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RESIDENTIAL INTENSIFICATION CASE STUDIES

Municipal Initiatives

ACCESSORY APARTMENTS POLICY

Guelph, Ontario

SUMMARY

Official plan and zoning by-law changes permit accessory apartments "as of right" in all low-density areas of the city. The registration process is made simple and free.

Date Implemented: 1994-95

Key Outcomes: 75 new accessory apartments built and registered per year, for a total of 600 units since 1995

BACKGROUND

Guelph is a rapidly-growing university town 100 km southwest of Toronto. During the 1980s and into the 1990s, the city's rental market had been very tight with extremely low vacancy rates. Rental rates were increasing at about twice the inflation rate throughout that period, making it increasingly difficult for lower-income people to find housing they could afford. The result was strong unmet demand for inexpensive rental housing among students and "non-family" households.

Much of the housing stock in Guelph is in the form of detached dwellings, making accessory apartments an obvious source of rental units. Up until 1994, however, the conversion of a single-detached dwelling to allow an accessory apartment required a site-specific rezoning, which had to meet certain conversion guidelines. The guidelines discouraged rezoning applications by requiring more parking spaces and limiting conversions to one per block. When conversion did take place, they were usually done illegally, which created secondary problems such as potential safety issues.

A Residential Intensification Study was carried out in 1992 that reviewed past trends and identified opportunities to increase the supply of housing through intensification measures, including basement apartments.

Recommendations were made respecting Official Plan policies, regulations and development guidelines that could be used to permit accessory units across the city. The City of Guelph responded in the mid-1990s by permitting such units in all low-density residential areas of the city.

DESCRIPTION AND GOALS

As a result of official plan and zoning by-law changes made in 1994 and 1995, accessory apartments are now permitted "as of right" in all single-detached and semi-detached houses throughout the City of Guelph. No zoning change or special planning approval is required for a property owner to convert an existing house or to build a new house with an accessory apartment.

The accessory apartment provisions of the zoning bylaw stipulate the following measures, which were designed to protect the streetscape and preserve the appearance of a low density residential area:

- a minimum floor area of 380 ft² (35.3 m²) for the unit;
- the external appearance of the front façade of the house will be preserved;
- front yards will not be paved over to accommodate the extra dwelling;
- a maximum of two cars will be parked in a driveway at any one time.

To be considered legal, accessory apartments must be inspected and the property registered as a two unit house. To become registered, the property must meet the requirements of the City of Guelph Zoning By-law and either the Ontario Building Code or the Ontario Fire Code, depending on the age of the apartment. If the initial inspection reveals that modifications need to be carried out on the property (e.g., to improve sound insulation or fireproofing), the property owner has the choice of making the needed alterations or discontinuing the registration process. If he or she chooses to continue with the registration process, the inspector will return to assess whether the improvements made meet the City's requirements and then issue a registration. Once the registration is complete, the accessory apartment becomes legal and confirmation of the legal two unit house status is sent to the property owner. The Building Department keeps track of the total registrations and their locations but does not do follow up inspections or surveys to see if apartments remain in existence.

In new construction, the builder will normally signal during the planning review process his or her intention to install an accessory unit. Any issues related to building envelope, landscaping and parking are dealt with at that point in consideration of the city's zoning by-law requirements and Urban Design Guidelines. Typically, the accessory unit is roughed in but not installed until after the main dwelling is completed. This allows the builder to claim that the accessory unit results from the conversion of a single-family to a two-family building and to take advantage of an exemption for such conversions under the Ontario Development Charges Act.



Figure 1: Example of older home with accessory apartment
Source: City of Guelph

COMPLEMENTARY POLICIES AND PROGRAMS

The accessory apartment policy was adopted in the context of a number of official plan and zoning bylaw changes designed to encourage other forms of intensification as well. This included small lot severances and multi-unit infill development. For those forms of intensification, City Council adopted a set of Urban Design Guidelines in order to protect existing neighbourhood character and encourage "compatible" housing forms.

At a more general level, these intensification measures were linked to an overall Official Plan policy to promote compact development and gradually see an increase in overall residential density in the city. The guiding purpose of this more general strategy was to help create more transit-supportive land use patterns and to increase service efficiencies in other City services (e.g., water/sewer lines, roads, garbage pickup, use of existing schools and parks, etc.).

These policies in turn were being encouraged by the Province's 1989 Land Use Planning for Housing policy statement which favoured residential intensification, more compact development, and locating new development within already serviced areas. In 1994, the Province also adopted legislation—entitled the *Residents Rights Act*—requiring that municipalities remove restrictions on secondary suites. These provincial policy initiatives combined with local pressures to find solutions to the city's housing problems encouraged Council to act.

STAKEHOLDER RESPONSE

The five-year planning process that led up to the as-of-right zoning of accessory apartments in 1995 was characterized by extensive public consultations at all stages. Consultations began in 1990 with the launch of the intensification study mentioned above and continued with the proposed official plan and zoning



Figure 2: New growth area with a basement apartment
Source: City of Guelph

by-law amendments. Consultations included meetings with individual residents and with stakeholder groups (e.g., neighbourhood associations, development/building industry), public open houses and public meetings.

Community support was initially low. Several residential neighbourhood associations in the older areas of the city and some individuals expressed concerns ranging from the impact accessory apartments could have on landscaping of front yards (e.g., cutting down trees to make way for more parking), to the creation of "slums" with crowded housing and "junky" yards. Some participants felt that being too permissive with accessory apartments and other forms of small-scale intensification could change the physical and social character of existing residential areas. Other concerns related to loss of space, increased traffic, and loss of privacy. However, over the several year consultation period, these concerns appear to have been addressed as very little opposition was apparent by the time Council came to consider the official plan and zoning by-law changes.

Compared to other municipalities in southern Ontario where similar policies were being considered at the time, the Guelph experience was relatively uncontroversial. In other cities, housing intensification policies and accessory apartments initiatives were highly divisive. One explanation is that the planning department concentrated its message on the need to legalize the units to prevent property owners with illegal units from avoiding the additional property taxes they should have been paying. Another theme emphasized by planners at public meetings was the need to rectify safety hazards that may have been created by illegal and uninspected conversions. They pointed to other jurisdictions in Ontario where fires had led to the death of basement apartment dwellers who had no access to an emergency exit.

Finally, intensification was presented to the public as a naturally occurring phenomenon that was part and parcel of the maturation process in any city. Architectural consultants presented slideshows at public meetings presenting images of attractive buildings that had resulted from infill development. Other images showed pleasant neighbourhoods that contained "invisible" accessory apartments.

The development and building industry did not take a position on these small-scale intensification forms and the local newspapers did not show a lot of interest in the accessory apartment issue.

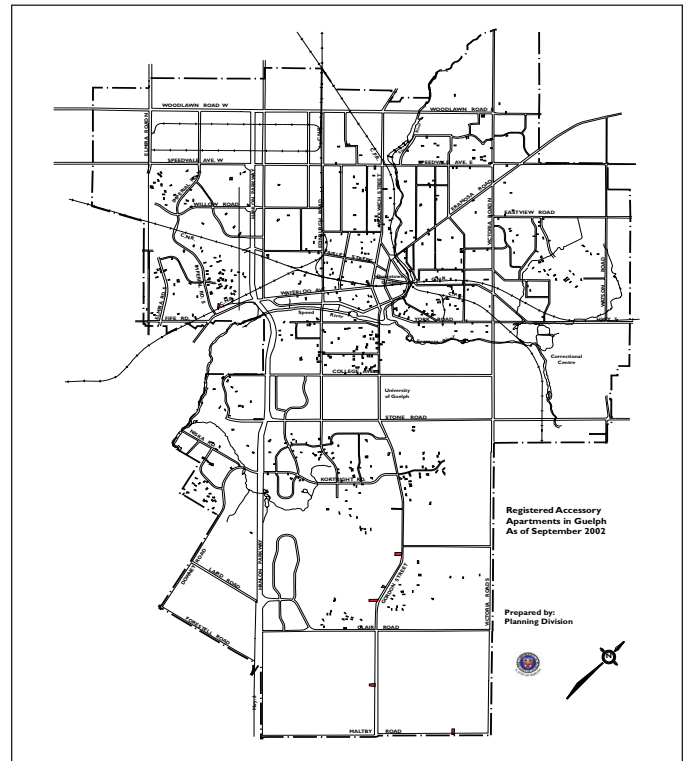


Figure 3: Distribution of accessory apartments in the City of Guelph. Source: City of Guelph

Since the adoption of the new zoning regulations in 1995, the registration of accessory units has proceeded smoothly, with little community opposition except in localized instances related to external housing form/conditions.

IMPACTS

Since 1995, the City has seen approximately 75 new accessory apartments constructed and registered per year, for an eight-year total of 600 units. In addition, approximately 200 other suites constructed prior to 1995 were grandfathered into the new process and have also been registered. The new units have served as a major source of new affordable rental stock in the city and represent about one-third of all units resulting from intensification over the same time period, including infill on severed lots and larger infill/redevelopment projects. Accessory apartments account for an average of about 8 per cent of total annual housing development in the city.

About 80 per cent of the new accessory units are located in recently built areas and 20 per cent are in older areas. Figure 1 shows a detached house in an older part of town that contains an accessory suite. Figure 2 shows a typical new construction, also containing a basement suite. As Figure 3 shows, the units are distributed throughout the residential areas of the city.

FINANCIAL ISSUES

The major cost involved in developing the accessory apartment policy can be attributed to the 1992 housing intensification study mentioned above. This was paid for by the City with a \$150,000 grant from the Ontario Government (part of the Province's effort to implement the Land Use Planning for Housing policy statement and encourage municipalities to adopt intensification policies). The staff resources that went into the public consultations and the planning work related to the official plan and zoning by-law changes were part of the City's normal operating budget and are difficult to quantify.

In terms of staff resources needed to administer the policy, the main component is the increased work load due to the inspections and registration of the accessory units. This has resulted in approximately a .5 FTE increase in the work load of the City's building/fire officials.

Some of this administrative cost is indirectly covered by the property owner, who typically pays \$200-300 (depending on the size of the apartment) for a building permit to construct an accessory unit, regardless of whether it is in an existing or newly constructed house. However, there is no fee attached for the registration process itself, a decision that was taken by the City in order to avoid discouraging owners from registering their units.

Any expenses incurred to upgrade the accessory apartment in order to meet the requirements of the Building or Fire Codes are borne by the property owner. In a typical older home, the major expenses are for the installation of safety measures (i.e., two means of escape via a doorway or a window, smoke detectors, and fire-proofing).

The creation of accessory apartments has not entailed any costs to the City for infrastructure upgrading, but accessory apartments have generated new tax revenues of about \$700 per unit per year. The 600 registered units increase City revenues by approximately \$420,000 per year.

EVALUATION

The legalization of accessory apartments in Guelph was made possible by the commitment among planning staff to engage in a two-way learning process with the public, and by Council support for intensification policies in general. This policy has resulted in a significant increase in housing supply within lower density residential areas that probably would have resisted other more intrusive forms of intensification. In the absence of any major

City expenditure (e.g., on infrastructure) to support the policy, the result has been a net positive cash flow to the finances of the City.

Further steps could be taken to create more opportunities for accessory apartments in the city. A recent review of housing policies in the City recommended that it permit accessory apartments in townhouse dwellings and allow up to two accessory apartments in a single-detached dwelling.

These limitations notwithstanding, the initial residential intensification process appears to have been very successful. In fact, to some degree, the policy is becoming a victim of its own success. In the older areas of the city, some concern is emerging that conversions have allowed a concentration of university student apartments near the university. The City is now completing a community improvement program plan for this area to examine land use, infrastructure needs and other issues to address this concern.

FOR MORE INFORMATION

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DOCUMENTS:

City of Guelph (January 1992) Housing Intensification Study. Prepared by Hemson, Baird/Sampson Architects and Proctor and Redfern Engineering Group.

City of Guelph (1995) Urban Design Guidelines.

City of Guelph (1994) Guelph Official Plan. June 2002 Consolidation.

City of Guelph (1995) Zoning By-law.

These documents are available on loan from the intergovernmental Committee on Urban and Regional Research (www.icurr.org).

WEB SITE:

www.city.guelph.on.ca
(City of Guelph)

OUR WEB SITE ADDRESS: www.cmhc.ca

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