

DECISION/DIRECTION NOTE

Title: Grant Program for Subsidiary Dwelling Units, Backyard Suites & Tiny Home Dwellings (Housing Accelerator Fund Action Plan Initiative)

Date Prepared: July 3, 2024

Report To: Regular Meeting of Council

Councillor and Role: Councillor Ron Ellsworth

Ward: N/A

Decision/Direction Required: Approval of a grant program for Subsidiary Dwelling Units (SDU) and Tiny Home Dwellings.

Discussion – Background and Current Status:

The City of St. John's entered a Housing Accelerator Fund (HAF) Agreement with Canada Mortgage Housing Corporation on February 7, 2024 with a commitment to provide grants to encourage the development of Subsidiary Dwelling Units, Backyard Suites (SDU) and Tiny Home Dwellings.

The Departments of Housing and Planning, Engineering and Regulatory Services (PERS) have approved this grant program. The following outlines the program eligibility, application process, and key considerations.

Proposed Grant Program for Subsidiary Dwelling Units, Backyard Suites and Tiny Home Dwellings:

The proposed grant program will apply to the development of **Subsidiary Dwelling Units, Backyard Suites and Tiny Home Dwellings** defined as:

Subsidiary Dwelling Unit (SDU): A separate Dwelling Unit that is located within the structure of the main Building and which is subordinate to the main Dwelling Unit.

Backyard Suites: A Dwelling Unit in the backyard of a residential lot.

Tiny Home Dwelling: A Single Detached Dwelling on a permanent foundation, with a ground floor area of less than 46 meters square (500 square feet).

Successful applicants will be eligible for the following fee exemptions in relation to their successful grant application.

- Building, Renovation, and Repair Permit Fees

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- Plumbing, Electrical, and Building Permit Fees
- Development Application and Development Fees

Eligible applicants:

- Are current homeowners who reside at the subject property as their primary residence and can provide proof of residency, except for Tiny Home Dwelling applicants who will make the Tiny Home their primary residence.

Eligible property:

- Projects must comply with all applicable federal, provincial and municipal legislation, including the Development Regulations, the City of St. John's Municipal Taxation Act and all applicable by-laws and regulations
- Must not be used for short-term rentals.
- All units will be self-contained

Eligible Costs for Funding:

- Architectural and design fees
- Structural modification
- Construction predevelopment costs related to Tiny Home Dwelling development (e.g., land assessments)
- Fixtures
- Appliances
- Building materials (e.g., lumber, plumbing materials, electrical materials, hardware)
- Private contractor labour (i.e., not including work done by applicant and/or member of the household)
- HST

Non-Eligible Costs:

- Repair of existing rental units

Grant Amount:

- One time grant to a maximum of \$20,000.

Accessibility Top-Up:

Applicants who install accessibility features in their dwelling may be eligible for an additional grant.

Application Process and Responsibilities:

General oversight of the Grant Program for Subsidiary Dwelling Units and Tiny Home Dwellings, including reporting to the Canada Mortgage and Housing Corporation.

Eligible projects must have received a building permit from the City of St. John's not prior to February 7, 2024. All approved projects must be completed by December 31, 2027.

Grants are eligible for projects approved between February 7, 2024 and December 2026.

The timeframe for this initiative is aligned with federal government's HAF program.

Key Considerations/Implications:

1. Budget/Financial Implications: This initiative is made possible through HAF funding.
2. Partners or Other Stakeholders: This initiative derives from an action plan that makes up an agreement between the City and the Canada Mortgage and Housing Corporation. Other stakeholders would include private homeowners.
3. Is this a New Plan or Strategy: No
4. Alignment with Strategic Directions:
5. Alignment with Adopted Plans: City of St. John's 10-Year Affordable Housing Strategy, Housing Accelerator Fund Action Plan, Healthy City Strategy, Accessibility Plan
6. Accessibility and Inclusion: Healthy City and Inclusion Staff have been consulted and will continue to be consulted as necessary.
7. Legal or Policy Implications: N/A
8. Privacy Implications: N/A
9. Engagement and Communications Considerations: The Housing Division will work with Communications to promote this initiative widely and with key stakeholders.
10. Human Resource Implications: Using HAF funding, the City has hired a HAF coordinator who will be responsible for monitoring and reporting on this initiative.
11. Procurement Implications: N/A
12. Information Technology Implications: N/A
13. Other Implications: N/A

Recommendation:

That Council approve the Grant Program for Subsidiary Dwelling Units, Backyard Suites and Tiny Home Dwellings.

Prepared by:
Approved by: