Eligible Applicants:

- Property owners or tenants with written permission from property owners.
- Acquisition costs related to development of Township surplus properties of vacant residential land or redevelopment of multi-residential or single-family dwellings.



## Incentive Details

Property Tax Rebate: Eligible for a rebate on property taxes calculated as follows:

- Year 1: 100% of the tax increase.
- Year 2: 100% of the tax increase.
- Year 3: 100% of the tax increase.

Fee Rebate:

100% rebate of eligible municipal fees up to a maximum of \$10,000.

## Property Sale Discount:

95% rebate on the property sale price of the surplus Township Property (excluding HST), reimbursed after the completion of improvements and receipt of an occupancy permit

Ineligible costs: Routine maintenance, interior furnishings, and general operating expenses.

## Application Process

1. Pre-Application Consultation: Consult with the EDO/CAO before submitting.
2. Application Submission: Complete the application form with required documentation
3. Application Review: The EDO/CAO will review the application for eligibility.
4. Approval: Successful applicants receive a written approval letter.
5. Project Completion: Complete the improvements within four months of approval.
6. Request for Reimbursement: Submit proof of payment and completion.
7. Final Inspection: The Township may inspect the completed improvements.
8. Reimbursement: Approved grant amounts will be issued upon compliance verification.

## Important Conditions

- Construction must comply with all building codes and municipal regulations.
- Rebates will not be issued for any work started before receiving written program approval.
- The property owner has 18 months to complete the necessary improvements to receive the rebate.
- If the improvements are not completed within 18 months, the Township reserves the right to revoke approval.
- Property taxes must be fully paid each year. Rebates are issued after payment is confirmed.
- The property owner must maintain good standing with the Township in all financial matters (taxes, utility payments, etc.) throughout the program period.

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**For more information, visit**  
***[townshipofhornepayne.ca](http://townshipofhornepayne.ca)***

## Housing Sales Discount and Tax Program

### Objective

To increase the number and quality of dwelling units occupied by primary residents, tourists, or workers in supply chains of high-priority industry sectors by rebating property tax increases as a result of the development or redevelopment, construction, reconstruction and rehabilitation.

### Rationale

Business vibrancy in Hornepayne will be enhanced by increasing the population of year-round residents, visitors to the area, and workers for area industries. Over time, increases in property tax revenues and consumer spending in the area will assist economic development.

### Eligibility Filters

Eligibility Filter	Details
Priority	High
Geographic Areas	Lands designated Low Density Residential, Medium Density Residential, Rural Residential, and Rural
Industry Focus	Residential for new residents and worker housing related to Forestry, Mining, Alternative Energy, Tourism, Hospitality and Retail
Property Types	Residential and Rural
Applicant Types	Property Owner
Expenditures	Acquisition costs related to development of vacant residential land or redevelopment of multi-residential housing or single-family dwellings with accessory residential uses.  Construction costs related to redevelopment of multi-residential housing or single-family dwellings with accessory residential uses Exclusions: appliances.

Eligibility Filter	Details
Special Conditions	<p>Construction must follow building codes and other regulations.</p> <p>An approved applicant will be required to provide the Township with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the Township.</p> <p>Although the discount on municipally owned surplus properties is rebated, it is not waived outright. The full assessed value of the purchase price must be paid in full at the time of purchase. The discount will not be waived outright, but instead will be reimbursed to approved applicants upon the execution of required agreements. To be eligible for the reimbursement, applicants must comply with all program requirements and guidelines. This may include meeting certain standards for property development and management and ensuring that the properties are used in a way that benefits the community and aligns with the goals and objectives of the Community Improvement Plan.</p> <p>Purchaser has 18 months to complete the necessary improvements to the property that result in an occupancy permit. Should this condition not be met, Council has the option to re-purchase the property at the original price or to extend the agreement.</p> <p>The Town will retain a right-of-first refusal to purchase the vacant property, at the original price, should the purchaser choose to divest the property prior to construction.</p> <p>The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period. Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits.</p> <p>Only the municipal portion of development charges are rebated, and furthermore they are not waived outright. The development charges are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.</p> <p>Although the building permits fees are rebated, they are not waived outright. Fees are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.</p>

## Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Fee Rebate	Yes	100% Rebate on Municipal Fees  95% Rebate on Property Sale Price	100% Rebate of actual municipal fees paid to a maximum rebate of \$10,000. Eligible municipal fees include municipal planning application fees, including minor variances, site plans, zoning by-law amendments or official plan amendments; and/or municipal building permit demolition fees, and inspection fees.  95% Rebate of Property Sale Price conditional on receipt of occupancy permit for the new or redeveloped dwelling unit(s), excluding HST
Tax Increment Grant	Yes	See maximum grant range calculations	Maximum Rebate - Lowest of the following: <ul style="list-style-type: none"> <li>• Amount equivalent to 50% of total actual eligible construction costs (excluding HST) but capped at estimate in application</li> <li>• Amount equivalent to the total of municipal property taxes for Years 1 through 3 following completion of the project.</li> <li>• Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement and after the Project is completed.</li> </ul>

### Example

An individual decides to submit an Offer to Purchase on a municipally-owned vacant residential property located on Third Avenue, Hornepayne, which is listed on the surplus properties database website. The individual offers to purchase the house at the asking price of \$50,000 (plus HST), with the condition that individual's application to the Township of Hornepayne's Housing Sales Discount and Tax Program is approved.

It is confirmed during the sales negotiation and application process that:

- MPAC's assessed value of the house is \$50,000 (prior to the sale).
- Annual property taxes are \$1,500 (prior to the sale).
- The potential owner plans to invest \$100,000 (excluding HST) in eligible construction costs to renovate the house.
- Fees charged by the Township associated with the renovation are expected to total \$2,000.

The Township approves the house sale and the application to the Housing Sales Discount and Tax Program. After the deal closes and the applicants receives written program approval, the new owner pays the Township \$50,000 (plus HST) and takes possession. The new owner renovates the home

into a one-family residence with a secondary unit for rental as a bed and breakfast, as outlined in the application.

- MPAC reassesses the property after renovation at \$125,000 in value, an increase of \$75,000.
- Annual property taxes after renovation are reassessed at \$3,000, an increase of \$1,500. The potential for rebated property taxes is calculated as follows:

Year	Increment % on \$1,500 increase	Potential Tax Rebate Amount
1	100%	\$1,500
2	100%	\$1,500
3	100%	\$1,500
<b>Total (Years 1-3)</b>		<b>\$4,500</b>

- The new owner actually spends only \$50,000 (excluding HST) based on receipts and proof of payment, half of what was estimated because family donated their time to help.
- Planning and building permit fees charged by the Township to the homeowner totalled \$3,000, which is \$1,000 more than estimated.

The new homeowner receives an occupancy permit from the Building Department, which allows the homeowner to submit a request for program funding from the Township through the CIP Administrator. The Township's CIP Administrator agrees in writing that the project is completed.

The new homeowner receives these incentives:

- 100% Municipal Fee Rebate = \$3,000 after the occupancy permit is issued.
- 95% Rebate on Property Sale Price (\$50,000, excluding HST) = \$47,500 after the occupancy permit is issued.
- Tax Rebate of \$4,500 received through reduced tax payments over the next three years, because it is the lowest of the following calculations:
  - Amount equivalent to 50% of total actual eligible construction costs (\$50,000) = \$25,000 (excluding HST).
  - Amount equivalent to the difference in total municipal property taxes (pre-development, MPAC reassessment) on a sliding scale for Years 1 through 3 following completion of the project, subject to the sliding scale of rebates for the Housing Sales Discount, Tax and Fee Rebate Program = \$4,500.
  - Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement (\$50,000) and after the Project is complete (\$125,000) = \$75,000.

In total, through the Housing Sales Discount and Tax Program, this new homeowner would be eligible for a total of \$55,000 in incentives.

#### **NOTE:**

Any required permits must be obtained prior to work commencing.

Property taxes may increase in Years 1 to 3 following the approval of the rebate. The property owner would receive the original reduction calculated, subtracted from the tax bill.