

Municipal Infrastructure Fund

Guidelines and Criteria

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1. INTRODUCTION

- 1.1. The Department of Housing, Land and Communities (formerly the Department of Social Development and Housing) has allocated \$11.25 million to the Federation of Prince Edward Island Municipalities Inc. (FPEIM) for the creation and delivery of the Pilot Program Municipal Infrastructure Fund (MIF).
- 1.2. The MIF will support the extension of municipal central water and wastewater systems, public roads, and sidewalks to increase the inventory of property ready for residential development in rural Prince Edward Island.
- 1.3. The MIF program will have the added benefit of helping grow the population in rural areas of the province.

2. ELIGIBLE APPLICANTS

- 2.1. Developers, including but not limited to municipal governments, private corporations, and non-profit organizations, in Prince Edward Island whose lands are serviced or will be serviced by connecting to an existing municipal central wastewater and/or a municipal water utility are eligible for funding under the MIF, with the exception of the Cities of Charlottetown and Summerside and the Towns of Stratford and Cornwall.

3. MIF TERMS AND CONDITIONS

- 3.1 The MIF will fund municipally owned central water and wastewater systems, public roads and sidewalks (the “Infrastructure”). The development of new central water or wastewater systems will not be eligible – only the extension of existing municipal systems.
- 3.2. The development must be completed within a municipality that provides central wastewater and/or water services.
- 3.3. Developments must maximize the number of lots and efficient use of the land.
- 3.4. The maximum contribution from the MIF program to any one project is \$300,000. The grant structure is as follows:

# of lots	Grant per lot
2-5 lots	\$10,000 per lot
6-10 lots	\$12,000 per lot
11-20 lots	\$15,000 per lot

If the project involves more than 20 lots, the maximum contribution of \$300,000.00 shall apply.

- 3.5. Only complete applications will be eligible for processing.
- 3.6. A restrictive covenant must be registered in the applicable Land Registry Office against all lots that benefit from the MIF funding. The restrictive covenant shall prohibit the construction of any dwelling on the lot that exceeds 1,400 square feet. Proof of registration of the covenant must be provided before any MIF funds are advanced to the developer.
- 3.7. Projects funded under the MIF shall not be located within an agricultural zone.
- 3.8. Applicants receiving funding shall be required to file annual progress reports until the supported lots are all sold.
- 3.9. Construction of the Infrastructure for the proposed development must be ready to begin within 6 months of application approval. Infrastructure already started is not eligible for MIF funding.
- 3.10. The development must be located on a public road constructed to provincial government standards. The Department of Transportation and Infrastructure (DTI) must approve the roads prior to disbursement.
- 3.11. The developer cannot sell more than one lot to one individual buyer, or group of buyers if owned jointly (or commonly controlled entity).
- 3.12. The developer is eligible to receive MIF funding for lots that they plan to build on for the purpose of selling, but they cannot retain more than 10% of lots for their own development purposes.
- 3.13. The Province of PEI will hold the option to purchase up to 25% of lots developed, equal to 120% of the developer's cost (net of grant), to be used for provincial initiatives.
- 3.14. The non-repayable contribution will be paid out to the developer upon substantial completion of the Infrastructure, as confirmed by a professional engineer licensed to practise in the Province of Prince Edward Island.

4. PROJECT SELECTION

- 4.1. Applications will be reviewed by the FPEIM staff to determine eligibility to ensure the project meets the requirements of the MIF program as indicated in Section 3 – MIF Terms and Conditions. Applications will then be reviewed by the MIF Committee to determine if the application will be approved or declined. The MIF Committee will use the following guidelines to approve or decline eligible projects under the MIF:
 - 4.1.1. Preference will be given to projects that focus on preserving land, particularly

agricultural and other resource land, through efficient and appropriate land use, including infill development and development adjacent to municipal central services.

4.1.2. Preference will be given to projects with proximity and easy access to local services/amenities for achieving a higher quality of life as well as reduced car dependency and the associated cost of transportation.

4.1.3. Preference will be given to projects which include contributions from the applicant such as donating land or providing amenities such as sidewalks, playgrounds, or parkland.

4.1.4. All projects will be assessed at the discretion of the MIF Committee using a uniform and fair assessment mechanism. Applicants are responsible for ensuring that applications include complete and accurate information so that a fair assessment can be completed.

4.2. The FPEIM will review applications and coordinate with Finance PEI. After the FPEIM determines eligibility, the application will be provided to staff of Finance PEI to complete their due diligence for the Subdivision Development Financing Program (SDFP). Please note that approval from the MIF Committee does not provide confirmation that the loan request through Finance PEI's SDFP will be approved.

5. MIF ADMINISTRATION

5.1. The MIF will be managed by a five person MIF Committee, composed of two members appointed by the Government of Prince Edward Island, two members appointed by the FPEIM and one independent member from the public jointly appointed by the Government of Prince Edward Island and the FPEIM.

5.2. Members of the MIF Committee, FPEIM Board and Staff, and the Secretary of the MIF Committee and their immediate family members will not be eligible to purchase the subsidized lots.

6. APPLICATION DEADLINES

6.1. Applications will be accepted anytime throughout the year and will be considered for the next application deadline. However, once the submission deadline for an upcoming meeting has passed, projects submitted after that date will be considered for funding at the following application deadline. It will be at the discretion of the MIF Committee Co-chairs to call special meetings to deal with emergency project applications.

7. APPLICATION SUBMISSION GUIDELINES

7.1. Applicants must submit the duly completed and signed application form.

7.2. Applicants must submit the project proposal and supporting documents.

7.3. Applicants may submit any other documents that support their applications.

- 7.4. An applicant that does not own the land must provide a written endorsement from the owner of the property on which the development is proposed to take place confirming the property owner's agreement to participate in the MIF Program and abide by its requirements.

8. SUPPORTING DOCUMENTS

- 8.1. For an application to be complete and considered for funding under the MIF, the following supporting documentation is required:

- 8.1.1. A Council resolution from the affected Municipality that supports the project, including the cost of the project, as well as a commitment through the resolution to maintain, operate, and insure the Infrastructure. In the case of a municipality that does not own roads, the developer must confirm that the road(s) will be transferred to the province. The Council resolution must be signed and sealed.

- 8.1.2. Supporting documentation indicating that any long-term implementation impacts of the project have been considered and that the projected outcome is achievable and sustainable.

- 8.1.3. The subdivision plan outlining the number of lots to be created, the road design, and the lot sizes.

- 8.1.4. Letters of confirmation from other funding partners/financial institutions, if applicable.

- 8.1.5. Any additional supporting documentation that will assist in the project review.