Affordable Housing Pre-Construction Grant FY26-27

Applicant Guide and Grant Guidelines supporting Policy 107.

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Summary: Affordable Housing Pre-Construction Grant

1. About the Program

The Municipality of the District of Lunenburg's Affordable Housing Pre-Construction Grant Program provides financial assistance to registered non-profit organizations, cooperatives, charitable organizations, and Community Interest Corporations (CIC) to support pre-construction activities for the creation of new affordable housing units within the Municipality.

Affordable housing means housing which costs less than 30% of before-tax household income or defined by CMHC or Province of Nova Scotia as affordable and as contained in a housing or financing agreement for a property party to a development agreement.

The program aims to:

- Increase the supply of affordable housing units in the Municipality of the District of Lunenburg.
- Support non-market housing providers in accessing federal and provincial funding programs.
- Remove barriers during the critical pre-construction phase.
- Promote sustainable, long-term affordable housing solutions for the community.

Applicants may receive:

- Up to 66% of total project cost, to **a maximum of $50,000 per organization, per project**, in the form of a grant.
- For projects that align with the Municipality's housing strategy but are not located within the boundaries of the municipality, the maximum eligible funding per project is $25,000.

Applications are accepted on a rolling basis through the fiscal year (April 1 – March 31) **until all funds are allocated.**

2. Eligibility

Eligible Applicants

- Registered non-profit organizations under Nova Scotia or federal legislation
- Charitable organizations with Canada Revenue Agency charitable status
- Co-operative organizations with a mandate to provide long-term affordable housing
- Community Interest Corporations (CIC)

Eligible Projects

- Projects must create a minimum of four new affordable residential housing units. Units may be contained in a multi-unit building or spread across multiple buildings in a cluster development project.
- Proposed development must be located within Lunenburg County.
- Projects that are not within Municipality of the District of Lunenburg's boundaries must demonstrate equivalent funding from the host municipal unit.
- Projects must result in at least 50% affordable housing units.
- Projects must provide long-term affordability commitments (minimum fifteen (15) years, with preference for projects demonstrating longer-term affordability).
- Projects must be new construction or major renovations that lead to creation of net new affordable units.

Eligible Organizations

- The applicant or their affiliate must be in good standing with the Municipality in terms of existing agreements, notices to comply, by-law violations, property taxes, or overdue fees or charges.
- Provide audited financial statements (the Municipality may accept a Review Engagement at its sole discretion) for the past three (3) years (exemption may be granted for newly established organizations under three years old).
- Demonstrate organizational capacity for housing development and management.
- The applicant must be the registered owner, acting on behalf of the registered owner with written permission, or provide proof of an option agreement or purchase and sale agreement of the subject property.
- Organization must have a pre-application meeting with staff.
- Organizations should seek additional funding partners for the predevelopment portion and be able to identify what future sources of funding are being pursued after the proposed pre-construction activities are completed.

Eligible Expenses

Eligible Costs for the grant include but are not limited to:

- **Professional Services:** architectural, engineering, accounting, and consulting fees
- **Technical Studies:** feasibility studies, market analysis, environmental site assessments, geotechnical reports, energy modeling, accessibility assessments
- **Design and planning:** preliminary designs, project drawings, specification, site surveys
- **Municipal Fees:** building permit fees, development application fees, planning fees
- **Financial Analysis:** financial feasibility studies, business plan development, construction funding application preparation

Ineligible Expenses

Ineligible Costs for the grant include but are not limited to:

- Costs incurred prior to April 1, 2026
- Construction activities
- Land acquisition costs
- Operating expenses of the applicant organization including salaries, wages, dividends, and other compensation for employees and directors
- Fundraising activities
- Equipment Purchases

3. Application Process

Before submitting an application form, applicants must schedule a pre-application meeting with the Municipality. Please contact planning@modl.ca for a pre-application meeting.

Following a pre-application meeting with the Municipality, please submit a completed application form (application form will be emailed to applicant following pre-application meeting), along with the following attachments:

An Organizational Profile, including:

- Documentation confirming the applicant's authority to act on behalf of the organization
- Proof of registration of non-profit corporation, charitable organization, co-operative, or Community Interest Corporation
- Current list of Board of Directors
- Audited Financial statements or Review Engagement (past three (3) years)
- Supplementary information about affordable housing portfolio (if applicable)

Supplementary Information on Pre-construction plans, including:

- Detailed description of proposed activities
- Cost estimates for eligible expenses
- Expected outcomes and deliverables
- Timeline for completion

Additional Project Information (if available), including:

- Project team information, including resumes/CVs of key personnel and consultants (if identified)
- Project concept and development approach
- Preliminary site information
- Estimated project timeline and milestones
- Preliminary budget and funding strategy

Applications will be reviewed by a committee of staff involved in advancing the Municipality's Housing Strategy. Applicants will be notified of grant approval with a Letter of Award, which will specify the value of the grant and the expenditures supported by the grant. Successful applicants will be expected to complete a final report, present about the project in open session to Council, and abide by any other conditions listed within the Letter of Award.

General process:

- Pre-application meeting
- Application submission
- Staff review
- Funding decision
- Letter of Award
- Monthly check-in meeting with municipal staff
- Project commencement within 3 months
- Grant funding must be fully expended within 12 months
- Final check-in meeting with municipal staff
- Final reporting due
- Presentation to Council

4. Evaluation

All applications will be reviewed to confirm the project meets the eligibility criteria outlined in this Application Guide, per Policy 107. Funding proposals deemed ineligible will not advance to the evaluation stage and the applicant will be notified in writing.

Eligible applications will be evaluated using a weighted scoring system.

Funding decisions:
The amount of funding a project receives is impacted by several variables such as housing impact, project readiness, etc.

5. Common Questions and Program Clarifications

When are you accepting applications?
Applications will be accepted starting November 30, 2026. Before submitting an application form, applicants must schedule a pre-application meeting with the Municipality. Please contact planning@modl.ca for a pre-application meeting any time.

What does the pre-application meeting entail?
The pre-application meeting is a requirement as per Policy 107. It is also an opportunity to discuss your project idea with staff and understand what is involved in the application process in more detail.

Can I apply for funding even if my project is underway?
The intention of the Grant is to support activities that occur before construction begins, such as feasibility studies, design work, planning, engineering, and other pre-construction activities. To be eligible, your project must still be in the pre-construction phase at the time you apply. If construction has already started or the project has broken ground, the project is not eligible for funding.

What if I provide 4 affordable units but not 50% affordable for the whole project?
Eligible projects must create at least four new affordable housing units and ensure that affordable units make up at least 50% of the total units in the development. Meeting one requirement without the other is not sufficient for eligibility.

What if we don't spend the full amount of funding approved for our project?
That's okay. Funding is reimbursed based on actual eligible expenses. If your final project costs are lower than expected, you simply claim the eligible expenses that were incurred. You will not receive funding for costs that were not incurred.

When are grant funds paid out?
Funding is reimbursed based on eligible expenses incurred. Applicants must submit cost claims and supporting documentation, and reimbursement will be provided for eligible expenses up to the approved funding amount.

Can I use the funds for marketing or to hire a PR firm?
No. Grant funds cannot be used for marketing, advertising, public relations services, or other promotional activities. Funding is intended to support eligible pre-construction work, such as planning, studies, design, and other activities required to advance an affordable housing project toward construction.

Can I stack this funding with other sources of funding?
Yes. Applicants may combine funding from this grant with other municipal, provincial, federal, or other funding sources.

What is a Review Engagement?
A Review Engagement is an accounting service which provides limited assurance that financial statements conform to accounting standards relevant for the organization.