



May 25, 2012

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED

Regional Clerk
Regional Municipality of Peel
10 Peel Centre Drive, Suite "A", 5th Floor
Brampton, ON L6T 4B9

Mr. George Startup
7 Nimrod Crescent
Brampton, ON L6S 4T9

Re: Second Units Policy Review – Brampton’s Implementation of Bill 140: Strong Communities Through Affordable Housing Act, 2011 (File L01)

The following recommendation of the Committee of Council Meeting of May 16, 2012 was approved by Council on May 23, 2012:

CW129-2012 1. That the presentation by H. Zbogar, Acting Director of Planning, Policy and Growth Management, Planning, Design and Development, to the Committee of Council Meeting of May 16, 2012, re: **Second Units Policy Review – Brampton’s Implementation of Bill 140: Strong Communities Through Affordable Housing Act, 2011** (File L01) be received; and,

LEGISLATIVE SERVICES	
COPY TO:	FOR:
Chair <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Committee
CAO <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Corporate Services	Council
Public Works	
Employee and Business Services <i>Jun 28/12 R.C.</i>	2.
Health Services	File
Human Services <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Peel Living	

2. That the delegation and correspondence from Mr. George Startup, resident of Brampton, dated April 22, 2012 and May 11, 2012, to the Committee of Council Meeting of May 16, 2012, re: **Basement Apartments – Bill 140: Strong Communities Through Affordable Housing Act, 2011** (File L01) be received; and,

3. That the report from D. Waters, Manager of Land Use Policy, Planning, Design and Development, dated April 20, 2012, to the Committee of Council Meeting of May 16, 2012, re: **Second Units Policy Review – Brampton’s Implementation of Bill 140: Strong Communities Through Affordable Housing Act, 2011** (File L01) be received; and,

4. That staff be directed to undertake public consultation on a proposed approach for implementing second unit policies by way of Open Houses across the City at the following dates and locations:

- June 4th: Cardinal Ambrozic Secondary School
- June 13th: Louise Arbour Secondary School
- June 14th: Mount Pleasant Community Centre
- June 25th: Chris Gibson Community Centre; and,

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MAY 31 2012

REGION OF PEEL
CLERKS DEPT.

cont...../

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5. That staff be directed to report back to Council with the results of the Open Houses, and the details of an Advocacy Strategy to the Province prior to holding the Statutory Public Meeting; and,
6. That the City Clerk be directed to forward a copy of the subject report and Council resolution to the Region of Peel.

A copy of the subject report is attached.

By copy of this correspondence to D. Waters, Manager of Land Use Policy, Planning, Design and Development, he is requested to carry out the directions in Recommendation CW129-2012 above. **(RML #2012-017 – Clause 5)**

Yours truly,



Sonya Pacheco
Legislative Coordinator
City Clerk's Office
Tel: 905-874-2178 / Fax: 905-874-2119
sonya.pacheco@brampton.ca

(CW-D2/E1/16/17)

cc: J. Corbett, Commissioner of Planning, Design and Development
H. Zbogor, Acting Director of Planning, Policy and Growth Management,
Planning, Design and Development
D. Waters, Manager of Land Use Policy, Planning, Design and Development
C. LaRota, Policy Planner, Planning, Design and Development



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Report

Committee of Council
Committee of the Council of
The Corporation of the City of Brampton

Date: April 20, 2012

File: L01 Bill 140

Subject: **RECOMMENDATION REPORT- SECOND UNITS POLICY REVIEW**
Brampton's Implementation of Bill 140: *Strong Communities Through Affordable Housing Act, 2011*

Contact: David Waters, Manager, Land Use Policy (905) 874-2074

COMMITTEE OF COUNCIL

DATE: May 16, 2012

OVERVIEW:

- Bill 140 (Long Term Affordable Housing Strategy) received Royal Assent in May 2011. The changes to the *Planning Act* for second residential units came into effect on January 1, 2012.
- Bill 140 requires municipal Official Plans and zoning by-laws to permit second units in detached, semi-detached and townhouse dwellings, as options for delivering affordable housing as part of implementing the Growth Plan.
- Staff is proposing to hold four Open Houses across the City during June 2012, to seek public input regarding second units.
- In response to Council's discussion at the April 23, 2012 workshop, this report highlights the information to be presented at the Open Houses and summarizes a preliminary estimate of the anticipated costs to the City of implementing second units in Brampton.
- This report proposes an approach to implement second unit permissions in new dwellings and legalize existing unregistered second units. Subject to Council's approval, this approach will be presented for public consultation at the Open Houses.

RECOMMENDATIONS:

1. **THAT** the report from David Waters, Manager, Land Use Policy, Planning, Design and Development, dated April 20, 2012, to the Committee of Council Meeting of May 16, 2012, re "**Second Units Policy Review, Brampton's Implementation of Bill 140: *Strong Communities Through Affordable Housing Act, 2011***" be received;
2. **THAT** staff be directed to undertake public consultation on a proposed approach for implementing second unit policies by way of Open Houses across the City at the following dates and locations:
 - June 4th: Cardinal Ambrozic Secondary School
 - June 13th: Louise Arbour Secondary School
 - June 14th: Mount Pleasant Community Centre
 - June 25th: Chris Gibson Community Centre
3. **THAT** staff be directed to report back to Council with the results of the Open Houses, and the details of an Advocacy Strategy to the Province prior to holding the Statutory Public Meeting; and,
4. **THAT** the City Clerk be directed to forward a copy of this staff report and Council resolution to the Region of Peel.

PURPOSE:

The purposes of this report are to seek Council's direction to obtain public feedback on a proposed approach to implement second unit policies, and to respond to Council's request to provide preliminary information regarding the potential costs to the City of permitting second units in Brampton.

BACKGROUND:

The *Long Term Affordable Housing Strategy* was released by the Ministry of Municipal Affairs and Housing in November 2010. The strategy introduced *Bill 140: Strong Communities through Affordable Housing Act, 2011*, which received Royal Assent on May 4, 2011. To further expand affordable housing opportunities, Bill 140 requires municipalities to implement official plan policies and zoning by-law provisions to allow second units.

Changes to the *Planning Act* came into effect on January 1, 2012; where second unit policies are to be implemented before or as part of a municipality's next five-year Official Plan review.

Municipalities have the ability to determine appropriate locations for second units and will be responsible for determining what standards or zoning provisions should apply.

Since 1998, second units have been generally discouraged in Brampton's Official Plan, and are only permitted through a rezoning application.

Currently, the City's Zoning Division maintains a record of properties with second units that are considered Legal Non Conforming. At this time, there are approximately 2,800 registered properties with second units in Brampton.

CURRENT SITUATION:

Brampton's Policy Review for Second Units

In order to comply with the new provincial legislation, Brampton is required to implement policies in the Official Plan and performance standards in the Zoning By-law to permit second units as-of-right.

Brampton has initiated a Second Units Policy Review, establishing a Technical Advisory Committee to oversee the review and provide input. This Committee is comprised by staff from the City Manager's Office, Planning, Building, By-law Enforcement, Legal, Corporate Communications, Works & Transportation, Finance and Fire & Emergency Services.

A comprehensive work program has been developed that outlines the policy review objectives, establishes major milestones and describes a public consultation strategy.

Information regarding the policy review process was presented to Council at the April 23, 2012 workshop. In response to Council's discussion at the workshop, this report highlights the information to be presented at the Open Houses and summarizes a preliminary estimate of the anticipated costs to the City of implementing second unit policies in Brampton.

Public Consultation

The public consultation process represents a significant component of the second unit policy review. As discussed by Council at the April 23rd, workshop, staff has added an additional Open House in the Springdale community. In total, four Open Houses are now planned to be held during June 2012 as follows:

- June 4th: Cardinal Ambrozic Secondary School (Castlemore/The Gore)
- June 13th: Louise Arbour Secondary School (Bramalea/Father Tobin)
- June 14th: Mount Pleasant Community Centre (Bovaird/Creditview)
- June 25th: Chris Gibson Community Centre (McLaughlin/Queen)

At the Open Houses, staff will present background information regarding Bill 140 and Brampton's second unit policy review. Subject to Council's approval, the proposed

approach to implement second unit policies and potential cost implications outlined in this report will also be presented at the Open Houses. A short presentation will be followed by breakout group sessions to answer and discuss specific questions regarding the implementation process around second units.

Due to space availability, attendees will be required to register in advance of the Open Houses, in order to participate in the breakout session, but the presentation part will be open to everyone.

Proposed approach to implement Second Units in Brampton

In order to permit second units in Brampton, amendments to the City's Official Plan and Zoning By-law are required.

This report is proposing an approach to implement second unit permissions for Council's consideration and for public discussion at the Open Houses.

The proposed registration approach addresses existing units and new units that could be created within existing or new dwellings.

Registration System

Staff proposes that a registration system for second units be presented for discussion at the open houses. It would be explained that a registration system is beneficial because it helps to identify the location of second units and confirms that at the time of registration, the second unit was in compliance with all safety and building regulations. Another reason and benefit of registering second units is that it provides a tracking record that can give the City a more realistic count of existing and approved second units, and will allow the City and Region to better plan for services, if necessary.

A sampling of second unit registration fees in other GTA municipalities would be presented and noted that most charge a lower registration fee to encourage homeowners to register their units.

Existing Unregistered Second Units

Illegal second units may present a danger to tenants and homeowners if Building and Fire Code requirements have not been complied with. Bearing in mind that the safety and well-being of Brampton's residents is a preeminent concern of the City, legalizing all existing second units within the City provides an opportunity to ensure compliance with Building and Fire Codes.

Staff is proposing that the City introduce an amnesty period for one year and waive registration fees to provide an incentive for homeowners to register illegal units, contingent on compliance with all applicable Building and Fire Code requirements.

Legalizing existing second units increases the potential to make them safe since the homeowner will be required to upgrade the second unit to comply with emergency exiting, fire protection and the early warning requirements of either the Fire Code or Building Code, as applicable.

In addition to requiring compliance with safety requirements, the City can also establish minimum criteria for a second unit to be "grandfathered", such as the provision of additional on-site parking.

Site-specific on-street permit parking opportunities will need to be explored for certain areas of the City where additional on-site parking is not possible. The City's Traffic By-law would require an amendment should overnight on-street parking be implemented. Such an initiative would have to be studied in detail by Works & Transportation to determine its feasibility.

Homeowners would be required to submit an application for a change of use permit for the second unit, and it would be their responsibility to obtain permits and complete the required upgrades to bring the second unit into conformity with applicable codes.

Once a change of use permit is issued and the property is inspected to ensure compliance, the unit can be registered. The registration process would be managed by the Building Division as is currently being done for legal-non-conforming units that existed prior to 1995.

During the period when second units were permitted in the mid to late 1990's, approximately 2,000 units were registered in Brampton. Although it is estimated that about 30,000 second units exist today in Brampton, not all homeowners are likely to come forward to register their units within the proposed one-year amnesty period. The one-year amnesty and waiving of the registration fee may not be sufficient incentive if extensive home renovations are required to achieve Building and/or Fire Codes compliance.

New Second Units

Through the introduction of provisions and clear performance standards in the zoning by-law, the City would be able to ensure that new second units within detached, semi-detached and townhouses are located in neighbourhoods that can best accommodate additional units. For example, the City could restrict the location of second units where additional parking can be provided on site.

Restricting the size of the second unit may also help to limit the number of occupants. To ensure that second units are accessory to the principal dwelling, the floor area could be limited to not more than 40% of the total gross floor area of the principal dwelling. The number of bedrooms could also be limited, reducing potential for occupancy by larger families, and therefore possibly reducing impacts on infrastructure and community services.

New development areas could be planned and designed to accommodate second unit housing by ensuring that lot sizes and side yards can accommodate sufficient parking and separate entrance for a second unit. The number of potential units to be created would be known at the early stages of planning, facilitating the sizing of future community services and infrastructure to accommodate additional residents. As part of the planning process, residents of new areas would be advised of the potential for second units to be located in the subdivision at the time of their home purchase.

Following Council's discussion at the April 23, 2012 workshop, staff is also exploring the legality of requiring dwellings with second units to be owner-occupied as part of zoning standards. In the case of dwellings with second units that are not owner-occupied, it may be possible to implement a licensing system, similar to the one currently being used for stationary business. Staff will report back to Council once this approach has been fully evaluated by the Technical Committee.

Considering that Brampton has an estimated 30,000 unregistered units, and based on past experience with the registration of second units in the mid 1990's (approximately 2,000 units in the first 18 months), staff is estimating that between 1,500 and 3,000 units could potentially be registered within the first year of the program. That number is expected to decline once the amnesty period expires.

Preliminary Estimate of Anticipated Costs

The potential cost of second unit registration presented in the following section is proposed for discussion purposes at the Open Houses. The analysis considers two scenarios, either 1,000 or 3,000 units being registered over a 12 month period. At this time, these are high level estimates that will be used to determine detailed financial and staffing implications for Council's consideration as part of the second unit policy review. The potential impacts of second units are discussed below for the three City departments that will be affected by the registration process: Building, By-Law Enforcement and Fire and Emergency Services.

Building Division

The Building Division would be responsible for the development and administration of a registration program for second units, as well as the enforcement of the permit, inspections and occupancy requirements of the Ontario Building Code.

The legalization of any second unit constructed since July 15, 1995 is subject to the change of use provisions of the Ontario Building Code. Building permit fees for a change of use will apply to applications for permits to upgrade existing second units in accordance with the City of Brampton Building By-law passed pursuant to the Building Code Act. The fee for a change of use permit currently imposed in the City's Building By-law is \$91.80/hour of review time. Permit fees for change of use are ultimately a

factor of the number of hours spent by staff in administrative, plans review and inspection.

Until the scope of second unit permissions is ultimately determined, it is difficult to accurately estimate reasonable cost impacts for the administration and enforcement obligations associated with the enforcement program in particular. On average, the Building Division issues approximately 5,800 permits per year. Under the two scenarios suggested above, the addition of 1,000 permit applications for change of use to accommodate second units represents an increase in the order of 17%, while the creation of 3,000 new units would equate to an overall increase of 52% of permits issued annually.

Moreover, a change of use permit for an existing unit is significantly more time consuming and complicated than a permit for proposed construction where plans review occurs in advance of construction and inspections occur as construction progresses.

In considering all available information at this early stage of the policy review, the Building Division estimates that for permit processing, additional staff may be needed in both Building Plans Review and Zoning Services. Additional staff resources are expected to be required to ensure review and processing of permit applications within the limited legislated timeframes set out in the *Building Code Act* (10 days). In addition to the technical plans review staff, it is anticipated that there will be increased demand on administrative staff to accept and issue permits, schedule inspections, separately address units, etc.

It is noted that the direct and indirect costs associated with enforcement and administration of the Building Code are strictly funded by permit and enforcement administration fees.

Over the course of the Second Unit policy review, Building Division staff will need to formulate policy decisions with respect to existing illegal construction that may include below grade entrances, plumbing below concrete floors and inside wall partitions in addition to walls and ceilings that are required to be constructed as fire separations having minimum fire resistance ratings. These policies may influence the overall impact of permitting second units, having an effect on the estimated resources and costs set out in this report.

By-Law Enforcement

Enforcement and By-Law Services will not be initially impacted by permitting second units, as property standards inspections only occur once a complaint has been received.

By-Law Enforcement staff will continue to respond to complaints of illegal units and issue orders to register or remove, in a similar way to the 1990's enforcement practice when registration for second units existed.

This report also outlines the potential for licensing second units that are not owner occupied. If a licensing system is adopted as an outcome of the second unit review and inspections of units by property standards staff becomes a requirement of their license, By-Law Enforcement anticipates that additional property standards officers may be required, assuming inspections are done annually.

Fire and Emergency Services

Fire and Emergency Services has indicated that based on their experience inspecting existing second units, it is reasonable to expect that a Fire Prevention Officer (FPO) would be able to conduct two property inspections per day. Most, if not all second unit dwellings will require two inspections, as they are rarely in compliance with the Fire Code at the time of the initial inspection.

A Fire Prevention Officer should be able to conduct 400 inspections per year, or two inspections in each of 200 second units. For estimating purposes, this report anticipates between 1,000 to 3,000 second unit applications.

To inspect 1,000 second units, Fire Emergency Services would require five additional Fire Prevention Officers, and for 3,000 units, they would require fifteen officers in addition to existing staff. To maintain an effective level of oversight, coordination and supervision, there may be a requirement for additional supervisors (Assistant Division Chiefs) and administrative assistant support.

Some of these additional costs may be partly recovered by permit and registration fees and not solely borne by the general tax base. Additional information on cost recovery will be presented in a future staff report.

Property Assessment and Taxes

As there is a general public concern regarding property assessment for dwellings with a second unit, it is proposed that the following information also be presented at the Open Houses.

Property taxes are based on the value and tax class of the property and it is determined by the Municipal Property Assessment Corporation (MPAC) in accordance with the Province's Assessment Act. This value is applied to the municipal tax rate as established by the property tax class.

For the purposes of tax calculation, any dwelling that contains less than seven self-contained units is classified as "Residential". Therefore, the number of people occupying a home is not a factor in determining its value, whether they live in a second unit or within the main dwelling. The provincial legislation is clear that values and taxes must be applied consistently regardless of the number of occupants in a residential property. In addition, municipalities cannot restrict the number of people that live in any dwelling, as by-laws do not zone for people, just the land use of a property.

Some homeowners may not be willing to register their units because of the perception that second units significantly increase property values, and therefore their tax assessment. It is necessary to note that constructing a second unit does not have a significant impact on a property assessment, and it would only add value similar to a finished basement. A typical increase in assessment ranges from \$10,000 to \$20,000, which translates into an increase in property taxes of \$100 to \$200. The property tax is then divided among the Region (40%), the City (40%) and school boards (20%), translating into an increase of approximately \$40 to \$80 to the City's portion of the tax.

Although the City may report all registered second units to MPAC, it is up to that body to follow up with a revised property assessment.

Public Awareness

An important component of the second units policy review is communications and public awareness. The communications tactics and overall approach will be determined based on a number of factors (i.e. budget, timing, target audience, etc.). These factors will be determined by the Technical Committee as the policy review is undertaken.

In advance of a comprehensive communications plan being developed, the following tactics will be considered as ways to educate the public regarding the City's Second Unit Policy review:

- Newspaper advertising
- Media releases
- City's website
- Ward Reports
- Communications with Brampton Real Estate Board and local real estate agents.

NEXT STEPS

Workshop Follow-up

As discussed by Council at the April 23, 2012 workshop, the proposed approach and potential implications outlined in this report may also be presented at the Open Houses.

In addition to the benchmarking of other GTA municipalities, public input received at the Open Houses will be used to guide the drafting of the Official Plan Amendment and Zoning By-law for second units.

The Open House sessions will be open to the public, but attendees will be required to register in advance for facility planning purposes.

Notice of the Open Houses will be posted on the Brampton Guardian and the City's website and will be distributed to other stakeholders such as the School Boards, Region of Peel and Provincial and Federal Members of Parliament.

A Statutory Public Meeting is planned for the end of 2012 to present the draft planning amendments for formal public input.

Information regarding the second units policy review has been posted on the City's Website, and will be updated to include the information regarding the location and dates of the Open Houses.

Advocacy Strategy to the Province

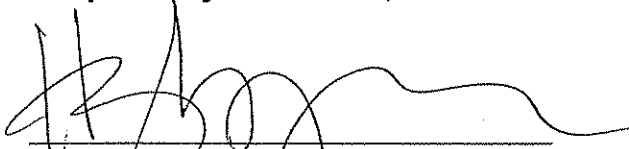
In response to Council's direction at the April 23rd workshop, staff will be preparing a comprehensive Advocacy Strategy to the Province to address the areas of concern that are beyond the jurisdiction of the City pertaining to the implications and costs of permitting second units in Brampton.

Following the Open Houses, staff will present more details around the Advocacy Strategy to Council for consideration.

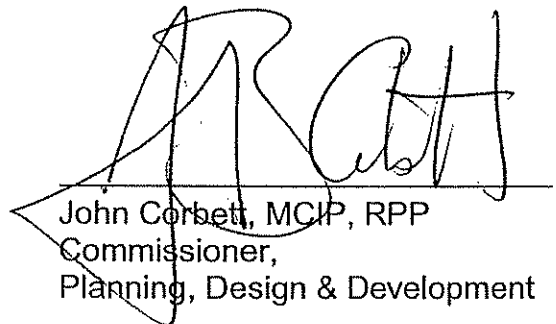
CONCLUSION:

Staff is seeking Council's direction to hold a series of Open Houses across the City to present the facts on Bill 140 and to receive public feedback on the City's proposed approach to permit second units. Public input received at the open houses will be considered when drafting the implementing planning amendments. Staff will report back to Council with the results of the Open Houses and the Advocacy Strategy to be presented to the Province prior to proceeding to a Statutory Public Meeting.

Respectfully submitted,



Henrik Zbogor, MCIP, RPP
Acting Director, Planning Policy &
Growth Management



John Corbett, MCIP, RPP
Commissioner,
Planning, Design & Development

Report Authored By: Claudia LaRota/David Waters