

PLANNING AND DEVELOPMENT COMMITTEE

TO: MAYOR AND COUNCILLORS

SUBJECT: HOUSING CHOICES PHASE 1A: DRAFT PROGRAM

RECOMMENDATIONS:

1. THAT Council receive the report entitled: Housing Choices Program: Financial Analysis for Laneway Units and Suites in Semis (see Attachment # 1).
2. THAT Council receive the report entitled: Laneway Homes and Suites in Semi-detached Homes Program Recommendations Report (see Attachment # 2).
3. THAT Council approve the draft program for laneway homes and suites in semi-detached homes, as described in Section 6.0 and Appendix A and Appendix B, as a basis for public consultation.

REPORT

The Planning and Development Committee, at its meeting held on February 8, 2023, received and adopted the attached report providing a draft program with respect to laneway homes and suites in semi-detached homes.

Respectfully submitted,

Councillor P. Calendino
Chair

Councillor J. Keithley
Vice Chair

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT
COMMITTEE

DATE: 2023 January 30

FROM: GENERAL MANAGER
PLANNING AND DEVELOPMENT

FILE: 41500 20

SUBJECT: HOUSING CHOICES PHASE 1A: DRAFT PROGRAM

PURPOSE: To provide a draft program with respect to laneway homes and suites in semi-detached homes.

RECOMMENDATIONS:

1. **THAT** the Committee receive the report entitled: *Housing Choices Program: Financial Analysis for Laneway Units and Suites in Semis* (see **Attachment #1**) and forward it to Council for information.
2. **THAT** the Committee receive the report entitled: *Laneway Homes and Suites in Semi-detached Homes Program Recommendations Report* (see **Attachment #2**) and forward it to Council for information.
3. **THAT** the Committee recommend that Council approve the draft program for laneway homes and suites in semi-detached homes, as described in *Section 6.0* and *Appendix A* and *Appendix B*, as a basis for public consultation.

REPORT**1.0 INTRODUCTION**

On 2021 December 06, Council adopted *HOME: Burnaby's Housing and Homelessness Strategy* (the HOME Strategy), a ten year action plan for housing in Burnaby. The HOME Strategy included a priority action for the City to launch an infill housing program to introduce more housing choices to Burnaby's single and two family neighbourhoods.

To implement this action, the City launched *Housing Choices*, a multi-year, multi-phased program to expand 'missing middle' housing in Burnaby. *Missing middle*, in this context, refers to housing types that fit between a single-family home and a mid-rise building in terms of building form. Examples of these types of housing include duplexes, triplexes, fourplexes, sixplexes, cottage courts, rowhomes, townhomes and low-rise apartments. The term also refers to properties with accessory units such as flex suites, secondary suites and laneway homes.

The Housing Choices program is being introduced in phases. The current phase (Phase 1a) is focusing on introducing laneway homes, and secondary suites in semi-detached homes. Phase 1b will focus on other options for adding three units to a single-family lot, or four units to a two-family lot. These may include single-family homes with two suites, triplexes, fourplexes or cottage courts (a group of small homes around a shared courtyard). Phase 2 will focus on additional types of missing middle housing such as rowhomes, townhomes and low-rise apartments. Phase 2 will take place in conjunction with the Official Community Plan Update.

This report provides an update on the progress of Phase 1a (*Section 3.0*) and summarizes the results of two key reports, the Financial Analysis Report (*Section 4.0*) and the Program Recommendations Report (*Section 5.0*). It also presents the draft program for laneway homes and secondary suites in semi-detached homes (*Section 6.0 and Appendices A and B*). Subject to Council approval, the draft program will be presented to the public at open houses in the spring to gather additional feedback before the program is brought back to Council for final approval.

2.0 POLICY CONTEXT

The Housing Choices program generally aligns with the following Council adopted plans, reports and policies: *Corporate Strategic Plan (2022)*, *Official Community Plan (1998)*, *HOME: Burnaby's Housing and Homelessness Strategy (2021)*, *Burnaby's Housing Needs Report (2021)*, and the *Mayor's Task Force on Community Housing Final Report (2019)*.

3.0 PROGRESS UPDATE

On 2022 February 14, Council approved a process for Phase 1a of the Housing Choices program, to introduce laneway homes and suites in semi-detached homes. The tasks from this process are shown in *Appendix C*, along with columns showing the current status and anticipated schedule to complete this work.

4.0 FINANCIAL ANALYSIS REPORT

In April 2022, at the request of Council, the City retained a consultant to undertake a financial analysis for Phase 1a, to determine the impact that laneway homes and suites in semi-detached homes might have on property values in single and two-family neighbourhoods.

In the report entitled "Housing Choices Program: Financial Analysis for Laneway Units and Suites in Semis" ("Financial Analysis Report"), the key findings from this analysis are as follows:

Rental Laneway Homes

- Allowing rental laneway homes is unlikely to have any material impact on the value of single family lots, as the laneway unit value will be largely offset by the cost of creating the new unit.
- Market rents are likely required in order to make laneway home development financially attractive to most homeowners and builders. Laneway home development is unlikely to be viable if rents are required to be set below market rent.

- Rental laneway homes do not have the financial ability to support any significant contributions toward community amenities.

Suites in Semi-Detached Homes

- Allowing rental suites in semi-detached homes will create a potential income stream that prospective purchasers can use to help them finance a portion of the purchase price. This will likely help some prospective purchasers who would not currently be able to afford a semi-detached home.
- Allowing rental suites in semi-detached homes will not lead to any significant increase in semi-detached homes sales prices or increased lot values, as the value created by the rental suite will be offset by any reduction in the living area available to the unit owner and the cost to create the rental suite.

The consultant was also asked to consider the impact on property values if laneway homes were stratified, and sold separately from the main house. Key findings from this analysis were:

Stratified Laneway Homes

- Strata laneway homes would be very profitable and attractive from a financial perspective. If permitted, it is expected that there would be interest from homeowners and builders in this option.
- Allowing strata laneway homes would likely create significant upward pressure on single family lot values, unless the City:
 - Requires a significant amenity contribution as part of the approval for a strata laneway home. However, the supportable contribution would vary widely depending on the size of the unit and the location of the property. In addition, many single family homeowners may not be able to provide a significant amenity contribution until after the strata laneway home is built and sold which would create an obstacle to creating new homes.
 - Requires the new laneway home to be sold at a below market price. The supportable price discount would vary depending on the size of the laneway home and the location of the property. This approach would require the creation of an affordable home ownership program as well as ongoing administration and monitoring by City staff. In addition, it would be difficult to determine “market price” if all strata laneway homes are required to be sold at below market prices.

Stratification of laneway homes is not being considered for Phase 1a of the Housing Choices program. However, it could be considered in future phases, in conjunction with an affordable home ownership program. This would support Strategy #6 of Burnaby’s Housing and Homelessness Strategy to ‘*explore ways to make home ownership more attainable*’.

A copy of the Financial Analysis Report, providing details on the methodology and findings from this work, is provided as *Attachment #1*.

5.0 PROGRAM RECOMMENDATIONS REPORT

The report entitled “*Laneway Homes and Suites in Semi-detached Homes Program Recommendations Report*” (“Program Recommendations Report”) provides 108 recommendations and 10 future considerations for the regulation of laneway homes and suites in semi-detached homes. Recommendations address a range of factors, including:

- zoning and lot eligibility;
- building size, height and siting;
- parking;
- environmental design;
- outdoor spaces;
- servicing and utilities; and
- the application process.

The Program Recommendations Report reflects the results of a best practices review, planning and policy review, financial analysis, and technical design and modelling, together with feedback gathered from a survey and workshops undertaken with residents, small housing developers and other housing industry professionals.

The key themes that emerged throughout this process, and that have been used as principles to guide the program recommendations are as follows:

- Flexibility – no one approach fits all;
- Optimization – make the best use of space and resources;
- Suitability – diverse needs require diverse solutions; and
- Expediency – make the development process easy and keep it simple.

As discussed in *Section 6.0* below, the Program Recommendations Report was a key input into the development of the proposed draft program.

The Program Recommendations Report is provided as *Attachment #2*.

6.0 DRAFT PROGRAM

During the fall, the Program Recommendations Report was reviewed by staff from across the City, whose feedback has been used to develop the draft program. The draft program generally reflects the program recommendations and is designed to ensure that it will meet the needs expressed by the community while supporting good design practices and achieving the City’s long-term planning objectives.

A summary of the draft program is shown in Table 1 and Table 2. Additional information is provided in *Appendix A and Appendix B*. Further details and rationale is provided in the Program Recommendations Report in *Attachment #2*.

The proposals for the program are still in *draft* form. If approved by Council they will be presented to the public at open houses in early spring 2023. Feedback received will be used to develop a final program to be brought back to Council for approval.

Table 1: Summary of Draft Program for Laneway Homes

Program Element	Laneway Homes
Zoning Districts	All zoning districts that permit single-family homes. ¹
Eligible Properties	Properties with a single-family home <i>and</i> vehicular access to the rear yard from the side or rear of the property, via an open lane or residential street. Subject to streamside protection and enhancement area regulations, traffic safety review, and other requirements.
Maximum Dwelling Units per Property	3 (single family home with secondary suite and laneway home).
Ownership	Single title for the property.
Maximum Floor Area	The lesser of: <ul style="list-style-type: none"> • 20% of lot area (0.2 FAR); and • 140m² (1,506.95 sq. ft.). Subject to meeting other regulations such as setbacks and lot coverage.
Minimum Floor Area	30 m ² (322.93 sq. ft.)
Maximum Height	<ul style="list-style-type: none"> • Two storeys and • No higher than the lower of: <ul style="list-style-type: none"> ○ 7.6 m (24.93 ft.) for a sloping roof or 6.7 m (21.98 ft.) for a flat roof; and ○ the highest point of the principal dwelling. Cellars and basements will be permitted and will count as one storey.
Setbacks	1.2 m (3.94 ft.) minimum from lane 2.4 m (7.87 ft.) minimum from house Side setbacks as per existing Zoning Bylaw regulations for the main dwelling.
Lot Coverage	45% maximum for buildings/structures 70% maximum for impervious surfaces
Minimum Number of Parking Stalls for the Whole Property	1 van accessible parking pad or carport space. (1 space for up to 3 units)
Environmental Design	Step Code Level 3
Outdoor Space	2 trees per site (or as per <i>Burnaby Tree Bylaw</i> which is anticipated to be updated later in 2023). Private outdoor space for the laneway home will be encouraged: minimum 4 m ² (43.06 sq. ft.) private patio or minimum 3 m ² (32.29 sq. ft.) deck or balcony.

¹ See *Appendix A* regarding A1, A2 and A3 Zoning Districts.

Program Element	Laneway Homes
Access/Addressing	A clear unobstructed pedestrian access path from the street will be required: minimum 0.91m (3 ft.) wide and clear to sky. L suffix will be added to the main address to identify laneway home (e.g. L1-5044 Main Street).
Servicing and Utilities	Separate sewer, water and power. Supplementary utility charges (being the <i>Rental Suite in a Single Family Dwelling – Supplementary Utility Fee</i> in the Burnaby Consolidated Fees and Charges Bylaw). Supplementary utility charges will be charged regardless of whether the laneway home is rented or not. Fees are subject to further analysis and consultation. No additional garbage receptacle required.
Application Process	Building permit This approach is subject to change pending results from the Development Approvals Process (DAP) project.
Heritage	Exceptions to these regulations may be considered to preserve heritage buildings, through the Heritage Revitalisation Agreement process.

Table 2: Summary of Draft Program for Secondary Suites in Semi-Detached Homes

Program Element	Suites in Semi-detached Homes
Zoning Districts	All zoning districts that permit two-family homes.
Eligible Properties	Properties with a two-family semi-detached home <i>and</i> vehicular access to the rear yard from the side or rear of the property, via an open lane or residential street.
Maximum Dwelling Units per Property	4 (two semi-detached units, each with one secondary suite per unit).
Ownership	Suite may not be separately strata-titled from the semi-detached unit.
Maximum Floor Area	No maximum floor area for the secondary suite but it must be contained within the semi-detached unit. A secondary suite located in a cellar or in a fully accessible basement may be added to a semi-detached home and will not count as floor area. Floor area of cellar secondary suites and fully accessible basement secondary suites must be no greater than the floor area of the main storey.
Minimum Floor Area	30 m ² (322.93 sq. ft.)
Maximum Height	<ul style="list-style-type: none"> • Two storeys and • 9.0 m (29.5 ft.) for a sloping roof or 7.4 m (24.3 ft.) for a flat roof; or • For a semi-detached home with a fully-accessible basement secondary suite: 10.5m (34.4 ft) for a sloping roof, or 8.9m (29.2 ft.) for a flat roof. Cellars and fully accessible basements constructed as secondary suites will be permitted and will not count as a storey.
Setbacks	Setbacks for semi-detached homes will be as per existing Zoning Bylaw regulations.

Program Element	Suites in Semi-detached Homes
Lot Coverage	45% maximum for buildings/structures. 70% maximum for impervious surfaces.
Minimum Number of Parking Stalls for the Whole Property	2 accessible parking pads or carport spaces. (2 spaces for up to 4 units)
Environmental Design	Step Code Level 3
Outdoor Space	As per <i>Burnaby Tree Bylaw</i> Private outdoor space for each suite will be encouraged: minimum 4 m ² (43.06 sq. ft.).
Access/Addressing	S suffixes will be added to the main address to identify secondary suites. (e.g. S1- 5049 Main Street).
Servicing and Utilities	Servicing as per secondary suites in single-family homes. Supplementary utility charges (being the <i>Rental Suite in a Two Family Dwelling – Supplementary Utility Fee</i> in the Burnaby Consolidated Fees and Charges Bylaw). Supplementary utility charges for suites will only be charged if a suite is rented out. Fees are subject to further analysis and consultation. No additional garbage receptacle required.
Application Process	Building permit This approach is subject to change pending results from the Development Approvals Process (DAP) Project.

7.0 TRANSPORTATION IMPACTS

The underlying premise for residential off-street parking requirements are that residents need a place to ‘store’ their vehicle(s) on their property. The regulation of parking for vehicles within residential properties is regulated by the *Burnaby Zoning Bylaw Schedule No. V111 Off-Street Parking*. It is standard to provide parking on the property to meet most demands and to minimize spill-over onto the public streets. Providing more compact housing forms and multiple units on a single site will generate more parking demands on-site. There are concerns from the Engineering perspective that the reduced parking provisions as presented in the Draft Program (*Appendices A and B*) will increase pressure for on-street parking where there is currently inadequate supply in many neighbourhoods. The proposed program recommendation will reduce the current Bylaw parking requirements on-site by approximately 60%.

The demand for parking, which can change over time, is affected by a number of factors including proximity to transit, cycling infrastructure, and other alternative modes available including carshare vehicles. However, without the technical review of actual vehicle ownership, on-street utilization and market conditions, there is minimal data to support the parking rationale in the Draft Program. As part of the City’s transportation goals and the Climate Action Framework, residents are encouraged to use more sustainable modes; however, they will continue to rely on the automobile (i.e. electric vehicles) in some capacity for the

foreseeable future. Therefore, limiting parking supply on-site will impact the neighbourhood balance for on-street parking.

A review of comparable municipal parking Bylaw rates (refer to *Appendix D*) in the Lower Mainland including City of North Vancouver, New Westminster, Richmond, Coquitlam, Surrey, and Vancouver confirms the number of parking spaces required per unit varies between 1 and 3, with the exception of Vancouver which allows for 1 space for up to 3 units (0.33 spaces per unit, for single detached houses with both a secondary suite and laneway house).

8.0 NEXT STEPS

Subject to Council approval, the draft program will be shared with the public through the City website and at a series of open houses to be held in spring 2023. A survey will also be distributed to collect feedback from the public. All of the open house materials, including the survey, will also be available online. Feedback will be used to refine the draft program and to prepare a final program for Council consideration and adoption.

9.0 RECOMMENDATIONS

This report provides an update on the Housing Choices program, presents the *Financial Analysis Report* and the *Program Recommendations Report*, and presents the draft program for laneway homes and suites in semi-detached homes.

It is recommended that the Committee request that Council approve the draft program, outlined in *Section 6.0*, *Appendix A*, and *Appendix B* of this report, as the basis for public consultation to be held in early spring 2023. It is also recommended that the Committee receive the Financial Analysis Report and Program Recommendations Report, and forward them to Council for their information.



E.W. Kozak, General Manager
PLANNING AND DEVELOPMENT

SC/LF/KH:sa
Attachments

Copied to: Chief Administrative Officer
Deputy Chief Administrative Officer and Chief Financial Officer
General Manager Engineering
Chief Building Inspector
City Solicitor
Director Legislative Services