

## **Secondary Suite Process Reform Phase 2 – Semi-detached Dwellings**

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### **EXECUTIVE SUMMARY**

Concluding the *Secondary Suite Process Reform*, amendments are proposed to implement a pathway for the development of legal and safe Secondary Suites (“suites”) in Semi-detached Dwellings (“semis”). The current process to legalize an “illegal fourplex” is expensive, arduous and lacks certainty for customers. A goal of the *Secondary Suite Process Reform* is to provide a city-wide solution that removes barriers to safe and legal suites. This report addresses two separate Council directions into one report and contains Land Use Bylaw (“the Bylaw”) that would allow most suites in semis to proceed directly to building permit and policy amendments to support parking relaxations for all suites.

Bylaw amendments (Attachment 1) are proposed to change the definition of a suite to allow them within a semi, remove a restriction on exterior entrances on the side of semis, and amend several rules for required parking to support suites in semis.

A new Parking Areas Map and policy in the *Policy to Guide Discretion for Secondary Suites and Backyard Suites* is proposed (Attachment 2) to allow for city-wide parking relaxation opportunities based on proximity to frequent transit service. This applies to both suites and backyard suites.

Administration’s experience since the initial implementation of the *Secondary Suite Process Reform* in 2018 is that removing barriers and simplifying the approval process for customers has been effective at making suites in single detached dwellings (“singles”) legal and safe and this report is a continuance of that approach. Attachment 3 provides information on the number of inspections, applications and suites registered under this program.

Allowing suites in semis will increase the amount of safe and affordable housing on the market. It will allow for more homeowners to invest in their home by developing or legalizing a suite, and for tenants to remain in their existing suite.

### **ADMINISTRATION RECOMMENDATION:**

That the Standing Policy Committee on Planning and Urban Development:

1. Direct Administration to:
  - a. Prepare an amending bylaw to the Land Use Bylaw 1P2007 as outlined in the proposed text in Attachment 1; and
  - b. Forward the proposed bylaw, to accommodate the required advertising, and this report, directly to the 2019 November 18 Combined Meeting of Council.
2. Recommend that Council hold a Public Hearing for the proposed amending bylaw at the 2019 November 18 Combined Meeting of Council and give three readings to the proposed Land Use Bylaw amendments in Attachment 1.
3. Adopt by resolution the proposed amendments to the *Policy to Guide Discretion for Secondary Suites and Backyard Suites* as outlined in the proposed text in Attachment 2.

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### **RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON PLANNING AND URBAN DEVELOPMENT, 2019 OCTOBER 02:**

That Council adopt the Administration Recommendations contained in Report PUD2019-1203.

### PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 April 29 Council adopted the recommendation of the Standing Policy Committee on Planning and Urban Development of 2019 April 03 with respect to PUD2019-0336, Improving Secondary Suite Safety in Semi-detached Dwellings – Scoping Report:

That Council:

1. Adopt Option #2 as the strategy to legalize Secondary Suites in Semi-detached Dwellings;
2. Direct Administration to work with the City Bylaw department and City Inspection department to ensure that citizen housing is not compromised in the interim situation until a bylaw is established; and
3. Direct Administration to report back to the SPC on Planning and Urban Development by the end of Q4 2019, with the required Land Use Bylaw and policy amendments to support Option #2 as described in this report.

On 2019 January 14, that with respect to PUD2018-1323, the following Motion Arising to be adopted, in part:

That Council:

2. Direct Administration to work with area Councillors to revise the Map of the Policy to Guide Discretion for Secondary Suites and Backyard Suite to better reflect mobility criteria and return with a revised map to Council as soon as possible.

## **BACKGROUND**

### The Bylaw and Suites in Semis

Suites in semis can be grouped into two categories: non-conforming and illegal. A suite built prior to 1970 March 16 is a non-conforming use. As a result, these suites can apply for a building permit to bring the dwelling up to safety standards. A suite built after this date is considered illegal as the Bylaw does not allow a suite to be in a semi.

To legalize an illegal suite in a semi the current process requires a land use redesignation, typically to either the Residential – Grade-Oriented district (R-CG) or to a multi-residential district. If the land use redesignation is approved by Council a development permit is required, followed by a building permit and placement on the Suite Registry once all inspections are passed. This process addresses illegal suites on a site-by-site basis and is dependent on the landowner making an application to legalize their suite. It does not address illegal suites in semis at a city-wide scale. There are 17,306 semi-detached buildings (i.e. 34,612 individual dwelling units) located in most communities across the city. Attachment 4 provides more semi statistics.

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On 2019 April 29 Council adopted PUD2019-0336, Improving Secondary Suite Safety in Semi-detached Dwellings – Scoping Report and Administration’s recommended strategy for legalizing suites in semis. This strategy recommended taking the successful approach adopted by Council on 2018 March 13 for legalizing suites in singles, called the *Secondary Suite Process Reform*, and incorporating semis into this program.

The success of the *Secondary Suite Process Reform* is due to the removal of the land use redesignation requirement allowing landowners to proceed directly to a simplified development permit process. Removing barriers and simplifying the process for approval for landowners has been effective at making suites in singles legal and safe. This approach amends the Bylaw to remove the land use redesignation process required by landowners on a site-by-site basis.

### *Policy to Guide Discretion for Secondary Suites and Backyard Suites*

On 2019 January 14 Council adopted PUD2018-1323, *Backyard Suite Design and Standards*. This report was focused on backyard suites; however, the Parking Areas Map and policy were added to the existing *Policy to Guide Discretion for Secondary Suites and Backyard Suites* (the *Policy*) used by Administration. The map identifies geographic areas where the Development Authority may consider a relaxation of the required parking for either a suite or backyard suite located in all building types and land use districts.

The Parking Areas Map was taken from the multi-residential section of the Bylaw as it is a current method for reducing the required parking for multi-residential development for areas that are generally considered inner-city.

Council noted the limitations of the map as it does not reflect the access to frequent transit that is available city-wide and directed Administration to amend the map in the *Policy* to better reflect these mobility options.

## **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

### The Bylaw and Suites in Semis

#### *Suite definition*

The Bylaw currently allows a suite in every district where a semi is allowed. However, the Bylaw definition of a suite only allows it to be contained within a single detached dwelling (except in the R-CG district). The proposed amendments to the Bylaw would change the definition of a suite to allow it within a semi. This primarily affects the Residential – Contextual One/Two Dwelling District (R-C2). Amending the definition of a suite also means that parcels retain their existing land use district and neither suites or semis are introduced as new uses to any districts.

As a suite, a semi, and a single dwelling with a suite are generally permitted uses in the R-C2 and multi-residential districts, it is recommended that a suite in a semi also be a permitted use. This means if the rules of the Bylaw are met, no development permit is required. If the proposed suite does not comply with a Bylaw rule, a development permit is required, and the Development Authority would consider the policies contained in the *Policy* when making their decision on the application. Building permits are always required.

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### *Side entrance rule*

A Contextual Semi-detached Dwelling is currently not allowed to have an entrance on the side of the building, except on the street side of a corner parcel. This rule was originally crafted to prevent the construction of semis that could easily facilitate illegal suites. A proposed amendment to this rule will allow a side entrance if it provides access to a suite. This amendment will prevent an unnecessary development permit application to relax this rule as many suites in a semi have their entrance on the side of the building.

### *Required parking*

Currently there are many different rules for required parking for either a semi or suite, however, none of these rules contemplate a suite within a semi. Within the R-C2 district there are scenarios where a semi with a suite would require either four or six parking stalls in total. For example, a semi built as a permitted use requires four parking stalls (i.e. two stalls per unit) but when built as a discretionary use only two stalls are required. This is because the Development Authority cannot use discretion and evaluate the parking needs of a site for a permitted use, so the required parking is a higher rate. When adding the required parking of one stall per suite, a permitted use semi with two suites would require six stalls. A permitted use semi is a very common development; however, six parking stalls is physically impossible to provide on a typical residential parcel. The result would be development permit applications submitted to relax the required parking that would likely be refused. This would not support either outcome of permitted use semis or legalizing suites.

The proposed amendments require a semi with two suites to provide four parking stalls on the site. A typical parcel with a semi on it can accommodate four parking stalls. This approach aligns with the current Bylaw residential standard of one parking stall per unit. The parking rules for a semi without suites remain the same.

A summary of the proposed Bylaw amendments is contained in Attachment 5.

### *Policy to Guide Discretion for Secondary Suites and Backyard Suites*

The *Policy* and Parking Areas Map applies to suites in all building types across all land use districts. It is important to note that this policy and map is not reducing the required parking for a suite, it demarcates a geographic area where a relaxation may be considered and weighed against the other applicable considerations in the *Policy*.

To better reflect the access to frequent transit available to citizens, the proposed Parking Areas Map condenses the existing Parking Areas Map from four areas into two areas (Attachment 6). The new Parking Area 1 is an amalgamation of the Centre City and Area 3 in the previous map. As the Centre City and Area 3 in the old map follow the same proposed policy there is no need to distinguish between them on the new map. Parking Area 1 is in general proximity to all modes of frequent transit and is within walking distance to employment, shops and services. Therefore, the Development Authority can always consider a parking relaxation in this area.

Parking Area 2 addresses the remainder of the city. Within this boundary the Development Authority can consider a parking relaxation if the subject site is within 600 metres of a Light Rail Transit (LRT) station, or 400 metres of a Bus Rapid Transit (e.g. MAX Orange) or frequent bus service stop (e.g. Route 1 Bowness/Forest Lawn).

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### Implementation

This phase of the *Secondary Suite Process Reform* will leverage existing processes for enforcement, inspections and applications. Throughout the *Secondary Suite Process Reform* Administration has been focused on making it easier for customers to comply with the Bylaw and Alberta Building Code and has been providing clear information so that they can effectively navigate the process to develop a legal and safe suite. Proactive enforcement with mailout notifications, combined development and safety inspections, and on-site development permit applications have been effective tools employed by Administration and would continue to be used if the proposed changes are adopted by Council. Additionally, customers will benefit from waived fees for development permits and the Suite Registry until 2020 June 01, when that program expires. Refer to Attachment 3 for more information on approved suites.

### Enforcement

On 2019 April 29 Council adopted the recommendation of the Standing Policy Committee on Planning and Urban Development, 2019 April 03, and directed Administration “to work with the City Bylaw department and City Inspection department to ensure that citizen housing is not compromised in the interim situation until a bylaw is established.” In response Development Inspectors have delayed Bylaw enforcement action pending Council’s decision on the proposed Bylaw amendments. Building Permits for a limited scope of work to address safety issues such as egress windows continue to be issued.

### Benefit of Proposed Changes to Customers

The proposed *Policy* amendments take advantage of existing and future transit investments by enabling parking relaxations for suites located near frequent service and removes an unnecessary cost and impediment to providing a beneficial housing form.

Collectively, the proposed changes will allow current residents to remain in their home, while ensuring life safety measures are adhered to. Allowing suites in semis will increase the amount of safe, and affordable housing on the market and allow for more homeowners to invest in their home by developing a suite. Providing a mix of housing for a variety of demographics is critical to establishing complete communities.

### Comments from Calgary Planning Commission

The proposed Bylaw and *Policy* amendments were presented to Calgary Planning Commission (CPC) for information at the 2019 September 19 meeting. CPC was in strong support of the proposed Bylaw amendments to allow suites within semis. Overall, CPC was in support of the proposed *Policy* amendments and provided comments focused on providing greater opportunity for parking relaxations and encouraging Administration to think more broadly about parking and to consider removing parking requirements for suites.

Attachment 7 details CPC’s comments and Administration’s response.

### **Stakeholder Engagement, Research and Communication**

As directed by the Motion Arising on 2019 January 14, with respect to PUD2018-1323, Administration coordinated meetings with Councillors to discuss amendments to the *Policy* and

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Parking Areas Map. Councillors who met with Administration offered support for the proposed approach.

Council approved the public engagement plan recommended in the 2019 April 29 scoping report. This plan mirrors the approach employed during the *Secondary Suite Process Reform*. Communications are focused on encouraging citizens to find out if they are affected by the proposed changes. This includes digital and print communications. As no properties are being redesignated, and the proposed Bylaw amendments only affect properties where both a suite and semi are currently allowed, there is no legislated requirement to directly notify property owners.

### Strategic Alignment

The strategy to legalize suites in semis aligns with the key result areas of the 2019-2022 Service Plan Citizen Priority A City of Safe and Inspiring Neighbourhoods and the 2019 Planning and Development Accountability Plan:

- Municipal Development Plan/Calgary Transportation Plan vision is advanced:
  - Advance the long-term vision of the Municipal Development Plan and the Calgary Transportation Plan
  - Provide clarity to ensure development proceeds in a coordinated manner
- Development is realized:
  - Apply City policy and bylaws to application review and ensure building plans are prepared to meet Alberta Building Code
  - Work with applicants through the entire review process where key decision-makers give the final approval
- Buildings are safe:
  - Ensure compliance with regulations that govern building, use and occupancy

The proposed Land Use Bylaw and policy amendments provide consistency across Calgary in terms of where a suite may be developed and supports the Municipal Development Plan policies including:

- Strong Residential Neighbourhood policies (subsection 2.2.5) that “encourage growth and change in low density neighbourhoods” and “increase the mix of housing types such as accessory suites”.
- Housing policies (subsection 2.3.1) that “provide for a wide range of housing types, tenures and densities to create diverse neighbourhoods” and promote “a broad range of housing choice for all ages, income groups, family types and lifestyles”.
- Transit policies (subsection 2.5.2) that “integrate land use planning with transit investments and service delivery to meet the objectives of both the Calgary Transportation Plan and Municipal Development Plan”.
- Developed Residential Areas policies (subsection 3.5.1) that support “moderate intensification in a form and nature that respects the scale and character of the neighbourhood” and that “support the revitalization of local communities by adding population”.

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### **Social, Environmental, Economic (External)**

#### Social

Making the process clearer for suites will increase the supply and range of affordable accommodation and support changing demographics by providing more housing options for extended families, or for a live-in caregiver for elderly residents. Removing barriers to safe and legal suites allows tenants to remain in their home.

#### Environmental

Providing a range of housing types supports public transit, cycling and walking and makes efficient use of existing infrastructure.

#### Economic

Making the process clearer for suites will help create more mixed income communities, which support local businesses and local labour markets. Creating a pathway to compliance before the amnesty period expires may help to incentivize owners of existing illegal suites to come forward and renovate their suite, an investment that support the local trades industry. Potentially not having to provide a parking stall for a suite will make developing a suite more economically viable for homeowners.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

No implications identified.

#### ***Current and Future Capital Budget:***

No implications identified.

### **Risk Assessment**

As the geographic areas and approval process for suites has historically been managed incrementally in Calgary, it has resulted in inconsistent Bylaw rules across land use districts and built form. The clearest line of sight to achieve the Council direction for this report will again result in more inconsistencies. These pertain to the approval process and required parking. For example, in some residential districts a development permit is required for a suite while in others it is not, even though these districts are often directly adjacent to each other. In terms of required parking, a single or semi with a suite requires a different number of parking stalls in different residential districts. Similarly, these districts are often directly adjacent to each other. Fortunately, as a suite is a modest form of development with few rules, most suite applications to the City result in an approval.

Administration is aware of but has not addressed these inconsistencies through this report as it currently is comprehensively evaluating these items across the entire residential context as part of the Land Use Bylaw review. This work will contemplate a new approach to land use planning that could significantly change how development is considered. For example, the renewed Land Use Bylaw may consider a new approach to required parking that is location based, which is a

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deviation from the current approach of applying the same standard city-wide based on use. The proposed *Policy* amendments enable parking relaxations based on proximity to frequent transit which serves as a first step in this direction.

**REASON(S) FOR RECOMMENDATION(S):** Amending the Bylaw to allow suites in semis is the most straightforward approach to legalizing illegal suites and improving safety in this building form. This approach removes the need for a land use redesignation, which simplifies the approval process for customers and establishes consistency across residential areas in the city where a suite can be developed. Amending the *Policy to Guide Discretion for Secondary Suites and Backyard Suites* to enable parking relaxations for suites located near frequent transit service links land use policies with transit investment and service delivery. Collectively encouraging safe and legal suites helps to achieve the goals of the Municipal Development Plan to provide housing choice for a variety of ages, incomes, and family types, while retaining existing housing stock, making efficient use of land, and accommodating modest intensification in a form that respects the scale and character of a neighbourhood.

### **ATTACHMENT(S)**

1. Attachment 1 – **Proposed Bylaw 76P2019**
2. Attachment 2 – Proposed Amendments to the *Policy to Guide Discretion*
3. Attachment 3 – Secondary Suite Process Reform Update
4. Attachment 4 – Semi-detached Statistics
5. Attachment 5 – Summary of Proposed Land Use Bylaw Amendments
6. Attachment 6 – Redline Copy of Proposed Amendments to the *Policy to Guide Discretion*
7. Attachment 7 – 2019 September 19 Calgary Planning Commission Discussion
8. Attachment 8 – Letter of Support for Secondary Suite Process Reform for Semi-detached Dwellings
9. **Attachment 9 – Public Submissions**