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**For Information**

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**REPORT TITLE: My Home Second Unit Renovation Assistance Program Update**

**FROM: Janice Sheehy, Commissioner of Human Services**

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**OBJECTIVE**

To provide Regional Council with an overview of the final eligibility requirements for the My Home Second Unit Renovation Assistance Program and the date for the program launch.

**REPORT HIGHLIGHTS**

- On February 13, 2020 Regional Council approved the ‘My Home Second Unit Renovation Assistance Program’ (Resolution 2020-99).
  - This program is one of eight solutions in the Region of Peel’s Private Stock Strategy, which focuses on creating more and different affordable housing options by leveraging existing private stock in the community.
  - Since February, staff has worked with our local municipal partners to finalize the program design and eligibility requirements.
  - The My Home Second Unit Renovation Program will assist eligible homeowners with up to \$30,000 as a forgivable loan to renovate and repair their existing second unit to Ontario Building Code standards. This will enable registration of the unit with the local municipality.
  - The homeowner must agree to rent their renovated second unit at or below 80 per cent of the average market rent for the local municipal area for 10 years. Annual verification that this condition has been met, will be required.
  - The program is scheduled to launch in October 2020. The program will be promoted through Regional and local municipal websites, an information toolkit for municipal by-law officers, Councillors and other key stakeholders, proactive media and stakeholder engagement, and social media messages and ads.
  - Should a second wave of COVID-19 occur, staff will evaluate the impacts on this program and adjust the launch accordingly, to ensure compliance with all provincial and regional safety protocols and orders.
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**DISCUSSION**

**1. Background**

On February 13, 2020 Regional Council approved the ‘My Home Second Unit Renovation Assistance Program’ (Resolution 2020-99). This program is one of eight solutions in the Region of Peel’s Private Stock Strategy, which focuses on creating more and different affordable housing options by leveraging existing private stock in the community.

Since February, staff has worked with the local municipalities to finalize the program design.

## My Home Second Unit Renovation Assistance Program Update

The redesigned program will focus on achieving the following key objectives:

- Support homeowners struggling with affordability to remain in their homes;
- Increase the supply of safe, affordable rental housing in Peel;
- Provide relatively quick housing solutions for Housing Services clients;
- Support successful tenancies through appropriate training and supports to landlords and clients; and,
- Support local municipal partners to increase the number of registered second units in Peel.

This report provides Regional Council with an overview of the final eligibility requirements and the plan for program launch.

### 2. Program Parameters and Eligibility Requirements

The My Home Second Unit Renovation Assistance Program will assist eligible homeowners with up to \$30,000 as a forgivable loan to renovate and repair their existing second unit to Ontario Building Code standards. This will enable registration of the unit with the local municipality.

Program Parameter	Up to \$20,000 Forgivable Loan	Up to \$30,000 Forgivable Loan
Approved Building Permit and Design Drawings	Homeowners must have an approved Building Permit and design drawings approved by the local municipality	All of the same criteria for up to \$20,000 in forgivable loan funds apply, plus homeowner agrees to rent their renovated second unit to a client working with Housing Services to find affordable housing.  These homeowners will also have access to the support services provided by the Housing Services division.
Homeowner cannot be over encumbered with debt compared to the assessed value of home	Homeowner cannot have more debt registered against their home than the home's maximum assessed value (this includes the forgivable loan funding under this program)	
Maximum Household Income	Maximum household income must be at or below the 6 <sup>th</sup> income decile - \$110,456 (for 2020)	
Must Rent the Unit for Affordable Rental Rate for 10 Years	The homeowner must agree to rent their renovated second unit at or below 80% of the average market rent for the local municipal area for 10 years (see chart below for maximum rental amounts for 2020) to be eligible for the loan forgiveness each year. Annual verification will be required.	

## My Home Second Unit Renovation Assistance Program Update

Complete Mandatory Training for Program Eligibility	Complete mandatory <i>Residential Tenancy Act</i> and Human Rights training as part of the program eligibility criteria	
Rent the Unit to a Tenant with a Maximum Household Income at or below the 3 <sup>rd</sup> income decile	Homeowners must rent their renovated second unit to a Tenant with a maximum household income of \$61,642 (3 <sup>rd</sup> income decile maximum for 2020)	

### Maximum Assessed Value of Home per Municipality and House Type:

	Brampton	Caledon	Mississauga
Detached	\$828,000	\$966,000	\$1,064,000
Semi-detached	\$543,000	\$534,000	\$610,000
Townhouse	\$520,000	\$516,200	\$605,000

### Maximum Affordable Rental Rates per Municipality for 2020 (based on CMHC Market Rent Report):

Municipality	1 bedroom	2 bedroom	3 bedroom
Brampton	\$960.00	\$1,080.00	\$1,200.00
Caledon	\$960.00	\$1,080.00	\$1,200.00
Mississauga	\$1,000.00	\$1,120.00	\$1,280.00

The forgivable loans will be registered in second position on the title of the homeowner's home for 10 years in alignment with the affordability requirement. Approved homeowners will be able to access up to 10 per cent of the total approved forgivable loan funds as an upfront grant to help assist with securing a contractor. When the homeowner's renovations have been approved by the Region, they will have up to 120 days to complete their renovations once they have secured a contractor.

### 3. 2020 Program Launch

The scheduled launch for this program is October 2020. Members of Regional Council will be notified prior to the date of the launch. Should a second wave of COVID-19 occur, staff will evaluate the impacts on this program and adjust the launch-date accordingly, to ensure compliance with all provincial and regional safety protocols and orders. It is anticipated that this program will fund a minimum of 57 renovated units within Peel Region annually, although the impact of the COVID-19 pandemic on potential uptake remains unclear.

The program will be promoted through Regional and local municipal websites, an information toolkit for municipal by-law officers, Councillors and other key stakeholders, proactive media and stakeholder engagement and social media messages and ads.

## My Home Second Unit Renovation Assistance Program Update

In addition, local municipal websites will be updated with program information and by-law inspectors will have brochures available to provide to homeowners who have been subject to an inspection or order from municipal by-law enforcement.

### 4. Program Evaluation

The launch of the My Home Second Unit Renovation Assistance Program includes the collection of several performance measures. These measures will be used to assess and revise the program design and eligibility criteria if and as required to ensure desired objectives are met. A comprehensive evaluation of the program will also be conducted. The evaluation results will be presented to Council before the end of 2024.

## FINANCIAL IMPLICATIONS

There are no financial implications as result of this report. Regional Council previously approved the allocation of \$1,717,500 within the Housing Support operating budget from discontinued grant programs to the My Home Second Unit Renovation Assistance Program. Council also approved utilizing funds in the Home in Peel deferred revenue account to fund additional units in this program as required. Staff will return to Council with program updates, including any requests for additional funds if required.

## CONCLUSION

This report provides Regional Council with an overview of the final eligibility requirements and plan for the launch of the My Home Second Unit Renovation Assistance Program, approved by Regional Council in February 2020.

The program will assist eligible homeowners with up to \$30,000 in forgivable loan funds to renovate and repair their existing second unit. It is scheduled to launch in October 2020.

Staff will return to Council with program updates and evaluation results, including any requests for additional funds if required.

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*For further information regarding this report, please contact Aileen Baird, Director, Housing Services, ext. 1898, [aileen.baird@peelregion.ca](mailto:aileen.baird@peelregion.ca).*

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### ***Reviewed and/or approved in workflow by:***

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



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N. Polsinelli, Interim Chief Administrative Officer