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## 2015 CAPITAL BUDGET BRIEFING NOTE

### Basement Flooding Protection Subsidy Program (BFPSP)

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#### Background:

- Budget Committee, at its meeting of February 4, 2015, during consideration of the 2015 Rate Supported Budgets - Toronto Water and 2015 Water and Wastewater Rates and Service Fees, requested a briefing note on:
  - a) the current policy related to the City of Toronto grants for residential back-flow valves and sump pumps;
  - b) how such policies relate to townhomes that are part of condominium development;
  - c) going forward, the estimated financial implications of including applicants to the program from these developments.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BU4.1>

#### Issue:

- The Basement Flooding Protection Subsidy Program (BFPSP) was initially created to assist homeowners effected by the May 12, 2000 rainstorm. The program was subsequently extended to properties impacted by the August 14, 2003, August 19, 2005 and May 17, 2006 storm events. City Council at its meeting on July 25, 26 and 27, 2006 approved the expansion of the BFPSP on City-wide basis, irrespective of previous occurrences of basement flooding.

#### Key Points:

##### Current Policy Related to Subsidies

- Homeowners who are eligible for a subsidy under the program include only a person or persons who own and live in a residential building with three or less separate dwelling units, such as single family, duplexes and triplexes". The term homeowner was clarified by City Council at its meeting on April 6, 2007 adopted Public Works and Infrastructure Committee Report entitled "Basement Flooding Protection Subsidy Program".
- The full list of eligibility criteria are as follows:

- Homeowners in the City of Toronto who live in their own home, including single family, duplex, and triplex buildings are eligible for subsidies.
- Homeowners who have experienced basement flooding or those who have not experienced flooding but wish to undertake flood protection works are eligible for subsidies.
- Homeowners must disconnect their downspouts from the City's sewer systems, where feasible in the determination of the City, to be eligible for subsidies.
- Toronto Water provides subsidies for flood protection works through Toronto Water's annual Capital Works budget. Subsidies are subject to available funding in the Capital Works budget and are provided on a first come-first serve basis.
- Subsidies are provided one-time only for each property on a no-fault or subsidy basis.

### **Current Policy Related to Town Homes**

- Applications received from freehold town homes are considered single family homes and eligible to apply for a subsidy under the program.
- To determine eligibility, applications received from town homes owned by condominium corporations are evaluated based on which party (residential unit owner or condominium corporation) under the owner's agreement is responsible for the underground plumbing works.

### **Estimated Financial Implications**

- To estimate the financial implications of expanding the BFPSP eligibility criteria to include town homes owned by condominium corporations the average subsidy payout is multiplied by the number of town home condominium corporations who are anticipated to apply for the BFPSP. The number of town home condominium corporations who are anticipated to apply for the Program is a function of the total number of town home condominium corporations and the a percentage of total eligible households who have submitted applications to the Program to date.

$$\text{estimated financial impact} = A (B \times C)$$

Where:

- A = the average subsidy pay out to date for the program is \$1,600
- B = Based on Municipal Property Assessment Corporation (MPAC) data the number of town homes owned by condominium corporations within the City is 28,182
- C =The percentage of eligible households that apply for the Program to date is 3.5%

$$\text{estimated financial impact} = \$1,600 (990)$$

- As a result, the estimated financial implication to expand the program eligibility and include townhouses owned by condominium corporations is \$1,584,000.

**Questions & Answers:**

- **Has any applicant of a townhouse owned by a condominium corporation been approved or denied under the program?**

Under the BFPSP, 20 subsidy applications have been received to date. A total of twelve subsidy applications were approved given the applicant demonstrated they were responsible for the underground plumbing work for their residential unit while eight applicants were unable to demonstrate this responsibility.

- **What works are eligible for a subsidy?**

The following items and works are eligible for a subsidy

- Backwater valve: 80% of the invoiced cost up to a maximum of \$1,250, including labour, materials, permit and taxes
- Sump pump: 80% of the invoiced cost up to a maximum of \$1,750 including labour, material and taxes
- Pipe severance and capping: 80% of the invoiced cost up to a maximum of \$400, including eligible labour, materials and taxes

- **How many freehold town homes are in the City?**

There are 23,669 freehold town homes.

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