Town of Lunenburg
Affordable Housing Grant Program

1. Summary

The Town of Lunenburg Affordable Housing Grant Program (AHGP) is made available through federal funding support provide by Canada Mortgage and Housing Corporation (CMHC) through the Housing Accelerator Fund (HAF).

The purpose of the AHGP is to help incentivize and support the provision of affordable housing, primarily rental housing, in the Town of Lunenburg. The fund is intended to be flexible for a variety of potential applicants and projects.

The AHGP can be used in conjunction with all other housing affordability programs and policies of the Town of Lunenburg, such as the *Accessible Housing Incentive Policy*, and the *Affordable Housing Tax Relief Policy* as applicable. Applicants to the AHGP are also encouraged to explore federal and provincial funding opportunities to increase the depth of affordability in their projects, consequently, all projects will allow stacking of funding from other orders of government, crown corporations, or non-governmental organizations and the like.

2. Definitions:

Affordability Term: means a period of time of no less than ten (10) years.

Base Level Affordability: means rents offered at 80% of average market rents (as determined by the Town – See Table 1.0).

Contribution Agreement: means an agreement between the applicant and the Town of Lunenburg that specifies the Affordability Term, Affordability Level, Eligible Units, and any other terms and conditions required.

Eligible Applicant: means a private entity, non-profit society, charity, community land trust, or housing cooperative registered and in good standing with Joint Stocks in any Canadian province or territory and authorized to do business in Nova Scotia.

Eligible Tenant: means a household that has a household income below the median total income for that household size.

Eligible Unit: means a dwelling unit as defined in the Town of Lunenburg Land Use By-law that meets the Base Level Affordability requirement.

Final Affordability Level: means the agreed upon rental rates as specified in the Contribution Agreement for an Eligible Unit.

Long Term Housing: means housing that is provided through a lease for duration of at minimum a year per lease term.

3. Timeline

The AHGP will continue until funds are fully allocated or February 2027, whichever occurs first. Dependent on applications and funding this term may be extended. Applications are accepted on an ongoing basis. Applications will be evaluated in September & December, 2026, and February, 2027

4. Eligible Tenants

This program is intended to increase the supply of rental housing for low to moderate income households in the Town of Lunenburg who can live independently. Low to moderate is interpreted to be those earning less than the median household income for that household size/composition.

As of the 2021 Census:

- Median total income for all households was estimated at $63,200 annually.
- For one person households' median total income was $32,000 annually.
- For two or more person households' median total income was $89,000 annually.

Tenants meeting the income thresholds above and can live independently are considered Eligible Tenants. Tenant attraction and ensuring eligibility is the responsibility of the AHGP applicant.

5. Eligible Applicants:

Eligible applicants must:

- Be a private entity, non-profit society, charity, community land trust, or housing cooperative registered and in good standing with Joint Stocks in any Canadian province or territory and authorized to do business in Nova Scotia or; be a homeowner with their primary residence located in the Town of Lunenburg.

- Have a minimum of two (2) years' property management experience or engage a professional third-party property management firm acceptable to the Town; or be the resident owner of the property where an accessory dwelling is to be added.
- Have successfully completed a similar project on time and on budget, or execute a fixed-price contract with a general contractor with experience building similar projects.
- Have no outstanding fees, liens, or taxes on the property to be developed, converted, or preserved.

6. Eligible projects

Eligible projects must:

- Create or preserve Long-Term Housing within the Town of Lunenburg.
- Involve new construction, addition to an existing home or primary residence, conversion of a non-residential building, or preservation of an existing vacant multi-unit building.
- Meet Building Code minimum standards, inclusive of standards for energy efficiency and accessibility.
- Not be located in any area prone to subsidence, flooding, or similar natural hazards or risks.
- Must provide at minimum one Eligible Unit.
- Be in compliance with the Town of Lunenburg planning documents, Heritage Conservation Plan & By-law, meet Municipal Specifications standards, and any other applicable policy or by-law requirements of the Town of Lunenburg.

Eligible projects may:

- Include market rate as well as affordable units.
- Allow for rent increases of market rate units inline with the *Residential Tenancies Act*.
- Include Eligible Units in mixed use buildings or institutional buildings provided they meet all Building Code and other municipal requirements.
- Include co-operative housing or non-profit housing.

7. Base Level Affordability

The AHGP sets a base level of affordability (80% of weighted average market rents – See table 1.0 below – which may be updated from time to time) for unit type. Applicants must meet this threshold to simply be considered for the program. If an applicant is

able to provide deeper affordability, then a higher grant allocation can be considered. Grants can range from $10,000 to $25,000 depending on affordability offered or additional benefits to Eligible Units – see Grant Amount Available for details.

Table 1.0 – Average Market Rents (October, 2025)

Source: *Turner Drake & Partners, Residential Rental Market Survey & Housing Needs Assessment Updates – Town of Lunenburg, Lunenburg County, Nova Scotia*

	Average Market Rent	80% of AMR
Bachelor	$982	$786
1-Bed Unit	$1,018	$814
2-Bed Unit	$1,326	$1,061
3-Bed Unit	$2,280	$1,824

8. Grant Amount Available

The AHGP will provide funds to approved projects as follows:

- The minimum grant amount is $10,000 per Eligible Unit.
- The maximum grant amount available is $25,000 per Eligible Unit.
- A maximum of $100,000 can be allocated to any single project that contains Eligible Units.

Grants will be increased from the minimum amount to the maximum amount relative to the depth of affordability provided and/or other ancillary benefits the project may offer, such as:

  - greater energy efficiency beyond the National Building Code,
  - transportation and mobility supports for tenants, such as but not limited to car share programs,
  - higher quality amenities, such as recreational amenities - provided that the amenities provide direct benefit to the tenants in the Eligible Units.

Final grant amounts will be established in the program Contribution Agreement.

Grant disbursement will occur upon the Town receiving a verified copy of an occupancy permit for the development.

9. **Submission Requirements**

Submissions will be accepted until February 2027. Submissions can be made to: permits@townoflunenburg.ca

All submissions must include:

- A full project proposal, outlining the details for the project including but not limited to:
  - Property description and proof of ownership or authorization by the registered owner to make the application on their behalf.
  - Number of units to be offered at the Base Level Affordability
  - Type of units provided (Bachelor, 1-Bed, etc.)
  - Project Pro Forma demonstrating project viability with Base Level Affordability units and overall funding strategy.
  - Estimated project timeline and milestones
  - Construction or renovation details inclusive of site plan, building layout, and elevations.
- A description of how the applicant meets the requirement of being an Eligible Applicant, inclusive of:
  - Organizational profile, including current list of Board of Directors, audited financial statements (past three (3) years).
- Demonstration that the applicant understands the requirements of the Land Use By-law, Heritage Conservation Plan & By-law (where relevant) and requirements for servicing connection to the Lunenburg Electrical Utility, Lunenburg Water Utility, and any other necessary service connections.
- Any other documentation required to determine the applicant's eligibility or the eligibility of the project.

10. Application Intake & Review

Applications will be accepted until February 2027 on a rolling basis. Decisions on funding will also be made on a rolling basis.

Applications will be evaluated by Town of Lunenburg staff. Where required applications may be reviewed by persons not employed by the Town of Lunenburg to determine the accuracy and completeness of applications.

The CAO, or designate, is authorized to approve applications and execute Contribution Agreements on behalf of the Town in accordance with this AHGP.

There is no right of appeal to a decision by the CAO or designate.

Acknowledging receipt of a complete and eligible application does not commit the Town of Lunenburg to award a grant.

11. Rent Increases

Rent for market units contained within a project can be increased during the period of affordability if the increase complies with the requirements of the *Residential Tenancies Act* and doesn't jeopardize the project's financial sustainability through vacancy losses.