

SUBJECT: INFORMATION REPORT
New Comprehensive Zoning By-law Project, Phase 3A –
Strategy for Implementation of Secondary Suites & Update on
Rooming Houses & Short Term Accommodations
PR 13 128340

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RECOMMENDATION:

- 1) THAT the report entitled, “INFORMATION REPORT: New Comprehensive Zoning By-law Project, Phase 3A – Strategy for Implementation of Secondary Suites & Update on Rooming Houses & Short Term Accommodations” be received;
- 2) THAT the presentation entitled, “New Comprehensive Zoning By-law Project: Phase 3A. Strategy for Secondary Suites” be received;
- 3) THAT the proposed draft Strategy for Implementation of Secondary Suites, as outlined further in this report, be endorsed. The strategy is comprised of:
 - i) A zoning by-law to introduce City-wide (except in Special Policy Areas) zoning permissions for secondary suites in single detached, semi detached and townhouse dwellings, subject to specific development standards;
 - ii) A registration by-law requiring registration of all dwellings with secondary suites, to ensure safety of occupants and compliance with applicable codes and requirements;
 - iii) A property standards by-law that includes requirements for interior property standards;
 - iv) A communications & public education plan to communicate new by-laws and requirements, and to encourage registration; and,
 - v) A 6 month monitoring program using AMANDA (City’s internal data management system) to track and evaluate the registration process including matters such as the number of building permit applications, inspections, complaints, etc.;
- 4) THAT staff report back to DSC in Fall 2017 with final recommendation reports and accompanying by-laws to implement secondary suites;
- 5) THAT staff be authorized to hold a Statutory Public Meeting in Fall 2017 to consider preliminary Official Plan policies for short term accommodations and rooming houses; THAT staff report back to DSC in Fall 2017 with a final recommendation report and accompanying Official Plan and Zoning By-law amendments for rooming houses and short term accommodations, following the Statutory Public Meeting in the fall;
- 6) AND THAT staff be authorized to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain DSC endorsement of the proposed strategy for the implementation of secondary suites in Markham. Endorsement of the proposed strategy

will authorize staff to move forward with the preparation and finalization of the various components of the strategy.

BACKGROUND:**Phase 3A – New Comprehensive Zoning By-law Project**

In March 2016, in response to feedback received during public consultation for Phases 1 & 2 of the New Comprehensive Zoning By-law, Council directed staff to advance work on the review of potential new zoning and licensing regulations for secondary suites, rooming houses and short term accommodations (STAs). Gladki Planning Associates (GPA) was retained by the City to complete this work with input from staff. Two Special DSC meetings were held in July 2016 and an Open House was held in October 2016 to consider preliminary recommendations. A Statutory Public Meeting was held on December 6, 2016 to obtain feedback on the proposed zoning by-law amendments.

At the Statutory Public Meeting, DSC referred the matter back to staff for further review of potential new Official Plan policies relating to rooming houses and STAs. Markham's Official Plan contains policies with respect to shared housing, secondary suites and bed and breakfasts, however, there are no specific policies with respect to rooming houses or short term accommodations. Inclusion of new Official Plan policies for rooming houses and STAs is important as the proposed zoning strategy is to define the uses but not permit them as of right, thereby requiring a site specific zoning by-law amendment to permit the uses. The proposed new Official Plan policies will provide guidance in the review of any future site specific applications.

Over the summer, staff and the consultant will prepare Official Plan policies for rooming houses and STAs. Another Statutory Public Meeting, targeted for September 2017, will be required prior to adoption of these policies. A final recommendation report, and proposed zoning and official plan amendments for rooming houses and STAs, are expected to be presented to DSC shortly after the September 2017 Public Meeting for their consideration. As discussed in more detail below, further work also remains to be done on the by-laws required to implement the secondary suites strategy. The proposed strategy will include new zoning by-law regulations for secondary suites; a registration by-law; an enhanced property standards by-law; a communications and public education strategy and a monitoring program.

Planning Act – Secondary Suites

In 2012, The Strong Communities Through Affordable Housing Act (Bill 140) amended various sections of the Planning Act by: requiring municipalities to establish Official Plan policies and zoning by-law provisions permitting secondary suites in detached, semi-detached and row houses, as well as in ancillary structures thereto; removing the ability to appeal Official Plan policies and zoning by-law provisions to the OMB except where such Official Plan policies are included as part of the required five-year municipal update; and authorizing the Minister of Housing to make regulations authorizing the use of, and prescribing standards for, secondary suites.

The effect of these legislative changes is to identify affordable housing as a matter of provincial interest with secondary suites playing a key role in the provision of affordable housing. In addition, the legislation requires municipalities to pass zoning by-laws to permit secondary suites in a single detached house, semi-detached houses or row houses, either within the building or in an ancillary structure.

Region of York Official Plan

Section 3.5.22 of the Regional Official Plan requires local municipalities to adopt official plan policies and zoning by-law provisions that facilitate secondary suites by authorizing:

- a. the use of two residential units in a house if no ancillary building or structure contains a residential unit; and,
- b. the use of a residential unit in a building or structure ancillary to a house if the house contains a single residential unit.

Markham Official Plan (partially approved on October 30, 2015, May 26, 2016, March 10, 2017 and April 21, 2017)

Markham's new Official Plan defines secondary suite as "*a second residential unit in a detached house, semi-detached house or row house that consists of one or more rooms designed, occupied or intended for use, including occupancy, by one or more persons as an independent and separate residence in which a facility for cooking, sleeping facilities and sanitary facilities are provided for the exclusive use of such person or persons.*"

Section 4.1.2.6 of Markham's new Official Plan (in force City-wide) states that "it is the policy of Council to support the diversification of housing tenure by providing for the establishment of secondary suites within existing and new permitted dwellings."

Chapter 8 outlines Residential, Mixed Use, Greenway and Countryside land use designations which provide for secondary suites (residential designations are currently in force City-wide, mixed use and countryside designations are in force City-wide, subject to area/site specific appeals, and greenway designations are under appeal City-wide). In addition, section 8.13.8 (in force City-wide) outlines specific uses policies that must be considered when amending the zoning by-law to permit secondary suites. More specifically, Council must be satisfied that an appropriate set of development standards are provided for in the zoning by-law including:

- a. The building type in which the secondary suite is contained;
- b. The percentage of the floor area of the building type devoted to the secondary suite;
- c. The number of dwelling units permitted on the same lot;
- d. The size of the secondary suites;
- e. The applicable parking standards; and
- f. The external appearance of the main dwelling.

Markham Zoning

Secondary suites are generally not permitted in Markham's current zoning by-laws, except for those that were legally in existence prior to November 16, 1995. However, there are some Markham zoning by-laws that permit secondary suites such as:

- o Markham Centre By-law (2004 – 196) permits secondary suites (accessory dwelling units) in some zones (MC-D 3, MC-D 4 and MC-D 5)

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- Bylaw 177-96 generally permits accessory dwelling units in Cornell, Cathedral Town & Angus Glen. These units must be located above the garage and in most cases the garages are detached however, there are some that are located in garages attached to a primary dwelling unit (177-96 provisions *5, *145, *162, *190, *196, *197, *237,*241,*432)

In the absence of City-wide zoning permissions, the City has been supporting the creation of secondary suites, as provided for in our Official Plan, through site specific applications to the Committee of Adjustment. Through this process, each individual site is reviewed for its suitability to support an additional residential unit, taking into consideration a variety of planning considerations including building type, size of unit, parking standards and external appearance of the building. From June 2015 to April 2017, the Committee has approved 22 applications for secondary suites.

DISCUSSION

Why Permit Secondary Suites in Markham?

There are several important reasons why staff is recommending that DSC approve the proposed strategy for secondary suites, that once fully implemented, will permit secondary suites city-wide:

1. Ontario municipalities are legally required to permit secondary suites.
The legislative requirements are in the Planning Act and these requirements are supported in the Region of York and Markham Official Plans. Based on the 2012 amendments to the Planning Act, the City is required to authorize secondary suites in singles, semis and townhouses. The City may provide for requirements and standards for secondary suites in the zoning by-law, however, such requirements and standards must be in the context of the overall direction that secondary suites are to be authorized, not restricted. While the Planning Act does not provide for exceptions, the Ministry has indicated on its website that inherent constraints such as floodplains and servicing constraints should be taken into consideration when implementing secondary suite policies.
2. Safety of Units and Residents
If residents cannot legally apply for permits for secondary suites, without going through a variance or zoning by-law amendment, they may build units without seeking permits and may not meet fire safety and building code compliance.
3. Benefits of Secondary Suites
 - ✓ Provide flexibility to address demographic changes (e.g. multi-generational living)
 - ✓ Contribute to stock of affordable housing without subsidy

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- ✓ Provide housing opportunities for small households (e.g. seniors & young adults)
 - ✓ Provide source of income for homeowners (e.g. can make home ownership more affordable)
 - ✓ Provide sense of security for homeowners
 - ✓ Contribute to the ongoing sustainability of the housing stock and delivery of services
 - ✓ May contribute to the ongoing sustainability of the existing housing stock & more efficient use of infrastructure and services as average household size is decreasing (and projected to continue to decrease) in the Region.

Proposed Strategy for Secondary Suites

The proposed strategy for secondary suites consists of the following components:

1. Zoning By-law – to permit secondary suites City-wide in single detached, semi-detached and townhouse dwellings (except in Special Policy Areas) subject to the following development standards:
 - No more than two dwelling units per lot
 - Dwelling units must be within detached, semi-detached or townhouse dwellings
 - Floor area of each dwelling unit must be at least 35m²
 - No more than one dwelling entrance within any main wall facing a street

Note: Coach houses already permitted in the City (e.g. Cornell, Cathedral & Angus Glen) will continue to be permitted and registration will now be required. Any additional coach houses in new communities (e.g. Future Urban Area) to be considered in the context of community design plans, plans of subdivision and implementing zoning amendments.

2. Registration By-law – all dwellings with secondary suites must be registered to ensure life safety and compliance with all applicable codes and standards. It is proposed that the Fire Department maintain the Registry for homes with two dwelling units.
3. Property Standards By-law – the City's property standards by-law will be amended to include requirements for interior property standards such as heating, plumbing, electrical, ventilation, etc.
4. Communications Strategy & Public Education – following enactment of the zoning by-law to permit secondary suites, it is recommended that a communication and public education campaign be initiated to inform the public of by-law changes, explain registration requirements and benefits and to promote safety.
5. Monitoring Program – staff will monitor the registration process for 6 months following the implementation of secondary suites in Markham and will report

back to DSC with recommendations for improvements and/or additional resources, if required. The monitoring program will track items, including but not limited to, the number of building permit applications, complaints and inspections.

Staffing & Financial Implications

Initial Investigation/Inspection for Existing Unregistered Units – Average Time (per unit)

Fire	25.0 hours
Building	15.0 hours
By-Laws	<u>7.5 hours</u>
Total	47.5 hours = approx. \$4,000 of staff time (incl. benefits & equipment)

Existing Capacity (assumes 1 FTE = 1,500 hours/year)

Fire	0.25 FTE = 15 investigations/inspections
Building	0.50 FTE = 50 investigations/inspections
By-Laws	0.25 FTE = 50 investigations/inspections

With an additional 0.6 FTE in Fire, the City could process approximately 50 new cases per year

Initial Investigation/Inspection for Existing Unregistered Units

Estimated # of Unregistered Units = 4,000 – 8,000

Very little data exists regarding the potential uptake on reported units

Even with 7 additional FTE, the City could only process approximately 250 new cases/year

Existing Capacity plus 7 new FTE (assumes 1 FTE = 1,500 hours/year)

Fire	0.25 FTE + 4.00 additional FTE = 255 investigations/inspections
Building	0.50 FTE + 2.00 additional FTE = 250 investigations/inspections
By-Laws	0.25 FTE + 1.00 additional FTE = 250 investigations/inspections

Estimated Cost of Initial Investigation/Inspection for 250 units/year = \$900,000

Based on what other municipalities are charging for Registration and Fire Inspection Fees, Markham may only be able to recover 25-50% of these costs

Re-Inspection – Average Time

Fire	9.0 hours
By-Laws	<u>2.0 hours</u>
Total	11.0 hours = approx. \$1,000 of staff time (incl. benefits & equipment)

Assuming any existing capacity would be allocated to new investigations/inspections, any re-inspection (including inspections for registration renewals) would require hiring new staff. 4.5 new Fire FTEs and 1.0 new By-law FTE could handle approx. 750 re-inspections/year (at an approx. cost of \$670,000/year).

Staff will report back with a possible registration renewal process and registration fees when all by-laws, including the registration by-law, are presented to DSC for consideration by the end of the year.

Next Steps

1. Final recommendation report and accompanying by-laws and communication\public education plan, to implement secondary suites in Markham, will be presented to DSC in Fall 2017.
2. Statutory Public Meeting for proposed new Official Plan policies for rooming houses and short term accommodations to take place in September 2017. Final recommendation report and accompanying OPA and ZBA to follow afterwards (anticipated late Fall 2017).

FINANCIAL CONSIDERATIONS:

There are financial implications for specific City departments with respect to staffing matters such as enforcement, inspection, etc. as outlined in this report. Specific departments have provided the estimated staffing time and costs contained in this report.

HUMAN RESOURCES CONSIDERATIONS:

There are human resources implications for specific City departments with respect to staffing matters such as enforcement, inspection, etc. as outlined in this report.

ALIGNMENT WITH STRATEGIC PRIORITIES:

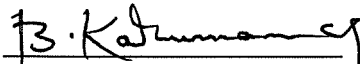
The New Comprehensive Zoning By-law Project aligns with the City's strategic priority of Growth Management by implementing the New Official Plan and establishing a zoning framework to guide future development in the City. This Project also aligns with the City's strategic priorities relating to quality customer service by providing improved access to up-to-date zoning information.

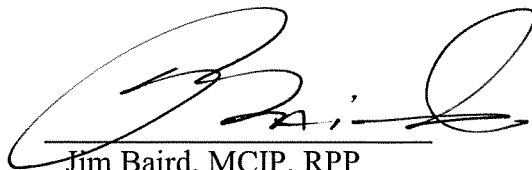
BUSINESS UNITS CONSULTED AND AFFECTED:

This City-wide Project affects many City Departments. All relevant City departments have and will continue to be consulted throughout each Phase of this Project, as appropriate.

RECOMMENDED

BY:


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Senior Development Manager,
Planning & Urban Design


Jim Baird, MCIP, RPP
Commissioner, Development Services

ATTACHMENTS:

Appendix "A": Presentation – Strategy for Secondary Suites

File path: Q/Development/Planning/Teams/Zoning&SpecialProjects/NewComprehensiveZoningBy-lawProject/Phase3/Phase3A/DSCReports/June 12_2017