



To: Planning Committee
From: John Irving, P. Eng. Director, Building Approvals
Re: Secondary Suites Legalization Program

Date: May 16, 2007

File:

Staff Recommendation

- 1. That the proposed Text Amendment Bylaw 8200 to amend the Richmond Zoning and Development Bylaw 5300 be introduced and given first reading; and
2. That the following three new permanent full-time positions be created within the Building Approvals Division to administer secondary suite legalization:
1 - Building Inspector I
1 - Plumbing/Gas Inspector I
1 - Plan Checker I

Handwritten signature of John Irving

John Irving, P. Eng.
Director, Building Approvals
(4140)
attach.(4)

FOR ORIGINATING DEPARTMENT USE ONLY
ROUTED TO: CONCURRENCE CONCURRENCE OF GENERAL MANAGER
Community Bylaws Law Development Applications Policy Planning Transportation Human Resources Fire
REVIEWED BY TAG YES NO REVIEWED BY CAO YES NO

Staff Report

Origin

At the regular Council Meeting of September 25, 2006, Council passed the following referral resolution:

“That staff prepare bylaw amendments and implementation options for the legalization of secondary suites.”

This report responds to the referral and provides options and recommendations to enable the legalization of new and existing secondary suites. Additional background information can be found in the staff report titled “Secondary Suites” dated September 11, 2006 (Attachment 4).

Findings Of Fact

Multiple Suites

The recommended zoning bylaw amendments enable the legalization of one secondary suite within a detached single-family dwelling. Having more than one secondary suite in a single-family dwelling (multiple suites) or one or more suites in a duplex, townhouse or apartment will remain illegal. See Attachment 4 for further discussion on multiple suite issues.

Consultation

Two public open houses on secondary suite legalization were held in December, 2006 in tandem with the Affordable Housing Strategy open houses. Feedback forms were distributed at the open houses and were made available on the City’s website. Verbal feedback at the open houses indicated strong support for legalization, and 88% of written feedback responses were supportive of general legalization. Detailed results are provided in Attachment 1.

The staff report titled “Secondary Suites” dated September 11, 2006 was forwarded to the Richmond School District for comment. This report will likewise be forwarded to the School District for review and comment.

Analysis

Option 1 – Status Quo (*not recommended*)

The City has generally maintained its policy to not accommodate existing secondary suites through a number of policy reviews over the last few decades. Rising living costs and less available affordable housing have now established the illegal secondary suite as a fact of life in the City and their presence and impacts are generally accepted by the public. Continuation of the existing policy is unrealistic and at odds with housing needs and publicly accepted practice.

Option 2 – Partial Legalization (*not recommended*)

The City has legalized some new secondary suites and units under coach house zoning and specific single-family developments approved through re-zoning and development permits. Continuing with this policy or legalizing suites in only certain neighbourhoods would not address the larger issue of illegal secondary suites that exist throughout the City. Partial implementation could also lead to problems with complexity and public awareness, and would introduce a perception of unfairness or inequity between neighbourhoods.

Option 3 – Full Legalization (*recommended*)

Enabling the legalization of a single secondary suite within a single-family dwelling throughout the City, provides the most effective, comprehensive and equitable solution to the illegal secondary suite problem. This will also be a proactive step towards addressing affordable housing and general safety issues. The forthcoming Affordable Housing Strategy is supported by this option.

Adoption of the proposed Text Amendment Bylaw 8200 (Attachment 2) will enable secondary suite installation in all zones that allow single-family dwellings. Specific secondary suite requirements written into the proposed amendment include:

1. The secondary suite must be completely enclosed within the same building as the one-family dwelling and not in a detached accessory building;
2. A water meter must be installed on the lot;
3. The secondary suite must have a minimum gross floor area of at least 33 m² (355 ft²) and must not exceed a gross floor area of 90 m² (969 ft²) or 40% of the gross floor area of the one-family dwelling wherein it is contained;
4. Home Occupation uses, excluding Child Care, may be carried out within a secondary suite;
5. The building must be inspected by the City of Richmond to ensure full compliance with the *B.C. Building Code*, Zoning Bylaw and other applicable regulations and bylaws; and
6. The City currently requires two on-site parking stalls in single-family residential zones. The proposed bylaw amendments will introduce a requirement for a third on-site parking stall for those secondary suite properties that front an arterial road. For these lots not fronting an arterial road, an additional on-site space could be provided or the additional vehicle can be parked off-site.

Resources

The GVRD estimated in November 2000 that there were between 2,175 to 5,235 existing suites in Richmond, and City building permit statistics indicate that another 250 illegal suites might be created every year. Using an expected permitting/inspection effort of 8 person-hours per suite, the total workload to process all existing suites could be 27 person-years. Staff estimate that with the proposed enabling Zoning Bylaw change, owners of existing illegal suites would come

forward at an approximate rate of 10% per year. Active enforcement and response to complaints would possibly address another 5% of illegal suites per year. At these rates, a three person team could clear the backlog of illegal suites over five to ten years. The Building Approvals Division workload is at record levels and is expected to remain high for a number of years; carrying the secondary suites legalization workload with existing staff levels is not feasible. There is no anticipated impact to workload in the Community Bylaws Division at this time. This will be reviewed through implementation to ensure adequate staff capacity exists for the program.

Based on this analysis, the implementation of legalization would require three additional full-time permanent staff in the Building Approvals Division as follows:

<u>Position</u>	<u>Annual Operating Cost (2007)</u>	<u>Vehicle Capital Cost (2007)</u>
1 – Building Inspector I, plus Vehicle	\$87,000	\$30,000
1 – Plumbing/Gas Inspector I, plus Vehicle	\$87,000	\$30,000
1 – Plan Checker I	\$60,000	-
Total	\$234,000	\$60,000

Fees would be charged for inspections and permits under the existing Building Regulation Bylaw. Revenue from these secondary suite building permit fees would fully cover the additional operating and capital costs of these three positions. The previous staff report indicated that two new positions may be required to implement a secondary suites legalization program. The current recommendation for three positions is the result of more rigorous analysis and a more detailed definition of the legalization program.

Grants

Implementing this option will allow homeowners to take advantage of grant programs such as the CMHC Homeowner Residential Rehabilitation Assistance Program. This program provides a forgivable loan to homeowners constructing a secondary suite for seniors or persons with disabilities.

Water & Sewer Charges and Property Taxes

Council adopted the Secondary Suites Water Metering Policy in September 2006, requiring all identified single-family dwellings with a secondary suite to be metered. This ensures equitable billing for water and sewer charges. Assessment values for single-family dwellings with a secondary suite are generally higher than similar dwellings without a suite. This difference in assessed value translates into more equitable tax distribution.

Zoning

As per the proposed amendment to the Zoning Bylaw, a single legalized secondary suite would be allowed only in detached single-family dwellings.

Building Standards

Section 9.36 of the BC Building Code 2006 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.

Legalization Process

Adopting the proposed Zoning Bylaw amendments will not automatically make any existing suites legal. An owner of a home with an illegal suite would have to request an inspection from the City to identify any code compliance issues. If there are outstanding code issues, then the owner would have to submit a building permit application to correct any deficiencies.

Many existing single-family properties have Land Use Contracts (LUC) that would not permit the installation of a secondary suite. In order to legalize a suite on a single-family lot governed by a LUC, the property owner would have to discharge the property from the provisions of the LUC and rezone to a standard single-family zoning district.

Once any code deficiencies are corrected and pass inspection, and zoning issues are addressed, the suite could be legally used. Any outstanding code issues that are not addressed would be identified as Building Regulation Bylaw offences which could ultimately lead to legal prosecution.

Registry

A formal secondary suites registry will not be established, however legal suites will be tracked through the AMANDA property system based on building inspections and permits.

Communication

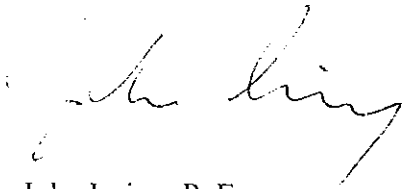
Prior to final adoption of the proposed Zoning Bylaw amendment, a full communications program will be implemented that will include notification on the local paper City Page, bulletin publications, and City website postings. The communications program will contain detailed information on the Zoning Bylaw changes and how to legalize your existing suite. The notice of Public Hearing (Attachment 3) will also be advertised as required for the Zoning Bylaw amendment.

Financial Impact

None. The additional annual operating cost of \$234,000 and initial one-time capital cost of \$60,000 will be entirely funded from fees for secondary suite building permits.

Conclusion

Adopting the recommended Zoning Bylaw amendments and additional staff request will allow for the general legalization of secondary suites in the City. This will address the ongoing administration and regulation problem the City has with illegal suites and support the forthcoming Affordable Housing Strategy.

A handwritten signature in cursive script, appearing to read "John Irving".

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

Secondary Suites Policy Feedback Form – Results

Twenty-four completed forms were received from open house participants and online users of the City's website. Results were as follows:

Question 1: I generally support allowing a single secondary suite in detached single-family homes.

	No.	%
Strongly Agree	17	71%
Agree	4	17%
Neutral	1	4%
Disagree	1	4%
Strongly Disagree	1	4%
Unsure / Not Applicable	0	

Question 2: Please indicate if any of the following would be of concern to you if secondary suites were legalized (check all that apply).

Total Respondents indicating:

Item	No.	%
No concerns	11	46%
Property Taxes	9	36%
Parking	7	29%
Utility Billing	4	17%
Zoning	3	13%
Safety	0	

Richmond Zoning and Development Bylaw 5300
Text Amendment Bylaw 8200



Richmond Zoning and Development Bylaw 5300
Text Amendment Bylaw 8200

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

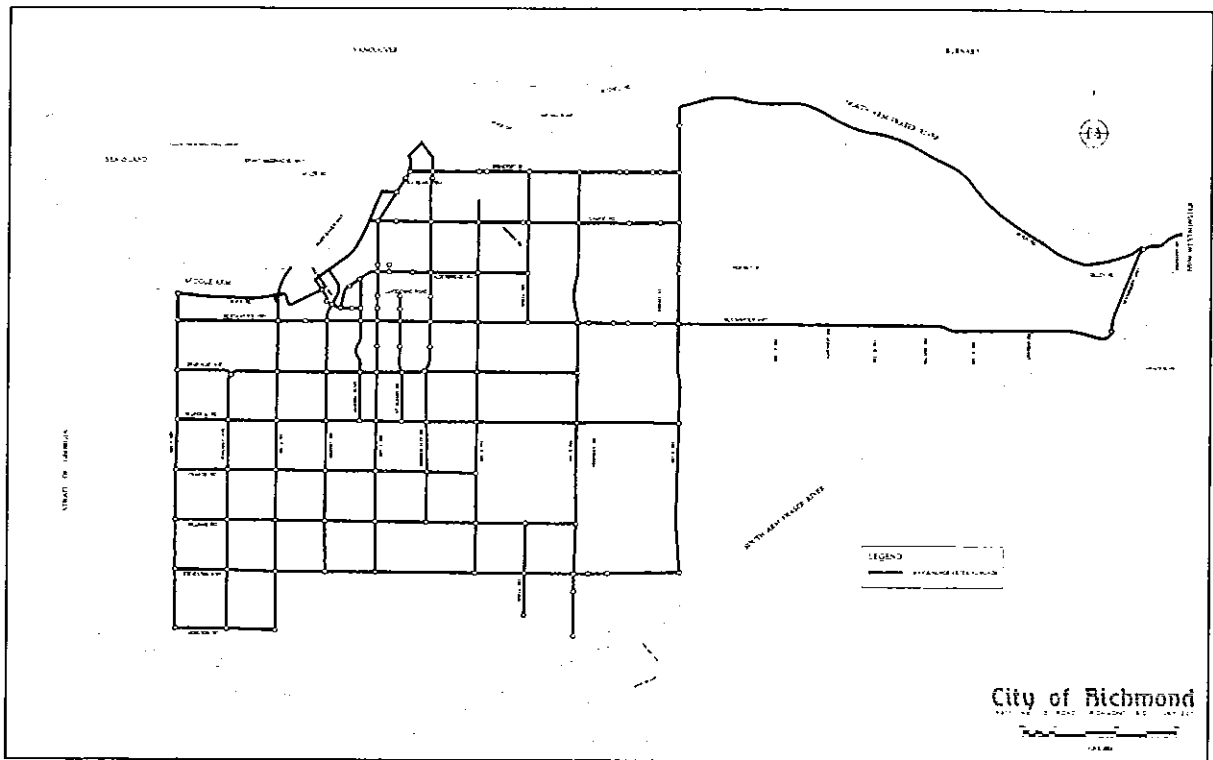
1. Richmond Zoning and Development Bylaw 5300 is amended by:
 - i. Inserting the following new section directly after section 201.08

“201.09 **Secondary Suite** Regulations

The following regulations and prohibitions apply to every **secondary suite** permitted in a zoning district:

- i. the **secondary suite** must be completely enclosed within the same **building** as the **dwelling unit** and not in a detached **accessory building**;
- ii. a City of Richmond water meter must be installed on the **lot** on which the **secondary suite** is located;
- iii. the **secondary suite** must have a minimum gross floor area of at least 33 m² (355 ft²) and must not exceed a gross floor area of 90 m² (969 ft²);
- iv. the **secondary suite** must not exceed 40% of the gross floor area of the **dwelling unit** in which it is contained;
- v. **Home Occupation** uses, excluding **Child Care**, may be carried out within a **secondary suite**;
- vi. the **building** must be inspected by the City for compliance with the *B.C. Building Code*, this bylaw and other applicable enactments;
- vii. where a **secondary suite** is on a **lot** fronting an arterial road, as shown in Diagram 1 to Section 201.09, one (1) additional off-street parking space must be provided for the exclusive use of the **secondary suite**, and notwithstanding Division 400, the required off-street parking spaces for the **one-family dwelling** may be provided in a tandem arrangement with one parking space located behind the other.

Diagram 1



- ii. Repealing the last permitted use in section 202.1 of Single-Family Housing District (R1) and replacing it with the following:
 “ACCESSORY USES, including one **Secondary Suite** subject to Section 201.09”
- iii. Repealing the last permitted use in section 202(A).1 of Single-Family Housing District (R1-0.6) and replacing it with the following:
 “ACCESSORY USES, including one **Secondary Suite** subject to Section 201.09”
- iv. Repealing the last permitted use in section 221.1 of Agricultural District (AG1) and replacing it with the following:
 “ACCESSORY USES, including one **Secondary Suite** subject to Section 201.09”
- v. Repealing the last permitted use in section 291.12.1 of Comprehensive Development District (CD/12) and replacing it with the following:
 “ACCESSORY USES, including one **Secondary Suite** subject to Section 201.09”
- vi. Repealing the last permitted use in section 291.33.1 of Comprehensive Development District (CD/33) and replacing it with the following:
 “ACCESSORY USES, including one **Secondary Suite** subject to Section 201.09”

- vii. Repealing the next to last permitted use in section 291.42.1 of Comprehensive Development District (CD/42) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- viii. Repealing the last permitted use in section 291.50.1 of Comprehensive Development District (CD/50) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- ix. Repealing the last permitted use in section 291.53.1 of Comprehensive Development District (CD/53) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- x. Repealing the last permitted use in section 291.61.1 of Comprehensive Development District (CD/61) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- xi. Repealing the last permitted use in section 291.102.1 of Comprehensive Development District (CD/102) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- xii. Repealing the last permitted use in section 291.125.1 of Comprehensive Development District (CD/125) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- xiii. Repealing the last permitted use in section 291.139.1 of Comprehensive Development District (CD/139) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- xiv. Repealing the last permitted use in section 291.140.1 of Comprehensive Development District (CD/140) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”
- xv. Repealing the last permitted use in section 291.146.1 of Comprehensive Development District (CD/146) and replacing it with the following:
“**ACCESSORY USES**, including one **Secondary Suite** subject to Section 201.09”

- 2. This Bylaw may be cited as “Richmond Zoning and Development Bylaw 5300, Amendment Bylaw 8200”.

FIRST READING

A PUBLIC HEARING WAS HELD ON

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED by
APPROVED by Director or Solicitor

MAYOR

CORPORATE OFFICER

Notice of Public Hearing

Attachment 3



Tuesday, June 18, 2007 – 7 pm

**Council Chambers, 1st Floor, Richmond City Hall
6911 No. 3 Road, Richmond, BC V6Y 2C1**

Zoning Text Amendment Bylaw 8200

Applicant/s: City of Richmond

Purpose: To amend Zoning Bylaw No. 5300 by introducing regulations for secondary suites and to permit secondary suites in Single-Family Housing District (R1), Single-Family Housing District (R1-0.6), Agricultural District (AG1), Comprehensive Development District (CD/12), Comprehensive Development District (CD/33), Comprehensive Development District (CD/42), Comprehensive Development District (CD/50), Comprehensive Development District (CD/53), Comprehensive Development District (CD/61), Comprehensive Development District (CD/102), Comprehensive Development District (CD/125), Comprehensive Development District (CD/139), Comprehensive Development District (CD/140), Comprehensive Development District (CD/146).

City Contact: John Irving, 604-276-4140, Planning and Development Department

How to obtain further information:

- **By Phone:** If you have questions or concerns, please call the CITY CONTACT shown above.
 - **On the City Website:** Public Hearing Agendas, including staff reports and the proposed bylaws, are available on the City Website at <http://www.richmond.ca/cityhall/council/agendas/hearings/2007.htm>
 - **At City Hall:** Copies of the proposed bylaw, supporting staff and Committee reports and other background material, are also available for inspection at the Planning and Development Department at City Hall, between the hours of 8:15 am and 5 pm, Monday through Friday, except statutory holidays, commencing June 8, 2007 and ending June 18, 2007, or upon the conclusion of the hearing.
 - **By FAX or Mail:** Staff reports and the proposed bylaws may also be obtained by FAX or by standard mail, by calling 604-276-4007 between the hours of 8:15 am and 5 pm, Monday through Friday, except statutory holidays, commencing June 8, 2007 and ending June 18, 2007.
-

Participating in the Public Hearing process:

The Public Hearing is open to all members of the public. If you believe that you are affected by the proposed bylaw, you may make a presentation or submit written comments at the Public Hearing. If you are unable to attend, you may send your written comments to the City Clerk's Office by 4 pm on the date of the Public Hearing as follows:

- **By E-mail:** using the on-line form at <http://www.richmond.ca/cityhall/council/hearings/about.htm>
- **By Standard Mail:** 6911 No.3 Road, Richmond, BC, V6Y 2C1, Attention: Director, City Clerk's Office
- **By Fax:** 604-278-5139, Attention: Director, City Clerk's Office

All submissions will form part of the record of the hearing. **Once the Public Hearing has concluded, no further information or submissions can be considered by Council.** It should be noted that the rezoned property may be used for any or all of the uses permitted in the "new" zone.

David Weber
Director, City Clerk's Office

Secondary Suites Report dated September 11, 2006

Attachment 4



City of Richmond

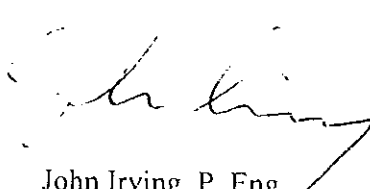
Report to Committee

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

To General Purposes - Sept 18, 2006
Date: September 11, 2006
File: 12-8060-20-8106
Xr 08-4057-12
Xr 10-6650-00

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)

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ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Finance.....	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>	<i>the Group</i>
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"/>	
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO <i>Acting</i> YES <input checked="" type="checkbox"/> <i>JE</i> NO <input type="checkbox"/>

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 precedes 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.

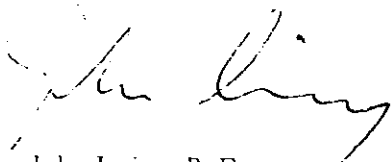
The Community Bylaws Division currently responds to complaints of illegal secondary suites and does not anticipate an increase in workload if legalization were to occur, however workload in this area would be monitored for any significant changes.

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

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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:

- I. 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

September 11, 2006

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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						
City of Langley						X@
Langley Township						X
Maple Ridge	1999**		X			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.