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DATE: June 7, 2011

TO: Chair and Members of Planning and Development Committee
Meeting Date: June 27, 2011

FROM: Edward R. Sajecki
Commissioner of Planning and Building

SUBJECT: **Housing Choices: Secondary Units**

RECOMMENDATION:

1. That the report titled "*Housing Choices: Secondary Units*" dated June 7, 2011, from the Commissioner of Planning and Building, be received.
2. That staff be directed to undertake public consultation on secondary units, as described in the report titled "*Housing Choices: Secondary Units*" dated June 7, 2011 from the Commissioner of Planning and Building.

BACKGROUND: Mississauga has long recognized housing as a critical component of liveable communities and has strived to ensure housing choice for the City's residents. In keeping with this, housing affordability was identified as an issue in the development of the City's new Strategic Plan and incorporated in two strategic goals in the *Belong* Strategic Pillar.

Recent Provincial and Regional initiatives have also addressed housing issues in *Places to Grow: Growth Plan for the Greater Golden Horseshoe, 2006 (Growth Plan)*, *Building Foundations: Building Futures, Ontario's Long-Term Affordable Housing Strategy (LTAHS)* and in the Region of Peel *Housing Strategy*.

In the coming years, Mississauga will need to address the increasing challenges related to the availability of affordable housing. Senior levels of government transferred the responsibility for social housing to upper and single tier municipalities a number of years ago. This shift in responsibility, combined with changing demographic characteristics, has led to a growing demand for affordable housing. The Region of Peel has the longest waiting list for social housing in the Province.

Housing Choices: Mississauga's Affordable Housing Strategy and Action Plan (Housing Choices) is being undertaken to address these challenges. It is being prepared and implemented in phases to allow consideration and review of the individual components. This strategy also incorporates the advice of a cross-Departmental Technical Committee (Appendix 1) and includes the assistance of consultants, SHS Consulting, to address specific components. It will present "Made-in-Mississauga" solutions to address the challenges of affordable housing.

Housing Choices includes work on secondary units. This component was identified in *Housing Choices: Vision and Framework* brought forward to Planning and Development Committee at its meeting on June 13, 2011. The Province's *LTAHS* established a new framework for affordable housing. It includes amendments to the *Planning Act* requiring municipalities to develop policies permitting secondary units, and zoning by-laws to implement these policies. The proposed new Mississauga Official Plan also includes policies permitting secondary units (referred to as secondary suites) in detached dwellings where appropriate. On June 15, 2011 an Education Session with City Council will be held to discuss the issues of concern regarding the implementation of policies for secondary units.

The purpose of this report is to provide some background information on secondary units and present a draft public consultation program. A comprehensive report on this issue is proposed to be brought forward for consideration once this consultation has been completed.

COMMENTS:

Secondary units are self-contained living units in residential dwellings, also referred to as basement apartments or accessory dwelling units. Although they can offer some of the most affordable housing choices within established communities, secondary units raise concerns because of their possible impacts on property standards, on-street parking as well as the potential to place an additional burden on infrastructure and City services.

With supporting regulation and community understanding of the issues, secondary units can lead to the better utilization of existing housing stock and infrastructure, as well as provide much needed healthy and safe housing choices to households with affordability issues. The issues and comparative practices are summarized below along with a program for the review of secondary units and an overview of the public consultation.

1. Summary of Common Concerns and Issues

Typically, a number of issues emerge in discussions regarding the potential impacts of secondary units on established neighbourhoods. These issues are summarized in Appendix 2. There seem to be four major areas of concern, some of which may be perceived:

- Neighbourhood impacts of secondary units including declining property values, parking, garbage, noise, neighbourhood densities and impacts on the character of a neighbourhood;
- Impacts of secondary units on existing infrastructure and services and the strain on the capacity of the system;
- Overcrowding, large household sizes in secondary units and compatibility of secondary unit occupants with existing residents; and,
- Safety issues as many secondary units are illegal and do not meet the Ontario Building Code and Fire codes endangering residents.

The implementation strategy for secondary units will strive to account for neighbourhood and resident concerns while proposing regulations and requirements that will make these units legal, safe and worry-free.

2. Comparative Municipal Review

A review of policies and regulations from over twenty municipalities was conducted to obtain information on best practices in the implementation of secondary units. This review focused on the Greater Toronto Area and Hamilton (GTAH), although research on municipalities outside of the GTAH, in the Province and in other Provinces was undertaken for additional strategies to address common challenges. Appendices 3 and 4 provide a summary of this review.

Although municipal circumstances vary, health and safety issues are a primary motivation for legalization of secondary units. Regulations are commonly introduced with permissions for secondary units to address community concerns. Regulations often direct which properties could support these units. Despite diverse municipal contexts across the GTAH, there are a number of similarities in secondary unit provisions. They are:

- permitted mostly in detached dwellings, in some municipalities in semi-detached dwellings, duplexes and townhouses;
- limited in number with one secondary unit permitted per dwelling;
- restricted by size, most have maximum size restriction,
- required to be smaller in size than the principal dwelling;
- required to be unnoticeable from the street and most municipalities restrict modifications to dwelling exterior;
- required to provide parking in the majority of municipalities; and,
- required to maintain driveway widths or landscaping provisions.

In addition, most municipalities permit secondary units as-of-right and apply regulations to direct where they can locate. Consistency across the municipal jurisdiction not only creates a sense of equity and fairness but is simpler and easier to understand. In addition, there is less burden on infrastructure when secondary units are distributed across the municipal jurisdiction. Municipalities that restrict secondary units by location generally do so because of local or historic circumstances.

In addition to regulations, community concerns about declining property standards precipitate licensing and inspection protocols. Also, implementation practices often include a comprehensive public consultation and education process to increase community acceptance.

3. A Program for Secondary Units

An implementation of secondary unit policies in Mississauga will require a complete program to address any impacts of secondary units in established neighbourhoods and on existing infrastructure. This program may include:

- Zoning provisions;
- Licensing requirements; and,
- An education program including information on matters such as health and safety regulations and property standards.

4. Overview of Draft Public Consultation for Secondary Units

The public consultation for secondary units will capture public concerns and develop strategies to address concerns in order to implement the requirements to permit secondary units. It will consist of four interactive public meetings in different locations across the City. The meetings will be facilitated by SHS Consulting, the consultant retained for *Housing Choices*. Participants will be asked to respond to specific areas of concern. Any issues which have not been raised will be documented once preliminary feedback is obtained. Every opportunity will be taken to partner with any consultation sessions held by the Mississauga Members of Provincial Parliament, as requested by City Council in response to the Province's *LTAHS*. The details of the public consultation are summarized in Appendix 5.

In addition to this consultation, a web page will be established with all the information on *Housing Choices*. It will provide a tool to further submit concerns and information on links to each of the components. The use of social media to continue the dialogue on secondary units and affordable housing will also be explored.

STRATEGIC PLAN: The Strategic Plan identifies the need for affordability and choice in the City's housing in two of the strategic goals (Ensure Affordability and Accessibility; and Support Aging in Place) under the Belong: Ensuring Youth, Older Adults and Immigrants Thrive strategic pillar.

FINANCIAL IMPACT: Not applicable.

CONCLUSION: The implementation of the Provincial requirement to permit secondary units will require careful consideration. A number of initiatives will need to be in place to ensure that the implementation addresses the impacts these units might have on existing stable neighbourhoods and realizes the contribution to the City's affordable housing initiatives. The public consultation proposed in this report is the first step in the development of this initiative.

ATTACHMENTS:

- APPENDIX 1: Housing Choices: Mississauga's Affordable Housing Strategy and Action Plan Technical Committee Membership
- APPENDIX 2: Summary of Key Issues and Possible Approaches
- APPENDIX 3: Other Municipalities Reviewed for Secondary Unit Policies
- APPENDIX 4: Summary of Approaches in Selected Municipalities
- APPENDIX 5: Summary of Draft Public Consultation Approach

Edward R. Sajecki
Commissioner of Planning and Building

Prepared By: Emily Irvine, Planner

Appendix 1: Housing Choices: Mississauga’s Affordable Housing Strategy and Action Plan Technical Committee Membership	
Business Unit	Representative
Zoning Examination	Barb Leckey
Inspection Services	Leo Cusumano
By-Law Enforcement	Daryl Bell Jamie Hinton
Legal Services	Marcia Taggart
Fire Division	Gino Nucifora
Finance	Susan Cunningham
Revenue	Pam Kitney
Development and Design	Chris Rouse Marianne Cassin
Policy Planning	Angela Dietrich
Communications	Ann Lehman-Allison

APPENDIX 2: SUMMARY OF KEY ISSUES AND POSSIBLE APPROACHES			
Issue	Concerns	Comments	Possible Approaches
Property Values	Is there a decline in property values when secondary units come into a neighbourhood?	Perception exists that properties with secondary suites are left to deteriorate into poor repair. There is no evidence to support the link between declining property values and secondary units. Declining values are more closely associated with poor property standards. A secondary suite may increase the value of a property similar to finished basements.	Property values are market driven. Enforcement of property standards can contribute to maintaining property values over time. Secondary units which are installed with the benefit of municipal review and inspections through a Building Permit are more likely to maintain property values.
Parking	Additional vehicles may be introduced from a secondary household and result in increased on-street and front yard parking.	It is acknowledged that parking can be an issue for secondary units. An increase in on-street and front yard parking may result if vehicles cannot be accommodated on the property where the use is permitted.	Parking standards for secondary units should be introduced in the Zoning By-law. Zoning regulations should be designed to eliminate this issue through a number of regulations including: <ul style="list-style-type: none"> • a parking standard for dwellings with a secondary unit • maximum driveway widths exist in the Mississauga Zoning By-law but may need to be reviewed; and, • maximum hard surface area could be introduced to prevent removal of landscaping.
Property Maintenance	Secondary units are associated with declining property standards and reduced property maintenance.	Property maintenance can sometimes become an issue and this is not necessarily related to secondary units but can occur in any property in the City. This is most commonly associated with property values.	Property maintenance is a homeowner's responsibility. The City has a Property Standards By-law to enforce regulations and address complaints. Information on property standards could be part of an

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Issue	Concerns	Comments	Possible Approaches
			education program on secondary units and a requirement to comply with the Property Standards By-law could be a requirement of licensing.
Noise	Noise is often cited as an issue in relation to secondary units.	Noise issues can relate to lifestyle of residents and can be associated with households with or without a secondary suite.	The City has an existing Noise By-law which it enforces in response to complaints. Information on noise standards can be included in a public education program on secondary units and compliance with the Noise By-law could be a requirement of licensing.
Increased burden on infrastructure and municipal services	Concerns exist regarding the potential for strain to be placed on existing services by additional households in secondary units.	The number of secondary units or potential new units is unknown as these are put in place without municipal review. As a result the infrastructure requirements are unknown.	Establish a registration and licensing for secondary units could be used by infrastructure providers to assist in monitoring capacity.
Revenue from Secondary Units	Secondary units do not pay their “fair share”. There is no business tax or separate property tax assessment for secondary units.	MPAC has indicated there is no distinct category for dwellings with a secondary unit. In addition, there are no changes expected in the current assessment system in regard to secondary units. There is no business tax that can be applied. Additional fees and taxes may overburden potential secondary suite owner and contribute to increasing the illegal secondary suite housing stock.	Revenue sources from secondary units could be derived from: <ul style="list-style-type: none"> • Potential revenue from increased property value; • Recovery of costs from registration and licensing; • Utility fees are recovered from usage of water and electricity; • garbage on a user-pay basis would recover costs; and, • User fees for recreational programs. MPAC should be lobbied to develop an assessment category for dwellings

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			with secondary units so that revenues can be identified and communities can be property serviced.
Absentee Landlords	This is perceived to lead to poor property maintenance and accountability.	Municipalities in other provinces that have this requirement under different legislative authority have stated that it is unenforceable. The underlying issue of landlord accountability can be addressed through registration and licensing.	Further explore owner occupancy requirement.
Densities	Too much density will result from secondary units.	Secondary units represent minimal density increases and have less of an impact on density than introducing a low rise building or other forms of multiple unit buildings into a neighbourhood.	<p>Amending the Zoning By-law to permit secondary units would include provisions to safeguard excessive density by:</p> <ul style="list-style-type: none"> • allowing one and no more than one secondary unit per dwelling; • secondary unit to be smaller than the primary dwelling; • requiring parking on site; • requiring minimum landscaping be maintained (this would be a new provision in the Zoning By-law); • prohibiting alterations to the building exterior (not simply the front elevation, this requires stairwell be internal); • requiring compliance with Building and Fire Code regulations. <p>In addition to these specific requirements the</p>

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			Zoning By-law has maximum driveway widths. A new provision for a maximum number of driveways could also be introduced.
Neighbourhood Character	Neighbourhood character is perceived to be altered and negatively impacted by changes to the exterior of dwelling units when secondary units are established.	It is possible to ensure through zoning regulations that no changes to the front façade/elevation are permitted.	Amending the Zoning By-law to permit no change to the front façade/elevation should ensure that dwellings with secondary units are indistinguishable from the street.
Occupant Profile	There are many preconceptions regarding secondary suite occupants. Primary concerns are that households that occupy secondary units will not be compatible with the socio-demographic profile of the existing neighbourhood. In addition occupants are believed to be more transient.	Typical occupants are students, singles, lone-parent families, elderly parents seeking affordable housing in low density neighbourhoods.	Education program should include information on secondary unit occupants.
Safety	Secondary units are put in place without inspections and can result in health and life-safety issues.	Legalizing secondary units would subject them to the health and safety requirements of the Ontario Building Code and Fire Code.	Amend the Zoning By-law to legalize secondary units, which would require building permits and inspections. Establishing a registration and licensing regime which required renewal would also ensure that health and safety standards are being maintained.
Garbage	Increase in debris and garbage on properties with secondary units.	Property Standards By-law can be used to control unsightly garbage on properties. In addition, concerns related to additional household garbage being generated by a dwelling with a	Establish a registration and licensing regime to allow for more consistent enforcement of Property Standards By-law.

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Issue	Concerns	Comments	Possible Approaches
		secondary suite, these properties are subject to the same Regional garbage restrictions as any other detached dwelling unit.	

APPENDIX 3: OTHER MUNICIPALITIES REVIEWED FOR SECONDARY UNIT POLICIES¹			
Municipality	Permit with Policies in Place	Work Underway	Not Pursuing
Ajax	Permitted		
Aurora		Work Underway	
Brampton ²			Not pursuing
Burlington	Permitted		
Caledon	Permitted		
Clarington	Permitted		
Guelph	Permitted		
Hamilton	Permitted		
Markham			Not pursuing
Newmarket	Permitted		
Oakville	Limited permission		Not pursuing
Oshawa	Permitted		
Ottawa	Permitted		
Pickering	Permitted		
Richmond Hill		Work Underway	
Toronto	Permitted		
Vaughan		Work Underway	
Whitby	Permitted		

1. In addition to obtaining information from municipalities that have secondary unit policies and zoning requirements in place, 12 other municipalities were reviewed. Of the municipalities reviewed 3 are working on this issue and 3 are not pursuing further. Out of Province municipalities are not included in this table.
2. Brampton permits secondary units by site specific zoning by-law amendment. There have been no successful amendments to establish a secondary unit with this process.

APPENDIX 4

**APPENDIX 4:
SUMMARY OF APPROACHES IN SELECTED MUNICIPALITIES**

Municipality	Toronto	Ottawa	Caledon	Burlington	Oakville	Guelph
City Wide or Area Specific	City Wide	City Wide (with the exception of Rockcliffe Park)	Residentially designated lands in Rural Service Centres, Villages & Hamlets, Agriculture Area, Rural Area, Rural Estate Residential Area, Policy Area 1, 2 or 3 within Palgrave Estates or Environmental Policy area	City Wide	Very limited - in selected areas by site specific by-law (regulations are subject to area where permitted)	City Wide
Dwelling Type	Singles/Semis but must be at least 5 years old	Singles/Semis/ Duplex	Singles/Semis/ Duplex/ Link	Singles	Depending on zone, singles, semis and townhouses	Singles/Semis
Min. GFA	No less than 55 m ² (592 sq.ft.)	No	32.5 m ² (350 sq.ft.)	42 m ² (452 sq.ft.)	50 m ² (538 sq.ft.)	No
Max. GFA	No – must be secondary in size to principal unit	At grade or above grade – 40% of dwelling, if located in basement, may occupy whole basement	30% of dwelling	100 m ² (1,076 sq.ft.). Not greater than 40% of total floor area	40% of total floor area	Not greater than 45% of total floor area – Maximum 80m ² , Maximum 2 bedrooms
Min. Frontage	No	No	Yes varies depending on residential zone 15m (49 ft) to 45m (148	15 m (49 ft)	Depending on zone	Double driveway usually 10 m (32ft) (No minimum)

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Municipality	Toronto	Ottawa	Caledon	Burlington	Oakville	Guelph
			ft)			
Min. Lot Area	No	No	Yes range from 0.8 ha (1.97 ac) to 650 m ² (6,997 sq.ft.)	No	No	No
Parking No. of spaces On-site/off-site	1 space per unit and where 2 parking spaces required for property, 1 space can be used for second suite	Not required – where provided must not be in front yard can be tandem in driveway	1 parking for each 70 m ² (735 sq.ft.) maximum of 2 parking in addition parking required for dwelling	2 spaces per accessory unit, 2 spaces per principal dwelling unit	1 parking space per unit	Principal dwelling 2 spaces plus one additional 1 space (not tandem) for secondary suite
Maximum Driveway Widths	No	50%	Depending on frontage cannot exceed semi 5.2 m (17 ft) detached 6 m (20 ft) for lots 12 m (39 ft) for less, larger than 12 m (39 ft) up to 50% of lot frontage or 8.5 m (27 ft) whichever is less	7.35 m (24 ft) on 15 m (49 ft) lots	Depending on zone	Double driveway width under consideration
Maximum Number of Driveways	No	No	2 driveways and maximum and entrance separation requirement of 2.5 m (8.2 ft)	No	No	1 driveway
Maximum Hard Surface	No	50% where parking provided	No	50%	No	No
Minimum Landscaping	No	50% where parking provided	Range between 30% and 50%	50%	No	No

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Municipality	Toronto	Ottawa	Caledon	Burlington	Oakville	Guelph
Separation Distance Requirements	No	No	No	No	No	Considering
External appearance	No addition or substantial alteration to exterior appearance of front or side of the dwelling facing street.	No change in streetscape - must have a separate access that cannot be located in an exterior wall facing the front	No	Separate exterior entrance required. Separate entrance prohibited on front elevation	No	Preserve front façade. Maintain single entry (i.e. rear yards not to be divided)
Registration/Licensing	Not required	No	Yes	No	Yes	Mandatory
Licensing fees	No	No	\$119 (registration fee)	No	\$300	\$100 (registration fee)
Amnesty period	No	First year information sessions - ongoing information online	6 months	No	No	5 year period without fee to encourage existing units to be legalized
Financial incentives	No	No	No	No	No	No
Inspections/Enforcement	Building	Property Standards	Building	Building/Enforcement	Building	Building/Fire/Zoning
Comments	Currently the City of Toronto is attempting to harmonize regulations across the former municipalities	Development charges issues – on new home will pay double development charges		135 m ² (1,453 sq.ft.) minimum rear yard in amenity area		Currently under review. Consideration of renewal licensing fee and distancing requirements.

**APPENDIX 5:
SUMMARY OF DRAFT PUBLIC CONSULTATION APPROACH**

Consultation Sessions:

- Number of Sessions: Four general public sessions, one in each quadrant of the City and one key stakeholder session
- Audience: General Public and Key Stakeholders
- Times: Evenings for 3.5-4 hours
- Venues: Community Centres and City Hall or Meeting Rooms
- Anticipated Number of Participants: preparation will be for 50-100 people per session
- Format: Sessions are a Combination of Open House and Focus Groups
 - Visual displays throughout the room that provide information on secondary units, including showing samples of homes that have secondary units and that blend in the neighborhood. Displays that provide pictures of and discuss areas of concern, such as parking. A planning staff person located at displays.
 - Brief introduction sessions that start on the hour at 6:00, 7:00, and 8:00 pm, where participants are welcomed, provided with a brief presentation regarding the secondary unit policy considerations, and information on options for providing feedback
 - Following the introduction sessions participants could choose to participate in a half hour focus group where they could discuss 4-5 questions (2-3 breakout sessions at a time).
 - Alternatively participants could choose to respond to the 4-5 questions on computer stations that could be set up at the sessions, or in paper format that is available at the sessions, or provide feedback to the staff located at the displays. The City's website could have the same 4-5 questions for people who choose to respond at a later time.