



Niagara Renovates Program

FACT SHEET – SECONDARY SUITES 2019-2020

Secondary Suites

The Niagara Renovates Program is a program that funds the creation of Secondary Suites in single family homes. Secondary suite units must have modest floor space and amenities.

A Secondary Suite is defined as a self-contained, separate unit with sleeping, full kitchen and bath facilities and a separate entrance. The new unit must meet applicable zoning bylaws, building codes, fire codes and property standards.

Funding for Secondary Suites of up to \$25,000 is a fully forgivable loan which is written off at an equal amount over a 15 year period, provided the Owner complies with the conditions of the Letter of Agreement.

The loan amount includes a grant portion for accessibility modifications, if required, of up to \$5,000 that does not need to be repaid.

Eligibility

- To be eligible, the single family home must be valued at or below the *median* price of single-detached homes as per Canada Mortgage & Housing Corporation's (CMHC) *Housing Now – Housing Market Information (2018)*.

St. Catharines	\$390,000
Niagara Falls	\$380,000
Welland	\$345,000
Lincoln	\$319,344
Fort Erie	\$389,229
Niagara-on-the-Lake	\$460,000
Thorold	\$420,000
Pelham, Port Colborne, Wainfleet, West Lincoln	\$500,000
Grimsby	\$582,646

- The total gross income of the incoming tenant in the newly created secondary suite must be at or below the following, based on the number of bedrooms in the secondary suite:

Bedroom Type	Bachelor	1 Bedroom
Household Income Limit	\$27,000	\$34,500

- Prior to move-in and lease signing, the Tenant is required to complete an Income Verification Form with supporting income documentation, and provide it to NRH to assess initial eligibility.
- The Owner is required to incorporate the following clauses into their lease with the secondary suite tenant:
 - Ninety (90) days prior to the tenant's annual anniversary date, the Tenant is required to complete an Income Verification Form, include copies of supporting income documentation and submit it to NRH to assess continued eligibility.
 - If the Tenant earns above the maximum income limit (*issued annually*), the Tenant is required to move out of the unit.
- The Owner acknowledges that if the Tenant fails to provide initial and annual income verification to NRH, the Owner will be in default of the Letter of Agreement and the balance of the forgivable loan must be repaid.

Secondary Suite Maximum Rents

- Secondary suite units must have rents at or below approved average market rents. For 2019, the average market rents are:

CONDITIONS

Area	Bachelor	1 Bedroom
St. Catharines	\$710	\$909
Niagara Falls	\$576	\$883
Welland	\$596	\$788
All Other Areas	\$654	\$871

Applicants for secondary suites may be taken from NRH's centralized waiting.

Households who received Niagara Renovates funding in the past are not eligible for this program.

Program Default

If any of the following occur, the Owner is considered to be in default of the Letter of Agreement and the balance of the forgivable loan must be repaid:

- The home is sold
- The funding is used for other purposes
- The Owner misrepresented information about program eligibility
- The Owner charges a rent that is above the maximum allowed rent
- **The Secondary Suite Tenant fails to provide initial and ongoing income verification to NRH**
- **The Secondary Suite Tenant's income is above the maximum income allowed**

Program Requirements

1. Prior to completing a Secondary Suite Application, the Owner is required to obtain written confirmation from their Municipal Building/Planning Department that their property is properly zoned to allow for Secondary Suites.
2. The Owner is required to complete and sign the application form and provide all supporting documentation including:
 - Copy of driver's license(s) or passport(s) or other photo identification to verify owners
 - Written confirmation from the Building/Planning Department that the property is properly zoned
 - Home insurance coverage
 - Copy of MPAC Statement or Property Tax Bill
3. A title search of the property will be conducted by NRH. The associated costs will be included in the total approved funding amount.

Conditional Approval

1. If the application is deemed eligible for funding, NRH will provide *Conditional Approval*. At that time, the Owner will be required to submit and obtain approval from the Municipal Building/Planning Department & Fire Department for their secondary suite plans/drawings. A copy of the approved drawings is to be forwarded to NRH for review.
2. When drawings/plans are approved by NRH, the Owner is required to obtain a minimum of three quotes for the construction of the Secondary Suite, obtain contractor WSIB Clearance and Insurance Coverage and forward all documentation to NRH for review and approval.

Final Approval

1. NRH will review all documentation and will issue *Final Approval* via a Letter of Agreement, outlining the scope of work, funding amount, and roles of the Owner(s) and NRH.
2. All Owners must sign the Letter of Agreement.
3. The Mortgage/Charge will be registered on title. Registration fees will be included in the total approved amount. NRH will not issue any payment until mortgage/charge is registered on title.
4. The Owner is required to **start work within 45 days**. Work started prior to written approval by NRH is not eligible.
5. The Owner is required to allow inspections by NRH:
 - Prior to start of work
 - During construction
 - When project is complete

These inspections are over and above the required inspections by the Municipal Building Department.

Other Regional Programs

Niagara Region partners with local municipalities to provide incentives for housing in "Community Improvement Plan" areas. If a property is in one of these areas, homeowners may be eligible for Regional/Municipal contributions to their project. Programs that may assist homeowners with their project are set by each municipality. Homeowners should check with their local municipality to determine if they are eligible for any incentive programs.