



REPORT FOR ACTION

Second Units: Draft Official Plan Amendment

Date: March 9, 2018

To: Planning and Growth Management Committee

From: Acting Chief Planner and Executive Director, City Planning Division

Wards: All

SUMMARY

This report presents a draft Official Plan Amendment for second units for the purpose of public consultation. The draft policy is intended to clarify the existing Official Plan second unit permissions across the City and to strengthen the existing Official Plan policies that provide for a full range of housing and intensification and infill that is consistent with the Official Plan.

Currently, the City's Official Plan does not reference or set out specific provisions for second units. The draft Official Plan Amendment provides a clear policy framework under which second units would be permitted throughout the City. The draft amendment aligns the Official Plan with provincial policy changes to the Planning Act and Growth Plan for the Greater Golden Horseshoe, 2017 and reflects provincial direction to further encourage the creation of second units, including the Promoting Affordable Housing Act, 2016 which amends both the Planning Act and the Development Charges Act. A draft Official Plan Amendment is appended to this report as Attachment 1.

RECOMMENDATIONS

The Acting Chief Planner and Executive Director, City Planning Division recommends that the Planning and Growth Management Committee:

1. Direct that the draft Official Plan Amendment containing policy direction for the second unit policy appended as Attachment 1 to this report be endorsed as the basis for public consultation.
2. Direct City Planning staff to conduct consultations and an open house to obtain comments and feedback regarding the draft policy for second units contained in Attachment 1.
3. Request the Acting Chief Planner and Executive Director, City Planning Division to prepare a Final Recommendation Report with a proposed Official Plan Amendment for second units in the second quarter of 2018 for a special meeting in fulfillment of Section 26 of the *Planning Act*.

FINANCIAL IMPACT

There are no financial impacts resulting from the adoption of this report.

DECISION HISTORY

At its meeting of July 27-30, 1999, City Council adopted amendments to all comprehensive zoning by-laws of the former municipalities in order to widely permit secondary suites. These amendments allowed secondary suites within detached houses and semi-detached houses in all zones across the city, and in some residential areas in townhouses, provided they met certain criteria, including the Building Code and Fire Code. The Zoning By-law amendments did not contain provisions for second units within ancillary structures.

The city-wide Zoning By-law 569-2013 maintained these permissions. Second units are not permitted 'as of right' within new detached and semi-detached houses and townhouses for the first five years after they're constructed.

COMMENTS

The Official Plan currently contains policies in Chapter 3 Housing that provide for a full range of housing in terms of form, tenure and affordability across the City and within neighbourhoods to meet the current and future needs of residents. These policies also state that the existing housing stock will be maintained and replenished and new housing supply will be encouraged through intensification and infill that is consistent with this Plan. Chapter 4 Land Use Designations also provide for second units within residential areas. The breadth of these policies is considered to permit and provide for second units.

Provincial Policy and Legislative Framework

Recently, the Province of Ontario has updated and introduced new policy and legislative changes related to second units.

Provincial Policy Statement

The Provincial Policy Statement, 2014 (PPS) identifies that healthy, livable and safe communities are sustained by accommodating an appropriate range and mix of housing types and permitting and facilitating all forms of residential intensification including second units.

Long Term Affordable Housing Strategy

Ontario's Long Term Affordable Housing Strategy (LTAHS) was released in March 2016. This document identifies provincial interest in reducing the complexity and cost associated with creating second units in homes through the provision of development charge exemptions and amendments to the Building Code standards to reduce unnecessary costs to building second units. Additional information on the LTAHS can be found here: <http://www.mah.gov.on.ca/Page9181.aspx>.

Promoting Affordable Housing Act

Bill 7, the *Promoting Affordable Housing Act* was given Royal Assent on December 8, 2016, amending both the *Planning Act, 1990* and *Development Charges Act, 1997* to further encourage the creation and legalization of second units. The *Planning Act* changes require municipalities to include policies within their Official Plans and pass by-laws allowing for one second unit within or ancillary to detached and semi-detached houses or townhouses. Second unit policies are not appealable except by the Minister of Municipal Affairs. The *Development Charges Act* changes would exempt second units in new homes from development charges (second units in existing houses are currently exempt).

Bill 7 has not yet been proclaimed by the Lieutenant Governor. Once proclaimed, the regulations will require amendments to Zoning By-law 569-2013 to ensure that the City's zoning by-law complies with provincial legislation. Additional information on Bill 7 can be found here: http://ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&BillID=4118.

Growth Plan for Greater Golden Horseshoe

On July 1, 2017 the updated Growth Plan for the Greater Golden Horseshoe, 2017 (Growth Plan) took effect. The Growth Plan outlines a number of overarching guiding principles related to housing which include supporting the achievement of complete communities, prioritizing intensification and higher densities to make efficient use of land and infrastructure, and supporting a range and mix of housing options, including second units and affordable housing, to serve all sizes, incomes and age of households.

Policy 2.2.6 Housing of the Growth Plan requires municipalities to develop a housing strategy that, among other things, identifies a diverse range and mix of housing options and densities, including second units and affordable housing, as well as identifies mechanisms for implementation through official plan policies and designations and zoning by-laws.

Draft Policy Approach

Second units is an overarching term used to broadly describe additional self-contained residential units, in which both food preparation and sanitary facilities are provide for the

exclusive use of the occupants of the unit, created within house form structures and within structures ancillary to a dwelling (for example, laneway houses).

Over the last twenty years, the City has undertaken a number of initiatives to support and encourage the creation of second units. These include a consultant study in 2004 and a series of three information handbooks in partnership with the Landlord Self-Help Centre and Ministry of Municipal Affairs, which were recently updated in 2017.

Second units are an important part of the City's rental housing stock. They present an opportunity to increase the supply and distribution of housing across the City and in particular where a second unit is created within a primary dwelling, can present a relatively lower cost housing alternative. Renters can benefit from an increase in the supply and wider range of housing choice and location. Homeowners can earn additional income through rental of a second unit, helping to meet the cost of home ownership. As well, objectives for intensification and the efficient use of infrastructure can be achieved by providing for the creation of additional housing supply in the existing stock in locations where services and infrastructure already exist. Second units are a compatible form of intensification within existing neighbourhoods as they provide for additional housing while respecting the physical character of a neighbourhood.

The City's Official Plan and Zoning By-law 569-2013 provide for and permit second units across the City. However, with the recent provincial updates and amendments, it is desirable and appropriate to update the Official Plan to ensure alignment and clarity with provincial policy. Attachment 1 to this report contains a draft second unit policy to clearly identify the City's provision for this type of housing as well as a non-statutory sidebar to explain what a second unit is. A second unit can take many forms and is also often referred to as a secondary suite, basement apartment, accessory apartment, granny flat, in-law apartment or nanny suite. Second units are subordinate and connected to the primary dwelling unit through servicing and other matters and are not intended to be a stand-alone, severable dwelling unit.

Future work will also need to address changes to the City's zoning by-law. This may include changes to zones in which second units are permitted, timing of permission of a second unit relative to the date of construction of the primary dwelling, or other matters. A report regarding proposed amendments to the zoning by-law is anticipated in the second quarter of 2018.

The City is also undertaking a laneway housing study which is targeted for completion in 2018. Any amendments resulting from that study would be the subject of a separate and subsequent report to the Committee and Council.

CONTACT

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SIGNATURE

Gregg Lintern, MCIP, RPP
Acting Chief Planner and Executive Director
City Planning Division

ATTACHMENTS

Attachment 1: Draft Official Plan Amendment

Attachment 1: Draft Official Plan Amendment

City of Toronto By-law No. --20~

AMENDMENT NO. ~~~ TO THE OFFICIAL PLAN OF THE CITY OF TORONTO

Section 3.2.1 Housing, is amended by:

1. Adding the following policy as a new Policy 10:

"Second units will be encouraged to increase the supply and availability of rental housing across the city and within neighbourhoods. Second units may be provided within or ancillary to a detached or semi-detached house or townhouse.

2. Adding the following new sidebar adjacent to new Policy 10:

"Second units are self-contained residential units subordinate to a primary dwelling, in which both kitchen and bathroom facilities are provided. They may also be referred to as a secondary suite, basement apartment, accessory apartment, granny flat, in-law apartment or nanny suite."