



City of Richmond

Report to Committee

To: General Purposes Committee
From: John Irving, P. Eng.
Manager, Building Approvals

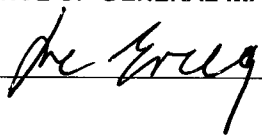


Date: September 11, 2006
File: 08-4057-12

Re: **Secondary Suites**

Staff Recommendations

1. That the proposed Amendment Bylaw 8106 to amend the Richmond Zoning and Development Bylaw 5300 be introduced and given first reading.
2. That the "Secondary Suites Water Metering Policy" be adopted.
3. That staff be directed to prepare bylaw amendments and implementation options for the legalization of secondary suites.
4. That \$20,000 be allocated from the Council contingency fund to cover legal counsel and public consultation costs associated with development of the secondary suite legalization options program noted in recommendation 3.
5. That this report be referred to the Richmond School District Board for their information and comment.

John Irving, P. Eng.
Manager, Building Approvals
(4140)
attach.(6)

FOR ORIGINATING DIVISION USE ONLY			
ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Finance.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Engineering.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Public Works.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Community Bylaws.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Law.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Development Applications.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Policy Planning.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
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Staff Report

Origin

At the regular Council Meeting of September 13, 2004, Council carried the following referral motion:

That the report (dated September 2, 2004 from the Manager, Policy Planning), regarding Secondary Suites: An Overview, be referred to staff for further review and report to the General Purposes Committee

The staff recommendation at that time was to maintain the current policy on secondary suites. At this meeting, Council also requested that staff respond to 15 questions/items that are listed under **Attachment 3** together with references to the responses. The original September 2, 2004 staff report is provided in **Attachment 6** for reference.

Findings Of Fact

The following provides an update on activities and developments since the last secondary suites report was brought forward.

Current Enforcement

The City continues to investigate secondary suites and multiple suites (those single family dwellings (SFD's) with two or more secondary suites) on a complaint basis. Approximately 40 complaints regarding secondary and multiple suites are received annually and these are acted upon by the Community Bylaws and Building Approvals divisions.

Spires Gate

Spires Gate has been identified as one area of high activity with regard to multiple suites and other bylaw infractions; however, there is no other specific problem area that has been currently identified in the City.

There were ten properties investigated for secondary and multiple suites in the Spires Gate area as a result of complaints received in 2004. A combined unit from the Community Bylaws and Building Approvals department investigated the complaints and identified numerous infractions. Of the original ten properties, all were resolved and brought into zoning bylaw compliance while four have outstanding building or plumbing permit issues. The Building Approvals department continues to follow up on those outstanding issues. No further complaints have been received from the Spires Gate area since 2004.

The City Centre Area Plan designates the Spires Gate area as "Residential", which permits "single-family, two-family and multiple-family housing". There has been interest from the development community in redeveloping the area to higher density uses. Staff are considering talking to the neighbourhood about their redevelopment potential; however, one of the limiting factors to redevelopment in this neighbourhood is the fact that it only has two access points.

Multiple Suite Situations

Many of the complaints received regarding secondary suites are actually identifying SFD's that have multiple suites or multiple boarding room arrangements. Compared to a SFD with one secondary suite, these multi-suite SFD's typically have greater neighbourhood impacts and have more readily visible characteristics; for example, more parked cars are evident, larger paved areas on the lot are present to accommodate the parking, and multiple exterior doors exist. There are also greater safety and building code concerns as the number of unrelated tenants is higher and the quality of construction tends to be lower.

Poverty Response Committee Consultation

The Poverty Response Committee (PRC) of the Richmond Community Services Advisory Council was consulted on the secondary suites issue over the last year and a half. The PRC has clearly stated support for a legalization program and would like to see growth in the availability of secondary suites. Consultation with the PRC would continue in the development of a legalization program.

Canada Mortgage and Housing Corporation (CMHC) Grants

In 2005, the federal government through CMHC initiated the Residential Rehabilitation Assistance Program. This program provides grants of up to \$24,000 per unit for the construction of a new secondary suite in an existing home to assist in the creation of affordable housing for low-income seniors and adults with a disability. The grant is forgivable so long as rental conditions supporting low-income seniors and adults with disabilities are maintained for the grant period. Although the continued existence of the program is not guaranteed, it is a clear indication of federal recognition that secondary suites are a viable and necessary alternative to housing shortages across the country.

Cost estimates for the construction of a secondary suite within an existing house are dependent on the type and size of the unit and vary from \$5,000 to \$30,000. Construction of a suite in a new house could cost \$50,000 or more. The actual costs will depend on many factors including the quality of fit and finish. An existing illegal suite will typically have egress, ventilation and plumbing deficiencies, but some of these could be addressed with equivalencies and generally wouldn't be high cost items (a few thousand for each).

Provincial Guide

Also in 2005, the provincial government's Housing Policy Branch published "*Secondary Suites – A Guide For Local Governments*". This document provides several BC case studies of successful secondary suites programs and identifies best practices for the development and implementation of a secondary suites legalization policy. The document clearly indicates provincial support for the legalization of secondary suites as a means to promote affordability, stability and quality in the housing stock.

Analysis

Analysis and research conducted by staff to date have indicated three areas for recommended action at this time:

1. Multi-suite regulation
2. Utility charges
3. Legalization policy development

Multi-Suite Regulation

The existing secondary suite definition in the zoning bylaw makes the regulation of multi-suite SFD's challenging as the suites within these SFD's typically do not meet the secondary suite definition. The City normally uses the locked door criteria to define a secondary suite: if there is a locked or lockable door between the main dwelling unit and the secondary unit, and the secondary unit meets the definition of a secondary suite, then it is deemed to be illegal. There are many smaller suites that have contiguous access to the main dwelling unit but are still operating as secondary suites. This leaves the boarding and lodging restrictions (2 boarders allowed per SFD) as the main regulation tool, however this is very difficult to use since the individual borders need to be identified as being in residence. These suites are typically located in converted garages or one/two room spaces that do not have the traditional kitchen facilities (stove, sink, counters, etc.).

Refining the secondary suite definition with regard to kitchens will help Community Bylaws and Building Approvals staff prevent the construction and use of multiple suites.

Secondary Suite Definition

The current definition of a secondary suite in the zoning bylaw is:

“...a self contained area located within a residential building having complete provision for residential living by the occupants of such area, including living, sleeping, cooking and sanitary facilities.”

The term “dwelling unit” is also defined in the zoning bylaw as:

“...a suite of one or more rooms designed for or occupied by one family only as a single housekeeping unit providing cooking, sanitary and sleeping facilities.”

The proposed zoning bylaw amendment replaces the term “cooking” in these definitions with “kitchen” and proceeds to define “kitchen” as:

“...facilities for the preparation or cooking of food, and includes any room containing counters, cabinets, plumbing or wiring, which taken together, may be intended or **used** for the preparation or cooking of food.”

This provides a much broader definition to capture the variety of kitchen installations found in SFD's. Grease kitchens in a SFD are still allowed as the SFD definition still allows for two full kitchens.

Multi-Suite Regulation Option 1 – Status Quo

Not Recommended – The existing secondary suite definition does not provide sufficient breadth to include many smaller non-traditional suites that appear in multiple suite SFDs.

Multi-Suite Regulation Option 2 – Zoning Bylaw Amendment

Recommended – The definition of “secondary suite” can be amended in the Zoning Bylaw to address the lack of tools available to counter multi-suite SFD's. The amendments proposed in **Attachment 1** will make it easier to prevent the construction and activation of multi-suite SFD's.

Utility Charges

Secondary suites cause additional burden to the City's infrastructure and services. Many municipalities in the Lower Mainland have instituted water and sewer rates for secondary suites, regardless of whether those suites are legal or not, to recover the costs of services consumed by the occupants of these suites. The City's sewer rates are based on the metered water amount where there is a meter installed. **Attachment 4** provides the single family and secondary suite rates for various municipalities in the Lower Mainland.

Currently there are no industry standards on how rates are applied to suites. The most commonly used method in determining utility rates for secondary suites is to apply a charge equal to a percentage of the SFD rate. In the Lower Mainland, secondary suite water rates range from 36% to 100% of the SFD rate while sewer rates range from 49% to 100% of SFD rate. Rationale for this varies but it is generally agreed that a significant portion of residential water is used outside the home in sprinkling and gardening. As additional suites will not significantly increase this usage, a rate less than the single family rate is deemed appropriate. The second most commonly used method is to apply an amount equal to the single family rate. Though the rate may seem excessive, municipalities choose this method as an incentive to residential metering.

Regardless of the pricing method used, most municipalities found implementing utility rates for secondary suites relatively simple. Property owners generally accept the fact that they must pay for the additional services for their suite. Other property owners are supportive of what they see as equity in distributing the cost of services to all consumers by usage instead of by household.

Garbage and Recycling Charges

Currently each home is allowed to put out two garbage cans per week. Any excess bags of garbage must have City garbage tags affixed in order to be picked up. The garbage tags can be purchased from the City at \$2 each. As the number of garbage bags being picked up is regulated

and the garbage rates are set to charge more for higher usage, no changes are necessary to address the additional garbage generated by secondary suites.

Water/Sewer Rate Option 1 – Status Quo

Not Recommended – Existing SFD's with secondary suites are essentially getting a free ride on the City's water and sewer utilities. Continuation of the status quo will prolong inequitable utility billing.

Water/Sewer Rate Option 2 – Applying Apartment Rates to Secondary Suites

Not Recommended - Currently the City of Richmond's apartment water rate is approximately 53% of the SFD water rate. This was set based on surveyed results indicating that an average apartment has approximately 1.8 dwellers and that there is little or no usage of water outside the unit. Due to the similar characteristics between apartments and secondary suites, the City's apartment rate can be applied to all secondary suites.

This option, however, is disadvantaged in that it assesses a service charge based on an average number of dwellers in the unit. Inequities appear when the number of occupants of a unit is greater or less than the average. Currently, occupants of apartment units have expressed their dissatisfaction with the rate due to their perceived inequities of services consumed.

Another disadvantage to charging a flat secondary suite rate is the inequities that may arise should the owner decide to stop renting out the suite. Many property owners would object to paying for extra services if they decide to not have tenants. However, once a home is deemed to have a secondary suite, it would be difficult and time consuming for staff to re-inspect the premises to ensure the removal of the secondary suite. Disagreements and dissatisfaction may arise if staff denies the request for adjustments when the suite is temporarily left vacant.

Water/Sewer Rate Option 3 - Mandatory Metering of SFD's with Secondary Suites

Recommended - Water metering is a more equitable method of allocating service costs. Charges reflect actual consumption. Properties with higher occupants will most likely result in higher than average utility bills. Conversely, any vacancies in the suite may result in cost savings to the owner. Aside from the City recovering for direct services supplied to the homes, this method of billing may lead some property owners to look at implementing water conservation strategies with their tenants.

With the introduction of the volunteer water metering program and mandatory metering of new single family homes, approximately 26% of all SFDs in Richmond are currently metered. Should secondary suites be added to these homes at a later date, all consumption of water and sewer services will be captured in the metered pricing.

In order to avoid inconsistencies on how secondary suites are billed, homes that are discovered to have secondary suites and are currently on a flat rate utility billing should be converted by the City to water meters as soon as possible. This program would be initiated upon adoption of proposed Policy "Secondary Suites Water Metering Policy" in **Attachment 2**.

Secondary Suites Legalization Policy Development

Taking action on multi-suite regulation and utility charges as recommended will be beneficial regardless of the future direction taken on secondary suite policy. The facts indicate a clear acceptance from many stakeholders for movement to a legalization policy on single secondary suites. Growth in real estate value, construction costs and population will place increasing pressure on home owners to create secondary suites.

Policy Development Option 1 – Status Quo

Not Recommended - The regional, provincial, and national trend towards general acceptance and legalization of secondary suites is stronger than ever. Secondary suites are a fixture of the suburban landscape in the City and existing policies do not reflect this reality.

Policy Development Option 2 – Increase Enforcement of Existing Policy

Not Recommended – Moving to active enforcement would require additional resources including Community Bylaws and Building Approvals staff and would not guarantee positive results. No jurisdiction in the GVRD was found to have a policy of active enforcement of secondary suites.

Policy Development Option 3 – Move Towards a Legalization Policy

Recommended – A legalization policy for secondary suites can be tailored to suite the City's needs, addressing the neighbourhood impacts, safety concerns, and affordable housing issues faced today.

In pursuing this option, staff would continue research work and conduct public and stakeholder consultation on the full range of issues related to secondary suites. The delivered product would be two or three option packages for legalization that would include the necessary bylaw/policy changes and implementation costs. This work could be completed using existing staff resources with the exception of legal counsel review costs and public consultation costs which are estimated at \$10,000 each. It is estimated that a report could be returned to the General Purposes Committee before December 2006.

Research and policy work to-date has identified several areas where staff have reached conclusions on workable approaches in the event of secondary suite legalization, these are detailed as follows.

Parking

Increased on-street parking problems generated by secondary suites has always been highlighted as a significant concern for neighbourhoods and local residents. Parking is a multi-faceted problem. While parking spaces may be required and provided on a site, the City has no control as to whether property owners actually use them. Garages are often used for storage of household goods or recreational vehicles, or used as workshops. Homes without a suite may

have many vehicles, one for each parent, plus vehicles for young adults and teenagers. A survey undertaken in the District of North Vancouver in moving to legalize suites in the mid-1990s found that many secondary suite renters had low incomes and did not drive. Additional on-site parking requirements will also conflict with the City's desire to reduce hard surface area for improved drainage and aesthetics.

The City currently requires two on-site parking stalls in single-family residential zones. Weighing the need to provide for affordable housing against on-site parking, additional parking would generally not be required on-site for secondary suites in single-family residences except where off-site street parking is unavailable along the frontage of the property (e.g. along arterial roads).

Zoning

The experience of most jurisdictions has been that allowing secondary suites in only designated geographic areas or neighbourhoods creates additional confusion and enforcement problems for minimal benefit. The zoning bylaw is the correct regulatory tool to identify zones where secondary suites would be acceptable.

Secondary suites are typically created in single-family residences where excess space is available. Limiting construction to one suite per single family residence also makes building code compliance manageable. Multi-family buildings such as townhouses and apartments are built with code compliant fire-separations between individual suites to address safety concerns. Allowing secondary suites within a multi-family building suite would potentially compromise these safety features; the correct approach to creating additional low-income housing in these multi-family developments would be to construct smaller stand-alone suites. Legalized secondary suites would be allowed only in single-family residential zones (R1 and R1-0.6).

Building Standards

Section 9.36 of the BC Building Code 1998 provides for the construction of a secondary suite within a building. This section would be applied to ensure code compliance in new construction and renovations within an existing single family dwelling.

Strata Title Policy

While allowing strata-titling may have the benefit of providing the opportunity for more affordable home ownership, suites have traditionally been viewed as providing affordable rental stock where the need is much greater. While the City has control over the strata title conversion of previously occupied buildings, the City has no control over the registration of a strata title plan for new construction prior to occupancy. To prevent this the owner could be required to register a covenant preventing strata title registration when a new one-family dwelling with a suite is approved. The covenant would remain a condition of building permit approval.

Resources

The legalization of secondary suites would create additional workload for the Building Approvals Division given the anticipated response from illegal suite owners attempting to legitimize their suites. It is estimated that an additional Plumbing/Gas Inspector I and Building Inspector I would be required on a temporary full-time basis to meet this workload. Continued staffing of these positions would be reviewed on an annual basis and terminated once renovation activity returned to normal levels. The estimated annual operating cost for these two positions is \$170,000. This cost would be fully recovered through building permit revenue.

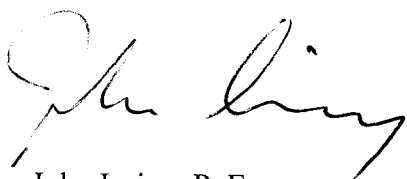
The Community Bylaws Division currently responds to complaints of illegal secondary suites and does not anticipate an increase in workload if legalization were to occur, however workload in this area would be monitored for any significant changes.

Financial Impact

There is no financial impact from the secondary suite regulation options. While two additional staff may be required, the cost can be recovered through additional permit revenue. There will be ultimately greater and more equitable utility cost recovery with the implementation of the recommended water/sewer rate option. The recommended policy development option represents a cost of \$20,000 to the Council contingency fund.

Conclusion

The three recommended options represent a proactive response to the evolving secondary suites issues faced by the City. Implementation of the proposed zoning bylaw and policy changes will neither conflict with nor preclude future policy development directions.



John Irving, P. Eng.
Manager, Building Approvals
(4140)

September 11, 2006

- 11 -

Attachment 1

Proposed Amendment Bylaw 8106 to the Richmond Zoning and Development Bylaw 5300 –
next page



**Richmond Zoning and Development Bylaw 5300
Amendment Bylaw 8106**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning and Development Bylaw 5300 is amended by:
 - i. Repealing the existing definition of “Dwelling Unit” in Section 104 Definitions and substituting the following definition of “Dwelling Unit”

Dwelling Unit

“**Dwelling Unit**” means a suite of one or more rooms designed for or occupied by one **family** only as a single housekeeping unit providing living, sleeping, **kitchen** and sanitary facilities.

- ii. Repealing the existing definition of “One-Family Dwelling” in Section 104 Definitions and substituting the following definition of “One-Family Dwelling”

Dwelling, One-Family

“**One-Family Dwelling**” means a detached **building used** exclusively for **residential** purposes, containing one **dwelling unit** only with a maximum of two **kitchens**.

- iii. Repealing the existing definition of “Secondary Suite” in Section 104 Definitions and substituting the following definition of “Secondary Suite”

Secondary Suite

“**Secondary Suite**” means a subordinate self-contained area located within a **dwelling unit** having complete provision for **residential** living by the occupants of such area, including living, sleeping, **kitchen** and sanitary facilities.

- iv. Inserting the following new definition for “Kitchen” in Section 104 Definitions

Kitchen

“**Kitchen**” means facilities for the preparation or cooking of food and includes any room containing counters, cabinets, plumbing or wiring, which taken together, may be intended or **used** for the preparation or cooking of food.

- 2. This Bylaw may be cited as “**Richmond Zoning and Development Bylaw 5300, Amendment Bylaw 8106**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED



MAYOR

CORPORATE OFFICER

Attachment 2

Proposed "Secondary Suites Water Metering Policy" – next page.



Policy :

It is Council policy that:

A single-family dwelling property identified by the Manager of Community Bylaws as having a secondary suite, shall have their water service metered at the direction of the General Manager, Engineering & Public Works, and that the water meter shall remain regardless of any future decommissioning or vacation of the secondary suite. The cost of the water meter installation is to be borne by the property owner

Questions from the regular Council Meeting of September 13, 2004 with responses and/or references:

- 1) provide a definition for 'secondary suites' and determine how relatives would fit into that definition;

See the Multi-Suite Regulation

The existing secondary suite definition in the zoning bylaw makes the regulation of multi-suite SFD's challenging as the suites within these SFD's typically do not meet the secondary suite definition. The City normally uses the locked door criteria to define a secondary suite: if there is a locked or lockable door between the main dwelling unit and the secondary unit, and the secondary unit meets the definition of a secondary suite, then it is deemed to be illegal. There are many smaller suites that have contiguous access to the main dwelling unit but are still operating as secondary suites. This leaves the boarding and lodging restrictions (2 boarders allowed per SFD) as the main regulation tool, however this is very difficult to use since the individual borders need to be identified as being in residence. These suites are typically located in converted garages or one/two room spaces that do not have the traditional kitchen facilities (stove, sink, counters, etc.).

Refining the secondary suite definition with regard to kitchens will help Community Bylaws and Building Approvals staff prevent the construction and use of multiple suites.

Secondary Suite Definition section on page 5. The definitions of "relatives" and "family" in municipal bylaws have encountered significant legal problems for the simple reason that legally defining who is a family member or relative is very difficult. Regulatory enforcement action that hinges on these definitions is rarely successful. Addressing the problems that arise from using these definitions and proposing changes to them would be addressed in preparing the recommended legalization policy.

- 2) provide information on the cost of converting a house to include a legal secondary self-contained suite;

See Canada Mortgage and Housing Corporation (CMHC) Grants section on page 4.

- 3) with respect to the Spires Road issues, to provide comments on conversion of the area to a higher density and to specifically review the secondary suites issue in this area;

See Spires Gate section on page 3.

- 4) consider the number of boarders in terms of the 'secondary suite' definition;

Under the current zoning bylaw, all SFD's are permitted to have two boarders or lodgers. How this would be impacted through the legalization of secondary suites would be addressed in the proposed legalization report.

- 5) examine parking issues generally, including the matter of extended impervious surfaces;

It is often possible but certainly not always to detect a secondary suite by the number of vehicles in and around the location. Driveways will have been widened and paved, there are additional vehicles parking on the roadway and in extreme cases the front yard may have been paved over to provide parking. It should be noted that often large families with a number of adults in the house will have familiar circumstances. Concerning impervious surface area; increases in impervious surface area place increased demand on the storm water system. The City's design standard allows for 80% impervious area on a SFD lot. To increase that area may create drainage problems and should be subject to investigation on a case by case basis.

- 6) review the minimum square footage for secondary self-contained suites which would be acceptable, and to address (i) utility and enforcement issues, (ii) egress issues and number of doors and places of egress, and (iii) the total number of suites which could be located within a single-family dwelling;

See the Multi-Suite Regulation

The existing secondary suite definition in the zoning bylaw makes the regulation of multi-suite SFD's challenging as the suites within these SFD's typically do not meet the secondary suite definition. The City normally uses the locked door criteria to define a secondary suite: if there is a locked or lockable door between the main dwelling unit and the secondary unit, and the secondary unit meets the definition of a secondary suite, then it is deemed to be illegal. There are many smaller suites that have contiguous access to the main dwelling unit but are still operating as secondary suites. This leaves the boarding and lodging restrictions (2 boarders allowed per SFD) as the main regulation tool, however this is very difficult to use since the individual borders need to be identified as being in residence. These suites are typically located in converted garages or one/two room spaces that do not have the traditional kitchen facilities (stove, sink, counters, etc.).

Refining the secondary suite definition with regard to kitchens will help Community Bylaws and Building Approvals staff prevent the construction and use of multiple suites.

Secondary Suite Definition *section on page 5.*

- 7) obtain comments from the Poverty Response Committee of the Richmond Community Services Advisory Council on this matter;

See Poverty Response Committee Consultation section on page 4.

- 8) consider the establishment of increased charges for utilities and possibly property taxes, and comment on the levying of such charges if secondary suites were not legalized;

See the Utility Charges section on page 6.

- 9) obtain information on the North Vancouver 'secondary suite' situation, and to review and report on similar situations in other cities and municipalities and provide information on the definition of 'secondary suite' in these cities;

See Attachment 5, general references are throughout the report.

- 10) consider the establishment of minimum liveable standards which meet building code requirements, fire prevention enhancements, etc.;

See question 14.

- 11) develop a process to deal with the reporting of illegal suites, and include the cost of enforcement, etc.

This would be addressed in the development of a legalization options. It is not recommended to change from the existing complaint based approach to secondary suite regulation (see the Policy Development Option 2 – Increase Enforcement of Existing Policy section on page 8).

- 12) provide information on the resources which would be needed to address this issue;

This would be addressed in the development of a legalization options.

- 13) report on the feasibility of requiring the compulsory installation of water meters for any home which had a certain number of residents;

See the Utility Charges section on page 6.

- 14) provide information on the feasibility of having two different standards for secondary self-contained suites - for new construction as opposed to existing construction, and report on the ramifications of having two different standards; and

Section 9.36 of the Building Code identifies requirements for secondary suites. These requirements are generally relaxations of, or equivalencies to, other parts of the code based on the understanding that fully compliant construction is not always feasible. The code allows for some relaxation of requirements in section 9.36 when attempting to bring existing construction into compliance, but the full requirements would be applied in the case of new construction. In either case the essential life safety concerns would be addressed.

Section 9.36 is specifically restricted to non-strata single family homes that have one suite additional to the main living space. The Building Code does not provide for secondary suites in multi-family buildings as these have additional life safety concerns. For example, the bulk of the District of North Vancouver's secondary suite policy and many other jurisdiction's definitions of secondary suites are based on this section of the code.

- 15) report on the minimum standards which would be acceptable for existing secondary suites to make these dwellings safe without having to resort to fire separation, etc.

See question 14.

Survey of Secondary Suite Flat Rate Utility Charges By Municipality

City	Single Family Dwelling Rates		Secondary Suite Rates			
	Water	Sewer	Water	% of SFD Rate	Sewer	% of SFD Rate
Port Coquitlam	\$121.58	\$122.46	\$121.58	100%	\$122.46	100%
North Vancouver	\$197.00	\$193.00	\$171.00	87%	\$156.00	91%
Port Moody	\$227.00	\$213.00	\$227.00	100%	\$213.00	100%
New Westminster	\$227.30	\$338.40	\$113.65	50%	\$169.20	50%
Coquitlam	\$257.00	\$273.00	\$257.00	100%	\$273.00	100%
Burnaby	\$281.53	\$325.11	\$140.75	50%	\$163.50	50%
Delta	\$283.00	\$213.00	\$283.00	100%	\$213.00	100%
Maple Ridge	\$288.80	\$195.75	\$134.40	47%	\$195.74	100%
Vancouver	\$329.00	\$162.00	\$117.00	36%	\$ 57.00	49%
Surrey	\$329.00	\$252.00	\$247.00	75%	\$252.00	100%
Richmond	\$372.37	\$231.24	\$ 0.00		\$ 0.00	

Attachment 5

Summary Table - Municipal Secondary Suite Policies in the Greater Vancouver Region

Municipality	Suite permitted in Single Family	Conditional Secondary Suite Approval			No Suites Permitted	
		In-law suite only	Additional Parking Required	Neighbourhood Specific	Active Enforcement	Passive Enforcement
Anmore	pre-1995					
Belcarra	pre-1995					
Burnaby		X				
Coquitlam	1999		X			
Delta						X@
City of Langley						X
Langley Township						X@
Maple Ridge	1999**		X			
New Westminster	1998		X			
City of North Van	1995**		X			
Distr. of North Van	1997**		X			
Pitt Meadows		X				
Port Coquitlam	1998 ^					
Port Moody		X				
Richmond	@					X@
Surrey				X**		
Vancouver	X					
West Vancouver		X				
White Rock	2006		X			

* Year when approval policy was approved.

** Owner Occupancy Required: building owner must reside in the building.

@ Detached additional dwelling unit (coach-house or garage suites) permitted in certain neighbourhoods (Richmond - one neighbourhood)

^ Except in one specific neighbourhood.

Passive enforcement means that enforcement action occurs upon receipt of a complaint.

Attachment 6

Secondary Suites report dated September 2, 2004 from the Manager, Policy Planning.



To: Planning Committee
From: Terry Crowe
Manager, Policy Planning

Date: September 2, 2004
File:

Re: **SECONDARY SUITES: AN OVERVIEW**

Staff Recommendation

That, as per the report dated September 2, 2004 from the Manager, Policy Planning, the City maintain its current approach to existing secondary suites.

Terry Crowe
Manager, Policy Planning

Att. 4

FOR ORIGINATING DIVISION USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
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Fire Rescue		Y <input type="checkbox"/>	N <input type="checkbox"/>		
Engineering		Y <input type="checkbox"/>	N <input type="checkbox"/>		
Law		Y <input type="checkbox"/>	N <input type="checkbox"/>		
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Staff Report

Origin

On November 4th, 2003, Planning Committee requested that staff prepare a report to provide an overview regarding secondary suites.

Synopsis

This report discusses secondary suites including:

- existing City practices;
- current municipal policies and practices from around the region;
- shifts in public and political attitudes about secondary suites;
- the implications of Richmond's current approach to secondary suites,
- options to accommodate secondary suites and their implications.

Conclusion

The report recommends that the City maintain its current approach to secondary suites, as:

- it generates few complaints, and
- exploring alternate approaches would likely generate controversy, be time consuming and take limited staff resources away from higher City priorities including processing development applications RAV, 2010 Olympics, West Cambie and City Centre planning.

Findings Of Fact

Provincial Legislation

The Local Government Act provides local governments with the authority to license and regulate secondary suites (including the authority to register them and charge fees for registration), but the Act does not allow for a local government to charge for, or issue a business license for secondary suites.

Definition of a Secondary Suite

The Richmond Zoning Bylaw defines a secondary suite as *"a self-contained area located with a residential building having complete provision for residential living by the occupants of such area, including living, sleeping, cooking and toilet facilities."*

The City addresses secondary suites based on the following City Procedural Policy endorsed by Council on September 27, 1989:

"On receipt of a complaint, our bylaw enforcement officers will apply two basic tests to a property zoned for single family residential use.

First, the bylaw enforcement officer would check whether the property complies with the test of being a single family unit. While this test involves some interpretation and judgement, the key aspect is internal access. If a property allows for access throughout the residence, so that it appears and functions as an integrated whole, then it will likely pass the test even though there may be second bathrooms and/or kitchens and locks on bathrooms and individual bedrooms. If, however, the property is divided so that there are two parts to the house, each of which can and is clearly intended to operate as independent living quarters, and between which access is interrupted by an internal barrier, such as a lockable door, which can and clearly is intended to prevent regular access between the two parts of the property, then it will probably fail the test.

The second test is that of occupancy. There are two parts to this test. First, does the principal household meet the definition of a single family, that is all members are related by blood or marriage, or if not, then the household numbers no more than six persons. Secondly, in addition to the principal household, are there no more than two boarders or lodgers.”

Definition of a Secondary Suite in Other Municipalities

In other GVRD municipalities, a secondary suite is defined as a non-strata titled dwelling unit contained within a principal dwelling (e.g., single family dwelling, duplex or multi-family development) usually, but not always, located in the basement or lower floor. The enforcement of secondary suites is based on the number of kitchens permitted in a single family house (e.g., one kitchen per legal dwelling unit).

Estimates of Secondary Suites

□ In the Region

An inventory of secondary suites in the region, completed by the GVRD in November 2000, indicates an estimated number of 54,000 to 69,000 secondary suites in Greater Vancouver (source: “*Review of Secondary Suite Policies in the Greater Vancouver Regional District*”, GVRD, March 2002).

These suites represent:

- Between 19% - 25% of the region’s renter households (280,180 households) (source: *1996 Census*).
- A significant component of the region’s rental housing stock and a component which is increasing as suites continue to occur with high frequency in new housing, particularly single family housing.

□ In Richmond

- The total number of residential units in Richmond = 59,084 (source: *2004 City Tax Assessment Data*).
- According to GVRD estimates, Richmond is estimated to have between 2,175 to 5,235 secondary suites, or 4% to 9% of total number of residential units in Richmond (source: “*Municipal Inventory of Secondary Suites Within GVRD*”, GVRD, November 2000).
- The total number of single family dwellings in Richmond = 27,920 (source: *2004 City of Richmond Tax Assessment Data*).

Municipal Approaches to Managing Secondary Suites

Generally, the past decade has seen two clear trends in municipal policy approaches regarding secondary suites:

1. *A movement from lenient enforcement - to the legalization of suites as determined in municipal bylaws.*
2. *A movement from accommodating secondary suites on a neighbourhood by neighbourhood basis - to accommodating secondary suites on a municipality-wide basis.*

These trends imply that public and political support for the legalization of suites with or without conditions is increasing. Those municipalities which have adopted bylaws to permit secondary suites report no increase in community complaints, or in staff resources required to address suite-

related issues (source: “*Review of Municipal Secondary Suite Policies in the Greater Vancouver Regional District*”, GVRD, March 2002).

Municipalities have cited limits in the rental housing market in Greater Vancouver as having contributed to this growing permissiveness. Over the past decade, the proportion of renters in this region has remained at over forty percent, but the absence of new purpose-built rental housing, the relative unaffordability and instability of tenure in newer forms of rental housing (buy-to-rent condos), the continuing decrease in renter household income and the growing gap between owner and renter household wealth (e.g., fewer first time home buyers among renters), and low vacancy rates, all contribute to the importance of protecting the existing affordable rental housing stock in Greater Vancouver. Secondary suites represent a significant component of this stock.

Attachment 1 shows the GVRD municipal approaches to managing secondary suites.

Public Opinion on Secondary Suites

There are opinions of public opposition and support for legalizing secondary suites.

Attachment 2 presents the most common views expressed (source: “*Secondary Suites Staff Report*”, City of Vancouver, January, 2004).

Secondary Suites as Affordable Housing

Secondary suites provide accommodation for low or modest income renters, and thus contribute to the affordable housing stock.

Where municipalities do not accommodate secondary suites, a significant amount of the affordable housing stock can be at risk. Because of the illegal status of secondary suites, tenants may fear that their suite may be closed, particularly if they complain about inadequate or unsafe conditions. In turn, property owners may not wish to make any necessary improvements.

Utility Fees

Most municipalities in the region currently charge utility fees for properties with secondary suites, irrespective of whether those suites are permitted through zoning (source: “*Review of Municipal Secondary Suite Policies in the Greater Vancouver Regional District*”, GVRD, March 2002). The amount of the utility levy varies ranging from an additional 100% of the standard single family utility fee to 40% of the standard utility fee.

The City of Vancouver charges \$88 for water consumption in secondary suites.

The District of North Vancouver in 2001 adopted a program requiring homes with suites to pay an annual \$260 water and sewer fee for secondary suites.

The City of Surrey charges extra utility fees (approximately \$500 per dwelling) for water, sewer and garbage services for all known secondary suites recorded by the Bylaw & Licensing and Taxation Departments. The onus is placed on those single family owners to prove that they don't have a secondary suite, by asking the City to inspect their house to remove the additional utility fee.

The City of Surrey does not have a City wide secondary suite policy nor does it currently enforce the legalization of secondary suites. In the early 1990s, Surrey did establish certain areas where new zones did permit secondary suites. Approximately, 1,500 houses were built to permit legal suites. In the mid 1990s, the City did try developing a policy on secondary suites on a neighbourhood by neighbourhood basis; however, Council at the time did not support the policy direction as they believed that such a policy would facilitate increases in legal and illegal secondary suites in the City. Presently, a few special small lot zoned areas have been permitted to allow legal secondary suites. However, no City initiative to permit secondary suites is being pursued.

The issue of the consumption of utilities and services lies at the heart of the “equity issue” when communities discuss secondary suites. Proponents of additional fees for utilities and garbage collection for properties with secondary suites believe that these suites generate an additional burden on utilities and services.

Within the region, fees may be based on:

- Consumption amounts (metered);
- Estimated consumption amounts used to generate a flat rate for secondary suites; or
- A flat rate per dwelling unit (regardless of the dwelling unit having a secondary suite or not).

Recent CMHC findings indicate that the presence of a secondary suite does generate additional utility use, and that incremental increases in utility use differs significantly between suites in urban and in suburban municipalities. This difference is directly related to the average number of persons per household.

Existing Richmond Practice

1. The OCP encourages a variety of housing types and affordability.
2. Regarding suites in new developments, recently a few new residential zones (i.e., Coach House District R/9) have been established to enable secondary suites to be accommodated.
3. Currently, there is no policy as to where the City may encourage legal new secondary suites.
4. The Flex House Demonstration Project was successful in providing a housing model that can accommodate a suite. The next Council approved step is to consider establishing a City-wide policy regarding where this type of housing may be permitted. This work will be started in the Fall 2004 and completed in February 2005.
5. Currently, these new zones are considered within the City subject to developer and community acceptance.
6. The current Richmond practice is to investigate secondary suites on a complaint basis.
7. If the City were to more fully accommodate secondary suites, the following issues would need to be addressed:
 - Definition,
 - Where in the City,
 - In new buildings only, in existing buildings only, or in both
 - Community acceptance,
 - Utility and services fees,
 - In what type of buildings,
 - Owner’s presence,
 - Under what conditions (e.g., building, parking, life safety issues: fire and building requirements),

- Other, as necessary.

Considerations

In considering secondary suite issues, the following staff comments are relevant:

□ Policy Planning

General Comments

- The City is currently permitting new secondary suites in certain residential zones.
- There are few complaints with the existing practice.

Implementing the Policy

- Exploring alternative approaches to secondary suites would be controversial, take time and draw limited staff resources away from current City priorities (e.g., processing development applications, RAV, West Cambie, City Centre planning, 2010 Olympics).

Cost of the Policy

- Additional staff resources would be required to develop and implement a new policy.

□ Development Applications

- General Comments

If secondary suites are legitimised, new zones or text amendments to existing zones in the Zoning Bylaw would be required.

- Implementing the Policy

Whether on a neighbourhood, or a City wide basis, the legalization of secondary suites would require extra staff time and public consultation.

- Costs of the Policy

There will be additional staff costs to administer this policy. There may be an opportunity for the City to recover a portion of administrative costs through rezoning fees.

□ Building Approvals

General Comments

- The key concern is building code compliance and life safety in existing dwellings. Having all suites in compliance with the building code would be a benefit. Legalization would not likely achieve this due to the costs faced by the homeowner (as per the Vancouver experience) and the number of suites may be reduced, as some may be unable to be upgraded to building code.

Implementing the Policy

- Allowing secondary suites under certain zonings and ensuring compliance of new construction would likely be the best approach, rather than seeking to legalize existing suites.

Costs of the Policy

- If the estimate of 2,175 to 5,235 secondary suites in Richmond is correct, two additional full-time inspectors may be required for three to four years at a total annual cost (salaries, benefits, equipment) of approximately \$200,000. Depending on how the enforcement is structured, the costs may be recoverable through inspection fees.

□ Fire Rescue

General Comments

Legalizing secondary suites:

- May obstruct emergency vehicle access on local streets brought about as a result of additional parking on some public streets.
- Reduce perceived life and fire safety issues brought about by improper construction, electrical or natural gas services.
- Increase the water consumption rate, affecting available water supplies for firefighting.

Implementing the Policy

- Most existing buildings with secondary units may not be capable of providing a reasonable fire separation between the upper and lower fire compartments, given no fire alarm and detection system. Vancouver and other jurisdictions have required sprinklers in all new residential buildings, including those with secondary suites.
- May need to include a secondary suite section in our Fire Bylaw to help control street addressing, parking, water use, smoke alarms, storage and the use of hazardous materials. Again, this will impact Fire Rescue's resources to enforce.
- Should the dwelling units be structured one over the other, traditional egress routes may be exposed to fire or radiant heat from unit below.

Costs of the Policy

- Fire Rescue has insufficient staff resources to patrol, or inspect secondary suites on a regular basis.
- Complaint driven inspections can be managed, both on the telephone and in the field.

□ Community Bylaws

General Comments

- Community Bylaws regularly receive telephone calls relating to secondary suites throughout the City, although the number of complaints are not unusually high (i.e., 2002: 44 complaints; 2003: 30 complaints; 2004 [to date]: 15 complaints).
- There is an apathy among the public who may potentially complain but realize that there appears to be very little action that the City takes against people who have such suites in their houses. This is primarily due to the definition of secondary suites and the need for clarity to permit enforcement, if enforcement is the preferred course of action.
- Bylaw staff have difficulty with single family homes that contain 4 or 5 suites versus just one secondary suite.

Implementing the Policy

- A clearer definition of secondary suites or legitimizing secondary suites would make the enforcement of secondary suites more effective.

Costs of the Policy

- Community Bylaws would not expect any additional staff costs in enforcing secondary suites requirements, as long as it is enforced on a complaint basis and in priority with other City bylaw cases.

□ Engineering

General Comments

- Generally, legalizing secondary suites is a good idea in that it identifies high users of the City's sewer and water systems. This gives the City better information for long term planning on future sewer and water system needs.

Implementing the Policy

- With respect to legalized suites, Engineering would require that all single family homes be metered as is the current practice for newly constructed homes. The homeowner would be responsible for the cost of a water meter and would pay for water and sewer based upon metered rates. Therefore, as the occupants in the home consume more water and discharge more sewage, the annual charge for the water and sewer utilities would increase based upon usage.

Costs of the Policy

- The City's procedures and standards already include the metering of single family homes and utility bills based upon metered rates. Therefore, current staffing levels in the Engineering Department are sufficient in accommodating the metering of single family homes with legal secondary suites.

□ RCMP

General Comments

RCMP's concerns on secondary suites are:

- No rules surrounding proper house numbering of the secondary suites. This can lead to confusion when having to respond to emergency situations.
- More people living in secondary suites means more vehicles associated with one address and this can cause parking congestion.
- More people living in neighbourhood residences can escalate situations in instances where we may be responding to a house party or a street disturbance.
- The fact that with secondary suites there are more people living in close proximity may cause increase incidents of neighbourhood disputes.

Implementing the Policy

Legal suites would be a benefit in that it would:

- Establish clear house numbering of the suites for better emergency response and consideration of additional parking requirements.
- Provide for improved landlord/tenant dispute resolution channels to resolve issues, reducing the necessity for police intervention.
- Provides for a more accurate account of households and population planning future RCMP resourcing needs.

Cost of Policy

- Although there is no foreseen impact to the RCMP, additional administrative staff resources may be required to enforce legalizing secondary suites.

□ Transportation

General Comments

- Transportation's concerns about secondary suites are related to parking and establishing a parking space standard as illegal secondary suites increase parking needs without City control. A byproduct of introducing a formal requirement for additional parking is likely to be the loss of landscaping and an increase in impervious surface in front yards.

Implementing the Policy

- Should secondary suites be legalized, then appropriate parking requirements should be in place to support the bylaw.

Cost of the Policy

- No additional staff cost is expected should City legitimize secondary suites in single family dwellings.

Analysis

Secondary Suite Management Options

The management options show:

1. Continue Status Quo, or
2. Address the issue of permitting secondary suites with conditions either:
 - a) on a neighbourhood by neighbourhood policy basis, or
 - b) on a City wide policy basis.

Based on the review of other municipal approaches to the management of secondary suites, the following options are presented:

Options Secondary Suite Management	Conditions
<p>Option 1: Status Quo</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>New suites</u>: Continue allowing new suites in new zones in new construction in some areas of the City on a neighbourhood by neighbourhood basis <input type="checkbox"/> <u>Existing suites</u>: Continue the illegal status of secondary suites in existing and new buildings within the City, <input type="checkbox"/> <u>Enforcement</u> Address on a complaint basis 	<p>Pro:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Secondary suites occur within the City <input type="checkbox"/> Less community controversy <input type="checkbox"/> No policy work required <p>Con:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Uneven community benefit <input type="checkbox"/> Partial support for affordable housing <input type="checkbox"/> Continues unsafe housing <input type="checkbox"/> Problems continue (e.g., some single family dwellings will continue to have illegal secondary suites)
<p>Option 2: Permit Secondary Suites with Conditions</p> <p>Establish City policies to permit:</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>New Suites</u>: <ol style="list-style-type: none"> (1)accommodate new suites in new buildings (2)accommodate new suites in existing buildings <input type="checkbox"/> <u>Existing Suites</u>: <ol style="list-style-type: none"> (1)attempt to accommodate existing illegal suites in existing buildings <input type="checkbox"/> <u>Policies would address</u>: <ol style="list-style-type: none"> (1) existing suites (2) new suites (3) city wide & neighbourhood accommodation options (4) the following issues for both new and existing suites: <ul style="list-style-type: none"> - City acceptance - Neighbourhood acceptance - Additional services (e.g., parking) - Detached suites - Owner occupancy - Meeting building, life safety and fire standards - utility fees - other, as necessary <input type="checkbox"/> <u>Enforcement</u> addressed on a complaint basis 	<p>Pro:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Best accommodates new and currently illegal suites <input type="checkbox"/> Increases affordable housing stock <input type="checkbox"/> Provides for accepted building and fire standards in secondary suites <input type="checkbox"/> Allows for community involvement in the development and approval of secondary suites policy <input type="checkbox"/> Provides some revenues to cover the costs of increased utilities <input type="checkbox"/> Less enforcement problems likely <p>Con:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not all existing suites may meet health and safety conditions to become legal, and therefore City enforcement may be required <input type="checkbox"/> Not all neighbourhoods may support new suites and the legalization of existing secondary suites <input type="checkbox"/> May become quite controversial <input type="checkbox"/> Will take time to establish policies <input type="checkbox"/> Extra staff time and resources to study, consult, develop and implement the new policy <input type="checkbox"/> Will draw staff resources away from other City priorities (RAV, City Centre planning) <input type="checkbox"/> Will likely require increased City enforcement of new policies

Proposed Secondary Suites Management Considerations

If Option 2 was to be pursued by the City, new zoning changes, building standards, and inspection and enforcement considerations would need to be discussed resulting in a recommended proposal being presented to Council. **Attachment 3** provides a discussion about these considerations.

Secondary Suites Implementation Approaches

The accommodation of secondary suite can be undertaken either on neighbourhood by neighbourhood, or on a city-wide basis.

Secondary Suite Implementation Options	Approaches
<p>Option 1: Neighbourhood by Neighbourhood Basis</p> <ul style="list-style-type: none"> <input type="checkbox"/> Discussion undertaken on a neighbourhood basis <input type="checkbox"/> Secondary suites acceptance by neighbourhood 	<p>Pro:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provides for secondary suite acceptance on a neighbourhood by neighbourhood basis <input type="checkbox"/> Allows for community involvement <p>Con:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Likely controversial to establish <input type="checkbox"/> Takes longer to establish policies over whole City <input type="checkbox"/> Requires more staff time and resources to develop and implement the new policy
<p>Option 2: City – Wide Basis</p> <ul style="list-style-type: none"> <input type="checkbox"/> Discussion undertaken on a City-wide basis <input type="checkbox"/> Secondary suites acceptance City-wide, with conditions. 	<p>Pro:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Likely quicker to establish <input type="checkbox"/> Maybe less controversial than on a neighbourhood basis <input type="checkbox"/> Allows community involvement <input type="checkbox"/> Provides a level playing field across the City <input type="checkbox"/> Follows the trend of other municipalities in the region <input type="checkbox"/> Requires less staff time and resources to develop and implement the new policy <p>Con:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not flexible to specific neighbourhood views

Possible Building & Fire Requirements to Permit Legalized Suites in Existing Housing & New Construction

Attachment 4 presents possible changes to a building that may be required should secondary suites in new and existing single family dwellings be permitted. However, further discussion will be required before final recommendations can be presented to Council.

A policy change could:

- Encourage and support the establishment of more suites – an option not available in the City under the current practice; and
- Moderate intensification within the existing housing stock and existing neighbourhoods, in a manner more consistent with the City’s Official Community Plan objectives.

Summary

The City:

- (1) receives few public complaints regarding secondary suites,
- (2) already permits secondary units in certain new residential zones, and

(3) is highly committed to other City priorities (e.g., RAV, West Cambie, City Centre planning, 2010 Olympics) and does not have existing resources to commit to a large scale initiative, at this time.

Staff believe that the City should maintain its current approach to existing secondary suites.

Financial Impact - None

Conclusion

The City's current approach to secondary suites should continue as it generates few complaints and in light of the City's current priorities.

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KEH:cas

Municipal Approaches to Managing Secondary Suites

1. Municipalities permitting suites in all single detached houses.

Secondary Suites in All Single Detached Houses	Municipalities
No conditions on suites	Anmore, Belcarra, Coquitlam, New Westminster, Vancouver and Port Coquitlam
Require the owner to reside in the building	Maple Ridge, City of North Vancouver, and District of North Vancouver

2. Municipalities permitting suites with conditions that relate to the property.

Secondary Suite Conditions	Municipalities
In law suite only (parents of owner residents)	Burnaby, West Vancouver, Port Moody and Pitt Meadows
Additional parking	Coquitlam, Maple Ridge, New Westminister, City of North Vancouver, District of North Vancouver, and Vancouver (new construction only).
Neighbourhood specific	Surrey

3. Municipalities prohibiting suites, although a few of the municipalities do permit coach-house units or garage suites in certain neighbourhoods.

Municipalities that Prohibit Suites	Municipalities that Permit Coach-House Suites or Garage Suites
Delta, City of Langley, Langley Township, Lions Bay, Richmond, and White Rock	Delta, Langley Township, and Richmond

Source: "Review of Secondary Suite Policies in the Greater Vancouver Regional District", GVRD, March 2002.

Common Public Views on Secondary Suites

<p>In Opposition</p> <ul style="list-style-type: none"> <input type="checkbox"/> Some owners of single-family houses feel that a premium was paid to live in a single-family area. Secondary suites are seen as an infringement on the quality of enjoyment and the value of their home; <input type="checkbox"/> Tenants of suites increase overall neighbourhood activity levels, create a shortage of street parking and increase noise in the neighbourhood; <input type="checkbox"/> Problem suites impact the enjoyment of nearby residents; <input type="checkbox"/> Properties with suites do not pay their fair share of utility and service costs.
<p>In Support</p> <ul style="list-style-type: none"> <input type="checkbox"/> Suites are seen as an essential component of the affordable rental housing stock, noting that almost a quarter of the houses in the single family areas of the city have one; <input type="checkbox"/> Secondary suites provide reasonably priced rental housing for students, young adults, older individuals, couples, families and those on low incomes; <input type="checkbox"/> Suites provide a top up of income for home buyers who might not otherwise qualify for a mortgage in a city where housing costs are acknowledged as the highest in the country; <input type="checkbox"/> Suites provide a secondary source of income for seniors and others which allows them to remain in their house when diminishing income may require a move; <input type="checkbox"/> A secondary unit in a home occupied by a senior provides an added sense of security; <input type="checkbox"/> Suites provide for modest density increases without significant changes in neighbourhood character; <input type="checkbox"/> Tenants may feel they are not in a position to register complaints against the owner of an illegal suite, for fear that the suite will be closed – permitting suites reduces the possibility that a suite will be closed; and <input type="checkbox"/> Enables people and families to live in a building through their life cycle.

Source: “*Review of Secondary Suite Policies in the Greater Vancouver Regional District*”, GVRD, March 2002.

Secondary Suite Management Considerations

Zoning Change

One Suite For Each House (i.e. principle residence and secondary suite) in single-family zoned areas is a feasible way to permit a second residential unit. The owner must choose between residing in one of the two units.

New Definition of Secondary Suite: A definition to reinforce the City's intent of allowing an interdependent principal dwelling unit and a 'secondary' suite along the following lines is recommended.

"One Family Dwelling with Secondary Suite", which means a building containing only two dwelling units, one of which is smaller than the other, with internal access between the two units, but which does not include a two-family dwelling, multiple conversion dwelling, or infill one-family dwelling.

Extending Secondary Suites City-wide: This opportunity throughout the city, in essence will permit any one-family dwelling to have a secondary suite in all residential zoning districts.

No Strata Title Policy: While allowing strata-titling may have the benefit of providing the opportunity for more affordable home ownership, suites have traditionally been viewed as providing affordable rental stock where the need is much greater. While the City has control over the strata title conversion of previously occupied buildings, the City has no control over the registration of a strata title plan for new construction prior to occupancy. This process will require the owner to register a covenant preventing strata title registration when a new one-family dwelling with a suite is approved. The covenant must remain a condition of approval.

Parking: Increased on-street parking problems generated by suites is a significant concern for neighbourhoods and local residents.

Parking is a multi-faceted problem. While parking spaces may be required and provided on a site, the City has no control as to whether property owners actually use them. Garages are often used for storage of household goods or recreational vehicles, or used as workshops. Homes without a suite may have many vehicles, one for each parent, plus vehicles for young adults and teenagers. A survey undertaken in the District of North Vancouver in moving to legalize suites in the mid-1990s provides some interesting insights to tenant attributes:

- Generally lower incomes;
- Rental payments of about \$100 less in rent than those in apartments; and
- Often did not own cars.

It is expected that parking will continue to be one of the more significant issues. Secondary suites may contribute to increased congestion along with households with multiple car ownership. However, weighing the need to provide for affordable housing against on-site parking, additional parking may not be required on-site for secondary suites in existing houses (houses built before the enactment of the changes proposed in this report).

New one-family dwellings with secondary suites will be required to provide two parking spaces, as will applications involving the addition of a secondary suite to a new one-family dwelling approved after the date of the enactment of the proposed changes. For buildings constructed after adoption of the current Zoning By-law, staff will stipulate that the required parking be restored if it is not being used for parking.

Building Standards

Permitting secondary suites in single-family areas city-wide in itself is unlikely to result in a rush of owners coming forward to actually legalize suites. The 1998 statistics in Vancouver showed that about 78% of suites in areas where suites can be made legal, remain illegal. However, allowing for suites and reducing

the costs of legalization should increase the number of legal suites and gradually improve the minimum safety standards and quality of suites over time.

The reasons for the continuance of illegal suites, even in areas that allow for suites, are seen as mainly financial considerations, including:

- ❑ The additional costs of upgrading a suite to meet building safety standards may be viewed as unrecoverable by the owner struggling to finance ownership, or by others as sufficient to negate the financial benefit of operating the suite; and
- ❑ Legalizing a suite has other cost implications including reporting rental income for income tax purposes, and the possibility of increased property assessment property taxes, and utility fees. Uncertainty about these costs can act as a significant impediment to legalization.

The latter point is seen to be particularly important in the case of new one-family dwellings which can easily meet the building standards, but suite approval is not sought as part of the original permit. Often two secondary suites are installed after final inspection, which is also likely a deterrent to legalizing the one suite. As an option, an occupancy review may be considered.

Cost Considerations: The process of legalizing a suite can involve a variety of costs, depending on the age, condition and quality of the existing house. While building permit fees are nominal, the owner may face significant costs in meeting building code requirements such as minimum floor-to-ceiling heights, fire separation, electrical upgrades, smoke alarms, plumbing, gas and sprinklers. Installing a sprinkler system costs between \$3,000 to \$5,000. Raising a house or lowering a basement to increase floor-to-ceiling height plus finishing the space can cost up to \$50,000, according to the construction industry. It is understandable why in some cases the homeowner of an older home does not legalize a secondary suite.

Floor to Ceiling Height: For houses built prior to 1956, ceiling heights pose the most significant obstacle and costs to secondary suite legalization.

The normal minimum requirement is 2.3 m (7'6") over prescribed minimum areas. The current City standard when upgrading an existing secondary suite is a minimum of 2.08 m (6'10"). The minimum for existing basements can be reduced to 1.98 m (6'6"), with allowance of 1.93 m (6'4") under ducts and beams. A minimum 1.98 m (6'6") height over 80% of the suite and in all areas along the exit path from the suite, which are not essential to emergency exiting from a suite can be considered.

New Construction: While there are no statistics, on a regular basis owners of new one-family dwellings install suites, often two on the ground floor, after the final inspection by the City. This is seen to be an increasing problem.

To encourage owners to seek approval of a legal suite at the point of original construction, the installation of utilities and other fire and life-safety requirements should be part of all new one-family dwelling construction (to make them "suite ready" for the one suite). This includes electrical service sufficient to handle both the principal dwelling and the secondary suite. Smoke alarms and sprinklers are already required. There will be a marginal cost increase related to these requirements. This also provides for more flexible use of housing stock as the needs of the owner change.

The notion of providing two parking spaces for new one-family dwellings should be considered at the outset; because many new one-family dwellings are built with a two-car garage.

Inspection and Enforcement

Permits and Fees: The permit fees can be retained with no change other than that anticipated as part of the normal fee review

Enforcement: To date, the policy of enforcement only upon complaint by a tenant or neighbour has been successful in penalizing property owners who do not adequately manage tenants or maintain properties.

Tenants are less likely to complain under the current policy out of fear that the unit will then be removed. Making suites possible, or "legalizable", will reduce the possibility of closure.

For the most part, the City has chosen not to undertake an aggressive enforcement of suites, but has generally limited enforcement to a complaint based system. Considering staff resources and legalities this approach is sensible.

Inspections: For applications to add suites to existing buildings, the primary focus of inspections and improvements would be on the suite. In the past, the entire house has been included. Staff could deal with serious fire, life-safety and health issues obvious elsewhere in the house, as well as utilities related to the suite, such as electrical service panels, existing furnaces and boilers, and hot water tanks which may be located in the main dwelling unit. This inspection is needed to ensure that such services are adequate to avoid fires due to electrical overload and to prevent carbon monoxide poisoning, and that installations have not been compromised by the unauthorized construction which created the suite.

In the case of new construction, all new one-family dwellings could be inspected 12 months after occupancy to determine whether or not suites have been illegally added.

Utilities: Water service, sewer and recycling services are estimated at about \$155 a year for a secondary suite, or about \$13 a month. This to be a minor consideration overall and recommend that secondary suites pay these costs.

Sources: "Secondary Suites Staff Report", City of Vancouver, January, 2004 and "Review of Secondary Suite Policies in the Greater Vancouver Regional District", GVRD, March 2002.

**Possible Building & Fire Requirements
To Permit Legalized Suites in Existing Housing & New Construction**

Measure	New Construction	Existing Building (To be Suite Friendly)
Limit of two residential units	Yes	Yes
Parking Requirement	Two spaces	None for suite, required parking for existing dwelling to be provided
Code up-grade	n/a	Suite only
Floor to ceiling height	7'6" required; 8'0" normally provided	6'6" minimum over 80% of the suite area, and in all areas of egress from the suite
Fire separation for suites	Install at point of construction	Accept existing gypsum or plaster separations
Sound separation	Install at point of construction	Not required
Electrical service capacity for one-family dwelling including one secondary suite	Install at point of construction	Required
Electrical outlet provisions	Install at point of construction	Not required to meet current code regarding number and location
Hard-wired smoke alarms interconnected throughout and between the principal dwelling and the secondary suite	Install at point of construction	Required
Building Permit requirements	Needed if suite not installed under the permits for original construction	Building Permit Required
Strata Title Covenant	Required for new construction with suite, with release after 12 months	Not required
Inspection	Follow-up inspection to occur after 12 months for all one-family dwellings	n/a

Prepared By:
Policy Planning
City of Richmond