

The Leeds and Grenville Landlord Secondary Suite Program, funded by The Corporation of the United Counties of Leeds and Grenville (the Counties), is intended to increase the supply of affordable rental housing for low-income households in Leeds and Grenville, through the creation of a secondary suite on the property of an existing residential rental unit. Funding is provided in the form of a 15-year, interest-free, forgivable loan to small landlords, based on the cost of approved work items and HST, payable up to \$25,000.00.

**Definitions**

**Small landlord** means an individual or corporation that owns and rents a minimum of one (1) and a maximum of ten (10) residential units that are subject to the *Residential Tenancies Act, 2006*.

**Secondary suite or garden suite** means a self-contained unit with a private kitchen, bathroom facilities, and sleeping areas.

**Funding**

1. The maximum funding for the creation of a secondary suite is in the form of an interest-free, forgivable loan. The period of loan forgiveness is 15 years in full, starting on the project completion date.
  - a) Project funding requests cannot exceed \$25,000.00.
  - b) A mortgage will be registered on title to secure loans.
  
2. Eligible projects include the following activities:
  - a) Work required to create a secondary suite. Examples include, but are not limited to:
    - plumbing
    - electrical
    - framing and insulation
    - drywall/fire separation
    - doors and windows
    - kitchen/bathroom fixtures and cupboards
  - b) Soft costs, such as:
    - applicable taxes
    - building permits
    - legal fees
    - certificates
    - appraisal fees
    - inspection fees
    - drawings and specifications
    - other project related soft costs as pre-approved
  - c) Cosmetic changes and routine maintenance are **not** eligible for secondary suite funding.

3. Applicants are strongly encouraged to reduce physical barriers related to housing, such as through the addition of:
  - ramps
  - handrails, grab bars
  - chair and bath lifts
  - height adjustments to countertops and cupboards
  - cues for doorbells/fire alarms
  
4. The landlord is responsible for all project costs that exceed the funding approved by the Counties. The landlord must provide verification of project financing for amounts in excess of approved funding.
  
5. The following projects are **not** eligible for program funding:
  - a) Retirement homes, long-term care homes (including nursing homes), and crisis care facilities.
  
  - b) Units not subject to the *Residential Tenancies Act, 2006*.
  
6. Rents, including utilities, charged during the Affordability Period (i.e. fifteen years), cannot exceed 80% of the Average Market Rent as determined and communicated annually by the United Counties of Leeds and Grenville, Community and Social Services Division. The maximum unit rents in 2022 are as per the following table:

<b>2022 Maximum Rents for Secondary Suites</b>		
<b>Bachelor</b>	<b>One Bedroom</b>	<b>Two Bedroom</b>
\$760	\$889	\$1,233

7. Landlords may only submit one application at a time. Subsequent applications may be considered following completion of the first secondary suite.
  
8. Funding for this program will be determined annually by the Joint Services Committee of Leeds and Grenville.

**Eligibility of Applicants (i.e. the Landlord)**

1. Applicant’s household or business income and assets are not subject to income or asset limits.
  
2. The applicants cannot be in the process of applying for bankruptcy or have an active bankruptcy filed personally, or for their business.

**Project Eligibility**

1. The project must be located within the geographic area of Leeds and Grenville, and owned by the individual or corporation.
  
2. The project must create one (1) new secondary suite or garden suite. The secondary suite must be a self-contained unit with a private kitchen, bathroom facilities, and sleeping areas.

3. At the time of application, projects must already have design drawings and building permits in place, or where a building permit is not required, written confirmation that the secondary suite meets all municipal requirements from the municipality in which the property is located.
4. A minimum of at least one written quote from a certified, insured, arm's length contractor must be provided. If the Landlord performs the work themselves, cost of materials for the project will be considered, but not labour.
5. Units must be modest; relative to the community norms in terms of floor space and amenities.
6. The Counties shall provide a fully signed promissory note agreement to the property owner outlining the scope of work, funding commitment, and the roles and responsibilities of the homeowner and the Counties.
7. Repairs must commence within 120 days of written project approval from the Counties. Construction must be completed, including a valid occupancy permit, within 12 months of the date of the funding agreement.
8. Repairs or modifications carried out on the property prior to approval are **not** eligible for secondary suite funding. Costs for building permits and site drawings required for the proposed project projects are eligible for funding where the project has been approved.
9. Property taxes and mortgage payments for the unit must be verified and up-to-date.
10. The total of all mortgages and any other encumbrances registered on title, plus the program funding, cannot exceed the market value of the home.
11. 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.
12. There cannot be any municipal or provincial work orders on the project property.

**Tenant Selection and Eligibility**

1. The secondary suite or garden suite may only be rented to a household that meets the following criteria:
  - At least one member of the household must be 16 years of age or older and able to live independently.
  - Each member of the household must be a Canadian citizen, or have made an application for status as a permanent resident, or have made a claim for refugee protection and no removal order has become enforceable against any member of the household.
  - No member of the household may owe money to any social housing provider in Ontario.
  - No member of the household has been convicted of misrepresenting their income for the purpose of receiving rent-gearred-to-income assistance in the past two years.

- Income must be at or below the 60<sup>th</sup> Income Percentile, \$45,500.00 for Leeds Grenville.

**Disbursement of Funds**

1. Twenty-five percent (25%) of the total project costs will be paid directly to the property owner according to the following construction milestones:
  - Pass of plumbing inspection (25%)
  - Pass of framing and insulation inspection (25%)
  - Pass of drywall/fire separation inspection (25%)
  - Pass of final inspection and occupancy (25%)
2. Site visits will be conducted by Counties staff to assess the project, progress, and compliance with the promissory note agreement.

**Applications are accepted on a first-complete, first-approved basis, subject to funding availability.**

**For more information, or to apply for Leeds Grenville Secondary Suite Program funding, please contact:**

United Counties of Leeds and Grenville  
Community and Social Services Division  
25 Central Avenue West, Suite 200  
Brockville, ON K6V 4N6  
613-342-3840 or 1-800-267-8146, extension 2401