

**Affordable Housing
Information Session**
**Building Tiny Homes and
Additional Residential Units**

**Prescott Town Hall – Ruth Evanson Room
360 Dibble Street West, Prescott
November 28, 2023**

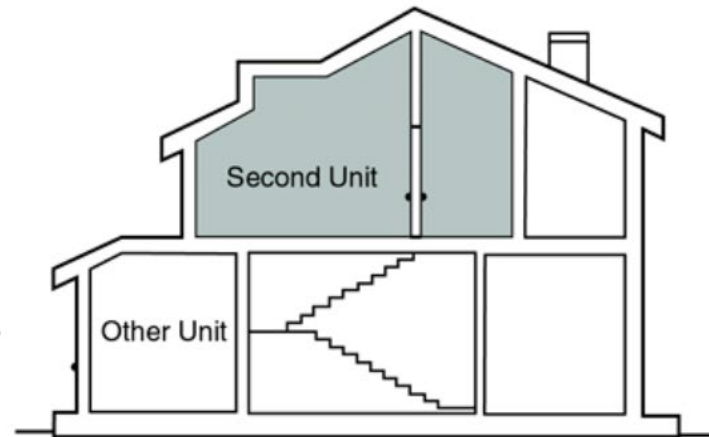
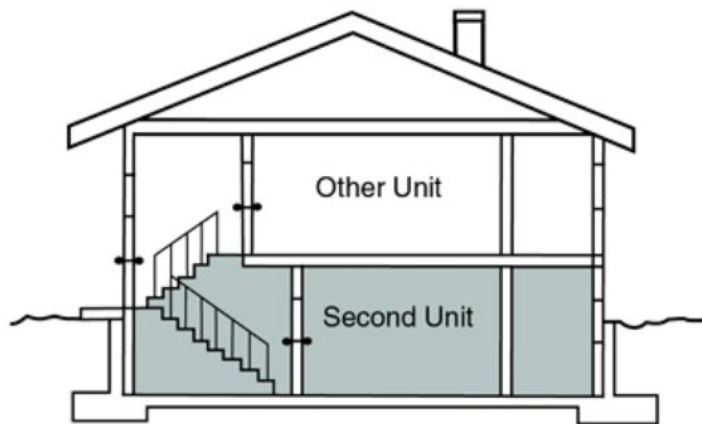
Municipalities



What is an Additional Residential Unit (ARU)?

- Also called a Secondary Suite, Additional Dwelling Unit, Garden Suite, or In-law suite.
- It is a self-contained unit with a private kitchen, bathroom and sleeping area.
- It's a separate dwelling created either within your home or in another building on your property that may be rented out to others.

Additional Residential Units



Additional Residential Units



Over the Garage



Garage Conversion

Additional Residential Units



A detached ARU may be allowable in a new structure, or the conversion of an existing structure.

ARU Resources

Ontario guide to help homeowners plan and build an Additional Residential Unit (ARU) unit within their house.



Tiny Homes

A Tiny Home is a small, private and self-contained dwelling unit:

- With living and dining areas
- With kitchen and bathroom facilities
- With a sleep area
- Intended for year-round use

Tiny Homes



A tiny home cannot be smaller than the minimum required size set out in Ontario's Building Code, which is 17.5 m² (188 ft²).

Tiny Home Resources



Ontario Guide to Build or Buy a Tiny Home

Zoning and Permits

- Contact your local municipality directly to determine your requirements to construct an ARU or Tiny Home.
- Each municipality within Leeds Grenville has their own Zoning Bylaw with specific requirements related to ARU's (e.g. size, location).
- There may be special requirements if you are not on municipal water and/or sewer services.
- **It is recommended that you find out the requirements early on in the planning process.**

Zoning Requirements

Contact your municipal office for information on the zoning requirements that apply to your property.

- Maximum number of units per property
- Location of the ARU
- Minimum and maximum size
- Setback requirements
- Parking requirements and street access
- Exits and entrances and locations of
- Servicing capacity (water and sewer)
- Outdoor amenity space

If your project doesn't fully comply with the Zoning Bylaw:

- **Rezoning** is generally needed when you want to use or develop your property in a way that is not permitted by the existing zoning by-law. A rezoning is required when you propose to change basic rules about how your property is used.
- A **minor variance** is needed when you propose to build something that does not conform to the zoning requirements. It is used for changes that are minor in nature and meet the general intent of the official plan and the zoning by-law.

Prohibited Locations

Zoning Bylaw sets out where ARU's are allowable or prohibited.

Prohibited Locations may include:

Flood plains, in apartment buildings, home daycares, bed and breakfast establishments, group homes, and limited residential service zones

Building Permits and Inspections

- ARU's

- All ARU's require a building permit from the municipality.
- Requires drawings.
- Your unit will require inspections of framing, insulation, plumbing, interior finish and other Ontario Building Code requirements.

Building Permits and Inspections - Tiny Homes

The Building Code requires all buildings to be inspected during construction for those constructed on-site.

A factory built tiny home must have CSA certification to satisfy inspection requirements.

Servicing

Ask your municipality:

- If there is serving capacity for your property.
- If on water and sewer services - whether they must be connected to the same water supply and sewage system as the principal dwelling.

Septic Systems

The septic system must have capacity for the new unit.
Contact the following to assess:

- South Nation Conservation Authority
 - Augusta, Edwardsburg Cardinal, Elizabethtown-Kitley, Front of Yonge.
- Athens residents to contact Rideau Lakes Twp.
- All other municipalities contact your local municipal planning and building office.

Plumbing

An ARU must have at minimum:

- A hot and cold water supply
- A sink, bathtub or shower, toilet
- Kitchen sink
- Access to laundry facilities, which may be shared
- A separate water shut-off valve

A qualified plumber is required to do this work.

Heating and Ventilation

- Consider whether you wish to share a thermostat and air ducts with your tenant.
- Sharing one furnace and air ducts between units may mean cooking smells, odors and noise may transfer from one unit to the other.

Electrical and Lighting

ARU's must have:

- A light switch in every room and space of the ARU.
- A switch at the bottom and top of the stairs.
- A separate electrical permit to do electrical work is required.

Fire Separation

- A fire separation is required between units. You may wish to add sound proofing during installation.
- A fire separation can be a floor, wall, door with a self-closing device, or a combination of those things.
- It can be built using typical building materials such as lumber and drywall.

Life Safety

- A special type of smoke detector (UL 268A) in the main supply or return air ducts is required. It will turn off the fuel supply and electrical power to the furnace causing it to shut down and prevent smoke from travelling to the other unit.
- Smoke alarms and carbon monoxide alarms are required.
- The ARU requires a safe exit.

Egress Options

The Building Code permits 3 egress options for Second Residential Units in Existing Buildings:

- Option A - A door directly to the exterior
- Option B - A shared means of egress. A second means of egress must be provided for bedrooms, and emergency/exit lighting is required.
- Option C - Through another dwelling unit. A second means of egress must be provided by use of an escape window.



Municipal Building and Planning Contacts

Township of Augusta

Planner – Melissa Banford mbanford@augusta.ca

Chief Building Official – Karen Morrell kmorrell@augusta.ca

Township of Edwardsburg Cardinal

Community Development Coordinator – Wendy Van Keulen
wvankeulen@twpec.ca

Chief Building Official – Dwane Crawford cbo@twpec.ca

Town of Prescott

Manager of Building and Bylaw- Shawn Merriman
smerriman@Prescott.ca

Secondary Suites Funding Overview

Two program funding streams:

Homeowner Program – funding to create a secondary suite on the property of the applicants primary residence.

Landlord Program – funding for small landlords (owning 10 residential units or less) to create a secondary suite on the property of an existing residential rental unit.

Funding Programs

Secondary Suite funding programs are intended to increase the supply of Affordable rental housing for low-income households in Leeds and Grenville.

Homeowner Funding Stream (OPHI)

- Funded by the Ontario Priorities Housing Initiative (OPHI).
- The Secondary Suite unit must be constructed on the property of primary residence of the homeowner.
- Maximum project funding provided is for **one unit**, up to \$25,000.
- The applicant can own other properties (e.g. a cottage), but the project property must remain as their primary residence for the duration of the loan forgiveness period (i.e. 15 years).

Landlord Funding Stream (Leeds Grenville)

- Funded by the United Counties of Leeds and Grenville.
- Small Landlord means an individual or corporation that owns and rents a minimum of one and maximum of ten units that are subject to the *Residential Tenancies Act, 2006*.
- Maximum project financing is up to \$50,000.

Eligible Projects

- Must be to create a **new** secondary suite unit within the United Counties of Leeds and Grenville.
- Cannot be a renovation of an existing suite.
- Project must be modest (e.g. floor space and amenities).
- Projects must have design drawings and building permits in place to apply for funding.
- Construction must start within 120 days of funding approval.
- Minimum of one quote for project costs.

Eligible Costs

Major repairs to create a new secondary suite, including:

- Plumbing
- Electrical
- Framing/insulation
- Drywall/fire separation
- Door and windows
- Kitchen/bathroom fixtures and cupboard
- Soft costs (permits, taxes, inspection fees, etc.)

Labour cost is not eligible for applicants performing the work themselves.

Project Eligibility

- Property taxes and mortgage payments for the project property must be verified and up-to-date.
- The total of all mortgages and any other encumbrances registered on title, plus the program funding, cannot exceed the market value of the home.
- The property must be insured for the full value of the home or project, and property insurance must be verified as paid up-to-date.
- There cannot be any municipal or provincial work orders on the project property.

Projects Not Eligible for Funding

The following projects are **not eligible** for funding:

- Units not located within Leeds and Grenville.
- The renovation of an existing secondary suite unit.
- Units that are not located on the property of the primary residence of the applicant, or on the property of an existing residential rental unit.
- Units not subject to the *Residential Tenancies Act, 2006*. Retirement homes, long-term care homes (including nursing homes), and/or crisis care facilities.

Approved Projects

- Loans are secured on title for the duration of the loan-forgiveness period.
- Applicant signs a Promissory Note Agreement with the Counties.
- Construction must commence within 120 days of project approval, and be completed within 24 months of signing the agreement.
- Annual confirmation of rents, mortgage and taxes.

Funding Schedule

The applicant is responsible to pay all costs that exceed funding approved. Verification of project financing is required.

Funding is paid according to construction milestones:

- Pass of plumbing inspection (25%)
- Pass of electrical inspection (25%)
- Pass of building inspection (25%)
- Pass of final inspection and occupancy permit (25%)

Tenant Selection and Eligibility

The homeowner/landlord will choose the tenant.

- Tenants must meet the eligibility criteria for community housing.
- Income at or below Leeds and Grenville's 60th Income Percentile, which is \$89,000.
- Have countable assets below \$50,000 (some exclusions apply).
- Can be a relative of the homeowner or landlord.
- Assistance from the Community Housing Department can be provided to identify an eligible tenant if requested.

Affordability Requirements

Rents charged during the affordability period cannot exceed the Leeds Grenville Maximum Rent table, (updated annually).

2024 Maximum Rents for Secondary Suites			
Bachelor	One Bedroom	Two Bedroom	Three Bedroom
\$846	\$990	\$1,157	\$1,374

Note: Landlord stream – maximum rent must include utilities.

What is a Forgivable Loan?

A forgivable loan is a form of loan in which its entirety, or a portion of it, can be forgiven or deferred for a period of time by the lender when certain conditions are met.

Homeowner Funding Program – Loan Forgiveness

Fifteen-year loan forgiveness period, forgiven at an equal rate per year.

Example 1:

The homeowner meets all terms and conditions of the funding agreement for 15 years from the date the unit was completed. The loan is fully forgiven, and \$0 is owing.

Homeowner Funding Program – Loan Forgiveness

Example 2:

If the homeowner receives the maximum loan of \$15,000 and wants to exit the program early, after ten years:

- \$10,000 would be forgiven (equal rate per year), and
- the balance of the loan (\$5,000) is repayable.

Landlord Funding Stream – Loan Forgiveness

- Funding is provided in the form of a forgivable loan following the completion of the loan forgiveness period of **ten years in full**.
- A 50% surcharge will be charged on the original loan amount in the event of default during the first 5 year period following project completion.
- The surcharge may be reduced to a 25% surcharge where the new property owner agrees to continue the terms and conditions of the funding agreement for a minimum of 12 months, (if the unit was sold).

Landlord Funding Steam – Loan Forgiveness

Example 1:

If the unit is sold after the 10-year loan forgiveness period has been completed, and all terms and conditions of the agreement have been met, the loan is **fully forgiven** and \$0 is repayable.

Landlord Funding Stream – Loan Forgiveness

Example 2:

Where the maximum funding amount of \$50,000 was received, and the unit is sold at 3 years:

- \$50,000 is repayable, plus
- A 50% surcharge of \$25,000

Totals \$75,000 repayable to the Counties to exit the program early.

This amount can be reduced where the new owner of the property agrees to continue the terms and conditions of the funding agreement for a minimum of 12 months.

Funding Application Forms

Visit www.LeedsGrenville.com for Program Fact Sheets and Application Forms

Program Contact Information

Social Housing Registry

United Counties of Leeds and Grenville
Community and Social Services Division,
Community Housing Department
25 Central Avenue, Suite 200
Brockville, ON K6V 4N6

Telephone: 613-342-3840 or 1-800-267-8146, ext. 2450

Email: housingintake@uclg.on.ca

Affordable Housing Coordinator Contact Information

Caroline Rigutto,
Affordable Housing Coordinator

Phone: 613-342-3840, or 1-800-267-8146, ext. 2327

Email: caroline.rigutto@uclg.on.ca

