

## **Basement Suite Grant Program Information**

The City of St. Albert in conjunction with funding provided from the Government of Alberta's 2007-08 Municipal Sustainability Housing and Capital Enhancement Initiative, is introducing a new Basement Suite Grant Program for homeowners in St. Albert. The grant program can be utilized to:

1. Create new rental basement suites in existing or new dwellings.
2. Upgrade existing rental suites to comply with the Alberta Building Code, 2006.

The program will start taking applications on September 2, 2008.

The City will provide a maximum of \$15,000 for the development of a new suite, and a maximum of \$10,000 for the renovation of an existing basement suite, subject to a five-year operating agreement with the City. The grant will cover up to 70% of the construction costs for the suite to the maximum eligible limit.

Completed grant application forms will be processed in order of submission until program funding has been expended. Grant funding is limited to \$750,000 in total for the program year, and will be expended on a first-come, first-serve basis based on the completed application form date.

### **Eligible Properties:**

Basement suites can be developed in single-detached dwellings within R1 or R2 districts provided they comply with the requirements of the Land Use Bylaw, the Alberta Building Code 2006 and Safety Code standards.

For information on basement suite development and permit requirements refer to the **Basement Suites in St. Albert** handout located at: <http://www.stalbert.ca> under the Newsroom heading.

Handouts are also available at the Planning and Development Department located on the 2<sup>nd</sup> floor of St. Albert Place

### **Who Can Apply?**

You must own the home that the suite will be located in, and have an approved development permit application for a basement suite dated after May 2007 (when suites were legalized in the City). Completed suites with approved basement suite development permits are eligible to apply for grant funding if they meet the terms and conditions of the Program.

There are no income limits for grant applicants or tenants.

### **Program Restrictions:**

- Applicants will be required to complete and sign a Basement Suite Grant Operating Agreement, which will be in effect for the five (5) year term.
- Suites eligible for grant funding must be rented on the open market to tenants who are not immediate family members (such as parents, spouses, siblings, children and grandparents) at or below the established rates (see average monthly rents on page 2).
- Tenants will be required to sign a yearly affidavit verifying their rent, duration of tenancy and relationship with the landlord.
- Under the terms of the Operating Agreement, a portion of the grant must be returned if the property is sold, or if the suite remains vacant for a period of 6 months.

### ***Average Monthly Rents:***

The maximum rents that can be charged for suites eligible for grant funding are based on the Core Need Income Threshold (CNIT) rates for St. Albert, established yearly in June by the Province of Alberta. CNIT's are derived from the median market rents in the community.

#### **2011 Core Need Income Thresholds for St. Albert**

Bachelor	1 bedroom	2 - Bedroom	3 - Bedroom
\$29,000	\$34,000	\$41,500	\$55,000
\$725/mo. rent	\$850/mo. rent	\$1,038/mo. rent	\$1,375/mo. rent

Rents for Basement Suites under the grant program shall include water, sewer, heating and parking costs and must not exceed these amounts to retain eligibility in the program.

### ***Costs to the Applicant:***

Developing a basement suite in a home is subject to development and building permit fees, which are payable by the applicant. Average permit fees will cost approximately \$450.00 per suite and are not refundable through the grant program.

The property owner must fund a minimum of 30% of eligible basement suite construction costs. Eligible construction costs will not include the labour or material cost of regular replacement and/or maintenance of mechanical systems, exterior building envelope components (such as roofing, soffits, eavestroughs, or windows other than the basement windows), appliances, window furnishings or furniture for the suite.

### ***Application Criteria:***

1. Applications will be accepted from:
  - a. Property owners registered on the Land title. In the case of joint ownership, all owners are required to sign the application.
  - b. Future homeowners, provided a contract between the homeowner and homebuilder is submitted.
  - c. Lawyers representing the property owners as a client. Properties that have an offer to purchase are not eligible to apply for grant funding until the property is registered in the applicant's name.
2. Grants are limited to properties within the City of St. Albert boundaries.

### ***Application Submission:***

The following information should be included in your grant application:

- Development Permit Number.
- Copy of certificate of land title from the last 30 days. Certified land titles are available at registry offices. Refer to: <http://www.servicealberta.gov.ab.ca/617.cfm> for registry office locations.
- List of work to be completed.
- Two written quotations from certified contractors. Quotations are to be on company letterhead and signed by the company's officer.
- Written material quotations for owner-supplied labour will be accepted. No cash value will be attributed to labour provided by the homeowner.
- Submission of final invoices will be accepted if the application is for a completed legal suite that has a valid development permit.

- Invoices for work completed prior to the development permit application approval date will not be accepted.

Only completed application forms will be reviewed.

### **Grant Approval Process:**

Completed grant applications will be reviewed on a first-come first-serve basis, until intended funding for the program has been fully committed. The City will continue to accept grant applications should more funding become available for the program.

The City of St. Albert will review your application for the proposed work and estimated costs. Incomplete applications will be advised of the supporting documents required. Your application will not be placed on the first-come, first-served list until the application is complete.

If your suite meets the criteria of the program, and funding is available, conditional approval of grant funding will be given, for 70% of construction costs up the maximum grant allowed under the program. GST costs will not be reimbursed.

Approved applicants will receive a letter of intent that specifies the grant amount approved, subject to the suite's completion. Grant funding approval will be revoked if the work is not completed within twelve (12) months of the date on the approved development permit application.

### **Grant Distribution Process:**

Grant payments will be distributed once the following items have been completed:

- Final inspection of the suite for completion and approval for occupancy by the City of St. Albert,
- Submission of final invoices by the applicant, after approval for occupancy,
- Signing of the *Basement Suite Grant Operating Agreement*,
- Submission of proof of insurance for the basement suite,
- Submission of the certificate of land title at least forty-eight (48) days after the City has verified that the suite is complete, and occupancy is allowed. The property title must be free of builder's liens and encumbrances prior to grant funding being released, and
- Satisfaction of any other grant conditions the City deems appropriate.

### **Applicant Responsibilities:**

- The applicant is responsible for all construction contract management including dispute resolution, Workmen's Compensation Board coverage, and payment of invoices for work completed.
- The applicant is responsible to ensure that contractors have required insurance and provide evidence that they have obeyed the laws of the Provincial regulatory authorities, including Workers' Compensation.
- The applicant is responsible for all rental arrangements of suites and managing their properties including disputes related to landlord and tenant agreements. Information on landlord and tenant responsibilities is available at: [www.servicealberta.ca](http://www.servicealberta.ca)
- The applicant is responsible for ensuring that the tenant affidavit is submitted to the City each year of the agreement on November 1, stating the tenant's rent and length of tenancy in the suite, and relation to the landlord.
- Contractors are required to maintain a valid **City of St. Albert Business License** for the duration of the contract. A "business" includes any business, occupation, activity, amusement, entertainment, trade employment, profession or calling and the provision of a service of any kind that is conducted for the purpose of earning income, whether or not it is conducted for the purpose of earning a profit. For more information contact Business Licensing at 780-459-1618 or visit [www.stalbert.ca](http://www.stalbert.ca)

## ***Other Funding Sources:***

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Canada Mortgage and Housing Corporation (CMHC) offers funding programs that residents may be eligible to apply for:

- 1) Residential Rehabilitation Assistance Program (RRAP) for Secondary/Garden Suites**  
Funding is available for the creation of affordable housing for low-income seniors and adults with a disability. Assistance is in the form of a fully forgivable loan up to a maximum of \$24,000 for new suites.
- 2) RRAP Rental**  
Financial assistance is available to landlords of affordable housing to pay for mandatory repairs to self-contained units occupied by low-income tenants. Assistance is in the form of a fully forgivable loan for the cost of mandatory repairs up to \$24,000 per unit.
- 3) RRAP for persons with Disabilities**  
Financial assistance is available to homeowners and landlords to undertake accessibility work to modify dwellings occupied or intended for occupancy by low-income persons with disabilities. Assistance is provided as a forgivable loan of up to \$24,000.
- 4) RRAP Homeowner**  
This program offers financial assistance to low-income households who own and occupy substandard housing to enable them to repair their dwelling to a minimum level of health and safety. Assistance is provided as a forgivable loan of up to \$16,000.
- 5) Home Adaptations for Senior's Independence (HASI)**  
The objective of this program is to help homeowners and landlords pay for home adaptations to extend the time that low-income seniors can live in their homes independently. Assistance is available in the form of a forgivable loan of up to \$3,500.

For information and details on all CMHC programs contact: Canada Mortgage and Housing Corporation (CMHC) at (780) 423-8700.

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### ***For further information on the Program contact:***

**The City of St. Albert  
Basement Suite Grant Program  
Phone: (780) 459-1654 or  
(780) 459-1642**

### ***Application forms are available at:***

**The City of St. Albert  
Basement Suite Grant Program  
2<sup>nd</sup> Floor, Planning and Engineering  
5 St. Anne Street  
St. Albert, Alberta T8N 3Z9**

**Or on the City's website at:  
[www.stalbert.ca](http://www.stalbert.ca)**