



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 15.1.1
Halifax Regional Council
March 18, 2025

TO: Mayor Fillmore and Members of Halifax Regional Council

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: February 18, 2025

SUBJECT: Housing Accelerator Fund (HAF) - Second Unit Incentive Program (SUIP)

ORIGIN

June 6, 2023 Regional Council motion (Item No. 15.1.4 Housing Accelerator Fund):

MOVED by Councillor Cuttell, seconded by Councillor Mason

THAT Halifax Regional Council:

1. Direct the Chief Administrative Officer to submit a Housing Accelerator Fund Action Plan that includes the initiatives as generally outlined in Attachment A of the staff report dated June 3, 2023, along with all additional required documentation to the Canada Mortgage and Housing Corporation as the Municipality's application under the Housing Accelerator Fund program; and
2. Authorize the Chief Administrative Officer to enter into any contribution agreements or amending agreements that may be required should the Municipality be approved for funding under the program.

MOTION PUT AND PASSED UNANIMOUSLY.

August 22, 2023 Regional Council motion (Item No. 15.1.7 Case 24527: Secondary and Backyard Suites - Accessibility & Monitoring):

MOVED by Councillor Russell, seconded by Councillor Deagle Gammon

THAT Halifax Regional Council direct the Chief Administrative Officer to explore the development of an incentive program for secondary and backyard suites with key features as outlined in the staff report dated May 24, 2023.

MOTION PUT AND PASSED UNANIMOUSLY.

EXECUTIVE SUMMARY

This report outlines the proposed Second Unit Incentive Program (SUIP), a new HRM grant program that incentivizes small-scale residential construction in the form of second units. A second unit corresponds to a secondary or backyard suite that is accessory to a single-unit dwelling, or one of the units resulting from converting a single-unit dwelling to a two-unit one. This program is one of the initiatives HRM committed to as part of its Housing Accelerator Fund (HAF) Action Plan.

The SUIP would provide two streams to help homeowners add a second unit to their properties: either a \$2,762.96 or \$2,912.96 grant for Halifax Water fee reimbursement and an upfront grant of up to \$10,000 for water/wastewater infrastructure installation costs. The two streams are meant to address the different communities' needs both inside and outside the HRM's Urban Service Boundary. Staff recommend that Halifax Regional Council adopt the attached *Second Unit Incentive Program Administrative Order* that details the proposed SUIP.

The budget needed to implement the incentive comes from HRM's Housing Accelerator Fund (HAF) budget. Staff recommend a total \$3 million budget for the SUIP program over two years, with \$1.5 million allocated in 2025/26 from HRM's HAF funding. The use of HAF budget for this purpose is identified in the HAF Action Plan and is further approved through the adoption of the recommendations in this report. The program budget for the Second Unit Incentive Program has been set to correspond with HAF unit targets (250) and is time-limited to align with the end date of the HAF Contribution Agreement.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Adopt *Administrative Order Number 2025-001-ADM*, the *Second Unit Incentive Program Administrative Order*, attached to this report as Attachment 1; and
2. Approve the allocation of \$1,500,000 of HAF funding from Cost Centre C350 for fiscal year 2025-2026 to support grants issued under the Second Unit Incentive Program.

BACKGROUND

On October 12, 2023, HRM signed a Contribution Agreement with the Canadian Mortgage and Housing Corporation (CMHC), committing to delivering on eleven initiatives intended to deliver 2,600 net new residential units in return for \$79.3 million in federal funding from the Housing Accelerator Fund (HAF). All projects must be complete and 2,600 net new permits issued by October 2026 for HRM to receive all \$79.3 million. HRM's HAF Action Plan was approved by Council on June 6, 2023, and includes the following initiatives:

1. Streamlining operational processes and customer support services for permitting.
2. Reducing upfront cost for permit applications.
3. Encouraging non-residential to residential conversions.
4. Encouraging development along bus rapid transit corridors.
5. Accelerating heritage development agreements.
6. Encouraging small-scale residential development through financial incentives.
7. Accelerating approvals through pre-approved building plans.
8. Expanding the affordable housing grant program.
9. Resourcing the surplus land for affordable housing program.
10. Completing a Housing Needs Assessment; and
11. Regulatory changes to support housing.

Initiative 6, Encouraging small-scale residential, is intended to provide 250 units over the term of the HAF agreement. It requires a new funding program to be created to lower the upfront costs needed to develop small-scale housing (secondary suites, tiny homes, backyard suites, etc.) in existing neighborhoods. In September 2020, Halifax Regional Council approved region wide amendments to the Regional Municipal Planning Strategy (RMPS), Secondary Municipal Planning Strategies (SMPS), and land use by-laws (LUB), to allow secondary and backyard suites. A supplementary report on August 22, 2023, provided an update to Council on HRM's approach to secondary and backyard suite developments, and outlined some future considerations to support increased uptake. One proposal was a financial incentive program, which is the subject of this report. Other considerations were a pre-approved permit process, and a review of accessory building requirements. Pre-approved building plans are intended to be developed as part of HAF Initiative 7, which could also streamline and further incentivize second unit development. Accessory building and backyard suite requirements were aligned within the Regional Centre and Suburban areas under the [HAF Urgent Changes to Planning Documents for Housing on May 21, 2024](#) to provide more flexibility and to address safety and accessibility issues.

DISCUSSION

Jurisdictional Scan of Incentive Programs

Staff completed a scan of nine jurisdictions that provide financial incentives to add or renovate a second unit (secondary and backyard suites) to a private residential property (see Attachment 2 for details). Key findings demonstrate that:

- Funding distribution on a first-come-first-serve basis is a common feature due to limited funding or short-term program implementation.
- Funding intended to support general construction costs is generally delivered as a forgivable loan and ranges from \$25,000 to \$50,000 per application. The period of loan forgiveness is commonly 15 years, followed by 10 and 5 years.
- Grants are generally set to help with specific minor costs and can be combined with other incentives. Three jurisdictions offer \$10,000 grants. For example, the City of Kingston, Ontario offers a \$10,000 grant to upgrade the water service for a backyard suite and \$5,000 for other infrastructure-related costs.

Staff recommend using grants based on similar incentives in other jurisdictions, since they are easier to administer in comparison to loans and are used to cover particular aspects associated with second unit construction.

Funding Mechanism

The HAF Agreement requires a funding program for encouraging small-scale residential (initiative 6). The original concept was financing and repayment (basically a loan), similar to HRM's Solar City initiative. \$20 million in HAF funds were earmarked, with the idea that the funds would be recouped. However, the *HRM Charter* limits HRM's ability to provide this type of financing, and the administration required to implement and monitor such a program made it unlikely to achieve the targeted number of units within the short timelines under HAF.

Staff recommend creating a grant program based on similar incentives in other jurisdictions. HRM may provide grants to individuals if the grant is for a "municipal purpose". Two of those purposes are listed in section 7A of the *Charter* are:

- providing services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
- developing and maintaining safe and viable communities.

Providing additional housing may be considered a service or thing desirable for all of the Municipality and

part of developing and maintaining safe and viable communities, given the ongoing housing affordability and availability crisis.

Stakeholder Consultation

Staff consulted various institutional partners, such as the Province, Halifax Water, Legal & Legislative Services, Energy & Climate Change, and internally within Planning & Development. The goal was to help identify the most recurrent barriers for small-scale residential construction across HRM. Halifax Water fees, and water- and wastewater-related infrastructure and construction costs were identified as one of the main barriers for second unit construction, especially regarding backyard suites.

Staff also interviewed local small-scale residential contractors to identify the main barriers their clients face when adding a second unit to residential properties. The contractors reported that the high construction cost is a recurrent barrier since building a second unit can often be as expensive as building a primary dwelling unit. Since 2023, the Nova Scotia Government has offered financial help to construct secondary and backyard suites¹. As the Province seeks to incentivize supportive housing for family members or affordable housing for tenants, this funding option has strict eligibility criteria that may prevent a broader range of residents from obtaining funding. The family funding stream requires either homeowners or the second unit tenants must be a family member 65 years of age or older or a person living with a disability. The affordability funding stream requires tenants to fall under minimum income thresholds, with the second unit being rented below average market rates. Staff considered approaching the Province to partner on this program; however as noted above, HRM's HAF Action Plan is looking to achieve a minimum of 250 units through the SUIP. The Provincial eligibility criteria may limit the number of applications and pose a barrier to achieving this unit count.

Contractors also identified the Halifax Water fees and infrastructure installation costs as a common barrier for their customers. As a public utility, Halifax Water is required to charge Regional Development Charges (RDCs) for each new unit that connects to the municipal water and wastewater system within the Urban Service Boundary. This includes any secondary and backyard suites being constructed within an existing building using existing connections.

There are additional infrastructure costs for backyard suites, even if it connects to the municipal water/wastewater system via the existing laterals used by the main property. Generally, Halifax Water owns and maintains infrastructure only up to the property boundaries, so homeowners must pay for the maintenance and construction of the connections to the laterals on their property. Water/wastewater infrastructure installation costs can vary greatly depending on the qualities of the lot, as the connections must be 1.6 metres underground. For instance, labour and equipment costs for digging through the bedrock commonly found within HRM can be expensive (up to \$350/hour). Contractors often are not able to predict the costs until digging begins. Additionally, the required 3 metre separation between water and wastewater lines and the large size of breaking machines can make building a backyard suite on a small urban lot impractical.

Adding a second unit to residential properties outside the Urban Service Boundary has additional complications. Since those properties are not connected to municipal infrastructure systems, additional costs exist to build or upgrade on-site water/wastewater infrastructure, i.e., well and septic systems. Technical inspection is required to evaluate the well/septic system's current capacity and determine if tying into the existing system is a viable alternative or if an additional system should be in place. Further, well connections must also be 1.6 metres underground, and digging can add costs similar to those within the serviced areas.

Residents wishing to install backyard suites will still be required to apply for the necessary permits, pay the

¹ See [Apply for funding to build a secondary or backyard suite on your property: Secondary and Backyard Suite Incentive Program - Government of Nova Scotia](#).

associated fees and charge, and submit the supporting documents.

In summary, staff heard from stakeholders' consultation that:

- Backyard suites can cost as much as building a primary dwelling unit;
- Infrastructure installation can be costly due to pipe material and spacing requirements and hard to implement depending on lot's features; and
- Halifax Water connection fees can be a cost barrier.

Second Unit Incentive Program (SUIP)

The SUIP would provide grants to cover the costs associated with Halifax Water charges and partially help with water and wastewater infrastructure costs associated with adding a second unit to a property. A second unit means a secondary or backyard suite that is accessory to a single-unit dwelling or one of the units resulting from converting a single-unit dwelling to a two-unit one. The SUIP proposed grant costs would be split in two streams to better accommodate the needs of communities both within and outside the HRM's Urban Service Boundary: (1) *Halifax Water Fees Grant*; and (2) *Water and Wastewater Infrastructure Costs Grant*.

Proposed Grant Costs

Stream (1) - Halifax Water Fees Grant

For the construction of secondary or backyard suites or second units, Halifax Water charges include inspection fees and RDCs. All Halifax Water fees are set by the Nova Scotia Utility and Review Board. A \$150 inspection fee is charged for backyard suites only. The largest fees are RDCs for both water and wastewater (NOTE: the charges and fees are subject to review and adjustments by the NSUARB):

Unit Type	Wastewater RDC	Water RDC	Total Per Property
Single Unit dwelling/townhouse	\$6,126.84	\$1,921.82	\$8,048.66
Multi-unit dwellings (per unit)	\$4,115.04	\$1,290.77	\$5,405.81(per unit)

If the owner of a single unit dwelling adds a backyard or secondary suite, the property is then considered a multi-unit dwelling with 2 units. Halifax Water would refund the single unit fees (\$8,048.66) and charge the multi-unit fees for the new number of units (2 x \$5,405.81 = \$10,811.62). The difference payable for the property owner is \$2,762.96 for both water and wastewater RDCs. These RDCs represent the typical scenario when a second unit is connected to the Halifax Water system using the laterals of the main property. Creating a stand-alone service link for a second unit is very uncommon due to the prohibitive expense involved; however, Halifax Water would charge the single unit RDCs in this scenario.

In summary, the Halifax Water charges for water and wastewater per property are estimated below as the sum of RDCs, for both water and wastewater, and one inspection fee (only required for backyard suites):

- RDCs: \$2,762.96 [(2 x \$5,405.81) - \$8,048.66]
- Inspection fee: \$150 per visit (for backyard suites only)
- **Total: \$2,912.96**

This is the proposed amount the SUIP would cover under the *Halifax Water Fees Grant* stream. This amount would be reimbursed after a property owner receives a Building Permit for a second unit, as receiving a water permit is part of the process to receive an approved Building Permit.

Stream (2) - Water and Wastewater Infrastructure Costs Grant

As explained above, the water/wastewater lateral installation construction costs can be expensive and unpredictable, heavily dependent on the nature of individual lots. Currently, Halifax Water provides a

\$10,000 interest-incurring loan to help customers replace their private laterals². However, there is no financial help available for residential customers who intend to add a second unit in their properties or property owners serviced by on-site services (well and septic systems). The SUIP would fill this gap by offering up to \$10,000 for building the extra infrastructure to support the addition of a second dwelling unit to a main residential property, regardless of whether it is serviced by Halifax Water. The eligible costs for applicants to receive upfront funding include the estimated costs of pipes, laterals, wells and septic systems, and the costs associated with pipe, well and septic system installation and connection.

This grant is separate from the *Halifax Water Fees Grant*, with properties both inside and outside of the Urban Service Boundary being eligible. Property owners would apply with a cost estimate and be approved to receive funding upfront, in order to incentivize faster construction. Once construction is complete, recipients will be required to present receipts or invoices to demonstrate the work was done.

Eligibility Criteria

For either stream, eligibility for SUIP funding is restricted to owner-occupants of a property that currently has one unit. The grants would need to be repaid if the second unit is used as a short-term rental with a 5-year period, regardless of LUB regulations. Both of these restrictions are intended to prevent the use of SUIP funding for business purposes, and to increase available housing supply. SUIP applicants must also be up-to-date on property tax payments and must apply for a building permit for the creation of the second unit. An application for the Stream 2 (*Water and Wastewater Infrastructure Costs Grant*) is also required to submit their final receipts or paid invoices.

As part of the application form, applicants are required to sign a grant agreement. Under the agreement, the recipients agree that failure to complete work and an occupancy permit issued by October 2026 will result in grants being immediately repayable to the HRM. A review of any outstanding grants will be conducted prior to the conclusion of the grant program, and recipients contacted to provide a status update.

The SUIP application period will launch March 15, 2025 and close on June 1, 2026, unless funds assigned to the program from HRM's HAF budget are depleted, the HRM HAF Contribution Agreement expires, or Council cancels the program. Applications will be accepted on a rolling basis. The program is intended to be time-limited and its duration aligns with HRM's HAF funding.

Application Funding

The SUIP will fund the following for each application:

- \$2,762.96 for secondary suites and conversions of single-unit dwellings into a two-unit dwelling under the *Halifax Water Fees Grant* stream ;
- \$2,912.96 for backyard suites under the *Halifax Water Fees Grant* stream; and
- Up to a maximum of \$10,000 under the *Water and Wastewater Infrastructure Costs Grant* stream.

The total is a maximum of \$12,912.96 for each application. Not all applications will need funding from both streams. Some applicants might not be eligible for a Halifax Water reimbursement, and some might not claim the entire \$10,000 grant for infrastructure costs. Therefore, a \$3,000,000 budget may incentivize more units than the 250 targeted under the HAF agreement, assuming not every unit will require the entire \$12,912.96. For comparison's sake, in 2024 HRM issued permits for 183 secondary suites and 104 backyard suites, totalling 287 secondary units.

The complete regulations related to the SUIP are outlined in the proposed Attachment 1, the *Second Unit Incentive Program Administrative Order*.

² According to Halifax Water, "a private lateral is the section of a service connection on private property that connects the plumbing in a property owner's home to the water, wastewater, or stormwater mains in the street". See Attachment 1 and [The Lateral Loan | Halifax Water](#).

Program Budget

The HAF Action Plan and preliminary program budget adopted by Regional Council in June 2023 proposed a loan program for secondary and backyard suites with a total, recoverable budget of \$20 million. However, after thorough analysis of the administrative and legal challenges associated with this option, it was determined that amendments would be required to the HRM Charter. Such amendments may not be achievable given the short timelines of the HAF agreement. Instead, staff propose a grant program which will be less administratively burdensome and will provide a simpler process for applicants.

Staff recommend a total \$3 million budget for the SUIP program over two years, with \$1.5 million allocated in 2025/26 from HRM's HAF funding. If continued at the same funding level in budget year 2026/27, this budget will support enough applications to reach the unit target outlined in the HAF agreement. Due to uncertainty around the future of HAF funding, approval of additional program budget will be sought from Regional Council following receipt of the next installment of HAF funds in late 2025, or as part of the 2026/27 budget and business planning process. The program will be administered with existing staff resources, so no additional staffing costs are envisioned. The program will also operate only so long as HAF funds remain to support it.

Conclusion

Staff recommend Council adopt the SUIP and attached Administrative Order. The following points summarize the SUIP's main features and rationale for proceeding with the recommendation of adopting the *Second Unit Incentive Program Administrative Order*:

- It helps alleviate a burden identified by small-scale residential builders and institutional stakeholders.
- Providing a grant is a simple, straightforward way of minimizing barriers to construction, with the potential for increased uptake. It can be administered via the existing online PPL&C system, which could ease administrative burden and increase uptake.
- It meets one of the commitments in HRM's HAF Contribution Agreement; and
- It achieves a municipal purpose by incentivizing the construction of more housing, especially within serviced areas, thereby supporting safe and viable communities.

FINANCIAL IMPLICATIONS

The HRM costs associated with the proposed SUIP can be accommodated under HRM's HAF funding and will be drawn from Cost Centre C350. As HAF is a time-limited program, the SUIP would also cease in October 2026 to align with the HAF end date, or whenever the allocated program budget is exhausted.

RISK CONSIDERATION

There is a moderate level of risk associated with providing funding upfront, should construction not take place. These risks have been mitigated by requiring a grant agreement that requires proof of construction, and that will allow HRM to sue to recover the monies if a second unit is not constructed.

There is a moderate risk that there will be stronger-than-anticipated uptake of the program, which could overwhelm the staff resources needed to administer the program effectively, or that program funding could run-out prior to the next installment of HAF funding. Additional staff can be assigned as needed to assist in the case of the first scenario. Staff also could return to Regional Council to recommend the allocation on contingency funding under HAF to cover any budgetary shortfalls.

There is a moderate level of risk associated with HRM's HAF funding, should the federal program be cancelled before the October 2026 end date in the Contribution Agreement. The Administrative Order addresses this by specifying the SUIP will end in the case of HRM's HAF Contribution Agreement being

terminated by either party, or the funding being depleted, or Council deciding to cancel the program.

COMMUNITY ENGAGEMENT

No community engagement was required. As noted above, staff consulted with public and private sector stakeholders in developing this program.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Regional Council could choose not to adopt the *Second Unit Incentive Program Administrative Order* (Attachment 1). This may risk the Municipality's commitments under the HAF Action Plan and may contribute to further housing shortages in the Municipality.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (HRM Charter), Part I, The Municipality

7A The purposes of the Municipality are to
(a) provide good government.
(b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
(c) develop and maintain safe and viable communities.

59 (3) In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality.

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if
(a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality.
(b) the expenditure is in respect of an emergency under the Emergency Management Act; or
(c) the expenditure is legally required to be paid

Halifax Regional Municipality Charter (HRM Charter), Part VIII, Planning & Development.

ATTACHMENTS

Attachment 1: Administrative Order Number 2025-001-ADM (*Second Unit Incentive Program Administrative Order*)

Attachment 2: Jurisdictional Scan of Incentive Programs

Report Prepared by: Jusyanna Souza, Planner I, Housing Accelerator Fund Team, 902.240.2654
 Anne Totten, Principal Planner, Housing Accelerator Fund Team, 902.476.8245

**ADMINISTRATIVE ORDER NUMBER 2025-001-ADM
RESPECTING GRANTS FOR SECOND UNITS**

WHEREAS, on October 12, 2023, the Canada Mortgage and Housing Corporation and the Halifax Regional Municipality signed the Housing Accelerator Fund Contribution Agreement (Agreement);

AND WHEREAS Section 5.1 of the Agreement allows the Municipality to use funding under it for any initiative included in the Approved Action Plan;

AND WHEREAS Schedule A of the Agreement is the Approved Action Plan for the Municipality;

AND WHEREAS Initiative 6 (Encourage Small Scale Residential) of Schedule A has a milestone of establishing a framework for a funding program to lower the upfront costs to develop small-scale housing;

AND WHEREAS on May 23, 2024, Council adopted amendments to the land use by-laws arising from the Agreement that enable multiple dwelling units on nearly all residential lots;

AND WHEREAS on August 21, 2024, the *Minimum Planning Requirement Regulations* were amended to require a municipal planning strategy to include a statement of policy that the Municipality is experiencing a housing shortage crisis and that priority is be given to increasing the supply of safe, sustainable and affordable housing in the Municipality;

THEREFORE BE IT RESOLVED as an Administrative Order of the Council of the Halifax Regional Municipality, as follows:

Short Title

1. The Administrative Order may be known as the *Second Unit Incentive Program Administrative Order*.

Interpretation

2. In this Administrative Order,

(a) “Agreement” means the Housing Accelerator Fund Contribution Agreement dated October 12, 2023, between the Canada Mortgage and Housing Corporation and the Halifax Regional Municipality;

(b) “Executive Director” means the position the Chief Administrative Officer determines is the head of the planning and development department of the Municipality, and who is accountable to the Chief Administrative Officer under section 36 of the *Halifax Regional Municipality Charter*;

(c) “grant agreement” means a legally binding contract between the recipient and the Municipality outlining the conditions and terms of payment of a grant under the program;

(d) “Halifax Water” means the Halifax Regional Water Commission;

(e) “PPL&C system” means the online Permitting, Planning, Licensing, & Compliance system of the Municipality, and its successors system;

(f) “program” means the Second Unit Incentive Program;

- (g) “second unit” means:
- (i) a secondary suite or backyard suite as defined by the applicable land use by-law,
 - or
 - (ii) the second dwelling unit created by converting a single-unit dwelling to a two-unit dwelling; and
- (h) “short-term rental use” means a short-term rental as defined by the applicable land use by-law.

Purpose

3. The purpose of this Administrative Order is to assist individual property owners with certain charges and costs associated with constructing a second unit on their land.

Program

4. The program is hereby established to provide grants for the construction of second units on property owned by individuals.

5. (1) The program consists of the following grant streams:

- (a) the Halifax Water Fees Grant; and
- (b) the Water and Wastewater Infrastructure Costs Grant.

(2) The Halifax Water Fees Grant only applies to the Halifax Water charges and fees approved by the Nova Scotia Utility and Review Board, or its successor board, for:

- (a) water and wastewater regional development charges; and
- (b) inspection fees for backyard suites.

(3) The Water and Wastewater Infrastructure Costs Grant only applies to the construction costs associated with connecting the second unit to:

- (a) Halifax Water’s water system, wastewater system, or both systems; or
- (b) an on-site well, a private on-site sewage disposal system, or both.

(4) The Water and Wastewater Infrastructure Costs Grants includes the costs of installing pipes and laterals necessary to connect the second unit to the water system, the wastewater system, the on-site well, and the private on-site sewage disposal system.

6. (1) Eligible applicants may receive grants from both streams.

(2) All grants are subject to annual budget availability.

(3) Due to limited funds, not all eligible applications may receive funding.

General Eligibility Requirements

7. (1) An applicant to the program shall meet the following requirements:

- (a) be one of the owners of the property that is the subject of the grant;

- (b) provide written consent of all the other owners of the property, if any, consenting to the grant;
 - (c) reside on that property as their primary residence;
 - (d) have been issued a valid building permit for the second unit, and provide a copy of it;
 - (e) identify the stream or streams of the program that is the subject of their application;
 - (f) identify if they have received previous funding from the program for the same property;
 - (g) submit their application on the PPL&C system;
 - (h) agree to the repayment conditions in this Administrative Order;
 - (i) be in relation to a charge or fee listed in subsection 5(2) or a cost listed in 5(3);
- and
- (j) comply with the applicable subsection in section 8.
- (2) To be eligible for consideration under the program, the application shall not
- (a) be in respect of a charge, fee or cost unless it is listed in subsection 5(2) or 5(3);
- or
- (b) otherwise be ineligible in section 9, 10, or 11.

Additional Eligibility Requirements

8. (1) In addition to section 7, an applicant for a Halifax Water Fees Grant shall also meet the following requirements:

- (a) relate to a property that is located within the Urban Service Area as shown on Schedule B of the *Regional Subdivision By-law*; and
- (b) provide an estimate of the water and wastewater regional development charges and, if applicable, the inspection fees.

(2) In addition to section 7, an applicant for a Water and Wastewater Infrastructure Costs Grant shall provide detailed quotes or estimates for the proposed work and estimated costs listed in subsection 5(3) respecting the costs associated with connecting the second unit.

Ineligible for the Program

9. The following are ineligible for the program:

- (a) an applicant who does not meet the requirements under sections 7 and 8;
- (b) second units being constructed by anyone other than individual, such as a business;

(c) second units that were not lawfully constructed, including being constructed contrary to an enactment of the Province of Nova Scotia or the Municipality such as the *Building Code Act*, or the applicable land use by-law or development agreement;

(d) second units located on a property that have outstanding taxes owing to the Municipality, unless the owner of the property has entered into a tax arrears payment arrangement with the Municipality and the owner is complying with that agreement;

(e) grants under the program for the same second unit on the same property, unless the grant is for a stream that has not previously been approved by the Municipality;

(f) second units that are either existing or under construction prior to the coming in force of this Administrative Order; or

(g) applications filed with the Municipality for a building permit for a second suit prior to the coming in force of this Administrative Order.

10. Any cost or charge not listed in section 5 is ineligible under the program.

11. The following are examples of ineligible costs:

(a) housing or residential accommodations used for a commercial purpose, including short-term rental uses;

(b) any part of a dwelling unit provided as an employment-related benefit;

(c) projects directly or indirectly serving the interests of a trade, profession, industry, commerce, or business; or

(d) eavestroughs, and internal plumbing equipment, such as toilets, sinks, bathtubs, showers, faucets, dishwashers, bidets, water heaters, water softeners, water filters, sprinklers, sump pumps, and supply lines.

Delegation

12. (1) Council hereby delegates to the CAO, or their designate, the authority to approve grants under this Administrative Order.

(2) Council hereby delegates to the Executive Director the authority to enter into, sign, amend and terminate grant agreements under this Administrative Order.

(3) The Executive Director may delegate, in whole or in part, their authority in subsection 12(2) to one or more employees of the Municipality.

(4) An employee who is delegated authority under subsection 12(3) may not further delegate that authority.

Application Review

13. Applications shall be accepted on a rolling basis.

14. (1) The CAO, or their designate, may review applications to determine if they are complete.
 - (2) If the application is incomplete, the CAO, or their designation, may notify the applicant what information is required to complete the application and specify a time to respond.
 - (3) If the applicant does not provide all the information within the time specified, or such greater period of time that the CAO or their designate has granted, the application is deemed withdrawn.
15. (1) The CAO, or their designate, may only consider a complete application for a grant under this Administrative Order.
 - (2) Complete applications shall be reviewed against program requirements and eligibility.
 - (3) Applicants will be advised if their application is approved or refused.
 - (4) Approved applicants shall be required to sign a grant agreement with the Municipality prior to any funds being paid by the Municipality.

Grant Agreement

16. The grant agreement in 15(4) shall:
 - (a) be in the form satisfactory to the CAO, or their designate;
 - (b) require the construction of the second unit to be completed, and an occupancy permit issued for it, no later than October 11, 2026;
 - (c) require recipients to forward final invoices confirming the work was completed by the earlier of an occupancy permit being issued by the Municipality or the HAF Agreement expires;
 - (d) be signed by all the owners of the property; and
 - (e) require repayment that complies with sections 21 and 22.

Distribution of Funds

17. (1) Subject to section 19, approved Halifax Water Fees Grant shall be issued in the form of a refund via a cheque, but only after the applicant signs and returns the grant agreement.
 - (2) The maximum grant amount shall be:
 - (a) for a second unit that is a backyard suite, \$2,912.96 per application, or
 - (b) for any other second unit, \$2,762.96 per application.
18. (1) Subject to section 19, approved Water and Wastewater Infrastructure Costs Grant may be issued before construction commences but only after the applicant signs and returns the grant agreement.
 - (2) The maximum grant shall be \$10,000 per application.

(3) Only invoices, receipts, and payments dated after the date of application to the program qualify for the Water and Wastewater Infrastructure Grant.

19. The Treasurer may set off, in whole or in part, the amount of any grant under this Administrative Order against any sum the person owes to the Municipality, including sums owed to Halifax Water.

20. Grants under this Administrative Order may be approved and provided on an ongoing basis until the earlier of:

- (a) June 1, 2026;
- (b) Council, by resolution, cancels the program;
- (c) the allocated funds from the Agreement are depleted; or
- (d) the Agreement expires or is terminated by any party.

Repayment Conditions

21. The full amount of the grants provided under this Administrative shall be repaid to the Municipality if the second unit is used as a short-term rental use within a period of five (5) years commencing on the date on the occupancy permit.

22. The full amount of the grant provided under this Administrative shall be repaid if work is not completed within the approved timeframe.

Done and passed in Council this th day of , 202 .

Mayor

Municipal Clerk

I, Iain McLean, Clerk of Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on [insert date].

Iain McLean, Municipal Clerk

Jurisdictional Scan of Incentive Programs

The following list provides a summary of jurisdictions with incentive programs for secondary and backyard suites, and a local program focused on water/wastewater infrastructure.

Kitimat, BC

Secondary Suite Incentive Program

- Incentive start year: 2014 (under review since March 2023)
- Incentive purpose: Provide affordable rental housing
- Funding: \$2,500 5-year forgivable loan or up to 33% of construction costs
 - Extra \$2,500 grant for accessibility
 - Extra \$5,000 or \$7,500 grant for affordability (depending on the unit affordable rental)
 - Five-year affordability period
- Further details: see [Secondary Suites - District of Kitimat](#)

Calgary, AB

Secondary Suite Incentive Program

- Incentive start year: 2023
- Incentive purpose: Legalize secondary suites (do not apply for backyard suites)
- Funding: Up to \$10,000 grant on reimbursements for safety elements and construction costs
 - Extra \$5,000 grant for accessibility
 - Extra \$1,250 grant for energy efficiency upgrades
- Further details: see [Secondary Suite Incentive Program \(calgary.ca\)](#)

St. Catharines, ON

Accessory Dwelling Unit Program (ADU)

- Incentive start year: 2020 (grant value amended in August 2024)
- Incentive purpose: Create accessory dwelling units
- Funding: Up to 70% of eligible project costs to a maximum
 - \$40,000 grant for interior accessory dwelling unit(s)
 - \$80,000 grant for exterior accessory dwelling unit(s)
 - The incentive is provided after project completion
- Further details: see [2020-Community-Improvement-Plan.pdf](#)
[City of St. Catharines Community Improvement Plan \(2020CIP\) Accessory Dwelling Unit \(ADU\) Program Guidelines \(stcatharines.ca\)](#)

Hamilton, ON

Renovates Secondary Suites Forgivable Loan Program (Secondary Dwelling Units SDU)

- Incentive start year: 2022
- Incentive purpose: Add or renovate an existing secondary unit
- Funding: \$25,000 15-year forgivable loan (for affordable rental units)
 - Extra \$5,000 grant for including accessibility modifications
- Further details: see [Winding down \(hamilton.ca\)](#)

Collingwood, ON

Rapid Additional Residential Unit (ARU) Initiative

- Incentive start year: 2023/2024
- Incentive purpose: Increase the supply of ARU rentals / adds on the County of Simcoe funding
- Funding: \$10,000 grant
 - Extra \$5,000 grant for affordability
 - Limited to the first 23 eligible participants
 - Five-year affordability period

- Further details: see [Rapid ARU Initiative: Financial Incentives | Town of Collingwood](#)

County of Simcoe, ON

Secondary Suite Program Funding

- Incentive start year: 2023/2024
- Incentive purpose: Create secondary or garden suites
- Funding: Up to \$30,000 15-year forgivable loan (for affordable rental units)
 - Extra \$5,000 grant for accessibility
- Further details: see [Affordable Housing Programs - Simcoe County](#)

Muskoka, ON

Additional Residential Units Funding Program

- Incentive start year: 2024
- Incentive purpose: Increase the supply of affordable rental housing
- Funding: Interest-free forgivable loans depending on the affordability period
 - \$40,000 for 10 years
 - \$50,000 for 15 years
- Further details: see [Programs for Builders and Developers - The District Municipality of Muskoka](#)

Kingston, ON

Additional Residential Unit (ARU) Incentive Program

- Incentive start year: 2024
- Incentive purpose: Increase affordable housing options
- Funding: 5 streams
 - \$40,000 5-year forgivable loan or up to 50% of the construction costs of backyard suites
 - \$30,000 5-year forgivable loan or up to 50% of the construction costs of secondary suites
 - \$10,000 grant or up to 50% of the construction costs to upgrade water service
 - \$5,000 grant for infrastructure costs of backyard suites
 - \$5,000 grant for accessibility
 - Five-year affordability period
- Further details: see [ARU Incentive Programs | City of Kingston](#)

United Counties of Leeds and Grenville, ON

Secondary Suites Programs

- Incentive start year: 2024
- Incentive purpose: Increase the supply of affordable rental housing for low-income households
- Funding: 2 streams
 - Homeowners
 - Up to \$25,000 15-year interest-free forgivable loan
 - Extra \$5,000 grant for accessibility
 - 15-year affordability period
 - Landlords
 - Up to \$50,000 10-year interest-free forgivable loan
 - 10-year affordability period
- Further details: see [Secondary Suites Programs - Leeds & Grenville \(leedsgrenville.com\)](#)

Halifax Region, NS

Lateral Loan Program

- Incentive start year: 2018
- Incentive purpose: Financial help for a private pipe replacement
- Funding: Up to \$10,000 of prime plus 2% interest loan
- Further details: see [The Lateral Loan | Halifax Water](#)