

Surplus Land for Affordable Housing Program guidebook

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Table of contents

Introduction	3
How does the program work?	3
Eligibility.....	3
Applicant eligibility	3
Submission eligibility	4
Submission requirements	4
Proof of eligibility.....	4
Description of applicant	4
Summary of proposal	5
How to submit your proposal	5
Submission timeline.....	5
Evaluation criteria.....	6
Terms and conditions of sale	6
Buy-back agreement.....	6
Closing costs	7
Engagement	7
Public information meetings.....	7
Public hearing.....	7
Additional funding opportunities.....	8
Any questions?.....	8

Introduction

The Surplus Lands for Affordable Housing Program offers municipally owned surplus land to non-profit housing providers at below-market cost. The goal of this program is to reduce the upfront costs of non-profit housing construction by reducing or eliminating land acquisition costs and foster the development of deeply affordable, long-term housing.

How does the program work?

Surplus parcels that have been designated for disposal as affordable housing by Regional Council will be distributed through a competitive call for submissions process. Once this process is initiated, non-profit organizations will have 60 days to submit proposals for affordable housing on these parcels.

Proposals will be reviewed by staff and evaluated based on their viability, affordability and contribution to social equity. Applicants who submit the best proposal will be given the opportunity to purchase the parcel for one dollar.

All sales of municipally owned surplus land will be subject to a public hearing and approval by Regional Council. Once the sale is approved, successful applicants will be responsible for leading construction and receiving building permits. Proposals that can expedite construction in the short term will be prioritized.

Eligibility

Applicant eligibility

Eligibility for the Surplus Land for Affordable Housing Pilot Program is restricted to non-profit and charitable organizations with at least one year of incorporation. These include the following:

- a society pursuant to the Societies Act (1989);
- a non-profit association pursuant to the Co-Operatives Associations Act (1989);
- a non-profit corporation pursuant to the Canada Not-for-profit Corporations Act (2009);
- a registered charity pursuant to the Income Tax Act (Canada); or
- a non-profit organization pursuant to an Act of the Nova Scotia Legislature.

Applicants are permitted to partner with a private sector organization on the condition that the land title and administration of affordable units remain with the non-profit partner. Tenant selection and the determination of rental rates for affordable housing units must remain under the sole authority of the non-profit partner.

Submission eligibility

Submissions to the program must meet the following requirements:

- Offer new rental units at below-average market rates. Affordability will be measured using Average Market Rents in the CMHC Rental Market Zone for the unit type.
- Propose development that is "as-of-right" in accordance with local zoning by-laws. This is to ensure an expedited approval process to meet the Housing Accelerator Fund timelines.

Submissions that require a variance or sub-division may be considered if required to maximize density. Proposals that can expedite construction in the short term will be prioritized.

Please discuss these types of submissions with municipal staff prior to application.

Submission requirements

Submissions to the Surplus Lands for Affordable Housing Program must include proof of applicant eligibility, a description of the applicant and a summary of the proposed development.

Proof of eligibility

Submissions must demonstrate proof of eligibility by including the following:

- name of registered charity/non-profit organization;
- indication of whether the organization is registered provincially or nationally; and
- applications that are made in partnership with a private-sector entity must include a copy of the partnership agreement. Partnership agreements must affirm that land title, tenant selection, and rent determination of affordable housing remains with the non-profit partner.

Description of applicant

Submissions must include a description of the applicant that contains the following information:

- summary of existing services offered by the organization;
- summary of relevant organizations/staff/partner experience;
- examples of previous projects undertaken by organization/staff/partner; and
- financial statements from the previous three years, or for each year if incorporated for less than three years.

Summary of proposal

Submissions must include a summary of the applicant's proposal for constructing and operating affordable housing on the subject surplus site. This must include the following:

- preliminary proforma identifying the number and size of units to be created, monthly cost for tenants, assessment of hard & soft construction costs;
- summary of available funding sources, and how project meets eligibility & evaluation criteria for other potential funding sources;
- summary of whether proposal will serve [NHS priority groups](#); and
- summary of whether proposal exceeds minimum standards for energy efficiency and accessibility.

A site plan and/or architectural designs are not required at this stage.

How to submit your proposal

To submit a proposal for affordable housing on a surplus site, applicants are required to complete the [call for submissions application webform](#).

The webform application outlines the required information applicants need to submit to be considered for the program. This webform is available at halifax.ca/surplus-land-housing.

In addition to the webform, submissions must include the following documents:

- project construction pro-forma;
- project operation pro-forma;
- financial statements from the preceding three (3) fiscal years, or statements from each year if incorporated for less than three (3) years; and
- private sector partnership agreement (if applicable).

It is strongly advised that applicants review the submission criteria listed in this guidebook prior to submitting their proposal. Submissions that fail to adhere to the submission requirements will not be considered.

Submission timeline

Submissions will be accepted for 60 days following the announcement of the call for submissions. The official call for submissions deadline shall not be extended. Late submissions will not be considered.

Evaluation criteria

Submissions will be evaluated by a technical committee based on three broad categories which include viability, affordability and social equity. Successful applicants will be given the opportunity to purchase parcels for one dollar.

The evaluation criteria used by the program were developed to align with the requirements of the provincial and municipal grant programs and to increase applicants' chances of accessing external funding. A complete description of each evaluation criteria and its respective weighting can be seen in the table below:

Category	Weight	Criteria
Viability	20	Proponents demonstrate capacity to complete project goals in a timely manner, on budget and with financial viability
	20	Project is eligible or has pending or confirmed funding from other levels of government
	20	Applicants are experienced in developing/managing affordable housing projects
Affordability	20	Project offers a greater number of affordable units, greater depth of affordability, and better quality of life for tenants
Social equity	5	Project follows Housing First Principles
	5	Project serves Priority Groups as defined in the National Housing Strategy
	5	Project exceeds minimum building code standards for energy efficiency
	5	Project exceeds minimum building code standards for accessibility

Terms and conditions of sale

Buy-back agreement

Any sale of surplus land through this program will be subject to a buy-back agreement that ensures the land is used for affordable housing purposes. This agreement will run with the

property and will last for a period of 25 years. During this time, the municipality will reserve the right to initiate a buy-back process under the following circumstances:

- 1) the applicant fails to provide affordable housing as specified in their proposal;
- 2) the applicant ceases to operate;
- 3) the applicant ceases to be a non-profit organization;
- 4) the applicant defaults on any loan secured by the subject property; and
- 5) the applicant attempts to transfer the property to another entity.

During the initial term of the buy-back agreement or any extension thereof, the purchaser may apply to the municipality for a postponement of the buy-back agreement to secure financing of up to sixty-five per cent (65%) of the property's market value as of the date of the request.

Closing costs

Applicants are responsible for covering all closing cost associated with land transfer such as:

- migration and deed fees for the property;
- appraisal/comparative market analysis;
- plan of survey for the subdivision of land; and
- lot consolidation.

Engagement

Public information meetings

Public information meetings will be held during the call for submissions process for each site made available by the program. The purpose of this meeting is to provide prospective applicants and residents with basic information about surplus sites, the Surplus Land Program, and the *Administrative Order 50* decision-making process.

Public hearing

If Regional Council decides to consider a disposal to a non-profit organization at less than the appraised market value and the property is worth more than \$10,000, Section 63(3) of the Halifax Regional Municipality Charter requires that Council first hold a public hearing. Therefore, the final decision to transfer the land and approve the terms and conditions of the sale goes to Council.

Any member of the public can participate in the public hearing and speak for or against a recommendation or make a written submission through the Office of the Municipal Clerk. Once the hearing is closed, Council will debate the motion(s) and vote. A vote to sell at less than market value must be approved by a two-thirds majority of Council present and voting at the public hearing.

Additional funding opportunities

Proposals that demonstrate eligibility for funding from other sources will be prioritized by the Surplus Land Program. [Download this PDF document](#) to review what funding options are available to augment your application.

Any questions?

Please contact program staff at affordablehousing@halifax.ca.