



Housing CIP



Tax Increment Equivalent Grant Program

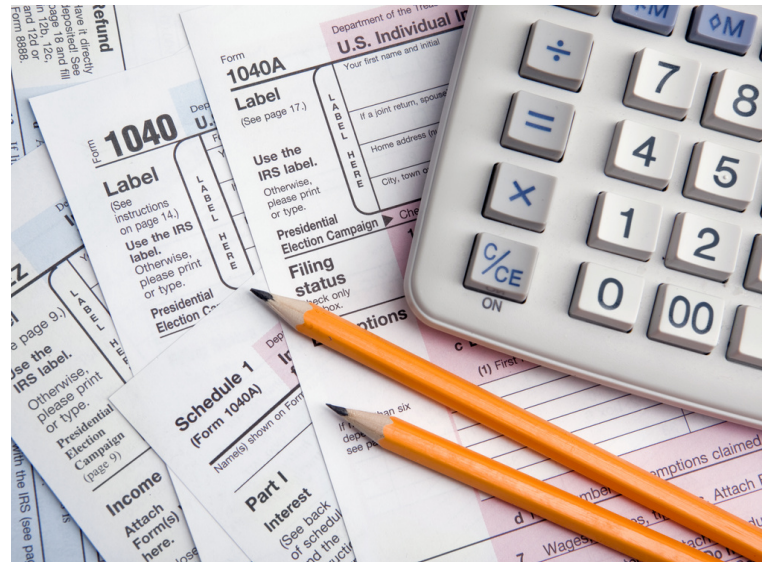
Description

Grant to mitigate the impact of increased tax fees related to property value growth resulting from housing unit addition projects through residential unit intensification, development, redevelopment, and/or adaptive reuse of buildings.

The grant does not cover any increase or decrease in municipal taxes due to a general change in the property tax rate or assessment change for any other reason.

Eligible Properties and Uses

- Eligible applicants undertaking housing unit addition projects that raise the value of a property.
- For grant calculation purposes, municipal property taxes include only the municipal portion of taxes and do not include education taxes or other special charges.



Eligible Costs

- Renovation of a property for housing unit addition.
- Restoration or improvement of an existing building to make it compliant with housing unit addition.
- Expansion of a building leading to an increase in area for housing unit addition.
- Construction of new additional housing units.
- Infrastructure works, including improvement or reconstruction of existing on-site public infrastructure (water services, sanitary and storm sewers) as part of housing unit addition.

Grant Value

The grant will be equivalent to a predetermined percentage of the municipal tax increase (i.e., net tax increase after project completion and reassessment by the Municipal Property Assessment Corporation (MPAC)). The grant will be paid annually for 5 years as a percentage of the calculated increase in the first year, decreasing by 20% each year. Specifically:

- In the first year, a grant equivalent to 100% of the municipal portion of the tax increase will be granted to the owner.
- In the second year, a grant equivalent to 80% of the municipal portion of the tax increase will be granted to the owner.
- In the third year, a grant equivalent to 60% of the municipal portion of the tax increase will be granted to the owner.
- In the fourth year, a grant equivalent to 40% of the municipal portion of the tax increase will be granted to the owner.
- In the fifth year, a grant equivalent to 20% of the municipal portion of the tax increase will be granted to the owner.



Grant Payment

When the Town of Hearst confirms the project's compliance with the grant description and receives a new valuation from MPAC, the adjustment calculation will be established at the beginning of the following year.

The Tax Increase Equivalent Grant will not be paid and will not accumulate for any year where taxes remain unpaid at the due date. Any failure to pay taxes for any year will disqualify the owner for new grant payments.

The grant will be issued after the grant-related works are completed, proof of payment and leasing is submitted, and final building inspections have taken place.

Eligibility Criteria

- When the Town of Hearst confirms the project's compliance with the grant description and receives a new MPAC valuation, the adjustment calculation will be established at the beginning of the following year.
- The tax increase equivalent grant will not be paid and will not accumulate for any year where taxes remain unpaid at the due date. Any failure to pay taxes for any year will disqualify the owner for new grant payments.
- The grant will be issued after the grant-related works are completed, proof of payment and leasing are submitted, and final building inspections have taken place.