

Successful Municipal Practices: Responding to New Challenges



Tools for Change

BETTER MUNICIPAL BUSINESS PRACTICES: New Homes Project Village of Elkhorn

The Village of Elkhorn is a small community of about 460 residents located 105 kilometers west of Brandon. The local economy is driven by the agricultural sector including mixed farming, and cattle and hog production. The Village also has a number of attractions for residents and visitors, including many recreational opportunities and an antique automobile museum. Council and community members have been working hard to build a sustainable community, and to attract new residents to the Village. One issue that was identified as a barrier to potential growth was a lack of quality housing in the municipality.

In 2007, a group of dedicated community members formed a private corporation, the Elkhorn Development Corporation (EDC), to address the shortage of good homes available in the community, particularly for seniors. Private developers had made several attempts to construct a senior's residence in the Village but had never made it past the preliminary planning stage, as they were unable to obtain sufficient interest to make it worth the investment.

Council supported the endeavors of the EDC from the beginning. The Town sells serviced lots to the EDC for \$1.00. Additionally, as part of the Town's Centennial celebrations in 2007, Council began offering vacant serviced lots for \$1.25 to individuals interested in buying and building a home.

In 2007, EDC members invested their own "seed" money for the construction of two family bungalow-style residences on the serviced lots purchased for \$1.00 from the Village of Elkhorn. These homes sold immediately for \$120,000 each and in 2008 the EDC, using the profits from the first two home sales, built five additional three-bedroom single family homes. These sold before construction was completed, for a minimum of \$170,000 each. The quick sales were a clear indication for the EDC and Council of the need in the community for more housing. As well, by this time two individuals had also purchased lots from the Village and built new homes on them.

Council identified a need for quality housing to attract residents to the community.

Dedicated community members joined together to form a private corporation, the Elkhorn Development Corporation (EDC). Council supports the EDC initiative in a number of ways.



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The Town further supports the housing initiative by offering a maximum \$4,000.00 municipal tax rebate to property owners who build a new home on an existing lot. The rebate is paid over a 4 year period at an amount equal to the municipal taxes paid on the property to a maximum each year of:

- \$1,300.00 the first year;
- \$1,100.00 the second year;
- \$900.00 the third year; and
- \$700.00 in the final year.

Property owners who move an existing home into Elkhorn are offered a \$1,500.00 tax rebate, payable over a two year period in an amount equal to the municipal taxes paid to a maximum of \$750.00 per year.

To date, eleven property owners have been approved by council for the municipal tax rebate program, ten for new home constructions and one for a relocated home. The cost to the Village is more than offset by the increased municipal tax revenue generated by the new homes.

Since the inception of the housing project, fourteen new homes have been built in Elkhorn, nine built and sold by the EDC and five built by individuals. One-third of these homes have been purchased by newcomers to the community and the others by residents, some first time home buyers and the others long-time residents. The project has also resulted in the clean-up of properties within the Village as homes have been built on lots where unsightly buildings used to be.

The Elkhorn Development Corporation project has been a huge success. The goal of the Corporation to always have at least one home ready for sale in the Village of Elkhorn has not yet been achieved since the homes are sold as quickly as they are built. Council and EDC members agree that continuing to working together on this innovative new home project will help to ensure this small western Manitoba community grows and remains viable into the future.

Council adopted an Infill Housing By-law in 2007 that authorizes a municipal property tax rebate to property owners who either build or move an existing home into Elkhorn.

For more information on better municipal business practices, Successful Municipal Practices, and the Tools for Change program, see the Association of Manitoba Municipalities' website, at www.amm.mb.ca.

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