

Secondary Suite Amnesty Extension

PURPOSE

The purpose of this report is to seek approval for the fee schedule outlined in Attachment 2. This approval will extend the waiving of development permit and registration fees for secondary suites until 2026 December 31.

PREVIOUS COUNCIL DIRECTION

Council has previously extended the Secondary Suites Amnesty Program twice since it was first approved in 2018.

RECOMMENDATION:

That Infrastructure and Planning Committee recommend that Council approve the fee schedule as proposed in Attachment 2 to extend the Secondary Suite Amnesty Program through to 2026 December 31.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Acting General Manager Debra Hamilton concurs with this report. By streamlining planning processes and reducing barriers to more diverse housing choices, the Secondary Suites Amnesty Program supports the goals of Home is Here: The City of Calgary's Housing Strategy.

HIGHLIGHTS

- The Secondary Suites Amnesty Program was created to encourage registration of secondary suites. Registered suites are safe and affordable housing options that play an important role in addressing the current affordability crisis.
- The Program consists of waiving development permit and Secondary Suite Registry fees (up to \$679 in savings), as well as continuing the Building Code interpretation for qualified existing suites to only require minimum life safety standards.
- Development permit and registration fees are currently set to be reinstated in 2024 January. The Building Code interpretation is scheduled to continue through 2026. Continuing to waive development permit and registration fees through 2026 will bring the fee amnesty into alignment with the continuation of all elements of the Program.
- There are still thousands of unregistered existing secondary suites that need to be brought up to minimum life safety standards and registered. The Program helps property owners save money and removes some of the barriers to registering safe suites.
- Over the last three years the registry has grown an average of 2,500 suites per year. To date, over 11,000 suites are registered on the Secondary Suite Registry, with almost 90 per cent added during the amnesty period. An extension of the amnesty to 2026 December 31 would allow this momentum to continue.
- Secondary suites have played a critical role in housing affordability in Calgary and will continue to provide supply at the more affordable end of the rental market.

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DISCUSSION

While the Secondary Suite Registry has seen increasing success since the implementation of the amnesty in 2018, indications show a high number of unregistered suites are still available for rent. In the midst of a housing affordability crisis, access to secondary suites is even more crucial, and the continued incentivization of registered suites is one way to support this.

The Program incentivizes owners to voluntarily legalize by waiving the development permit and registration fees for all suites, focusing enforcement on education. Prior to Council passing the Secondary Suite Registry in 2018 March, and the commencement of the Secondary Suites Amnesty Program, the number of suites added to the Registry averaged 10 – 15 suites per month. Since the amnesty began, monthly registered suites averaged 100 per month in the first year, with a steady increase to almost 250 per month on average in the last year. Extending the amnesty until 2026 December, will help maintain the environment that has led to the noted increase.

This amnesty extension will not preclude Administration from utilizing the Secondary Suite Registry Bylaw or other enforcement tools. Enforcement action is currently and will continue to be taken when necessary. However, standalone enforcement without the amnesty would not have the same positive effect as what the amnesty has achieved.

Extending the amnesty means:

- Continuing to prioritize the safety of registered suites and education for homeowners.
- Enforcement will not be relied upon as the sole means of pursuing increased registration.
- Property owners who want to add a suite will benefit from the waived fees.
- The City can align with the extended code interpretation through to 2026 December.

Given the historical success of the amnesty program, an extension would continue to support owners wanting to register their suites.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

Administration has received several inquiries from homeowners, the development industry and members of Council, asking if the amnesty could be extended. No formal engagement or outreach was conducted.

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IMPLICATIONS

Social

Secondary suites are one of many housing choices that can accommodate a wide range of households, including those in Calgary's marginalized populations. Being the most affordable market housing means suites meet a vital need for those facing houselessness due to the housing crisis. More legal suites mean more safe places to live, better neighborhoods and a better city for Calgarians.

Environmental

Secondary suites provide opportunities to efficiently use existing community infrastructure and to meet the varied needs of households, often without the need for new building construction.

Economic

The creation of new or the upgrading of existing secondary suites can enable property owners to generate additional income towards their mortgage. It enables more prospective home buyers and renters to afford a home when their incomes would have otherwise limited their options.

Service and Financial Implications

Decrease in rates or fees

If approved, the amnesty will waive the development permit fee of \$447 and the registry fee of \$232. This would result in an annual reduction of \$1.35 million in revenues collected, based on the current rate of applications.

Planning & Development Services will cover any additional operation costs within the existing Development Approvals and Building Safety service line operating budgets. The Planning & Development Sustainment Reserve is also available, as necessary.

To date, approximately \$5.8 million in development permit and registration fees have been waived since the amnesty program was introduced in 2018 March.

RISK

There is a risk that by approving the recommendations, the public may perceive The City as being too lenient with illegal suites. This risk is mitigated by ensuring measured enforcement actions are taken when necessary.

Owners' willingness to convert their suites is a factor outside of our control. The program relies on illegal suite owner buy-in. This risk is being mitigated by also encouraging renters to seek out registered suites.

Not approving the amnesty extension may reduce the number of property owners who register their secondary suites, leaving more unregistered and potentially unsafe suites on the market.

ATTACHMENTS

1. Previous Council Direction, Background-IP2023-1177

**Planning & Development Services Report to
Infrastructure and Planning Committee
2023 November 08**

**ISC: UNRESTRICTED
IP2023-1177**

Secondary Suite Amnesty Extension

- 2. Proposed 2024 Planning Applications Fee Schedule to support extended amnesty-
IP2023-1177
- 3. Presentation-IP2023-1177

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Debra Hamilton	PDS	Approve

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