



City of Maple Ridge

TO: Her Worship Mayor Nicole Read and Members of Council **MEETING DATE:** September 19, 2017
FROM: Chief Administrative Officer **MEETING:** Council Workshop
SUBJECT: Rental Housing Program: Secondary Suite Update and Next Steps

EXECUTIVE SUMMARY:

Working from an August 29, 2016 Council direction, this report presents the results from a staff review of the City's secondary suites program and possible new opportunities for accommodating suites in Maple Ridge, as a way to expand rental housing options in the City.

The conversation regarding secondary suites is long standing, with the original program having been introduced in 1999 and a follow up review undertaken in 2012/13. Since that time, the development of secondary suites appears wide-spread across the City, with an expected concentration within the Urban Area Boundary. In comparing the City's existing secondary suite program with those found across the Metro region, our requirements were generally found to be consistent. Staff have also identified that the number of secondary suite related complaints received by the Licences, Permits & Bylaws Department has steadily declined since 2014.

From the opportunities presented in August 2016 and the results from the subsequent staff review of the secondary suites program, a number of possible expansion options have been identified, including:

- Permitting Secondary Suites in Duplexes
- Permitting Secondary Suites in Multi-Family Developments
- Permitting Secondary Suites Plus a Detached Garden Suite on the same lot
- Permitting Secondary Suites without requiring Owner Occupancy

Such opportunities to expand the City's secondary suite program are envisioned to be shared with the public in order to gain wide community input before seeking further Council direction regarding any possible bylaw amendments. As well, staff notes that the creation of a rental housing program involves a number of regulatory and policy initiatives that extend beyond changes to the secondary suites program. Council has directed staff to undertake additional assessments, that when brought forward over the remainder of 2017 and in early 2018, could compliment the possible expansion of the secondary suites program.

RECOMMENDATION:

That the "Proposed Community Engagement Program" section of the report titled "Rental Housing Program: Secondary Suite Update and Next Steps", dated September 19, 2017 be endorsed.

BACKGROUND:

Since 1999, the City has allowed secondary suites as an accessory use in some single-family residential zones, one of the first municipalities to do so in the Lower Mainland. A key original intent of the program was to provide affordable and rental housing options in the City.

In 2012/2013, the City undertook a review of its Secondary Suites program. 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. Key issues identified by the community included, in order of priority, parking spill-over and resulting on-street parking shortages, the process and costs associated with constructing, approving and licencing a secondary suite and owner occupation.

On September 23, 2013, based on the input and discussion stemming from the City review of the secondary suites program, the Council of the day approved a number of regulatory changes, including: establishing BC Building Code equivalencies; maintaining the owner occupation requirement; assessing the use of restrictive covenants to prohibit illegal suites; continuing to prohibit rear basement access; prohibiting Temporary Residential Uses in the R-3 Special Amenity Residential District Zone; and pursuing regulatory compliance for secondary suites.

On May 25, 2015, Council opted to amend the zoning bylaw further to allow secondary suites as a permitted use in the R-1, CD-1-93 and CD-1-99 zones.

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 prioritised several 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 reviewed a number of possible measures to facilitate the development of greater rental opportunities in the City. Based on the staff report presented, Council directed the review of the below programs, policies and regulations:

1. Review and expand the Secondary Suites Program;
2. Review and expand the Detached Garden 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.

DISCUSSION:

The intent of this report is to respond to Council's request to review and expand its secondary suites program, with the remaining items identified above being addressed through separate reports. Following Council's direction, staff undertook a review of the current secondary suite context in the City and Region.

Locally, there are currently about 400 secondary suites in the City, with another 200 presently in process. In mapping the development of secondary suites, they appear wide spread across the City, with an expected concentration within the Urban Area Boundary.

In terms of how our existing secondary suites program compares to other municipalities across the Metro and Fraser Valley regions, and to potentially identify where the issue of secondary suites has evolved since such units were first approved in Maple Ridge in the late 1990's, staff reviewed our requirements in light of other peer communities, the results of which are presented in Table 1.

Table 1: Municipal Comparison of Secondary Suite Regulations

Municipality	Floor Area Min	Floor Area Max	Permit in Duplex	Permit both Sec Suite and DGS	Permit in Multi-Fam	Require Owner Occupy	Required Parking Spaces
Abbotsford	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	N	1
Burnaby	32 m ² (344 ft ²)	90 m ² (968 ft ²) or 40% of GFA	N	N	Y	N	1
Coquitlam	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	N	1
Langley Township	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	Y	1
Maple Ridge	37 m² (398 ft²)	90 m² (968 ft²) or 40% of GFA	N	N	N	Y	1
Mission	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	Y	1
New Westminister	32 m ² (344 ft ²)	90 m ² (968 ft ²) or 40% of GFA	N	N	N	N	1
North Vancouver City	37 m ² (398 ft ²)	90 m ² (968 ft ²) or 40% of GFA	Y	Y	Y	Y	1
North Vancouver District	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	Y	1
Pitt Meadows	33 m ² (355 ft ²)	90 m ² (968 ft ²) or 40% of GFA	N	N	N	Y	1
Port Coquitlam	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	N	1
Port Moody	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	N	1
Richmond	33 m ² (355 ft ²)	90 m ² (968 ft ²) or 40% of GFA	N	N	Y (Limited)	N	1
Surrey	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	Y	1
West Vancouver	20 m ² (215 ft ²)	90 m ² (968 ft ²) or 40% of GFA	N	N	N	Y (or a Prop. Manager)	1
White Rock	-	90 m ² (968 ft ²) or 40% of GFA	N	N	N	N	1
Vancouver	37 m ² (398 ft ²)	Related to overall building floor area and finished grade	Y	Y	Y	N	1

In addition to the above comparison, and in working with the Licences, Permits & Bylaws Department, staff also assessed the number and type of complaints received by the City as a proxy for how well secondary suites have been integrated into the community. Staff notes that since the last secondary suite update in 2012/13, the number of complaints regarding secondary suites has been steadily decreasing: specifically; 62 complaints were received in 2013, 67 in 2014, 35 in 2015, 32 in 2016 and to-date in 2017, the City has received 17 complaints. It is noted that the highest complaint levels identified coincide with the timing of the last review of the secondary suites program.

Currently, the three areas of most complaints relate to not having the landowner occupy either the principle dwelling or accessory secondary suite (5 complaints), secondary suites existing in a dwelling that does not have the proper zoning (5 complaints), and having more than one secondary suite unit present on a lot (4 complaints). Again, these three areas reflect the same decreasing level of complaints received over the past five years that is observed across all enforcement issues related to the secondary suite program.

From the review, staff is confident that our existing regulatory requirements are generally consistent with those from the communities across the Metro area and that the secondary suites program has been successfully accommodated within the City. That said, from the earlier presented staff report in August 2016 and our current more detailed assessment, staff have observed a few opportunities that could expand our existing program.

a) Secondary Suites in Duplexes

Since 2013, the City of North Vancouver has permitted one “Accessory Dwelling Unit” per side in a side-by-side duplex, thereby providing a secondary unit to the principal unit on each side. According to the City’s program, this provision requires the construction of a BC Building Code (BCBC) compliant firewall capable of maintaining the code required fire-resistance rating for the code required duration. With such a firewall in place, the resulting configuration would essentially create two separate buildings under the BCBC allowing for the accommodation of an accessory dwelling unit per each individual building.

Staff are recommending that Council consider including the opportunity to provide secondary suites in duplexes as part of an expanded secondary suites program.

b) Secondary Suites in Multi-Family Developments

The Cities of Burnaby, North Vancouver and Richmond permit the accommodation of secondary suites in multi-family developments. In Burnaby, as part of its UniverCity development, the City allows what it defines as “Multi-Family Flex Units” provided that such units are not less than 24m² (258 sq. ft.) and not more than 35 per cent of the gross floor area of the apartment or townhouse dwelling unit in which it is located. Further, such units must contain a separate kitchen area and at least one bathroom as well as a separate entrance door that locks-off the accessory unit from the overall principal unit. Similar provisions exist in Richmond, albeit such a use is only permitted under a limited number of zones. In the City of North Vancouver these lock-off units are required in their ground-oriented townhouse and medium density apartment zones, where more than 10 units are being proposed, at a ratio of 1 per 5 principal dwelling units.

Staff is recommending that Council consider including the opportunity to provide a secondary suite in townhouse and apartment dwellings as part of an expanded secondary suites program.

c) Secondary Suites Plus a Detached Garden Suite

Starting in 2017, the City of North Vancouver has started to accommodate both secondary suites and detached garden suites (or coach houses as these units are referred to in the City of North Vancouver) on the same lot. Minimum lot sizes where both accessory dwelling units may be accommodated on the same lot as the principal single-family house start at 362.3 sq. m. (3,900 sq. ft.). Parking requirements for both units combined is 1 stall, plus 1 for the single-family home. Based on initial industry discussions, 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. Further, 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.

Staff is recommending that Council consider including the opportunity to accommodate both a secondary suite and a detached garden suite on the same single-family residentially zoned lot as part of an expanded secondary suites program.

d) Requirement for Owner Occupancy

The concept of requiring the home to be “owner-occupied” has long been discussed in Maple Ridge. During the past 2012/2013 review of our secondary suites program, a questionnaire specifically asked residents whether or not they supported the owner occupancy requirement. From the 65 responses, 45 or 69% indicated positively that they support owner occupancy. Reasons for indicating support for owner occupancy included: adding a measure of control over the tenant and landlord to ensure accountability and responsibility of both parties; ensuring proper maintenance of the property and the neighbourhood character; and preventing illegal activity on the property on which the suite is located. Those respondents not supporting the requirement emphasised the benefits of secondary suites to provide affordable housing, increase rental options, and provide mortgage assistance, suggesting that the type of tenancy/residency should not determine the housing choice made available.

Seemingly at odds with the above findings, however, are the results from the question that asked residents to identify the main outstanding issues relating to the secondary suites that need resolution. Overwhelmingly, from the 50 responses to this question, the key issue was parking (34 out of the 50 responses), followed by issues with the overall process of establishing a suite (especially the costs) being identified by 10 respondents. The issue of Owner Occupancy was identified by 4 responses.

Based on the outcomes for the questionnaire and discussions tied to the overall review process, the Council of the day opted in 2013 to maintain the requirement of owner occupancy. It was felt that on compassionate grounds, however, such a requirement could be made more flexible to include immediate family.

As part of the current review, the assessment of our neighbouring communities indicated that 7 municipalities of those reviewed across the Metro and Fraser Valley regions are requiring owner occupancy, with the majority having no such requirement or, in the case of West Vancouver, a more flexible requirement that also entertains the use of a property manager and the sharing of contact information with the City. From examining the number of complaints received to-date that specifically relate to non-owner occupied secondary suites, staff further observed that the number of complaints is decreasing. This occurrence might infer that such units are becoming more common place in our community and possibly that there is a growing acceptance of secondary suites as part of our built form.

Acknowledging these findings, and in light of the current intent of re-examining the City's secondary suites program towards creating greater rental opportunities in the City, staff are recommending that the owner occupancy requirement be lifted as part of an expanded secondary suites program. Of the above opportunities, it is raised that the removal of the owner occupancy requirement could present a relatively straight forward amendment requiring minimal resources to implement.

PROPOSED COMMUNITY ENGAGEMENT PROGRAM:

The opportunities initially outlined in the earlier August 2016 staff report along with the above analysis point to a number of potential options for Council's consideration that could expand the City's current secondary suite program. Acknowledging that much discussion has already taken place with the community regarding secondary suites during the 2013 review, staff does appreciate that in presenting a wider array of housing options, despite the decreasing number of community complaints received regarding secondary suites, such opportunities may be perceived by some residents as potential challenges to neighbourhood character. It is therefore proposed that the proposed expansion opportunities be brought forward to local residents and stakeholders over the course of October and November 2017 to assess current interests and perspectives.

Such a conversation is timely as there is an opportunity to coincide the engagement process along with a parallel outreach to discuss opportunities to expand the City's Detached Garden Suite Program. The extent of the Council directed Detached Garden Suite review will be detailed further in a subsequent report anticipated to come before Council in October, but it is noted now that some of the proposed measures from that review will overlap with the secondary suite expansion options presented in this report. Combined, the two expansion proposals will give the community a complete picture of the possible opportunities available to create more housing choice and greater rental accommodations.

Specific to the possible expansion options for the secondary suites program, the pending community engagement program is outlined generally below:

- Stakeholder workshops – to further explore in small group sessions the regulatory, process and construction implications that may stem from the proposed new secondary suite opportunities. Such stakeholder sessions may include discussions with our Builder's Forum, the Development Liaison Group as well as local real estate professionals.
- Community open house – to present the proposed secondary suites expansion options for the community to review and identify community interests and comments.
- Survey and social media input – to provide online and in-person surveys along with social media opportunities will be made available to augment the input received.

NEXT STEPS:

Staff note that through the coming Fall 2017 and into early 2018, staff will be bringing forward additional reports on possible other regulatory and policy changes to further enhance rental opportunities in the City, including the aforementioned proposed options to expand the City's Detached Garden Suite Program.

In terms of Secondary Suites, the outcomes from the proposed community engagement program will be reported back to Council and, subject to further Council direction, could lead to bylaw amendments to facilitate the proposed expanded secondary suite opportunities.

ALTERNATIVE RECOMMENDATIONS:

The above proposed areas of expansion for the City’s secondary suite program have the potential to increase housing choice and the rental housing stock in Maple Ridge. As the topic of secondary suites has been much discussed and noting the decreasing levels of complaints received since the last update to the program, staff also present a set of alternative recommendations, one for each of the above discussed options. If instructed to do so, staff can bring forward in short order amending bylaw(s) for any or all of the below:

1. That an amending bylaw be prepared to expand the secondary suite program by including the option to permit secondary suites without requiring owner occupancy; *and/or*
2. That an amending bylaw be prepared to expand the secondary suite program by including the option to permit secondary suites in duplex developments; *and/or*
3. That an amending bylaw be prepared to expand the secondary suite program by including the option to permit secondary suites in multi-family developments; *and/or*
4. That an amending bylaw be prepared to expand the secondary suite program by including the option to permit secondary suites on the same lot as a detached garden suite.

CONCLUSION:

Expanding the current secondary suite program to include a range of innovative options along with reduction in the requirement for owner occupancy could create new opportunities for both homeowners and renters in Maple Ridge. Homeowners are presented with increased flexibility in creating a mortgage helper as per the proposed secondary suites program expansion, while renters can take advantage of more and different kinds of rental options to choose from. Further, such possible expansion steps would position the City of Maple Ridge as one of the more innovative communities across the Metro region in the accommodation of secondary suites.

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