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STATUS OF SECOND SUITE POLICIES IN YORK REGION

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, October 2, 2007, from the Commissioner of Community and Health Services and Commissioner of Planning and Development Services:

1. RECOMMENDATION

It is recommended that:

1. The Regional Clerk circulate this staff report to local municipal Planning Department Heads.

2. PURPOSE

This report responds to Council's request for an overview of existing legislation and policies governing second suites in York Region and our local municipalities. A rationale for promoting second suites is provided and barriers to implementation are identified.

A concurrent report explores opportunities for the Region to encourage affordable housing development.

3. BACKGROUND

3.1 There is a lack of affordable rental housing in York Region

It has been clearly established that there is a lack of affordable rental housing in York Region:

- The *York Region Housing Directions Study (2000)* was based primarily on 1996 census data and found that 40% of tenant households were living in housing that is not considered affordable.
- The *York Region Housing Supply Strategy (2002)*, an action-based strategy to help coordinate the efforts of stakeholders in the provision of affordable housing, identifies the provision and retention of rental housing as a key action area.
- *Housing and Our Economy: Remaining Competitive (2004)* found that a number of people working in York Region are not able to afford the housing that is currently available in the Region.
- *Housing by the Numbers (2006)* provides that in York Region 13.7% of the housing stock is rental. This is the lowest percentage of rental units in the Greater Toronto Area, followed by Durham Region at 20.3%.

The provision of legal second suites would help assist in meeting the need for affordable rental housing in the Region. The Canada Housing and Mortgage Housing Corporation estimates that in Toronto and Vancouver, where second suites are permitted, they make up close to 20% of the total rental stock.

3.2 Regional policy encourages the provision of second suites

The following regional documents and initiatives encourage the development and retention of rental housing in general, and second suites in particular.

3.2.1 Regional Official Plan

In the housing section of the Regional Official Plan it is recognized that “an integrated range of affordable housing options in York Region is critical”. As such, one of the objectives in the Plan is “to support zoning provisions that are flexible enough to permit a broad range of housing forms, types, sizes and tenures including second suites in houses...”

3.2.2 York Region Housing Supply Strategy

The Housing Supply Strategy recognizes that there is “an acute shortage of rental housing units” in the Region. One of the key actions in the strategy is to “work with area municipalities to encourage the creation of accessory apartments in all single and semi-detached dwellings subject to rigorous safety standards.”

3.2.3 Human Services Strategy: Final Report and Recommendations

The Human Services Strategy Final Report and Recommendations highlights the need to ensure an integrated range of affordable housing options is available to residents of the Region. One of the recommendations in the report reads, in part: “Increasing the supply of affordable housing options in York Region is a high priority.”

3.2.4 Preliminary Draft Sustainability Strategy

The Preliminary Draft Sustainability Strategy includes action items that encourage a mix and range of housing options as well as provisions regarding the efficient use of hard and soft infrastructure. Second suites would support these action items.

3.2.5 Vision 2026

Under the Goal Area *Housing Choices for Our Residents* there are action areas that encourage a wide variety of housing types that all residents can afford to rent or buy.

3.2.6 Planning for Tomorrow Growth Management Initiative

The Region is currently undertaking a new growth management initiative in order to update the Regional Official Plan and to conform to recent provincial initiatives. One of the components of the Growth Management Strategy is to plan for intensification. As such an intensification matrix has been formulated to help identify potential intensification areas. It is notable that the intensification matrix includes a second suites category.

3.3 Provincial policy encourages the provision of second suites

The following provincial documents encourage the development and retention of rental housing in general, and second suites in particular.

3.3.1 Places to Grow

Places to Grow, The Growth Plan for the Greater Golden Horseshoe encourages a range and mix of housing types, taking into account affordable housing needs. Further, the Growth Plan requires all municipalities to develop and implement through their official plans and other supporting documents an intensification strategy which will, in part, “encourage the creation of secondary suites throughout the built-up area.”

3.3.2 Planning Act

The *Planning Act*, as amended by Bill 51 stipulates that there is no appeal of local and regional official plans and zoning by-law policies adopted to permit second suites in detached, semi-detached or row housing. Appeals are allowed if the policies are adopted as part of a five-year review.

3.3.3 Provincial Policy Statement

The Provincial Policy Statement specifies that planning authorities shall provide an appropriate range of housing types and densities as well as minimum affordable housing targets. The Policy Statement further specifies that planning authorities shall permit and facilitate all forms of *residential intensification* and *redevelopment*. A component of intensification is “the expansion or conversion of existing buildings.”

4. ANALYSIS AND OPTIONS

4.1 Current status of Second Suites

Currently, second suites are permitted as a right in two of the nine local municipalities in York Region: the Town of East Gwillimbury and the Town of Newmarket. In the remaining seven municipalities, there are some limited provisions that allow for second suites; however, they are not permitted as a right.

4.1.1 Second Suites are permitted in East Gwillimbury and Newmarket

In the Towns of East Gwillimbury and Newmarket one accessory apartment per single family or semi-detached primary unit is permitted subject to satisfying parking, servicing and other requirements.

In East Gwillimbury the accessory apartment registry is maintained by the Emergency Services Department and in Newmarket it is maintained by the Clerks Department.

Both municipalities require registration and inspection fees. Additionally, external agencies such as the Electrical Safety Authority require additional inspection fees. In East Gwillimbury an apartment, once registered, remains on the registry indefinitely. In Newmarket the registration expires when there is a change of ownership or ten years have lapsed, at which point the owner must reapply for registration.

The Town of Markham Official Plan also allows for second suites; however, most Zoning By-laws do not. The exceptions are in Cornell, where apartments above garages are permitted, and Markham Centre. In June 2007, Markham staff submitted a report to Local Council recommending that “a Subcommittee of Development Services Committee be established to review the continued appropriateness of the Town’s current strategy for second suites and to investigate whether options for a strategy that would apply wider zoning permissions for second suites should be considered for public review and input.” Council approved this recommendation and the Subcommittee has been formed. The Subcommittee is planning a workshop for mid September in which regional staff will participate.

4.1.2 Second Suites are found throughout the Region

In 1994, the NDP government required municipalities to permit second suites in all single-family, semi-detached and town houses, subject to building and fire code provisions. In 1996, Bill 20 was passed and restored power to municipalities to decide if second suites would be permitted. All second suites that were occupied on or prior to November 16, 1995 have been grandfathered and are considered to be legal non-conforming in those municipalities that do not permit them as a right.

Additionally, it is known through multiple sources that many homeowners have built illegal apartments in their homes. The classified section of the York Region Newspaper Group in late August, 2007 advertised second suites for rent in all nine local municipalities (See Table 1). Real estate, hydro, tax, fire registry, and zoning enforcement records also serve to confirm the existence of second suites throughout the Region. Because there is no comprehensive record, it is impossible to easily determine the total number of apartments from these records.

Table 1
Second Suites Advertised by the York Region Newspaper Group
(August 2007)

Municipality	Number of Suites
Aurora	28
East Gwillimbury	9
Georgina	22
King	2
Markham	34
Newmarket	50
Richmond Hill	50
Vaughan	17
Whitchurch-Stouffville	8
York Region	220

Second suites identified as those units with a separate entrance, a portion of the house specified, shared cost or shared use of amenities.

4.2 There is a strong rationale for legalizing Second Suites throughout the Region

4.2.1 Community Building

As detailed in the Background section above, a number of inter-related policy documents at both the regional and provincial scale strongly support the provision of second suites as an affordable housing option.

Places to Grow stipulates that 40% of all residential development occurring annually within each upper and single tier municipality will be within the built-up area. Permitting second suites would be one of the least obtrusive ways to help meet this intensification target.

4.2.2 Social

It is anticipated that demand for affordable housing in the Region will continue to intensify. The aging population and social-economic diversification are factors that will feed into this increased demand. Seniors and others report that basement apartments in their homes contribute to financial security as well as a sense of safety, thus allowing them to age in place.

Because second suites are one of the most economical housing options, occupants are more likely to be financially vulnerable. Currently, if there is a complaint about a second suite the only recourse is to vacate the illegal suite and displace the occupants. If these units were permitted, the inspectors could work with the owner to bring the suite into compliance with zoning and property standards.

Second suites also provide an additional source of income for the owner, thus allowing for broader access to the home ownership market.

4.2.3 Safety

In addition to the more aesthetic standards regulated by zoning and property standard by-laws, inspectors would also have the ability to ensure that building and fire code standards were being adhered to, thus ensuring the safety of the occupants of both the primary and the secondary units.

Additionally, if second suites were permitted and registered the address information would assist Emergency Services when responding to distress calls.

4.2.4 Financial

There may be some minimal direct financial gains to municipal governments by registering second suites. Registration fees could be applied and there may be opportunity to explore property tax rates.

The more significant financial gain is found at the community level in that an inclusive community that provides housing for all residents is more likely to prosper financially. A

single second suite increases housing affordability for both the primary ownership unit and secondary rental unit. Second suites expand our supply of rental housing while at the same time making the home ownership market accessible to a greater number of our residents.

4.2.5 Administrative

A comprehensive record of second suites would allow planners to account for them in forecasting and infrastructure models. This, in turn would allow for the more accurate planning of both hard and soft infrastructure.

4.3 There are a number of barriers to legalizing Second Suites

4.3.1 Public Reaction Barriers

Public reaction to second suites is one of the most significant barriers to introducing them to an area. Concerns with property standard and parking issues can dominate discussions and guide policy decisions.

In order to properly introduce second suites into an area, guidelines for property standards and parking are critical. The number and location of second suites per primary dwelling as well as details, such as standards for access and egress, would be required. Also, the number of parking spaces required per dwelling unit and where they can be accommodated on the property must be addressed and enforced.

4.3.2 Increased Density Barriers

The impacts of increased density in a neighbourhood on the provision of soft and hard services may be viewed as a barrier. It is notable that many of the apartments that would be registered are already in existence. There is little evidence that the legalization of second suites would result in a dramatic increase in the prevalence of them. By legalizing second suites, we would have a better ability to count and plan for them. Water and wastewater services could be sized to accommodate them and schools and other human services could be properly planned for the occupants.

4.3.3 Legal Barriers and Considerations

There are a number of legal considerations that must be investigated more thoroughly prior to drafting a policy that would allow for second suites.

Building and Fire Code requirements, such as restrictions against putting dwelling units below grade must be considered.

Our legal rights and responsibilities surrounding charging fees for registrations and inspections should be investigated. Also, the ability to increase property taxes on dwellings that contain a second suite would be examined.

Finally, the legality of some of the criteria applied to second suites in other jurisdictions will be reviewed. In some cases provisions, such as the requirement that the primary unit

be owner occupied, may addresses concerns surrounding the introduction of second suites to an area, but are not legal under current legislation.

4.3.4 Administrative Barriers

If second suites were permitted as a right throughout the Region, the legal suites would be inspected and regulated and the illegal suites would be brought into compliance or vacated. In order to properly inspect and regulate second suites an administrative process would have to be created and additional manpower may be required.

4.4 Moving Forward

Next Steps with regard to second suites in the Region include:

- More thoroughly flush out the current status of second suites from a policy perspective and review local municipal intentions moving forward.
- An update to the Housing Requirements Study in which the role of secondary suites is more thoroughly examined.

4.5 Relationship to Vision 2026

The provision of second suites as a viable affordable housing option supports every goal of Vision 2026. For example, Second Suites help provide *Quality Communities for a Diverse Population* by making communities liveable and affordable for all, including the economically vulnerable and seniors. They help promote *Housing Choices for Our Residents* by increasing options for lower income home owners and renters. Also, they support *A Vibrant Economy* by providing housing for the lower income households that contribute to our labour supply. Finally, Second Suites assist with the goal of providing *Infrastructure for a Growing Region* by increasing densities and making the provision of transit in ground related communities more viable and the provision of water and wastewater services more cost-effective.

5. FINANCIAL IMPLICATIONS

If second suites were to be permitted in the seven local municipalities that do not currently permit them, there would be a number of financial implications. There may be financial gains through registration and inspection fees, development charges and property taxes. There would also be a cost associated with administering and regulating the suites.

6. LOCAL MUNICIPAL IMPACT

Permitting second suites as a right in those municipalities that do not currently permit them would have local municipal impact from an administration and growth management perspective.

The registration and inspection of second suites would be a local municipal responsibility. Local municipal staff would define and regulate the precise provisions for their municipality.

The population housed in second suites would feed into all local municipal and regional growth management work. The Growth Plan stipulates that 40 per cent of all residential development occurring annually within each upper-and single-tier municipality will be within the built-up area. The introduction of second suites would help satisfy this 40% intensification target.

7. CONCLUSION

There is a clearly established need to increase the supply of affordable rental and ownership housing in the Region. Permitting second suites is one of the most straightforward and cost effective ways to increase our known supply of affordable housing units.

Regional and provincial policy consistently promotes permitting second suites. Second suites serve to increase the supply of affordable housing and to increase density in older ground related communities.

Currently two of the nine local municipalities in York Region permit second suites; however, they are found throughout the Region.

It is anticipated that legalizing the suites that are not currently permitted would be met with resistance from some existing homeowners, particularly with respect to parking and property standard requirements.

For more information on this report, contact Sylvia Patterson, Director, Housing Services Branch in the Community and Health Services Department.

The Senior Management Group has reviewed this report.