



Starter Home Incentive Program Policy

POLICY NUMBER: 241-AD-24

Approval Date: December 10, 2024

Revise Date: May 12, 2026

Motion Number: CRM20241210.1034

Repeal Date:

Supersedes:

Review Date: May 12, 2026

1.0 Policy Intent

The City of Cold Lake recognizes the need for a variety of housing options to support its growing population. This policy aims to incentivize the construction of Starter Homes by increasing the demand for such Dwellings by providing the purchaser of an eligible, new Starter Home with rebates based on the property tax revenue generated by the new construction. It also seeks to incentivize the builders of such Dwellings with rebates equal to the cost of development and building permits.

2.0 Purpose

The purpose of the Starter Home Incentive Program Policy is to encourage the development of Starter Homes through the provision of financial incentives to prospective property owners and builders who undertake developments that result in the creation of new Starter Homes.

3.0 Definitions

- 3.1 Starter Home means an individual Dwelling Unit in a building containing three or fewer Dwelling Units, including a single-detached Dwelling, where the individual Dwelling unit has a total above-grade floor area of no more than 148.6m² (1,600ft²).
- 3.2 Accessory Building means a building or structure which is incidental, subordinate, or secondary to the principal building that is located on the same site.
- 3.3 Dwelling or Dwelling Unit means a building or a portion of a building containing one (1) or more rooms that constitute a self-contained living accommodation unit having sleeping, cooking, and toilet facilities and intended as a permanent residence.
- 3.4 Garage means an Accessory Building, or part of a principal building designed and used primarily for the storage of non-commercial motor vehicles. This use includes portable garages, shelters, and canopies.

4.0 Policy Statement

- 4.1 Application Area, Effective Date and Program Timeline:
 - 4.1.1 This policy applies to all new construction Starter Homes within the R1A, R1B, R2 and R3 districts, as defined by the City's Land Use Bylaw No. 766-LU-23, provided that:

- 4.1.1.1 The sale price, or the cost of construction and the assessed value of the land, does not exceed \$405,000 per Dwelling.
 - 4.1.2 Projects that have been issued a Development Permit/Building Permit prior to the date of Council's approval of this policy shall not be considered for inclusion in this incentive program.
 - 4.1.3 This policy shall become effective upon approval by City Council.
 - 4.1.4 Once approved by City Council, this program shall run for an initial one-year period for application submissions or until the maximum number of units specified in section 3.1.6 have been funded, whichever occurs first.
 - 4.1.5 The maximum number of Starter Homes eligible for the program incentive shall be 50 Dwelling Units.
 - 4.1.6 Council shall evaluate the overall effectiveness of the program on an annual basis and determine whether to continue the program.
- 4.2 Eligibility: To be eligible for a Starter Home incentive under this program, the project must meet the following criteria:
 - 4.2.1 For the purposes of this policy, "project" shall mean one Starter Home created on a single parcel of land.
 - 4.2.2 The project must be located in a land-use district zoned R1A, R1B, R2 or R3, as defined by the City of Cold Lake Land Use Bylaw No. 766-LU-23.
 - 4.2.3 The project must be new construction.
 - 4.2.4 The project must be completed at a sale price of no more than \$405,000 per Dwelling Unit created, or the assessed value of the land plus the cost of construction must not equal more than \$405,000 per Dwelling unit created.
 - 4.2.5 If, at any time prior to the expiration of the three (3) year Starter Home project agreement specified in clause 5.2.5, the owner of a project approved for funding under this program causes an application to be made to the City for a renovation, addition, or the creation of an Accessory Building that would, by its completion, bring the Dwelling outside of the definition of a Starter Home in clause 3.1, the Starter Home incentive will no longer apply to the property in question.
 - 4.2.6 Projects which come to exceed the limits set by section 4.1.1.1 because the value of the land or completed building has risen since the project was started, and the work continued as approved without an application made to the City for a renovation, addition, change in building plans, or the creation of an Accessory Building, will continue to be eligible for the Starter Home Incentive program.
 - 4.2.7 A projects being considered for approval must demonstrated a clear intent by the applicant that approval of a Development Permit and Building Permit is to be obtained and/or is obtainable within six (6) months of the approval of the incentive application. In the event that a Development Permit and Building Permit have not been obtained within six (6) months of the incentive application approval, such approval shall be expired. Extensions to this timeline due to circumstances beyond the applicant's control may be considered by Council.
 - 4.2.8 The project must comply with all applicable municipal bylaws, Building Codes, and provincial and federal legislation. This may include but is not limited to: The City of Cold Lake Municipal Development Plan No. 699-LU-21; The City of Cold Lake Land Use Bylaw No. 766-LU-23; any applicable Area Structure Plan approved by the City of Cold Lake; *The National Building Code; National Energy Code and Safety Codes Act.*

- 4.2.9 Properties that are in tax arrears with the City of Cold Lake shall not be eligible for this program.
 - 4.2.10 Projects that have received funding under any other Municipal, Provincial or Federal grant or incentive program are not eligible to receive funding under this program, excepting projects that have received prior written exception.
 - 4.2.11 All projects approved to receive reimbursement grant funding must be completed in a timely manner. The City shall allow a maximum of 24 months from the time of application for the project to be completed to the stage where occupancy can be granted.
- 4.3 Program incentive for Starter Home builders:
- 4.3.1 The Starter Home Incentive Program provides builders of an approved project as described in section 4.2 with a rebate worth 100% of the municipal cost of all building and development permits associated with the project. This rebate shall not include any permitting or inspection costs incurred by the municipality to pay for the services of contractors, inspectors, or any other third-party fees associated with the municipality's oversight of the development and building process and recouped through permits. The rebate shall consist only of any permit revenue accruing to the City of Cold Lake.
 - 4.3.2 Applications will be received and reviewed on a first-come, first-served basis until the total program allotment as established by Council in section 4.1.5 has been disbursed, or the program term has ended.
- 4.4 Program incentive for Starter Home purchasers:
- 4.4.1 The Starter Home Incentive Program provides the purchaser or purchasers of a new Starter home with the ability to apply for three (3) consecutive years of annual rebates. An application must be made for each year.
 - 4.4.1.1 The first annual rebate will be 100% of the value of the municipal property taxes in the first year of occupancy.
 - 4.4.1.2 The second annual rebate will be 100% of the value of the municipal property taxes in the second year of occupancy.
 - 4.4.1.3 The third annual rebate will be 100% of the value of the municipal property taxes in the third year of occupancy.
 - 4.4.1.4 Applicants should be aware that provincial property taxes, including the education property tax and seniors' property tax, as well as any other property taxes, fees, or fines levied by any level of government or financial institution, is not a part of the incentive and will not be rebated by the municipality.
 - 4.4.2 Starter Home purchasers must attest that the Starter Home will be their principal residence for each of the years that the Starter Home incentive is applied for and provide proof of such upon request.
 - 4.4.3 The Starter Home incentive for purchasers is not available to companies, businesses, or corporations.
 - 4.4.4 The Starter Home incentive will not be transferrable upon sale of the property to a new homeowner should the property be sold within the first three years of occupancy.
 - 4.4.5 A purchaser can successfully apply for a Starter Home incentive once. Upon successful application for one year of an annual rebate, a purchaser will be ineligible to apply for a Starter Home incentive on other properties.

- 4.5 Disbursement of the Starter Home Incentive for Builders:
 - 4.5.1 Upon the project being approved for occupancy, and the City receiving satisfactory proof of the same, the approved Starter Home Incentive for Builders shall be disbursed to the applicant.
- 4.6 Disbursement of the Starter Home Incentive for Owners:
 - 4.6.1 Upon taking title of an approved Starter Home, a Starter Home purchaser or purchasers may make an application in each of the first three years of occupancy for rebates described in clause 4.4.1.

5.0 Managerial Guidelines

- 5.1 Application Requirements:
 - 5.1.1 Applications made for Starter Home Incentives for Builders under this program must include the following information:
 - 5.1.1.1 A description of the proposed project and how it meets the eligibility criteria outlined in Section 4 of this policy;
 - 5.1.1.2 An approved Development Permit and/or Building Permit (unless clause 4.2.8 applies to the application); and
 - 5.1.1.3 A certified copy of Title for the property and, if required, a letter from the Title holder.
 - 5.1.2 Applications made for Starter Home Incentives for Purchasers under this program must include the following information:
 - 5.1.2.1 The contract number of the builder's Starter Home Incentives for Builders Agreement.
 - 5.1.2.2 An attestation that the Starter Home is the purchaser's principal residence.
 - 5.1.2.3 A certified copy of the Title for the property.
 - 5.1.2.4 The bill of sale and/or any other proof required to verify that the assessed value of the land and the cost of construction are no more than \$405,000.
- 5.2 Application and Approval Process:
 - 5.2.1 Prior to applying for the Incentive Program, the applicant shall schedule a meeting with the Manager of Economic Development to review their application for participation in the Incentive Program.
 - 5.2.2 Administration shall review the application for conformity to the eligibility criteria outlined in Section 4 of this policy and provide a recommendation to Council.
 - 5.2.3 Council shall, after considering the application and Administration's recommendation, approve or deny the application for participation in the incentive program.
 - 5.2.4 Council's decision respecting any particular application shall be final.
 - 5.2.5 Following approval of an application by Council, the applicant shall enter into a Starter Home Incentive Agreement with the City of Cold Lake outlining the amount of reimbursement grant approved by Council and the terms and conditions under which the City will disburse the approved funding to the applicant.

6.0 **References**

- 6.1 City of Cold Lake Municipal Development Plan No. 699-LU-21
- 6.2 City of Cold Lake Land Use Bylaw No. 766-LU-23
- 6.3 *Municipal Government Act*, R.S.A. 2000
- 6.4 *Safety Codes Act*, R.S.A. 2000, Chapter S-1
- 6.5 *National Building Code – 2019 Alberta Edition*
- 6.6 *National Energy Code of Canada for Buildings 2017*

7.0 **Persons Affected**

City of Cold Lake Residents
Corporate Services – Finance
Land Use, Planning and Regulatory Services
Economic Development, Strategy and Communications

8.0 **Revision/Review History**

The Council and the CAO or their designate, shall review this policy as required, or following changes to the operating environment of any of the divisions of the City; or at such other times as the Council or the CAO, or both consider appropriate.

Reviewed December 9, 2025 – CRM20251209.1008 – Moved by Councillor Cowell that Council renew the Starter Home Incentive Program for one (1) additional year.

Amended May 12, 2026 – CRM20260512.1012 – Sections 3.1, 4.1.1.1, 4.2.4, 4.2.5.

May 19, 2026

Date

May 21, 2026

Date

