



**SUBJECT:** Program to assist homeowners with the cost of planning and building approval fees for basement flooding renovation work

**TO:** Mayor and Members of Council

**FROM:** Building

Report Number: BB-04-24

Wards Affected: All

Date to Committee: N/A

Date to Council: August 7, 2024

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**Recommendation:**

Approve a grant program pursuant to S. 107(1) of the Municipal Act, 2001 to provide financial assistance equivalent to the cost of zoning certificate and building permit fees to qualified Burlington residents for eligible flooding renovation work in accordance with the criteria set out in building department report BB-04-24.

**PURPOSE:**

**Vision to Focus Alignment:**

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

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**Executive Summary:**

Responding to Council discussion.

At a special meeting of Council held July 19, 2024, the CAO/City Manager was asked to investigate the establishment of a program to assist homeowners impacted by the July 15, 2024, flood event with the cost of building permit fees and report back to the Special

meeting of Council on August 7, 2024, outlining details of the program for qualifying homeowners.

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### **Background and Discussion:**

The City of Burlington experienced a severe weather event on July 15, 2024, which caused widespread flooding in many areas of the City. As of July 24, 2024, Halton Region received 869 calls related to basements experiencing flooding and/or sewer backup as a result of this storm and the City is exploring multiple avenues to provide assistance and financial relief to these residents.

At the special meeting of Council held on July 19, 2024, the CAO/City Manager and Council discussed the creation of a program to assist with the payment of building permit fees for owners impacted by flooding in the recent storm.

The program would be available to all homeowners in Burlington who experienced flooding, as confirmed by the Region of Halton, due to the extreme weather event that occurred on July 15 and 16, 2024. The program would cover the cost of a zoning certificate and/or building permit fee for interior renovations.

Halton Region is currently compiling a list of those properties where basement flooding has been confirmed and is making it available to the Planning and Building Staff.

### **Strategy/process/risk**

It is important to note that building permit fees are set out in Building Permit By-law 39-2024, and these fees cannot be waived in order to fund municipal programs.

A practical approach, in line with legislation, is to draw any required building permit fees payable under Building Permit By-law 39-2024 from a grant fund set up for this purpose under Section 107(1) of the Ontario Municipal Act. The grant would also apply to any applicable zoning certificates required for interior renovations to repair damage that occurred as a result of flooding.

In practice, when a zoning certificate and/or building permit is received for qualified work, the applicant would not be charged a zoning certificate fee and/or a building permit fee and an amount equivalent to the payable fee(s) would be charged to an account set up for this purpose. Finance is taking the appropriate steps to set up the proposed segregated account.

It is proposed that the zoning certificate and building permit relief be extended to all eligible zoning certificates and building permit applications received prior to December 20, 2024.

Residents will be eligible for this grant funding based on the following criteria:

- A flooding event in a Homeowner's residential dwelling occurred in connection to the July 15 or July 16, 2024, weather event;
- Homeowner reported flooding to Halton Region 311;
- A representative of Halton Region investigated the complaint and determined that water damage occurred within a residential dwelling due to the July 15/July 16, 2024, weather event;
- Homeowner did not have home insurance coverage or had their insurance claim denied (to be confirmed via Insurance Company)
- Interior renovations must be a like for like replacement

Halton Region has announced a \$1,000 [Ex Gratia Grant for Public Sewer Backup](#), which can help eligible residents to offset the cost of an insurance deductible or help with flooding-related costs that are not otherwise covered under their home insurance policy.

The City of Burlington has also announced a Flood Relief Grant, which will provide \$1,000 to residents with confirmed residential flooding that are not eligible for the Halton Region Ex Gratia Grant.

Further to these grants, residents will also have access to grant funding to cover related zoning certificate and/or building permit fees if the homeowner(s) are not covered under their home insurance policy. This grant funding is separate and distinct.

### **Options Considered**

Major renovations and/or reconstruction of the dwelling that are like for like replacements due to the severity of the flooding beyond the basement level will be assessed for eligibility and may have access to this grant funding. If a homeowner(s) wishes to use this opportunity to reconfigure or expand their dwelling, then regular zoning clearance and building permit fees will apply.

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### **Financial Matters:**

The Zoning Certificate fees payable for qualified work under this program are:

- Residential Basement Finish – \$308.00
- Accessory Dwelling Unit – \$1080.00
- Zoning Exemption – \$130.00

The Building Permit fees payable for qualified work under this program are:

- Interior alterations/renovations – \$7.83/sq m
- Additional Residential Unit – \$7.83/sq m

### **Total Financial Impact**

The total cost of this program will depend on the number of homeowners who undertake interior renovations themselves as they did not have related insurance coverage or were declined insurance coverage. If all of the 869 reported homes apply for relief from zoning certificate and building permit fees under this program, the estimated cost of the financial assistance would be in the range of \$989,000 to \$1,660,000 (financial range was based on a basement area of 106 sq m (1150sq ft)). It is safe to assume that a percentage of homes have insurance coverage, or the renovations do not require a building permit; if 70%<sup>1</sup> of homes have insurance coverage the estimated costs would be \$297,000 to \$498,000.

### **Source of Funding**

The proposed grant would be supported through the tax rate stabilization reserve fund. The uncommitted balance as of March 31, 2024, is \$3,050,045.

### **Other Resource Impacts**

As a result of this program there is a potential for capacity and service level constraints due to increased zoning and building permit applications.

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### **Climate Implications:**

Not applicable

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<sup>1</sup> Li,B (2022), Flood Insurance Take-Up in Canada, 2021. CatIQ. [https://public.catiq.com/blog\\_post/flood-insurance-take-up-in-canada-2021/](https://public.catiq.com/blog_post/flood-insurance-take-up-in-canada-2021/)

## **Engagement Matters:**

Halton Region and City of Burlington have been collaborating since the flood event took place in relation to assisting homeowners through this impactful event.

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## **Conclusion:**

This report summarizes a program to provide relief of zoning certificate and/or building permit fees for qualified homeowners who have experienced flooding, as confirmed by Halton Region, due to the July 15, 2024, weather event. This relief would be limited to zoning certificates and/or building permit applications for qualified work submitted by the homeowner or a contractor/agent acting on behalf of the homeowner.

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Respectfully submitted,

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## **Notifications:**

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## **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.