

Agenda – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 5, 2016

REPORTS

Item No. 19 Secondary Suites

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Winnipeg Public Service continue to monitor zoning regulations for Detached Secondary Suite applications and report back in 5 (five) years with any recommended changes.

2. That the Winnipeg Public Service be directed to make an application for a text amendment to the Winnipeg Zoning By-law 200/2006 to make Attached Secondary Suites permitted as of right, and that this amendment be included in the Winnipeg Zoning By-Law 200/2006 Review (2016).

3. That the Winnipeg Public Service, in consultation with the Housing Steering Committee, be directed to design and launch a public information / awareness campaign in consultation with the Office of Public Engagement to raise the profile of secondary suites among the general public. These initiatives will work within existing budget and resources.

4. That the Winnipeg Public Service report back to the Housing Steering Committee one (1) year after the launch of the public information/ awareness campaign to evaluate new Secondary Suite development.

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 7, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development granted an extension of time of up to 60 days for the Winnipeg Public Service to report back on ways to attract more secondary suite development in the City.

On November 30, 2015, the Standing Policy Committee on Property and Development, Heritage and Downtown Development requested that the Winnipeg Housing Steering Committee review the issues it deems appropriate to attract more Secondary Suite development in the City and report back by its meeting on June 7, 2016.

ADMINISTRATIVE REPORT

Title: Secondary Suites Report

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
B. Smith	J. Kiernan	n/a	M. Jack COO

RECOMMENDATIONS

1. That the Winnipeg Public Service continue to monitor zoning regulations for Detached Secondary Suite applications and report back in 5 (five) years with any recommended changes.
2. That the Winnipeg Public Service be directed to make an application for a text amendment to the Winnipeg Zoning By-law 200/2006 to make Attached Secondary Suites permitted as of right, and that this amendment be included in the Winnipeg Zoning By-Law 200/2006 Review (2016).
3. That the Winnipeg Public Service, in consultation with the Housing Steering Committee, be directed to design and launch a public information / awareness campaign in consultation with the Office of Public Engagement to raise the profile of secondary suites among the general public. These initiatives will work within existing budget and resources.
4. That the Winnipeg Public Service report back to the Housing Steering Committee one (1) year after the launch of the public information/ awareness campaign to evaluate new Secondary Suite development.

REASON FOR THE REPORT

The Standing Policy Committee on Property and Development, Heritage and Downtown Development:

directed the Winnipeg Public Service to consult with various industry groups to determine what can be done to eliminate any barriers and improve the Detached Secondary Suite Program in terms of marketing, logistics, implementation requirements, etc., and report back in 180 days. (Item No. 20 – Minutes – May 12, 2015)

requested that the Winnipeg Housing Steering Committee review the issues it deems appropriate to attract more Secondary Suite development in the City and report back by its meeting on June 7, 2016. (Item No. 20 – Minutes – November 30, 2015)

EXECUTIVE SUMMARY

The Winnipeg Public Service has undertaken a number of initiatives to gain a better understanding of Secondary Suites in the Winnipeg context and proposes specific actions to help promote the development of more Secondary Suites in our City.

Below is a summary of the report's analysis and key observations:

In-depth Analysis of Secondary Suite Activity (See Appendix B)

- The Public Service has documented all applications for Secondary Suites since the adoption of Zoning By-law 200/2006. This research shows that:
 - 148 Conditional Use applications for Secondary Suites have been received and of these, 7 were for Detached.
 - The Public Hearing process is typically not contentious with little public opposition; All applications, save one, have been approved.
 - The majority of approved applications go on to complete building permits.
 - Development applications for Attached Secondary Suites have risen since the relaxation of regulations in 2013 making them "B" Conditional Uses instead of "C" Conditional Uses (see Appendix A, Part III, C for explanation).

Barriers to Establishing Detached Secondary Suites (See Appendix A, Part II)

- The Public Service has conducted key informant interviews with applicants of Detached Secondary Suites. The following key observations have been made:
 - Typically the services of General Contractors are being employed to construct Detached Secondary Suites instead of mainstream home builders.
 - Building code compliance and site servicing costs increase development costs, but do not preclude their development.
 - Applicants are generally made aware of Secondary Suites by word of mouth.
 - Applicants typically constructed Detached Secondary Suites for rental purposes.

Secondary Suite Programs (See Appendix C)

- The Public Service has consulted with the Province of Manitoba to gain insights about the uptake for their Secondary Suite grant program and has learned the following:
 - Approximately 40 Secondary Suites constructed throughout the Province of Manitoba have accessed the grant program. Of these approximately 20 have been within the City of Winnipeg.
 - The maximum grant amount available is 50% of the construction costs to a maximum of \$35,000.
 - The program requires the Secondary Suite be rented at a defined affordable rate for a fixed period of time.
 - The Province of Manitoba indicated they will be reviewing their program to identify any potential barriers to accessing their program.
- The Public Service has reviewed Secondary Suite programs in other Cities throughout Canada (Refer to Table 2 in the Appendix C).
 - Most programs cover up to half the construction costs to maximums ranging from \$2,500 to \$35,000. The Province of Manitoba offers the largest incentive among the cities inventoried in this report.
 - Most programs require affordable rents for a period of time.
 - Other programs offer incentives such as waiving permit fees, fast tracking the approval process, or exempting property taxes.

Recommended Actions

The recommendations in this report are based on observations from the above information. The two key recommendations are meant to: (a) raise public awareness about Secondary Suites as a viable development option (See Appendix A, Part III, A.) and (b) to eliminate regulatory hurdles associated with the establishment of Attached Secondary Suites (See Appendix A, Part III, B). The rationale for these actions is rooted in the following:

- Secondary Suites are recent in Winnipeg's development history and their numbers lag behind other cities (for example 530 Secondary Suites were established in Edmonton from 2006 – 2011).
 - Attached Secondary Suites have been accommodated in the Zoning By-law since 2008 and Detached Secondary Suites since 2013.
 - This recent introduction might mean that more time is required for development interest to drive demand.
 - Furthermore, there has been a spike in the number of applications for Secondary Suites after 2013. This might suggest the popularity for secondary suites is rising. Further efforts aimed at expanding public awareness may encourage this trend.
- Acknowledging that the Province of Manitoba has an existing grant program for Secondary Suites and has more resources dedicated to funding housing suggests the City of Winnipeg should not pursue a similar program. However, initiatives such as reducing regulatory hurdles and raising awareness about Secondary Suites could be complementary and supportive of Provincial efforts.
- Given that 141 Conditional Use applications for Attached Secondary Suites have been approved with little or no controversy suggests the public hearing process is an unnecessary obstacle that can be removed.

The recommended actions are meant to help facilitate the construction of more secondary suites (both Detached and Attached) on the basis that secondary suites can be an important part of the City's supply of long-term affordable housing supply.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations are concurred with, the Public Service will be directed to:

- Amend Zoning By-law 200/2006 to allow Attached Secondary Suites to be permitted uses,
- Create an information / awareness campaign to promote secondary suites to the general public, and
- Monitor regulations with respect to Detached Secondary Suites and potential barriers.

HISTORY/DISCUSSION

On May 30, 2012 the City of Winnipeg Council concurred in the recommendation of the Public Service to amend the Zoning By-law and Development Procedures By-law to enable Detached Secondary Suites as a land use and to decrease regulatory hurdles for Attached Secondary Suites. The above regulatory documents were amended in February 2013.

Part of the approval was to report back to Council upon receipt of the 100th application for Detached Secondary Suites or 3 years, whatever was less. The Public Service did report back to Council (SPC on Nov. 30, 2015), however only 3 Detached Secondary Suites had been approved at that time.

Based on the relatively small uptake of Detached Secondary Suites, the Standing Policy Committee on Property and Development, Heritage and Downtown Development has subsequently asked that the Public Service look into the potential barriers related to the establishment of secondary suites. This

matter has also been referred to the Housing Steering Committee. The Standing Policy Committee motions are provided below:

The Standing Policy Committee on Property and Development directed the Winnipeg Public Service to consult with various industry groups to determine what can be done to eliminate any barriers and improve the Detached Secondary Suite Program in terms of marketing, logistics, implementation requirements, etc., and report back in 180 days. (May 12, 2015)

The Standing Policy Committee on Property and Development, Heritage and Downtown Development requested that the Winnipeg Housing Steering Committee review the issues it deems appropriate to attract more Secondary Suite development in the City and report back by its meeting on June 7, 2016. (Nov. 30, 2015)

FINANCIAL IMPACT

Financial Impact Statement

Date: **May 11, 2016**

Project Name:

Secondary Suites Follow up Report

COMMENTS:

There are no financial implications associated with this report.

"Original Signed By"

Mike McGinn, CPA, CA

Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Internal Consultation

Planning, Property & Development

External Consultation

Three applicants of Detached Secondary Suites

OURWINNIPEG POLICY ALIGNMENT

The *Complete Communities Direction Strategy of OurWinnipeg* provides the following policy statement aimed at encouraging secondary suites within the City of Winnipeg:

'Review by-laws and policies to reduce barriers to the provision of accessory dwelling units such as secondary suites, and carriage houses' (p.80)

In pursuit of the above policy, City regulations were amended to introduce Detached Secondary Suites into the Zoning By-law land use table and to amend the approval process for Attached Secondary Suites allowing them to be easier to establish.

This report's recommendation to allow Attached Secondary Suites as permitted uses better aligns Zoning By-law 200/2006 with *Complete Communities*.

SUBMITTED BY

Department	Planning, Property & Development
Division	Urban Planning
Prepared by:	Noah Yauk, District Planner – LSWK Community
Date:	May 20, 2015

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List of Schedules and Attachments

1. Appendix 'A' Planning Discussion
2. Appendix 'B' Detached Secondary Suite Applications to Date
3. Appendix 'C' Secondary Suite Programs

APPENDIX 'A' : Planning Discussion

Part I. Purpose of the Report

- In 2012 Council approved changes to the City of Winnipeg Zoning By-law 200/06 to: include 'Detached Secondary Suites' as a Conditional Use; and streamline the approval process for 'Attached Secondary Suites'.
- Condition 4 of the Council decision, (outlined above) required a three year or one hundred application report back by the Public Service outlining details related to 'Detached Secondary Suite' applications / projects.
 - It should be noted that the report back was intended to assess whether the changes made to the by-law, including use specific standards, were functioning appropriately.
- A report was submitted to the May 12, 2015 meeting of the Standing Policy Committee on Property and Development, Heritage and Downtown Development recommending the following:

That the Winnipeg Public Service continue to monitor the Detached Secondary Suite application and approval process including the associated development proposals and report back to Council in 5 (five) years from this report's date.

- In response to the above report, the Standing Policy Committee on Property and Development, Heritage and Downtown Development made the following decision:

The Standing Policy Committee on Property and Development directed the Winnipeg Public Service to consult with various industry groups to determine what can be done to eliminate any barriers and improve the Detached Secondary Suite Program in terms of marketing, logistics, implementation requirements, etc., and report back in 180 days.

- At the November 30th, 2015 meeting the Standing Policy Committee took the same administrative report as information and made the following recommendation:

The Standing Policy Committee on Property and Development, Heritage and Downtown Development requested that the Winnipeg Housing Steering Committee review the issues it deems appropriate to attract more Secondary Suite development in the City and report back by its meeting on June 7, 2016.

As per the above motions and in the interest of attracting more secondary suite development in the City of Winnipeg, this report focuses on the following:

- The number of detached and Attached Secondary Suites approved for development since the land use has been accommodated in the Zoning By-law;
- Barriers to establishing Detached Secondary Suites based on personal accounts of applicants who have constructed them.
- City staff has also consulted with the Province of Manitoba to gain any related insights from the Provincial Grant program available for secondary suites; and
- Recommended actions to help facilitate the construction of more secondary suites (both detached and attached) on the basis that secondary suites can be an important part of the City's supply of long term affordable housing.

Part II. Barriers to Establishing Detached Secondary Suites

As noted in the *Reason for the Report* section above, the Public Service was directed to report back to the Standing Policy Committee regarding potential barriers impacting the establishment of Detached Secondary Suites. While doing this analysis and review, it is important to recognize that both types of secondary suites as a land use are a relatively new concept for the City of Winnipeg. Attached Secondary Suites have only been included in the City's Zoning By-law since 2008. Detached Secondary Suites were introduced in 2013. As Secondary Suites are so recent in Winnipeg's development history, it may mean that additional time is needed for interest to drive demand. As discussed in Appendix 'B', the number of applications for Attached Secondary Suites has been rising over time, and this applies to both Attached and Detached Secondary Suites.

Anecdotally, building code requirements and site servicing requirements (for detached suites) are often identified as the most common impediments to the construction of secondary suites. With respect to Attached Secondary Suites, building code requirements typically emerge when an existing dwelling is modified to include a secondary suite. Bearing this in mind, there may be more opportunities for Attached Secondary Suites within in new construction as compared to existing, dated housing stock.

Insights into Detached Secondary Suites from key informant interviews

Since 2013, when Zoning By-law 200/2006 was amended to include Detached Secondary Suites, all 7 applications submitted were approved. Albeit a limited sample, insights can be gained from the experiences of those who have built Detached Secondary Suites.

When the Zoning By-law was changed in 2013, the proposed 3 year report back was intended to review the strength and applicability of the Zoning By-law regulations (use specific standards) and to identify whether they need to be revised or amended further. The small sample size of applications at the report back stage (3 applications) was insufficient to allow such observations to be made.

Council's newest direction, to identify barriers to the establishment of Detached Secondary Suites, provides the opportunity to interview and gain some insights from those applicants who have completed the approval and permit process. To this end, in February and March of 2016, applicants of the Detached Secondary Suites were contacted and asked for their participation in responding to some basic questions about their experience. Three applicants have been interviewed through this process. Provided below are key observations as drawn from their experiences:

- Typically, it is general contractors building Detached Secondary Suites. This does not seem to be part of the portfolio of known homebuilders, at least in terms of Detached Secondary Suites.
- Building code requirements increase the cost of development. A few applicants indicated the incidence of issues relating to the compliance with the Manitoba Building Code. The most common issue was with respect to achieving required fire ratings and inconsistencies with code interpretations.
- The earliest applicants spoke of issues with process in terms of permits and the public hearing process. These accounts stressed there could have been more communication from the Public Service to help guide the applicant through key stages of the process. At times, applicants explained they didn't fully understand the process. However, one of the

applicants spoke of a smooth process with limited surprises and supportive staff. This may be the result of an administrative learning curve for Detached Secondary Suites that now appears to have been addressed.

- Site servicing requirements are an added expense when constructing a Detached Secondary Suite. However, according to the applicants consulted, this expense did not constitute a barrier that was irreconcilable. Most of the suites were serviced by trenching the sewer and water lines to the existing house; one suite was on a corner lot and was able to tie into existing sewer and water lines in the public right of way of the flanking street. None of the applicants surveyed felt that servicing was an issue that jeopardized the project altogether. Other site servicing issues not accounted for, such as the need to move power lines servicing the primary residence, were more of a burden as they were never contemplated in project budgets.
- Applicants typically heard about secondary suites by word of mouth.
- Most of the suites were constructed for the purpose of rental income.
- Typically, the public hearing process was not adversarial except in one of the cases. The applicants had consulted with neighbours ahead of time, and for the most part the neighbours were supportive.
- One challenge noted was the ambiguity in how the Public Service calculates the building area of the secondary suite. For example, one applicant's secondary suite included a deck which was originally counted as living space, but on further discussions was discounted from the living area of the suite.
- Of the applicants surveyed, awareness of the Provincial Assistance Program for Secondary Suites was acknowledged, but none of them applied for funding.

Part III. What can the City of Winnipeg do to encourage more secondary suites?

A. Public Awareness

Given the Provincial program is available to property owners in the City of Winnipeg to build secondary suites it would be redundant for the City to offer a similar program. Furthermore, the City has limited resources dedicated to housing funds. However, there may be other ways that the City can support the Provincial Assistance Program and efforts to increase the supply of secondary suites in general. It is acknowledged that secondary suites are relatively new to Winnipeg's housing supply and efforts around marketing and public awareness might be of great benefit, at least in the short term.

The Public Service is therefore proposing the consideration of a public awareness program to make citizens aware that secondary suites are accommodated throughout the City of Winnipeg, both in existing and new neighbourhoods. The Public Service currently has an information brochure on secondary suites that provides information on process, zoning regulations and a link to the Provincial Assistance Program. This brochure is available at the City of Winnipeg Zoning and Permits Office. Perhaps a more general brochure or information pamphlet could be developed for

the general public and made available in select public offices. Other promotional ideas may include, but are not limited to the following:

- Developing an editorial piece to promote secondary suites (newspaper, community newspaper, Winnipeg Real Estate News)
- Create an information package to be placed on the City of Winnipeg.ca home page. This could include FAQs and information about process.

It is anticipated that any of the above initiatives would help to raise awareness in the general public that secondary suites, as but a small integral part of a healthy housing mix, are accommodated in residential neighbourhoods. This campaign, of little financial cost to the City of Winnipeg, could be assessed in the future to determine whether it is having a positive impact on the development of Secondary Suites. The details of such a Public Awareness campaign would be developed through the guidance of the Housing Steering Committee and the Office of Public Engagement.

B. Make Attached Secondary Suites Permitted

Since 2008, when Attached Secondary Suites were added to Zoning By-law 200/2006 there have been more than 140 applications approved with little or no public opposition. Relaxing the approval process would remove a regulatory hurdle and provide a financial incentive by removing the associated Conditional Use application fee. When the Public Service amended the Zoning By-law in 2013, Council also supported a change to the Development Procedures By-law to make Attached Secondary Suites “B” Conditional Uses instead of “C” Conditional Uses. ‘B’ Conditional Uses are handled directly in the Zoning and Permits Office and are only subject to a public hearing in the event the Public Service rejects the application or a citizen objects to it (note: the public hearing requires a public notice poster on site for 2 weeks) . Prior to this change in process, there were less than 50 applications approved for Attached Secondary Suites.

The success rate of development approvals and the public’s acceptance of Attached Secondary Suites suggests a defensible action would be to remove these applications from the public hearing process altogether. The Zoning By-law includes use specific standards, which if not met, automatically trigger a variance application and associated public hearing process. The Public Service routinely supports Attached Secondary Suites provided the use specific standards are being met. Therefore, permitting Attached Secondary Suites with proper development controls (use specific standards) is appropriate. The Public Service would, however, recommend a minor change to one use specific standard, which has been put to test on occasion. The use specific standard in question, which is meant to ensure the suite will be subordinate in size to the primary dwelling, does not apply to a basement suite. While the intent was to accommodate attached secondary suites in the basement of existing homes, a handful of developers have attempted to circumvent the size restriction on new builds with identical main floor and basement floor plans, or what is more aptly defined in the Zoning By-law as a two family dwelling. Amending the clause would close this loophole and help distinguish more accurately between an Attached Secondary Suite and a two-family dwelling. Currently, the Zoning and Permits Branch will rely on the By-law definitions to interpret such a development as two-family dwelling, and so the minor amendment would help clarify further. Furthermore, the Plan Examination Branch does not consider 2 equally sized units to constitute a secondary suite under the Building Code.

Appendix 'B' Secondary Suite Applications to Date

Part I. Detached Secondary Suites

Our Analysis of Detached Secondary Suites applied for in the City of Winnipeg is based on a small sample size. When the Public Service reported back to Council after 3 years there were a total of 3 (three) applications that were approved since the use was added to the City of Winnipeg Zoning By-law in 2012. To date there have been a total of 7 applications for Detached Secondary Suites and all have been approved. Table 1 (below) summarizes these 7 conditional use applications and associated variances. It is noted that the Urban Planning Division supported all the proposals; 5 of these applications had no opposition at all while the other 2 were met by some opposition. All 7 applications were approved by the Board of Adjustment. However, one of those decisions was appealed to the Appeal Committee of Council at the March 10th, 2016 hearing where the Appeal Committee upheld the decision of the Board of Adjustment.

In addition to the 7 applications approved for Detached Secondary Suites, it is noted, that at the time of the drafting of this report another application for a Detached Secondary Suite has entered the system and will be considered at a future Board of Adjustment hearing.

TABLE 1: DETACHED SECONDARY SUITE APPLICATIONS

Address	590 Montrose	
File #s	DCU 164533/2015C	No DAV required
Admin position	support	
District	City Centre	
Hearing Body	Board of Adjustment Appeal Committee	
Opposition	2	
Result	approved	
Address	1202 Edderton	
File #s	DCU 167423/2015C	No DAV required
Admin position	support	
District	City Centre	
Hearing Body	Board of Adjustment	
Opposition	0	
Result	approved	
Address	456 Dubuc	
File #s	DCU 157897/2015C	DAV 157927/2015C
Admin position	support	1. for the construction of a detached garage to permit a floor area of 600 square feet (55.7 square metres) instead of 484 square feet (45.0 square metres);
District	Riel	2. for the establishment of a detached accessory secondary suite use located above the detached garage to permit a
Hearing Body	Board of Adjustment	
Opposition	0	
Result	approved	
Address	284 Johnson	
File #s	DCU 145803/2015C	DAV 145817/2015
Admin position	support	1. an east side yard of 2 feet (0.61 meters);
District	East Kildonan	2. a floor area of 864 square feet (80.3 square meters);
Hearing Body	Board of Adjustment (Appeal W	3. a lot coverage of 15.1% instead of 12.5%.
Opposition	0	
Result	approved	
Address	361 Avalon	
File #s	DCU 147389/2014C	DAV 147408/2014C
Admin position	support	1. a floor area for the detached garage of 1,044 square feet (97.0 square metres);
District	Riel	2. a secondary suite floor area of 1,044 square feet (97.0 square metres);
Hearing Body	Board of Adjustment	3. a property which does not abut an improved public lane;
Opposition	0	
Result	approved	
Address	454 Dubuc	
File #s	DCU 148046/2014C	DAV 148034/2014C
Admin position	support	1. for the construction of a detached garage to permit a floor area of 735 square feet (68.3 square metres);
District	Riel	2. for the establishment of a detached accessory secondary suite use located above the detached garage to permit the following:
Hearing Body	Board of Adjustment	A. a total lot area of 3,000 square feet (278.7 square metres);
Opposition	0	
Result	approved	
Address	1126 Clarence	
File #s	DCU 129505/2013C	DAV 129512/2013C
Admin position	support	1. said suite on a corner lot;
District	City Centre	2. a height of 25 feet (7.62 metres).
Hearing Body	Board of Adjustment	
Opposition	2	
Result	approved	

Part II. Total Applications for Secondary Suites Since 2008

Secondary suites have only been accommodated in Winnipeg since 2008 when Zoning By-law 200/2006 was adopted (July 27/2008). It is important to note, however, that secondary suites were only allowed if attached to a primary dwelling and this was embedded in the definition of a secondary suite. The establishment of a Secondary Suite required a “C” Conditional Use application (public hearing required). Detached Secondary Suites have only been allowed in Winnipeg since February 27, 2013 when Zoning By-law 200/2006 was amended to:

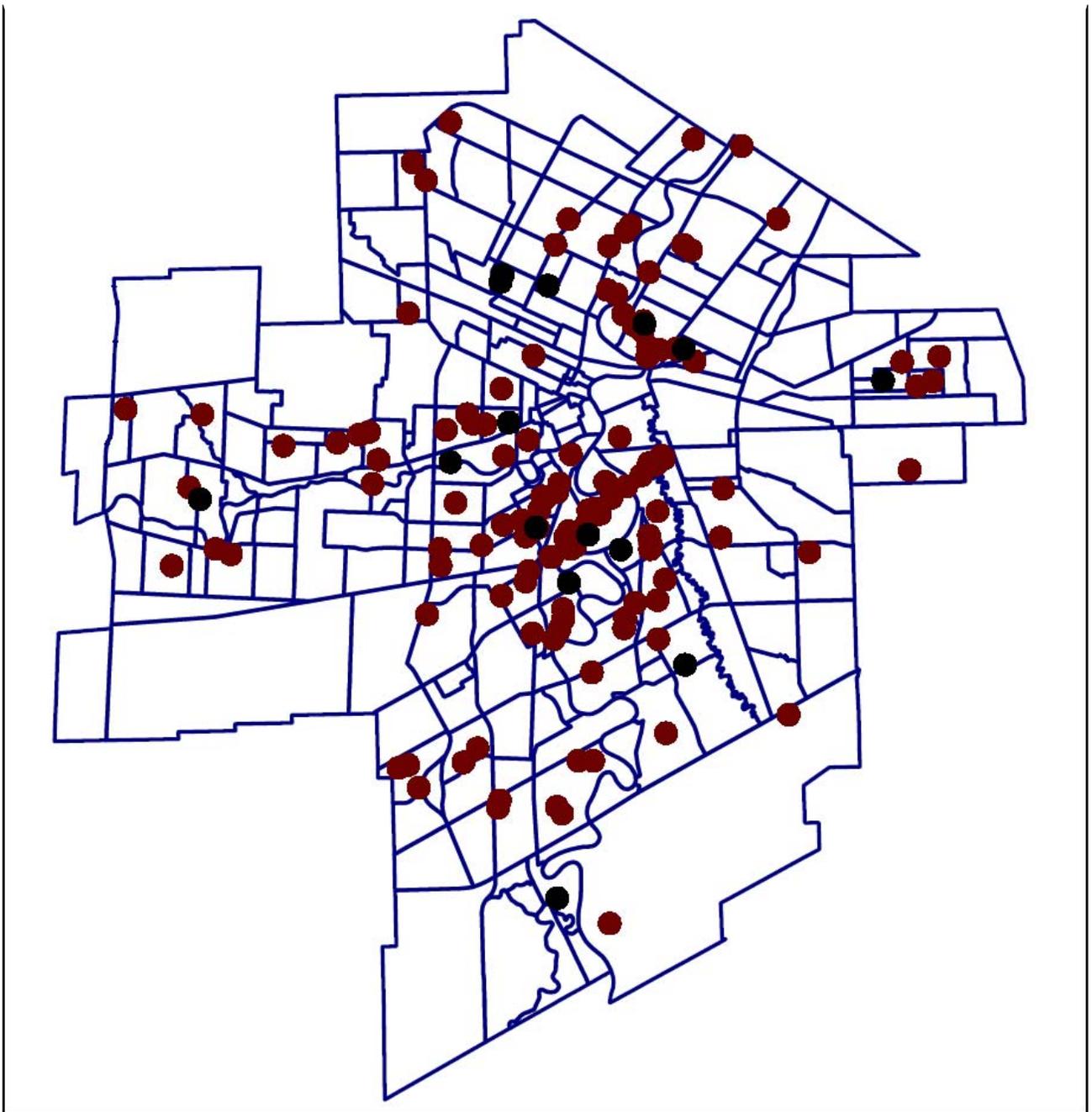
- Relax the process for Attached Secondary Suites – their establishment now requires “B” Conditional Use approval (there is only a public hearing if any opposition is registered).
- To include Detached Secondary Suites as “C” Conditional uses.

Statistics on Secondary Suites (attached and detached)

Since the adoption of Zoning By-law 200/2006 (in July/2008) to the end of 2015 there has been 148 applications for secondary suites (Figures 1 and 2 maps the applications and permit activity respectively between this time period). Of these:

- 6 are for detached suites,
- 146 are for attached suites (this is from 142 applications where four would allow 2 secondary suites through subdivision of an existing lot into two residential zoning lots),
- 15 of the total applications were withdrawn by the applicants, leaving 132 applications being approved and one being rejected (note: the rejected application was in conjunction with a subdivision application not supported by the Public Service),
- 95 permits have been issued,
- 18 additional permits are active in the system pending approval,
- 9 permits have been issued for development but the secondary suite component was not proceeded with,
- 14 of the approved suites do not yet have active permits in the system.

Figure 1: Total Applications for Secondary Suites



Legend

- Total Applications 148
- Applications Withdrawn 15

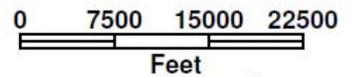
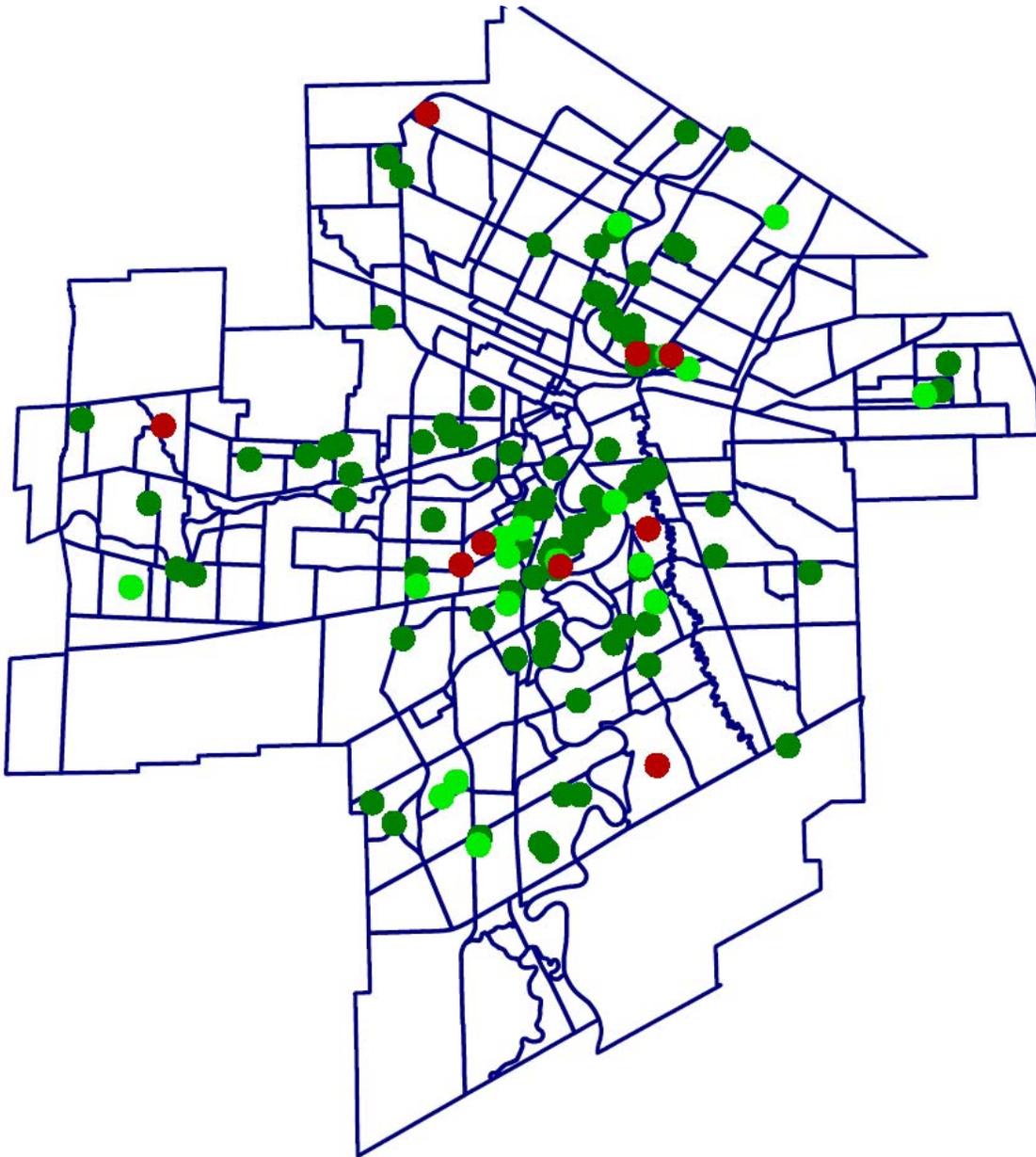


Figure 2: Secondary Suite Permit Activity

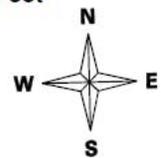


Legend

- Permit Issued 95
- Permit in System 18
- Secondary Suite Dropped From Permit 14

0 7500 15000 22500

Feet



It is noted that the number of applications for secondary suites has increased to coincide with the regulatory changes made in 2013. An average of 12 applications for secondary suites were approved per year during the time Attached Secondary Suites were allowed in 2008 until the time the by-law was amended in 2013. After the by-law was amended in 2013, to the end of 2015 an average of 23 applications for secondary suites were approved per year, almost double. This indicates that that the regulatory changes might be having a positive effect on the establishment of secondary suites in general; however, the total amount of secondary suites coming on stream is relatively low. Other Canadian cities, for example, boast much higher rates of secondary suite development. Cities at the top of this spectrum, like Vancouver, estimate that 20% of all rental units are in the form of secondary suites. According to CMHC, there were 26,600 secondary suites in Vancouver in in 2014. CMHC also estimates that one fifth of Edmonton's rental units are also in the form of accessory suites. Edmonton, through a larger affordable housing strategy called Cornerstones, helped to create 530 secondary suites between 2006 -2011 alone (of these, about half were new suites and the other half are existing suites upgraded to meet safety and building code).

Given that secondary suites are such a versatile form of housing and are inherently affordable, Winnipeg could be doing more to increase their prevalence in the aim of expanding the supply of long term affordable housing. While this is only one part of a larger housing picture, promoting them is desirable for a number of reasons including the fact that rents for secondary suites are often lower than those for apartments in conventional rental buildings, at least according to CMHC. While secondary suites are important to infill development, secondary suites can also benefit new communities by adding to the range of housing stock and providing long term affordable units, the construction of secondary suites in new neighbourhoods is rare. Of all the applications approved above, only one suite is in a New Community Policy Area (Waterford Green). This may be a missed opportunity when considering that secondary suites are much easier to establish in new construction as compared to modifying an existing home to include one.

Appendix 'C' Secondary Suite Programs

Many jurisdictions, including the province of Manitoba offer financial incentives to encourage the establishment of secondary suites. Table 2 (below) provides basic information on a sample of programs offered in other cities, as well as the current Manitoba program which has been renewed into 2016. Programs range from the fast tracking approval processes, to the waiving permit fees to the provision of monetary assistance for establishing a secondary suite. Of the programs noted below, the Province of Manitoba grant program offers the richest of incentives topping out at a maximum of \$35,000 per suite. The program is available to both attached and detached suites. Despite the generous amount, the uptake in the program appears to not be as high as one would anticipate. Through consultation with the Province of Manitoba, it is learned that the program has facilitated the construction of approximately 40 secondary suites with about half of these being constructed in the City of Winnipeg proper. The Province of Manitoba is currently reviewing their program, which will include interviews with past applicants to identify any barriers preventing people from accessing the program. It is hoped that the City of Winnipeg can share in the Provincial findings for the mutual benefit of promoting secondary suites. Staff from the City and Province met in February of 2016 to share information regarding experiences with secondary suites. It is hoped that continual dialogue and information sharing will enhance both levels of government's success in attracting more secondary suites to the City of Winnipeg.

Table 2: Secondary Suite Programs in other Canadian Cities

City	Program Details	Major Requirements of Program
Kitimat	33% of construction costs to max of \$2,500. Extra 5,000 (or 50% of construction costs) if rented at CMHC Level 1 rate. Extra \$7,500 (or 66% of construction costs) if rented at CHMC Level 2 rate. Extra \$2500 if unit is accessible	must be rental for 5 yrs
		must enter into agreement
Edmonton	50% of construction costs to max of \$20,000	must be rental for 5 yrs to eligible tenant earning within the maximum income by household size thresholds
Saskatoon	50% to max of \$10,000 for new build, 30K for adding to existng property	rent to eligible tenants who have an annual gross household income below the limits established by Saskatchewan Housing Corporation for period of 5 years
Saskatoon	rebate building/ plumbing permit fees for secondary suite (25% rebate if legalizing existng)	
Victoria	50% to max of \$5,000	Must enter into partnering agreement with City for 5 years (doesn't state)
Regina	Secondary suite tax exemption	1 year exemption
Calgary	~ \$2,200 (waiving of permit fees for sec suite)	must meet all zoning requirements
	faster approval process	
Manitoba	50% of construction costs to max of \$35,000	Primary dwelling must be occupied by homeowner
		must be affordable for 10 yrs
		must enter into an agreement