



City of Maple Ridge

TO: Her Worship Mayor Nicole Read and Members of Council **MEETING DATE:** October 3, 2017
FROM: Chief Administrative Officer **MEETING:** Council Workshop
SUBJECT: Rental Housing Program: Detached Garden Suite Update and Next Steps

EXECUTIVE SUMMARY:

The purpose of this report is to update Council on staff's initial findings and seek endorsement to engage the community regarding the current review of the City's Detached Garden Suites (DGS) program as part of an ongoing series of efforts intended to encourage greater rental housing in the City. The pursuit of rental housing stems from the 2014 endorsed Housing Action Plan and was reaffirmed through the endorsement of the Housing Action Plan Implementation Framework in September, 2015. Subsequently, staff brought forward a report dated August 29, 2016 which included recommendations to review and expand the DGS Program as one strategy to encourage rental housing in Maple Ridge.

Introduced in 2008, the existing DGS program has resulted in 40 garden suites in the City. From the first steps of the DGS review process, a set of proposed zoning, construction and processing options have been identified. Informed by industry discussions and in collaboration with other departmental staff and non-profit organisations such as Small Housing BC and the BC Tiny House Collective, such early findings point to possible opportunities that may remove unintended regulatory and financial challenges to the development of a DGS, and in turn lead to greater housing choice and rental options in the City.

While much discussion has been held, Council endorsement of a wider conversation with the community is sought by staff. The proposed engagement process is envisioned to be multi-faceted with many opportunities to gain greater insight into the community's interests related to Detached Garden Suites. A component of the proposed engagement process is a design competition to help produce a standard set of DGS designs, as one possible means to lower the cost and time involved in developing a DGS. The results of the engagement process and the design completion will be the subject of future Council reports and will help shape a culminating pilot project proposed for 2018, to heighten community awareness of the updated DGS program.

RECOMMENDATION:

That the "Proposed Community Engagement Program" section of the report titled "Rental Housing Program: Detached Garden Suite Update and Next Steps", dated October 3, 2017 be endorsed.

BACKGROUND:

On November 4, 2008, Council approved bylaw amendments to accommodate detached garden suites, or small, accessory and ground-oriented dwelling units. The approved bylaw amendments were the result of an extensive community discussion and were based upon the considerable interest expressed by local residents in accommodating this form of housing in our community.

In 2012/2013, the City undertook a review of its Secondary Suites program, which was originally approved in 1999. Through the community dialogue that took place, residents expressed support for secondary suites as a means of providing household mortgage assistance, facilitating aging in place, as well as a measure of affordable rental housing.

On September 14, 2015 Council endorsed the Housing Action Plan (HAP) Implementation Framework. The HAP Implementation Framework builds from the key strategies recommended in the Housing Action Plan and established short, medium and long-term actions to facilitate and preserve affordable housing in Maple Ridge. Strategy Four of the HAP is to Create New Rental Housing Opportunities.

On August 29, 2016, Council prioritised a list of available measures to facilitate the development of greater rental opportunities in the City, and directed staff to prepare detailed reports and amending bylaw packages for the following actions:

1. Review and expand the Detached Garden Suites Program;
2. Review and expand the Secondary Suites Program;
3. Permit duplexes in Single Family zones without rezoning, on minimum, lot sizes of 557 m² in the town Centre and 750 m² within the Urban Area Boundary; and
4. Develop a policy to support rental units above commercial.

On September 19, 2017, Council directed staff to initiate a community engagement process to gain feedback on a number of possible options to expand the City's Secondary Suites program, and to report back the results for next step directions.

DISCUSSION:

Following Council's prioritisation of the above noted areas that could foster greater rental opportunities in the City, staff undertook a regulatory and policy review of the City's existing Detached Garden Suites program as well as conducted a number of discussions with industry stakeholders. This report brings forward staff's initial findings and recommends wider community discussion as a next step.

Staff note that the remaining items stemming from the August 29, 2016 Council directions will be addressed through separate reports over the remainder of 2017 and early 2018, the first of which related to a Secondary Suite program review and was presented to Council on September 19, 2017.

a) Detached Garden Suites Program Review:

The City of Maple Ridge established a DGS program on November 4, 2008. Since that time, Detached Garden Suites (or laneway homes, coach houses, or carriage homes as they are called elsewhere in the Metro and Fraser Valley regions) have become more commonplace in the Lower Mainland. Several benefits from such accessory dwelling units include:

- Supporting neighbourhood character;
- Making efficient use of existing infrastructure;
- Contributing to greater housing diversity;
- Increasing ground-oriented rental stock;
- Providing additional income to owners;
- Supporting ageing in-place;
- Encouraging multi-generational living.

Despite these positives, in Maple Ridge there has been relatively low uptake of the DGS program since its inception. As of Spring this year, there are currently 40 DGS units in Maple Ridge, including both those that are completed as well as in process. From staff's assessment and our early industry discussions related to our existing DGS program, a number of factors have been identified as possibly contributing to this relatively low level of uptake:

- A lack of awareness of the DGS program;
- There is a limited laneway system in the City (noting that laneways are not a requirement), which may create challenges for access;
- A property with a DGS cannot be stratified or subdivided, which increases the length of time for a return on investment;
- There are siting, massing, and building requirements that may be considered too limiting; and
- Land values in Maple Ridge have historically been fairly low compared to other municipalities in the Lower Mainland, making the cost of constructing a DGS relatively high in comparison to the value of the overall subject property.

Staff acknowledges the limited lane network and the intent of preventing stratification in order to ensure the DGS units remain available for rental; and thereby note that these matters are considered beyond the scope of current review effort. Further, staff recognises the opportunity that the current review and proposed community engagement process provide to address matters related to awareness of the DGS program.

Staff therefore concentrated their initial assessment on the remaining issues tied to the existing zoning and the land economics or financials that surround a DGS.

i) Zoning Assessment:

In terms of the regulatory issues, staff compared the City's DGS zoning provisions against those of other communities in the Metro and Fraser Valley regions that permit accessory dwelling units. The summary results of our comparison are presented in Table 1 in Appendix A.

In parallel, staff connected with Small Housing BC (<http://www.smallhousingbc.org/>), towards gaining research and insights related to small forms of housing. Small Housing BC is a non-profit society that has worked to support and promote small housing as a sustainable housing form since 2012.

Staff also reached out to two prominent single-family home developers that expressed interest in incorporating DGS as part of future developments/subdivisions as well as four modular/manufactured home representatives that had expressed an interest in developing a DGS in Maple Ridge. The intent was to discuss the existing DGS regulations and policies towards identifying possible issues that may unintentionally be hindering wider-spread development of DGS in the City.

Based on the research gathered and staff's recent conversations, our regulatory assessment as summarised in Appendix A indicates that the City is generally consistent with other similar accessory dwelling unit programs in the Lower Mainland.

From the current more detailed assessment along with the earlier presented staff report from August 2016, staff have outlined in the following Section (see Detached Garden Suites Program - Next Steps) a set of regulatory options that may benefit our existing DGS program.

ii) Land Economic and Financial Assessment:

The local housing landscape has changed considerably over the last 2-5 years, especially in terms of land values which have increased significantly. As noted above, through staff's research and initial industry outreach, it has been raised that with rising land values there is an associated rise in construction costs. From an assessment of Building Permit applications for DGS recently submitted to the City, staff observed that typical construction costs in Maple Ridge are approximately \$130 per square foot, which equate to \$125,000 for the largest sized DGS. In addition to presenting a possible cost burden to any homeowner interested in creating a detached accessory rental suite, the relatively high cost associated with constructing a DGS could begin to foster an unintended barrier when compared to costs of creating a secondary suite.

In comparison, through a similar assessment of Building Permit applications for secondary suites in the City, it was learned that the costs associated with renovating and converting an existing basement into a secondary suite is approximate \$38 per square foot. Such lower construction costs make secondary suites a more economically attractive option over a DGS should a land owner wish to develop a rental option on their property.

In addition to the direct costs, staff also note the indirect costs associated with the processing and construction time of a framed DGS. Combined with the earlier identified regulatory issues, these cost related factors start to raise questions about how different program requirements and/or alternative methods of constructing such accessory dwelling units might start to make the DGS program more attractive to land owners.

DETACHED GARDEN SUITES PROGRAM NEXT STEPS:

Working from the opportunities initially outlined in the earlier August 2016 staff report, and along with the above analysis, staff from the Planning and Licences, Permits & Bylaws Departments has identified a number of proposed technical solutions for Council's consideration that could expand the City's current Detached Garden Suite program.

a) Explore more regulatory flexibility;

From the comparison of our program with those of other communities, certain zoning requirements inherent to our DGS program may be limiting the wider implementation of DGS in our community. Possible measures warranting further discussion include:

- *Allowing smaller and/or larger DGS unit sizes*– currently, DGS may not be smaller than 37m² (398ft²) or greater than 90m² (968ft²), or 10% of the lot area, whichever is greater. While the size of the DGS unit, both in terms of minimum and maximum floor areas, is reflective of what is permitted by other municipalities, the costs of constructing a DGS may underlie the comments received regarding how the size limitations (specifically, the minimum size restrictions) inherent in our DGS program may be challenging the delivery of some smaller housing forms. In particular, the issue of accommodating Tiny Homes (see below for more Tiny Home discussion) is directly limited by these regulations.
- *Allowing wider spread development of two-storey DGS* – currently, DGS must not exceed 4.5 m or one story, except properties that are 0.4 hectares (1 acre) or greater zoned RS-2 and RS-3 (with rear lane access) or zoned A-1, A-2, A-3, and A-4, in which case the height may be increased to 6.0 m and 7.5 m respectively. In such instances, DGS are allowed to be constructed above a garage. Opportunities for 1 ½ to 2 storeys are more common place elsewhere in the region.
- *Allowing a DGS and a Secondary Suite* – Currently, a landowner must choose between a DGS and a secondary suite. This is consistent with most of the communities identified in Table 1 (Appendix A), noting that only the Cities of Vancouver, North Vancouver, New Westminster and

Port Coquitlam have zoning that permits both types of accessory dwelling units on the same lot along with the principal dwelling. From a construction cost perspective, and as identified earlier, this limitation may unintentionally favour the delivery of one type of suite over another. Based on discussions with Small Housing BC, it has been raised that the combination of both a secondary suite and a DGS on the same lot removes any sense of comparative cost advantage of one form over another. Instead, it is suggested that there exist economic synergies when both types of units are permitted on a lot, reducing the period it takes to pay back the financial outlay required to develop a secondary suite and a DGS, offering a potential incentive to landowners to invest in creating more rental units in the City.

- *Allowing reduced or varied rear and side setbacks*– currently a DGS must be 2.4 m from the rear property line and at least 1.5 m from a side lot line or 3.0 m from an exterior side lot line. Specifically the setback of the DGS from the rear property line appears higher than those from the other communities reviewed, with the other setbacks also seemingly having more flexibility than those permitted locally.
- *Revisiting the owner occupancy requirement* – currently the DGS program requires that the owner either reside in the DGS or the principal dwelling unit. As identified through the recent review of the City’s Secondary Suites program, owner occupancy is viewed positively by many residents, citing that it adds a measure of control over the tenant and landlord to ensure accountability and responsibility of both parties; ensures proper maintenance of the property and the neighbourhood character; and prevents any illegal activity on the property on which the suite is located. From the comparison with other communities in the Metro and Fraser Valley regions, there appears to be an even split between those municipalities surveyed that require and do not require owner occupancy. It is also noted that the City has other bylaws through which some of the identified concerns (i.e. unsightly premises) may also be addressed.

b) Exploring alternative construction methods (i.e. modular, manufactured) to improve costs:

The benefit of modular and manufactured homes is that they are generally constructed off-site and shipped upon completion. What is required at the site location is the foundation must be provided, the building permits approved, and services connected. Construction is not affected by weather, and because such homes are a standardized product and use the same materials, the marginal cost per unit can be reduced significantly. This approach can also greatly reduce construction time.

Through staff research, connections were made with one example of a modular designer and manufacturer of accessory dwelling units. Nomad Micro Homes is a Metro-based business that delivers unassembled modular micro homes to be assembled by the home owner (<http://www.nomadmicrohomes.com/>). Such homes can be ordered/assembled as individual modules or combined to tailor the accessory dwelling unit according to the land owner’s needs and lot area available. Their modular “cubes” cost about \$32,000 and provide about 14.5 m² (155 ft²) of floor area. With foundation, servicing and permitting costs falling to the land owner, a completed and approved unit can be achieved for approximately \$45,000 for a small studio (equating to 1 cube) and about \$85-90,000 for a 1 bedroom unit (equating to 2 cubes).

Another similar group, Honomobo (<http://www.honomobo.com/>), refurbishes shipping containers that are built to a Canadian Standards Association (CSA) A277 (factory built buildings) standard. Their units range in size from 209 ft² to 1,380 ft² and can be connected to water, sewer and electrical. Three standard foundation types are provided or customers can design their own custom foundation. These units can be solar powered as well. A 240 ft² one bedroom unit is quoted as \$55,931 CAD. Units can be completed in 10 weeks, according to the website. As of March 1, 2017 Lanefab (<http://www.lanefab.com/>), a design/build firm that specializes in Laneway homes located in Vancouver, will assist clients with permits, sewer and water connections, foundations and landscapes to install a modular residential structure.

Staff also included two manufactured home representatives, Brookwood Homes (<http://brookwoodhomes.com/>) and Glenbrook Homes (<https://www.glenbrookhomes.net/>), both of which identified existing floor plans that could be considered as a DGS. The Brookwood model is approximately 600 sq. ft and costs roughly \$80,000. A larger Glenbrook option was identified at 960 sq. ft. and is estimated at \$106,900. Manufactured homes are assembled off-site according to the CSA Z240 standard and delivered to the homeowner, with the need for a foundation and servicing representing an additional cost.

At such investment levels, a modular or manufactured DGS begins to be comparable to the costs associated with a typical secondary suite renovation/installation. However, it is acknowledged that such a DGS is smaller than a typical secondary suite. Nevertheless, from our discussions with such modular and manufactured home providers, it does appear that such options can improve the land economics inherent in pursuing a DGS, potentially improving the attractiveness of the DGS option. In light of the changing land economics which, when compared to past land values, may now create more equity for existing property owners, the value of these alternative DGS forms is heightened further.

Staff anticipates ongoing conversation and research with these and other providers, as well as the community, in order to better evaluate this approach and the possible savings it could present.



Top Row L-R: Nomad Cube exterior illustration, and interior kitchen and living photos.

Middle Row L-R: Honomobo HO1 and HO1+ interior, front exterior and plan views.

Bottom Row L-R: Illustrative examples of Brookwood Homes and Glenbrook Homes units.

c) Exploring options to accelerate the development process

One possible option to further accelerate processing time is to create a set of pre-approved “off the shelf” building plan templates for various DGS forms, be they frame-built or modular in construction. Such plans would need to be pre-reviewed by the City’s Licences, Permits & Bylaws Department and could be made available to homeowners for a small fee. The time savings combined with the convenience of not having to prepare and pay for an expensive set of customized plans could offer local residents a truly unique incentive to developing a DGS in Maple Ridge.

Staff will continue reaching out to industry stakeholders and firms specialising in modular/ manufactured homes and other forms of pre-fabricated homes to continue to explore if a set of DGS plan options can be organised into a pre-approved package for local residents. Further, staff along with Small Housing BC will work towards preparing a design competition as a possible cost-effective means of generating a set of frame-built DGS plans, for Permits & Bylaws Department to review and possibly pre-approve.

d) Explore option of accommodating Tiny Homes as a DGS

Earlier this year, following a presentation to Council by Tiny House representatives, staff were directed to include Tiny Houses in their regulatory and policy review towards potentially accommodating such dwellings as a further form of affordable housing in the City. Staff have had discussions with the non-profit BC Tiny House Collective <http://bctinyhousecollective.com/gotiny/>, which has embarked on a first phase of coordinating and conducting *Go Tiny*, a project on tiny houses with a research, piloting and engagement focus. Such discussions focused on possible code and zoning challenges to accommodating such homes in the City.

Key questions identified to-date include: whether such units could be accommodated as fixed structures or on wheels?; would they be owned and brought to/from a fixed rented location?; would the Tiny Home and its location be offered as a unit for rent, similar to a DGS?; and how would BC Assessment interpret such units?

As a possible next step in the Tiny House conversation, staff raise for further exploration (in addition to the above questions) the City’s prior practice of permitting temporary accommodation in recreation vehicles (similar under CSA standards to Tiny Homes), albeit it was for tourism purposes at the time of Expo ’86.

e) Explore the creation of a pilot project to showcase the City’s updated DGS program

In culmination of the above exploration areas and to ensure that awareness of the DGS program, however it might be expanded, is widely shared, staff are proposing to host a pilot project in early 2018 to showcase the result of the review process. This could entail sharing any proposed regulatory revisions, having the community identify their preferred frame-built DGS designs stemming from the proposed design competition and the making available of built examples of modular DGS and Tiny House options.

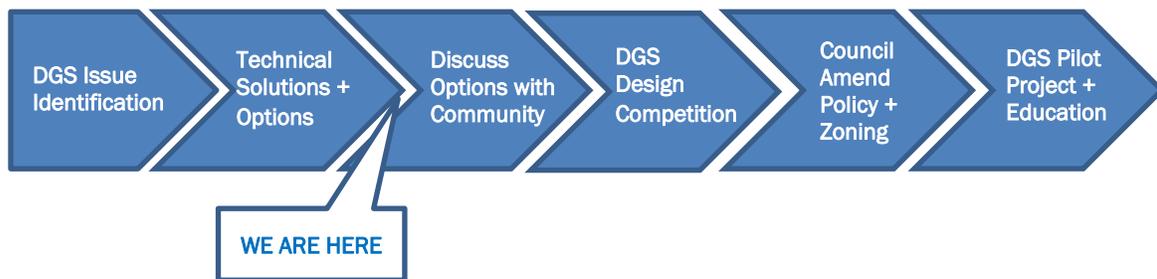
A key role of the pilot project will be to educate and heighten community understanding of the DGS program and the potential to introduce greater housing choice and rental options into our built form.

PROPOSED COMMUNITY ENGAGEMENT PROGRAM

As much of the conversations held to-date regarding the review and expansion of the DGS program have been held with industry representatives and stakeholders, a wider community discussion is needed to gain insight into resident interests related to the DGS program. Such engagement is anticipated to be multi-faceted, offering a variety of opportunities for input.

Staff are seeking Council’s endorsement of the proposed community engagement process to discuss further the options to expand the City’s DGS program towards fostering greater rental opportunities in Maple Ridge. The proposed community outreach is anticipated over the course of October through to early December 2017 and is outlined generally below:

- Host stakeholder workshops – to further explore in small group sessions the regulatory, process and construction options identified through the initial steps of the DGS program review. Such stakeholder sessions may include discussions with our Builder’s Forum, the Development Liaison Group as well as local real estate professionals.
- Host community open houses – as opportunities for the community to gather and review the options presented and to identify community interests and comments.
- Host a design competition – to provide an opportunity for design professionals to contribute to the evolution of a DGS. The results of the design competition will be shared with Council and could be brought forward to a community pilot project for further prioritization.
- Informal coffee chats – Following the initial community workshops and open houses, staff will host a series of short one-on-one coffee chats with any residents interested in developing a DGS.
- Survey and social media input – online and in-person surveys along with social media opportunities will be made available to augment the input received.



DGS Program Review Process Diagram

As well, further industry outreach is anticipated, as is our continued workings with Small Housing BC and the BC Tiny House Collective. As noted above, such efforts once reported back to Council and used to inform the next steps, are proposed to culminate in a further community-oriented pilot project in 2018.

INTERDEPARTMENTAL IMPLICATIONS

Planning staff have worked closely during the initial stage of the DGS review process with staff from Licences, Permits & Bylaws. Specifically, the Chief Building Official has been involved, reviewing construction drawings and plans for possible alternative modular and manufactured DGS examples, reviewing a built Tiny House example, and providing input on BC Building Code and municipal building permit requirements.

Over the course of the pending stages of the DGS review process, Planning will also involve other departments such the Engineering and Fire departments to ensure that respective interests are identified.

CONCLUSION:

Staff has completed an initial review of the City’s DGS program and have identified further opportunities related to flexible zoning, construction methods and permit processing that may encourage wider implementation of such housing forms. Facilitating the development of a range of innovative Detached Garden Suite options creates opportunities for both homeowners and renters in Maple Ridge. Further, a wider range of rental housing options fosters in turn more housing choice and contributes to a more complete community. Acknowledging that the initial findings outlined in this report would benefit from a wider conversation, staff are seeking Council endorsement to undertake a community engagement process over October and into early December, the results of which will be reported back and will help shape the updated DGS program and a culminating pilot project proposed for 2018.

“Original signed by Brent Elliott”

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APPENDIX A

Table 1.0: Municipal Comparison of Accessory Dwelling Unit (DGS) Regulations

Municipality	Min Area	Max Area	Max Height	Setbacks			Permit DGS and Sec Suite	Require Owner Occupy	Required Parking Spaces
				Rear	Side	Ex. Side			
Abbotsford	-	Lesser of total GFA of the detached garage, or 55 m ² (592 ft ²)	7.5 m (25 ft)	2.5 to 7.5 m (8-25 ft)	0.6 to 7.5 m (2-25 ft)	3.0 to 7.5 m (10-25 ft)	N	N	1
Coquitlam	-	50 m ² (538 ft ²)	7.0 m (23 ft) (sloped roof)	1.2 m (4 ft)	1.2 m (4 ft)	3.0 m (10 ft)	N	N	1
Maple Ridge	37 m ² (398 ft ²)	Lesser of 90 m ² (968 ft ²) or 10% of lot area	4.5 m to 7.5 m (15-25 ft)	2.4 m (8 ft)	1.5 m (5 ft)	3.0 m (10 ft)	N	Y	1
Mission	-	Lesser of 75 to 110 m ² (807-1184 ft ²) or 50% of principal dwelling GFA	Lesser of max height of the principal dwelling or 8.0 m (26 ft)	1.3 m (4.3 ft)	1.5 m (5.0 ft)	3.0 m (10 ft)	N	Y	1
New Westminster*	-	Lesser 89 m ² (958 ft ²) or 10% of lot area	7 m (23 ft)	6.71 m (22 ft), less the width of any lane	Lesser of 10% of lot width or 1.2 to 1.5 m (4-5 ft)	Lesser of 10% of lot width or 1.2 to 1.5 m (4-5 ft)	Y	N	1
North Vancouver City	-	92.9 m ² (1,000 ft ²)	6.7 m (22 ft)	1.52 m (5 ft)	1.52 m (5 ft)	3.05 m (10 ft)	Y	Y	1

Table 1.0: Municipal Comparison of Accessory Dwelling Unit (DGS) Regulations (Continued)

North Vancouver District	-	68 to 90 m ² (736 - 968 ft ²)	4.5 m to 6.7 m (15-22 ft)	1.52 m (5 ft)	1.2 m to 2.4 m (4 - 8 ft)	1.2 m to 2.4 m (4 - 8 ft)	N	Y	1
Pitt Meadows	33 m ² (355 ft ²)	90 m ² (968 ft ²)	4.0 m to 6.0 m (13-20 ft)	2.4 m to 4.5 m (8-15 ft)	1.5 m (5 ft)	3.0 m to 4.5 m (10-15 ft)	N	Y	1
Port Coquitlam	-	70 m ² (753 ft ²)	8.5 m (27.9 ft) (sloped roof)	1.2 m (4 ft)	Lesser of 10% lot width or 1.2 to 1.8 m (4-6 ft)	Lesser of 20% lot width or 2.4 to 3.5 m (8-11 ft)	Y**	N	1
Richmond	33 m ² (355 ft ²)	60 m ² (645 ft ²)	6.4 to 7.0 m (21-23 ft)	1.2 m (4 ft)	0.6 to 1.8 m (2 - 6 ft)	3.0 m (10 ft)	N	N	1
Surrey	37 m ² (400 ft ²)	65 m ² (700 ft ²)	7.0 m (23 ft) (sloped roof)	0.2 m to 1.5 m (0.5 - 5 ft)	0 m to 1.2 m (0 - 4 ft)	1.2 m to 1.8 m (4 - 6 ft)	N	Y	1
West Vancouver District	-	Lesser of 115 m ² or 10% or lot area	4.5 m to 6.4 m (15-21 ft)	1.2 m (4 ft)	1.5 m (5 ft) or 10% site width, to max 3 m (10 ft)	1.5 m (5 ft) or 10% site width, to max 3 m (10 ft)	N	Y (or Prop. Manager)	1
White Rock		90 m ² (968 ft ²) or 40% of GFA	7.0 m (23 ft) (sloped roof)	1.5 m (5 ft)	1.5 to 2.4 m (5-8 ft)	3.8 to 7.5 m (12-25 ft)	N	N	1
Vancouver	26 m ² (280 ft ²)	84 m ² (900 ft ²)	4.6 m to 6.1 m (15-20 ft)	0.6 m to 0.9 m (2 - 3 ft)	10% of lot width (min 0.6 m - 2 ft)	Varied - same as setbacks for main house	Y	N	1

* New Westminster Council gave zone amendments to permit Coach Houses third reading on September 18, 2017.

** Port Coquitlam Council approved new Coach House regulations in April 2017.