

**Meeting Date:** May 5, 2025  
**Department:** Building, Planning & By-law Enforcement  
**Report No.:** BBP-2025-43  
**Prepared by:** Saja Alasmar, Development Services Coordinator  
**Reviewed by:** Jake DeRidder, Senior Development Coordinator  
**Approved by:** Rob Browning, Chief Administrative Chief

**SUBJECT:** Community Improvement Application- May 2025 – 53 Hemlock Blvd.

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**RECOMMENDATION:**

**THAT:** Report BBP-2025-43 “Community Improvement Application – May 2025 – 53 Hemlock Blvd.” be received for information, and further;

**THAT:** Council provide direction on the additional funding request.

**BACKGROUND:**

At the April 22<sup>nd</sup> 2025 Council meeting, a delegation request was made in regards to a Community Improvement Plan (CIP) application located at 53 Hemlock Boulevard in Strathroy. Council requested a report from staff with further information on the application for reconsideration.

A complete application for CIP funding was received in the Q3 of 2024 from Michael and Julianne Kloss. The submission was made in accordance with the Municipality’s CIP application guidelines. A summary of the proposed project is provided below:

**Address of the proposed works:** 53 Hemlock Boulevard, Strathroy

**Applicant:** Michael and Julianne Kloss

The applicants have previously submitted a complete CIP Application under the *Additional Unit Program*, seeking financial support through the Building/Planning Permit Fee Grant, Construction Costs Matching Grant, and Professional Fees Matching Grant. The proposal involves the development of an additional unit in the basement of their home, with upgrades to ensure compliance with current Ontario Building Code standards.

Prior to gaining knowledge of the CIP program, the applicants had completed the construction of a separate basement entrance and undertaken some interior renovations. Upon becoming aware of the program, they submitted a complete CIP application on November 27, 2024, and suspended all remaining work in order to comply with program eligibility requirements pending Council's decision.

The application was reviewed in detail by the CIP Committee and evaluated in accordance with the Strathroy-Caradoc CIP Manual. Recognizing the applicants' cooperation and adherence to program requirements following their application submission, the Committee presented two funding options for Council's consideration.

### **CONSULTATION:**

In July 2024, the applicants met with the CIP Coordinator to discuss their interest in the *Additional Unit Program*. During the consultation, they disclosed that work on the basement entrance had already been completed. Following this meeting, and upon learning that grant approval must be obtained prior to the commencement of any eligible work (CIP Manual, p. 45), the applicants ceased all further activity related to the project.

An initial CIP application was submitted on September 25, 2024, but was not considered complete until November 27, 2024, due to documentation deficiencies. It's noted that there were some minor delays due to staffing transitions within the department as well, however application requirements did not change during this transition and remained consistent with the CIP requirements. Throughout this period, the applicants demonstrated patience and compliance with CIP requirements, waiting for application review and a decision.

The CIP Committee reviewed the application on December 17, 2024, and determined it to be complete and consistent with most program eligibility criteria. However, the CIP Committee identified one exception related to Section 7.3.2 of the CIP Manual, which states:

“Applicants must obtain approval for any grant funding prior to commencing an eligible project unless otherwise permitted by the Municipality under Section 7.3.15, in its sole discretion.”  
(*Strathroy-Caradoc Community Improvement Plan, p. 45*)

Since the separate basement entrance and initial interior renovations were completed prior to the application, those components were deemed ineligible for funding. However, the applicants refrained from resuming any further work on the project until they were granted approval on their application, in order to remain compliant with the program's eligibility criteria.

In the Council Report dated January 20, 2025, the CIP Committee presented two funding options (outlined in **Table 1**):

1. **Option 1:** Provide funding solely for eligible work related to the development of the additional unit (\$6,777.56).
2. **Option 2:** Provide funding for both the development of the eligible unit and the previously completed, but ineligible, basement entrance and renovations (\$16,227.57).

**Table 1. Michael and Julianne Kloss (53 Hemlock Boulevard, Strathroy ON) CIP Funding Summary**

<b>FUNDING PROGRAM AND INCENTIVES</b>	<b>FUNDING REQUEST</b>	<b>CALCULATED INCENTIVE AMOUNT</b>
<b>ADDITIONAL UNIT PROGRAM</b>		
<b>Option 1</b>		
1. Construction Costs Matching Grant	25% of Construction Costs, up to \$15,000.00 Quote 1: <b>\$ 22,106.39 + HST</b> Quote 2: \$ 36,143.62 + HST	25% of Lowest Quotes provided <b>= \$ 5,526.60</b>
2. Building/Planning Permit fees	75% of building/planning fees \$ 661.28	@75% = <b>\$ 495.96</b>
3. Professional Fees Matching Grant	50% of professional fees, up to \$1,500.00. \$1,510.00	@50% = <b>\$755.00</b>
<b>Total Incentive Amount:</b>		<b>\$ 6,777.56</b>
<b>Option 2</b>		
1. Construction Costs Matching Grant	25% of Construction Costs, up to \$15,000.00 Quote 1: <b>\$ 59,906.43 + HST</b> Quote 2: \$ 79,129.62 + HST	25% of Lowest Quotes provided <b>= \$ 14,976.61</b>
2. Building/Planning Permit fees	75% of building/planning fees \$ 661.28	@75% = <b>\$ 495.96</b>
3. Professional Fees Matching Grant	50% of professional fees, up to \$1,500.00. \$1,510.00	@50% = <b>\$755.00</b>
<b>Total Incentive Amount:</b>		<b>\$ 16,227.57</b>

While both options were communicated to the applicants, the CIP Committee recommended Option 1, in accordance with CIP policies, ensuring consistent and fair treatment of all applicants. Council subsequently approved Option 1 on January 20, 2025, authorizing a total grant of \$6,777.56 under the *Additional Unit Program*.

Following Council’s decision, the applicants submitted a request for reconsideration, seeking the remaining balance under Option 2, amounting to **\$9,450.01**.

Should Council choose to support this request, the additional grant amount under consideration is **\$9,450.01**. Payment of the grant would be provided after occupancy for the additional unit is granted from the building department and after receiving proof of payment for all costs claimed for all eligible works.

**FINANCIAL IMPLICATIONS:**

The total grant amount under consideration is **\$9,450.01**. As of this report, **\$1,120,689.09** in uncommitted funds remains available within the 2024 CIP budget.

**ALTERNATIVE(S) TO THE RECOMMENDATION:**

1. Council to provide alternate direction.

**STRATEGIC PLAN ALIGNMENT:**

This matter is in accord with the following strategic priorities:

- 1) **Economic Development:** Strathroy-Caradoc will have a diverse tax base and be a place that offers a variety of economic opportunities to current and prospective residents and businesses.
- 2) **Managing the Challenges of Growth for the Municipal Organization:** Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources. We are committed to maintaining operational efficiency and economies of scale through these times of change.

**ATTACHMENTS:**

- January 20, 2025 Council Report - "CIP Community Improvement Application - January"

**CONSULTATION:**

Chief Administrative Officer  
Director of Finance & IT/Treasurer  
Director of Community Services  
Development Commissioner