

### **Phase 2 Implementation: Secondary, Garage and Garden Suites, Bylaw 15036**

This background report is a supplement to the Phase 2 Secondary, Garage and Garden Suites Bylaw 15036 Report 2008PDP492. The Bylaw 15036 report and attachments, as well as other background information, including the Phase 1 monitoring report (2008PDP014, to Executive Committee, October 8, 2008) are available on the Secondary Suites web site

[www.edmonton.ca/secondariesuites](http://www.edmonton.ca/secondariesuites).

#### **1. Phased Approach**

As proposed in the Phase 1 Report (2008PDP551, available on the Secondary Suites web site, [www.edmonton.ca/secondariesuites](http://www.edmonton.ca/secondariesuites)), the proposed Bylaw in Phase 2 includes amendments after a ten-month monitoring period, consistent with the following:

- a. Allowing Secondary and Garage Suites, and Garden Suites (at grade detached accessory dwellings), in a manner consistent with draft Smart Choices Low Density Infill Design Principles (proposed to be considered by Council later in 2008).
- b. Consideration of the findings of the Phase 1 monitoring period (including inquiries for Secondary and Garage Suites, development permit applications, including increased numbers of inquiries as a result of the announcement of the Housing Branch's Cornerstones Secondary and Garage Suites grant program.
- c. Consideration of the Phase 2 feedback, as a result of the public involvement processes, including the Phase 2 on-line web survey, open houses, stakeholder meetings and inquiries.
- d. A considered increase in the opportunity for Secondary Suites, on a Permitted basis, throughout all low density residential zones (except RMH Residential Mobile Home).
- e. Modifications in the locations where Garage Suites (above grade) are allowed within the low density residential zones, as well as locations where and Garden Suites (new uses) and at-grade Garage Suites (new uses) will be allowed

#### **2. Zoning Bylaw changes**

A summary of the rationale for the changes contained in the proposed Phase 2 Bylaw are contained in Attachment 3 to the Phase 2 Secondary, Garage and

Garden Suites Bylaw 15036 Report 2008PDP492. This report, and a discussion of the concerns about Secondary, Garage and Garden Suites, as well as the changes contained in the proposed Bylaw, "Phase 2 Issues and Concerns" are both available on the [www.edmonton.ca/secondariesuites](http://www.edmonton.ca/secondariesuites) web site.

### **3. City Department Resources**

In Phase 1, the need for a Corporate Resource team was highlighted, in order to:

- Manage the expected increase in the number of zoning, development and building code inquiries
- Process an increased number of development permit applications
- Assist Housing Branch in developing Secondary and Garage Suites Cornerstones Grant program
- Develop communications materials on Secondary Suites and Garage Suites, and the new Bylaw regulations, and assist in communication materials for the Cornerstones Secondary and Garage Suites Grant program
- Respond to potential increase in bylaw enforcement requests relating to Secondary and Garage Suites.

Staff from the Development Compliance, Zoning Bylaw, Smart Choices, and Communications units of the Planning and Development Department, and Housing Branch staff have worked together to address Phase 1 information needs of the public during the monitoring period, including the development of a Secondary Suites brochure to provide general background information on the Zoning Bylaw regulations, required permits, and contact information, and updates on the Secondary Suites web site, [www.edmonton.ca/secondariesuites](http://www.edmonton.ca/secondariesuites).

Staff from the Zoning Bylaw Implementation Unit and the Smart Choices Units of Planning and Development Department have worked together in order to coordinate public information sessions on residential infill principles for mature neighbourhoods (through Smart Choices) and Secondary, Garage and Garden Suites (through the Zoning Bylaw Unit).

As indicated in the Phase 1 monitoring report there has been a substantial increase in the number of inquiries to the Housing Branch (grant inquiries) and the Zoning and Development sections of Planning and Development Department (development inquiries). In addition, the 311 call centre experienced a large volume of inquiries, particularly after the June 12, 2008 announcement of the Cornerstones Secondary and Garage Suites grant program. The Housing Branch has hired a Cornerstones Secondary and Garage Suites grant coordinator to handle inquiries and grant applications. The Zoning Bylaw Implementation Unit, and Development Compliance sections experienced

significantly higher numbers of inquiries, which resulted in some increased workload.

Development Permit applications also substantially increased during the monitoring period. There were 47 development permit application for Secondary Suites and 16 applications for Garage Suites, during the December 12, 2007 to August 12, 2008 monitoring period (8 months). This compares with a total of 47 development permit applications for Secondary Suites during the entire 2000 to 2007 (December 11) eight-year period.

Phase 2, as proposed will generate an even greater increase in development permit applications for Secondary Suites than occurred during the monitoring period, due to the elimination of location restrictions in the RF1 zone. The number of eligible properties would increase by some 82,346, or 170.6%, from an estimated 48,278 eligible properties in Phase 1 and would generate an expected increase in Secondary Suite development permits roughly by the same amount. The 47 development permit applications for Secondary Suites after the Phase 1 Bylaw translates into an annual rate of 71 per year.

Based on the estimated 170.6% increase in the proportion of properties eligible for Secondary Suites in the proposed Phase 2 Bylaw, it can be expected that there would be 119 annual development permit applications after the adoption of the Phase 2 Bylaw. However, it is known that there has been, and will continue to be, pent-up demand for Secondary Suites, so a more realistic figure would be approximately 120 applications in the first year after the Phase 2 Bylaw is adopted, followed by approximately 80-90 development permit applications for Secondary Suites per year over the following 2-5 years, with a decline in applications afterwards. Other factors that could push this estimate either up or down would be the rate at which grant money for Secondary, Garage and Garden Suites under the Cornerstones program continues to be available, and whether or not the funding is extended beyond 2010.

While it is expected that there will be significant increased demand for development permits for Secondary Suites within the Development Compliance section of Planning and Development, given the recent decline in development and building permits for residential construction, the impact over the short term will be a reallocation of Development staff resources from other residential permit applications to Secondary and Garage and Garden Suite applications. However, should residential development and building permit applications rise substantially, as in 2006 and 2007, additional Development staff resources would be required to deal with the increased work load for Secondary, Garage and Garden Suites alone.

The Housing Branch of Planning and Development will likely experience a surge in new Secondary, Garage and Garden Suite grant applications once the Phase

2 Bylaw is adopted, and may require at least some temporary increase in staff resources.

**4. Cornerstones Secondary, Garage and Garden Suites Grant Program (Housing Branch, Planning and Development Department).**

As indicated in the Phase 1 monitoring report (2008PDP014, to Executive Committee, October 8, 2008), the announcement of Housing's Cornerstones Secondary and Garage Suites Grant program has created substantial interest in landowners to develop Secondary Suites and Garage and Garden Suites. There were 949 inquiries regarding the grant program between January 9, 2008 and August 28, 2008, a figure that now surpasses 1,100 inquiries. Given that the program was announced June 12, 2008, it is too early to tell the success of the program, as most interested landowners have not completed development permit applications and the required steps to become eligible for the program.

The program includes a number of requirements, designed to ensure that the Secondary and Garage Suites created achieve the goals of the Cornerstones grant program. A summary of the program requirements are noted below:

Program Type	Grant Amount (per unit)	Rental Commitment Requirements	Budget (2008-10)	Projected # of Units
New Suites in New Homes	\$8,500	None	\$3.5M	408
New Suites in Existing Homes	Up to \$24,000	85% of Average market rent for 5 years	\$2.5M	105
Existing Suites in Existing Homes	Up to \$24,000	85% of Average market rent for 5 years	\$2.5M	105

Some of the key requirements include:

- Up to 75% of the costs of developing or upgrading the Suite may be covered by the grant funds;
- A valid development permit for the Secondary or Garage Suite is required;
- Five year commitment to rent suites that are funded under the program;

- Suites developed or upgraded in existing homes must be rented at a maximum rate of 85% of average market rent as calculated by CMHC.
- New suites developed in new homes are exempt from the maximum 85% average market rent over five years requirement.
- Suites developed or upgraded in existing homes must be rented to households who earn less than the applicable median income
- New suites developed within *new* homes have no maximum income requirement for tenants.

## **5. Public Awareness/Education Program**

In Phase 1, the Planning and Policy Services Branch, in cooperation with the Development Compliance Branch and the Housing Branch of Planning and Development Department developed a brochure which outlines the new requirements for the development of Secondary and Garage Suites, as per Bylaw 14750, adopted on December 12, 2007. The brochure included contacts for the Housing Branch in regard to questions on the Cornerstones Secondary and Garage Suites grant program. The brochure is available at the Development Compliance Customer and Advisory area, as well as City Hall and on the Secondary Suites web site.

In addition, the Secondary Suites web site, [www.edmonton.ca/secondariesuites](http://www.edmonton.ca/secondariesuites) was updated, to include:

- Summaries of the Phase 1 process, including background reports.
- Phase 2 information, including:
  - information on the Phase 2 process;
  - the Phase 2 on-line web survey;
  - the concepts presented at the June 2008 Phase 2 open houses;
  - the Secondary and Garage Suites brochure;
  - responses to updated frequently asked questions (FAQs);
  - Links to the Cornerstones grant program at:  
[www.edmonton.ca/cornerstones](http://www.edmonton.ca/cornerstones).

Given the number of inquiries regarding potential Secondary and Garage Suite development permit and grant applications, staff from Planning and Policy Services, Development Compliance, and Housing worked with staff responsible for the 311 call centre in order to provide the call centre with basic background information and key contacts relevant to development permit and grant inquiries.

In Phase 2, further work is being done to address public communication in preparation for the adoption of the Phase 2 Bylaw. After the proposed Phase 2 Bylaw is adopted, further updates will be placed on both web sites. This will involve media releases on any new Zoning Bylaw regulations that are to be adopted in Phase 2 (through Bylaw 15036), updates on the Cornerstones funding

program (which would include Garden Suites proposed for Phase 2), and an updated web site and Secondary, Garage and Garden Suites brochure.