



INFORMATION SHEET

Pilot - 2024 Additional Dwelling Unit Incentive Program

***Disclaimer:** Details contained herein are for information purposes only and are not to be relied upon as a comprehensive or precise representation of the program, its terms and conditions or eligibility rules.*

The Federal and Provincial governments have partnered with the County of Lambton to fund the Additional Dwelling Unit Incentive Program.

The purpose of the County of Lambton's Additional Dwelling Unit Incentive Program is to provide eligible homeowners with loan assistance of up to \$25,000 or 75% of the total cost of the project, whichever is less, to create an additional dwelling unit at their home. The property owner must live in the main home on the property as their sole and primary residence, provide proof that the property is appropriately insured and that the mortgage and property taxes are up to date. Construction of the Additional Dwelling Unit must start within 120 days of confirmation of funding and be completed by the end of the subsequent Provincial fiscal year. Completed applications are processed on a first come first serve basis.

Eligible Additional Dwelling Units must be modest, remain affordable at a rate of 80% of Annual Market Rents as determined by CMHC for a minimum of 15 years, be governed by the Residential Tenancies Act and be occupied by a tenant with annual income below \$99,000. The homeowner will be responsible for income testing tenants and providing verification that tenant requirements have been met prior to occupancy.

Use of energy-saving products or systems is strongly encouraged. Any expenses over the approved funding amount will be the responsibility of the homeowner. Any work started prior to approval of the application is not eligible for program funding.

Program recipients are required to sign a Funding Agreement allowing the County of Lambton to be registered as no lower than second position on the title of the property. Funding is provided in the form of a 15-year forgivable loan to the participant based on the funding amount. Program recipients will be responsible for completing an Annual Occupancy Report for the term of the agreement. The loan is payment free, interest free and forgiven at a rate of 6.6% as long as the participant complies with program rules at all times.

If the home is sold before the 15-year period expires or the participant is in default of any terms of the Loan Agreement within 15 years of the date of occupancy, the homeowner must repay the original loan less any loan forgiveness, as calculated by the County of Lambton. Under certain circumstances, the full amount of the loan may be repayable.

Eligibility Criteria

The following highlights applicant eligibility criteria, subject to the discretion of the County of Lambton.

** The household includes the individual applying for the program, any person with whom the individual is in a spousal relationship with and any individual over the age of eighteen (18) expected to be residing with the individual at the time of first occupancy.*

- A fully completed 2024 Additional Unit Application Form and all required supporting documentation;
- The combined total annual gross household income cannot exceed \$171,000. This includes income from every member of the household;
- Applicant(s) must be at least 18 years of age, and must be a Canadian citizen, landed immigrant, or have refugee claimant status;
- The home is located within the County of Lambton;
- The applicant(s) must own both the home and the land the home is situated on. Homes situated on 'leasehold land and/or leasehold land improvements' are not eligible;
- Market value (MPAC or licensed qualified appraisal) of the home does not exceed \$527,000;
- Results from Title and Sheriff Certificate searches (completed by the County of Lambton) are to the County's satisfaction;
- The County's loan must be registered against the property in either first or second position. The County may be placed in second position only for a first mortgage. Any other financing, liens or charges must be registered behind the County;
- Mortgage/charge and other financing payments must be up-to-date and not in arrears;
- Homeowner insurance coverage must be in place for the full value of the home and the premium must be paid up-to-date;
- Property tax account is paid up-to-date;
- All household members do not have outstanding social housing arrears in Ontario;
- The primary home must be owned and occupied by the applicant(s) as their sole and principal residence for the full term of the loan;
- Any work started prior to registration of the Loan Agreement on title, is not eligible for program funding;

Affordable Rents

Affordable rents are rents that are charged at or below 80% of the average market rents as set annually by CMHC. The maximum rent that can be charged is:

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
\$698	\$809	\$977	\$1243

Payments

Homeowners will be approved to receive up to \$25,000 or 75% of the total cost of the project; whichever is less, to create an additional unit at their home for the creation of an Additional Dwelling Unit at their primary residence. The total amount provided in any case will not exceed \$25,000. Upon registration of the loan agreement 60% of funding will be released to homeowner. Upon completion of the project, the homeowner will submit documents and satisfy the listed below in order to receive the remaining 40% of funding.

- Copy of the Building Permit
- Clearance from the Building Inspector for completion framing, plumbing and heating
- Confirmation of initial and final ESA inspection
- Copy of ESA certification
- All paid invoices for all the work completed
- Full Occupancy Permit
- Signed Tenant Lease Agreement
- A copy of a Tenant Income Declaration documents
- Verification of Adequate home insurance

Note:

For homeowners using a Contractor in the creation of the Additional Dwelling Unit, all invoices that demonstrates the actual cost injected into the development of the unit must be provided.

Homeowners completing the project themselves are required to keep all receipts for building materials, contractors, permits and other cost directly related to development of the Additional Dwelling Unit excluding your own labour costs.

The County of Lambton will conduct an annual compliance review as per terms and conditions set out in the Loan Agreement for the entire 15-year term.

How to Apply

Applications are available from the County of Lambton Housing Services Department, located at:

County of Lambton Housing Services Department
Lambton Shared Services Centre
162 Lochiel Street – Suite 100
Sarnia ON, N7T 7W5

Office Hours: Monday to Friday from 8:30 a.m. to 4:30 p.m., excluding holidays.

Applications are also available online from the County of Lambton website www.lambtononline.ca Click on: Resident Services ► Housing Services ► Additional Dwelling Unit Incentive Program.

Completed applications and supporting documentation may be submitted to the Housing Services Department by mail, fax (519-344-2023) or in person.

For additional information, contact the Program Coordinator at 519-344-2062 ext. 2165.

The Additional Dwelling Unit Incentive program is a pilot project under development and information may change over time.