



Committee of the Whole Report

For the Meeting of June 27, 2019

To: Committee of the Whole **Date:** June 13, 2019

From: Andrea Hudson, Acting Director, Sustainable Planning and Community Development

Subject: Garden Suite Program Review and Next Steps

RECOMMENDATION

- 1) That Council direct staff to consult on changes and topic areas, detailed in this report, and bring forward *Zoning Regulation Bylaw*, *Official Community Plan* and *Land Use Procedure Bylaw* amendments to a future Committee of the Whole meeting. Key areas for consultation and further exploration include:

Zoning Regulation Bylaw

- allow additional floor area for garden suites on larger lots
- allow garden suites in conjunction with secondary suites and duplexes
- explore mechanisms to manage or limit the height of garden suites on "plus sites" to ensure that privacy, shading and contextual issues can be addressed
- consider aligning setbacks between some zones and the garden suite regulations
- restrict the conversion of accessory buildings to garden suites to those accessory buildings built before 2019 or after five years from date of construction
- identify other *Zoning Regulation Bylaw* improvements that may arise through the review process.

Garden Suite Design Guidelines

- refine and clarify the Garden Suite Design Guidelines using the document included in Attachment C as a starting point and bring forward the necessary Official Community Plan Amendment Bylaw considerations.

Process Improvements

- explore process improvements to make building a garden suite easier while maintaining design oversight.

Fees

- review the possibility of increasing the fee for garden suite applications to more fully recover costs associated with processing applications.

- 2) That Council direct staff to continue to monitor application volumes and work to maximize efficiencies that may result from proposed refinements outlined in this report, and bring forward any necessary staff resourcing requests in conjunction with the 2020 Budget deliberations.

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with an update on the Garden Suite Program, share a number of observations and seek direction on further review and consultation work being planned.

On April 17, 2017, Council amended the *Zoning Regulation Bylaw* to allow garden suites as a permitted use in single family dwelling zones. Concurrent with this bylaw amendment, Council delegated authority to staff to review and approve garden suites where they are consistent with the design guidelines expressed in the *Garden Suite Policy and Design Guidelines*. Since that time, the City has received 58 applications, which have resulted in 39 Development Permit approvals. Of these approvals, 13 have been constructed, 24 are either in the process of obtaining Building Permits or are under construction and two have not yet initiated a Building Permit process. A full breakdown of these statistics is provided in the Background section of this report. Key observations to date, include:

- although only 13 garden suites have been fully constructed since the advent of the Delegated Development Permit (DDP) process, it would appear that the program is fairly well-received in the community; however, there are some instances where neighbours have been unhappy with the establishment of garden suites in their neighbourhoods
- both the *Zoning Regulation Bylaw* as well as the *Garden Suite Policy and Guidelines* would benefit from refinements to improve clarity and usability
- garden suites often present complex site servicing and tree protection challenges, which can lead to a diminishment of the urban forest. This creates a challenge in terms of balancing the desire to provide additional housing options with the desire to protect and enhance the urban forest
- since the bylaw changes in 2017, there has been a dramatic increase in the amount of staff time required to manage the Garden Suite Program. Despite this, the process of delegated authority, which allows staff to approve garden suites where they meet the design guidelines, appears to be yielding good results, although some applicants are desirous of a speedier process and would prefer to not make changes to meet the design standards or other City policy and regulations
- on rare occasion, a proposed garden suite has been controversial and neighbours have been very disappointed that the process does not include direct Council oversight
- some process improvements are warranted to make constructing garden suites easier
- the program would likely benefit from dedicated staff resources, and an increase in fees may be justified to facilitate this.

This report also provides a discussion regarding challenges related to height and contextual fit of garden suites on “plus” sites, which are sometimes experienced because of the greater height that is permitted for lots that fall into this category. If Council wishes to curb the potential for problems associated with this aspect of the Zoning Bylaw regulations while the more fulsome review of the Garden Suite Program is underway, Option Two, included in the Options & Impacts section of this report, would provide appropriate direction to staff.

Based on staff’s experience with the program to date as well as feedback that has been informally received from applicants, designers, builders and neighbours, staff recommend that the changes recommended in this report be considered and consulted on as part of the garden suite program updates identified in the Strategic Plan and proposed for implementation in the Victoria Housing Strategy.

PURPOSE

The purpose of this report is to provide Council with an update on the Garden Suite Program. This report is also intended to seek Council's direction regarding areas where further evaluation and consultation would be beneficial in informing future changes to the regulations and policy.

BACKGROUND

The following provides a brief history of the approach to and development of garden suites in the City of Victoria:

- the City began collecting data on garden suites in 2004. At that time, building a garden suite required a rezoning application with final approval by Council
- in 2010 and 2011, staff prepared a report and draft policy on garden suites with public consultation and feedback
- in 2011, Council adopted the *Garden Suite Rezoning Policy*
- in 2016, Council adopted the *Victoria Housing Strategy, 2016-2025*, which included the outcome to "Permit Garden Suites in Zoning" to encourage their development as another housing option for low- to moderate-income households
- in 2016, staff began engagement and prepared Zoning Bylaw amendments, including *Schedule M – Garden Suites*, to consider allowing garden suites as a permitted use in single family zones and zones referring to the single family dwelling regulations
- in April 2017, Council adopted the proposed changes and updated the *Land Use Procedures Bylaw* to give staff authority to approve garden suites when they meet the *Garden Suite Design Guidelines* and *Zoning Regulation Bylaw*.

From 2004 to 2017 (13 years) when a rezoning application was required to facilitate the construction of a garden suite, there was an average of two applications per year, totalling 27 applications (19 approved).

From April 17, 2017 to April 17, 2019 (2 years), after the Delegated Development Permit (DDP) program was launched, there have been 58 applications (56 DDPs, 1 Rezoning, 1 Development Permit with Variance). In other words, in the past two years, the City has received more than double the number of applications as were received in the previous 13 years combined.

Of the 58 applications received since April 2017:

- 36 Development Permit applications have been approved through delegated authority by staff
- 2 applications were referred to Council because they were inconsistent with the design guidelines, and these applications were approved by Council
- 1 application has been approved by Council through a Development Permit with Variance
- 1 application was refused through delegated authority
- 5 applications have been cancelled/retired
- 3 applications are on hold at the request of applicants
- 9 applications are currently either in-process or are with the applicants who are undertaking revisions
- 1 rezoning and development permit application for a duplex with garden suite was presented to Council, where it was referred back to the applicant and staff for revisions. The applicant has placed this application on hold and is now advancing construction of an accessory garage instead.

Of the 39 garden suite development permits that have been issued between April 2017 and April 2018:

- 13 have been constructed
- 24 are either obtaining building permits or under construction
- 2 have been approved but the applicants have not yet advanced them to the construction phase.

Some additional data, based on all 58 applications:

- 22.4% have been built or are under construction along with a newly-constructed single family dwelling (13)
- 15.5% have utilized an existing accessory building (9)
- 74.1% of applications qualify as "plus sites" (43), which are defined as corner lots, double frontage lots and lots having a lot area greater than 557m². For "plus sites," the floor area can be up to 56m² and the height can be 5.5m / 1.5 stories. Of these:
 - the average height is 4.2m
 - 41.9 % have a half storey or second floor (17)
 - the average floor area is 47.2m²
- the smallest garden suite is 21 m²
- the average height of a non-plus garden suite is 3.37m
- one garden suite also included a garage.

Of the 13 garden suites that have been built, six owners participated in an informal survey and staff learned that:

- 3 suites are rented (rents ranged from \$1200 to \$2000 with the average rent being \$1650)
- 2 suites are occupied by family members
- 1 suite is used as extra space for occasional visitors
- full cost of construction, upon completion, ranged from \$120,000 to \$220,000 with the average construction cost being \$180,000 (including design, fees, labour and materials, landscaping, appliances and window coverings) while the average declared Building Permit fee is approximately \$106,000.

ANALYSIS

Based on staff experience with the program to date, as well as feedback received from property owners, designers, builders, some neighbours and Council, the following topics have been identified as benefiting from further discussion and analysis:

- Zoning Bylaw Regulations and *Schedule M – Garden Suites*
- *Garden Suite Design Guidelines*
- affordability and housing diversity
- construction costs
- site servicing and transportation
- impact on the urban forest
- staff resources
- delegated authority – processing times
- application fees
- community consultation
- tiny houses.

These topics are explored below and, where relevant, recommended next steps are provided. A summary of the recommended next steps is included at the beginning of this report in the main recommendation provided for Council's consideration.

Zoning Bylaw Regulations and Schedule M – Garden Suites

Schedule M – Garden Suites of the *Zoning Regulation Bylaw* (Appendix A) establishes that:

- garden suites are only permitted in association with a single family dwelling (not with duplexes or other uses)
- garden suites are not permitted in association with a secondary suite
- only one garden suite is permitted on a lot.

Schedule M – Garden Suites also sets out siting requirements related to:

- location in relation to a principal dwelling
- maximum size
- height
- site coverage
- setbacks from property lines
- criteria for “plus sites.”

There has been some feedback from those involved in the development of garden suites as well as from Council members, noting that changes to Schedule M should be considered, particularly in relation to increasing the maximum floor area and allowing garden suites in conjunction with duplexes and secondary suites. However, there has also been feedback from neighbours and those concerned about the urban forest (see related section) that the current regulations are too permissive.

Additionally, there is currently some inconsistency between Schedule M and the Design Guidelines, particularly in relation to “plus sites,” where the zoning regulations establish a maximum height of 5.5m, yet the Design Guidelines have numerous statements about the importance of ensuring a sensitive fit with neighbours and minimizing shading and privacy impacts. For comparison, a garden suite on a “regular” lot is permitted a maximum height of 3.5m. While the guidelines stress the importance of being sensitive when introducing additional height, it is challenging to get applicants to respond to design criteria when an entitlement is established within the regulations. For these reasons, it may be useful to consider changes to Schedule M to reduce the height allowed on “plus sites” and instead facilitate extra height in appropriate cases through a variance process, which could allow for more site sensitive evaluation.

There are also inconsistencies between zoning regulations and Schedule M, for example, when setbacks are sometimes required to be a greater distance from the side street when a building is being proposed on a corner lot. This is at odds with the *Small Lot Policy and Design Guidelines*, which recommend that suites developed on corner or double frontage lots should be sited as close to the street as possible. Further examination of the intent of the regulations verses the design guidelines, along with the resulting impact on the urban form, would be beneficial.

Additionally, it has recently come to light that some applicants appear to be submitting building permits for accessory buildings (i.e. garages) rather than garden suites, applying later to convert the structure to a garden suite. It would seem that this is being done in order to avoid both a building design review and to circumvent design guidelines related to tree protection. Builders may also be pursuing this approach to avoid the costs associated with meeting Step 1 of the BC Energy Step Code at the building permit stage. As a result, it may be worth adding a provision to the *Zoning Regulation Bylaw* that would prevent the conversion of accessory buildings constructed after 2019 into garden suites or requiring a waiting period of five years prior to conversion.

Recommended Next Steps:

That Council direct staff to consult on potential changes to the *Zoning Regulation Bylaw* in order to:

- allow additional floor area for garden suites on larger lots
- allow garden suites in conjunction with secondary suites and duplexes
- explore the potential benefits and impacts of limiting the height of garden suites on “plus sites” and only allowing extra height through a variance process
- align setback differences in some zones and Schedule M
- restrict the conversion of accessory buildings to garden suites to those accessory buildings built before 2019 or after a five-year waiting period
- examine other zoning bylaw improvements that arise through the review process.

If Council wishes to immediately limit challenges related to the additional height that is permitted on “plus” sites while the more fulsome review is being undertaken, Option Two, included in the Options & Impacts section of this report, provides direction to staff to prepare the necessary *Zoning Regulation Bylaw* changes.

Design Guidelines – DPA 15 E: Intensive Residential – Garden Suites

The *Garden Suite Policy and Guidelines* (the Design Guidelines) have been in use since 2011, when they were established to guide rezoning applications. The Design Guidelines were not fully revised when Council changed the *Zoning Regulation Bylaw* to permit garden suites as an entitlement on properties with single family dwellings; nor were they fully reworked for the purpose of informing the delegated development permit application process, which Council established to help streamline, but still provide oversight to, the establishment of garden suites. As a result, the Design Guidelines contain a significant amount of regulatory information which is now redundant and a number of sections are written in a manner intended to provide policy guidance, assuming that there will be a process where Council will make a decision rather than giving clear development permit guidance.

Additionally, community values and expectations regarding topics such as accessibility, tree protection, rainwater management and climate action leadership have evolved considerably since this document was written. It would also be beneficial to provide guidance regarding suitable distances from internal property lines to accommodate the inclusion of windows or openings. Currently the guidelines are silent on this matter and just discourage the placement of openings facing neighbouring properties; however, there are some siting circumstances, including providing a more significant setback (for example 5 metres or more), which may facilitate ground floor openings and thereby enable additional siting options.

As a result, it would be important that the above-noted lenses and design considerations be applied to a review and rewrite of the document. Attachment C includes a draft revision to the Design Guidelines for Garden Suites that staff recommend be used as a starting point for consultation, further review and ultimate refinement. Changes to this document will require an OCP Amendment Bylaw, which would be brought forward for Council's consideration after further engagement and refinements have occurred.

Recommended Next Steps:

That Council direct staff to consult on the revised Design Guidelines included in Attachment C and report back at a future Committee of the Whole Meeting with the necessary OCP Amendment Bylaw considerations.

Affordability and Housing Diversity

The *Victoria Housing Strategy, 2016-2025* identified a supporting action to permit garden suites in zoning under the strategic action, "Consider new zoning approaches to encourage affordable housing projects." The 2016 staff report noted that "...these private accessory buildings can serve as a unique and autonomous housing option, providing increased privacy over secondary suites or multi-unit housing and potentially added affordability. For homeowners, the addition of a garden suite to the property can produce secure rental income, improving housing affordability on the owner side." In the small survey completed during this process (6 respondents), the average cost of building a garden suite was shown to be higher than anticipated at the building permit stage, and the resulting rents of \$1200-\$2000 per month for a one bedroom unit, averaging 48m², indicate that the primary benefit of garden suites is not their affordability. Rents are reflective of building costs (the more expensive a unit is to construct, the higher the rent will be), as well as market value for a highly desirable new, private, detached rental unit.

A preliminary review of the assessed value of 13 properties from a pre-garden suite condition to after construction of a garden suite (where the BC Assessment data had been updated) is summarized in the table below. It is noted that both the assessed value of on-site improvements and the overall property value increases; however, it should be noted that any improvement to a property (e.g. kitchen renovation, addition of a secondary suite, building addition) will increase the assessed value. Further work to determine the impact of a new garden suite on property values verses the impact of adding a secondary suite or intensifying the density of a property through a different form of development will provide interesting data to inform the review and next steps.

	Average Assessed Building Value <u>Before</u> Construction of a Garden Suite*	Average Assessed Building Value <u>After</u> Construction of a Garden Suite	Building Value Increase (on-site improvements)	Overall Property Value Increase
Garden Suite added to property <u>with an existing house</u>	\$130,222	\$213,000	107%	20%
Garden Suite added to property <u>along with renovations to existing house*</u>	\$148,000	\$212,000	43%	18%
Garden Suite added <u>with redevelopment of new house</u>	\$235,050	\$492,000	129%	35%

*removed one property as an outlier, which saw a building value increase of 1079%

Despite potential challenges with affordability, like other infill housing types, garden suites provide several important benefits. They are a form of secured rental accommodation that increases the City's overall stock of ground-oriented rental accommodation. They improve housing diversity by providing ground-oriented rental housing throughout the City that often includes a separate and

sometimes fenced outdoor space, which can be a valuable asset for residents with children, pets and/or an interest in urban agriculture. Garden suites also create new rental housing options in residential neighbourhoods with proximity to schools, parks and other amenities. Finally, they can improve affordability by acting as a mortgage helper, providing options for multi-generational families or caregivers and providing a mechanism for aging in place.

Construction Costs

Based on the declared building permit value, the average cost of construction for a newly built garden suite is \$90,964, with the average construction cost for all projects that included garden suites being \$106,338. The average cost of construction according to the respondents of the informal survey was \$180,000. This latter figure includes estimated costs associated with outfitting the unit with items such as window coverings, associated landscaping and soft costs associated with plan preparation and the Development Permit process. Given the tendency to underestimate at the Building Permit stage when exact costs are unknown and the small sample of informal survey respondents, it is likely that the actual costs are in the range of \$130,000 to \$150,000. Further consultation and review will enable staff to develop a firmer understanding of the actual costs of building a garden suite.

A new challenge for homeowners wanting to act as the general contractor and/or builder, to reduce costs and/or to maintain a greater degree of oversight on the project, is that the Homeowner Protection Act requires builders and general contractors to obtain a Residential Builder License. This can add to costs and create an additional regulatory hurdle; however, this change to the Homeowner Protection Act is intended to ensure safety and quality standards are met as a protection to the end user.

Site Servicing and Transportation

The fees for City services (water, sewer) for a garden suite range from \$6,500 to \$18,300. The variation in fees is largely dependent on the size of the servicing to the principal dwelling and whether it is feasible to connect through the principal house's existing services. It is least expensive to connect to services that are already established for the principal dwelling (if limited to a water upgrade only) and more expensive if completely separate connections for all services are required.

Although builders tend to opt for the least expensive option (connecting through the main house), there are two primary reasons why a different option may be chosen:

- the existing size of services in the principal house are not adequate to handle the additional load associated with a garden suite, and rather than upgrading the services to the principal house it is more economical to run a separate connection for the garden suite
- site constraints such as topography, location and/or depth of the services in the right-of-way make utilizing an existing connection challenging.

Connecting to electricity and gas would be an additional cost to the homeowner; however, these are not City services.

The elimination of the requirement for garden suites to go through a rezoning process has removed the ability of staff to negotiate statutory right-of-ways where roads and lanes are less than the standard width. This has resulted in circumstances where future mobility and access improvements may be limited. Additionally, although the *Zoning Regulation Bylaw* does not require onsite parking for garden suites, it is noted that over time and as more garden suites are developed, there may be increased competition and demand for on street parking.

Impact on the Urban Forest

The densification of property does have implications for the City's goals related to the urban forest, as buildings, site servicing and trees are vying for space.

Over the past two years, the potential impact to existing trees resulting from garden suites has been an area of focus. To date, no bylaw-protected trees have been removed to enable the construction or servicing of garden suites, as property owners and staff have collaborated on the placement of new buildings. However, it is important to note that there are currently garden suite applications under review where the retention of bylaw-protected trees is at odds with the siting and/or servicing of proposed garden suites. Meanwhile, staff have estimated the number of non-bylaw protected trees that have been removed to accommodate garden suite construction in 2018 to be approximately 40. Also, as noted earlier in this report, applications for accessory buildings which will later be the subject of applications to convert to garden suites are able to circumvent stricter design guidelines related to tree protection.

Site servicing is another element that can be challenging for tree preservation, with some applicants needing or preferring to establish separate services for the garden suite rather than connecting to the services already installed for the principal dwelling. This often results in the need to run multiple conduits through yards and boulevards, which further fragments the limited area available for planting new trees and retaining existing trees. This is particularly detrimental to the ability to plant large canopy trees, which require large uninterrupted areas for root growth. Large canopy trees have been shown to be especially beneficial in reducing the heat island affect, increasing biodiversity and creating a sense of place in neighbourhoods. The ecosystem benefits provided by large canopy trees, such as cooling, carbon sequestration and storm water attenuation, are exponentially greater than those provided by small canopy trees.

The addition of walkways, patios and other hardscape features associated with garden suites also reduces available planting space for trees in back yards and, of course, the larger the footprint of the garden suite, the less open space is available to support the urban forest. Any increase in the permitted size of garden suites and/or increase in site coverage regulations would have negative impacts on urban trees, particularly when approximately two-thirds of the City's urban forest is located on private property in the rear yards of single family dwellings.

Based on the observations and experiences of staff, the following changes to the Design Guidelines are suggested and are included in the draft Design Guidelines (Attachment C), which are recommended to be the focus of further consultation:

- restrict the use of hard surfaces, artificial grass, rock mulch and other similar landscaping materials
- encourage the use of natural landscape materials
- clarify that although direct access to the garden suite needs to be maintained, this can be achieved with materials other than hard surfaces
- require that the suite is serviced through the principal dwelling unless it can be demonstrated that it is not feasible to do so.

Council has recently reaffirmed support for the Urban Forest Master Plan and a review of the Tree Preservation Bylaw, including stronger provisions related to defining what qualifies as a protected tree and exploring a provision where more trees require replacement, if removed. Currently any trees located within a building envelope of a proposed building or driveway are not considered "protected." This project is now underway and staff will be reporting to Council later this year on the progress.

Recommended Next Steps:

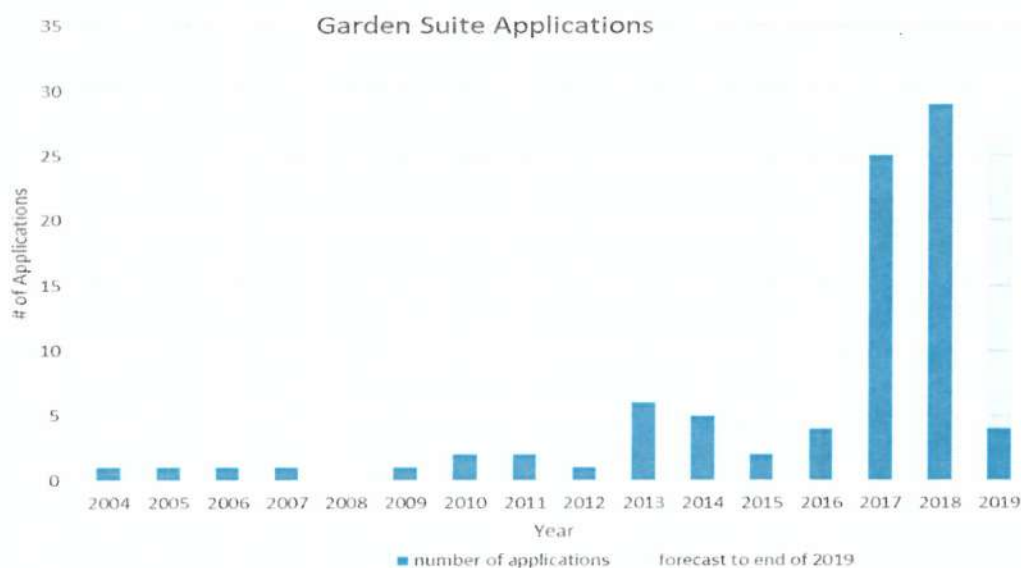
That Council direct staff to consider and consult on the revised Design Guidelines included in Attachment C as part of the Victoria Housing Strategy and Strategic Plan implementation work, and report back at a future Committee of the Whole Meeting with the necessary OCP Amendment Bylaw considerations.

Staff Resources

As noted previously, from 2004 to 2017 (13 years), when a rezoning process was required to facilitate the construction of a garden suite, there were an average of two applications per year, totalling 27 applications (19 approved). It was estimated that a garden suite rezoning application took between 30 to 50 hours of planning staff time to process, averaging approximately 80 hours a year expended on these types of applications.

From April 17, 2017 to April 17, 2019 (2 years), after the Delegated Development Permit (DDP) program was launched, there have been 58 applications. On average, a garden suite DDP application takes between 15 to 25 hours of Planning staff time. (This average does not include additional time associated with extremely complex/controversial application(s), or applications that go to Council.) Additionally, there are usually between 10 to 15 enquiries regarding the garden suite program per week, which can usually be responded to within 15 to 60 minutes each.

This results in a situation where prior to the new program being introduced, approximately 80 hours per year were dedicated to garden suite applications. Based on the data collected over the past two years, approximately 580 hours per year of Planning staff time has been devoted to processing garden suite applications. The new program is more time efficient for applicants and eliminates the need for a Public Hearing (thereby lightening Council agendas); however, many of the processes and steps have remained unchanged for staff, regardless of whether a Delegated Development Permit or a Rezoning process is followed. Additionally, as noted previously, at least another 260 hours per year (5 hours/week) have been spent assisting with enquiries, resulting in a total of approximately 840 hours (6 months) of staff time dedicated to the garden suite program.



To date, this additional work was able to be absorbed by staff because of efficiencies that were found in the processing of Storefront Cannabis Rezoning Applications. Council will recall that this

initiative received a temporary (two year) staff increase in order to respond to the need to process more than 30 additional rezoning applications in a short time frame. The funding which enabled this additional position to exist concludes at the end of 2019.

It is also important to note that staff from Parks, Recreation and Facilities as well as Engineering and Public Works also expend considerable staff time helping applicants work through servicing and tree issues related to these proposals, both during the planning stage as well as during construction. Additionally, City Legal Services assist staff when there are legal issues associated with the development of garden suites.

In conjunction with the 2019-2022 City of Victoria Strategic Plan, Council included a strategy to consider the creation of a Small Scale Housing Ambassador intended to provide enhanced service and guidance for residential developments of up to ten units in 2020. This may be of great benefit to garden suite proponents as they are often “one-time” applicants paired with inexperienced consultants that lack the knowledge to efficiently advance their own applications. However, it is likely that the “Small Scale Housing Ambassador” position would need to be in addition to a request for maintaining the existing staffing level, as this is required to simply keep up with the present application volumes and to provide the current level of application assistance to garden suite applicants.

Recommended Next Steps:

That Council direct staff to continue to monitor application volumes and work to address challenges while maximizing efficiencies that may result from some of the proposed refinements outlined in this report, and bring forward any necessary staffing requests in conjunction with the 2020 Budget deliberations.

Delegated Authority – Processing Times

With the adoption of the Bylaw changes in 2017, Council established a regime of delegated authority to enable staff to approve garden suite applications where they are consistent with the zoning regulations and the Design Guidelines. This change has come with both benefits and challenges. As noted in the proceeding section, it has added a new body of work which saves time for applicants and Council, but adds volume for staff.

Additionally, the work of reviewing and processing an application through the delegated development permit process takes a minimum of four weeks. If there is a need for revisions in order to help proponents bring their proposals in line with the Design Guidelines or address servicing / tree challenges or Building Code, this timeline is lengthened.

To address this added work volume and to reduce the time associated with processing Development Permits to the point they are approvable, Council could consider removing the requirement for a Development Permit. This would enable proponents of garden suites that meet zoning requirements (the vast majority of applications) to be built as a right with a Building Permit alone, without the requirement to meet design guidelines. This would remove the requirement for applicants to adhere to design or landscape standards, and technical and servicing issues could be worked through as part of the Building Permit process. This would reduce the staff time required to process applications and would speed up the process for applicants; however, staff have observed that the overall fit and quality of proposals is enhanced with the requirement for a Development Permit, so this “quality control” would be lost if the approach were changed.

While overall the system of delegated authority has worked fairly well, there have been cases where residents have been opposed to the addition of a garden suite to their neighbour’s properties,

indicating that such an entitlement should only be granted on a case-by-case basis with an application to change the zoning. Given the competing objectives of wanting to encourage a diversity of housing options with the sensitivity of fitting this type of infill housing into existing neighbourhoods and the importance of limiting impact to the urban forest, staff recommend that the current system of requiring a DDP be maintained; however, other changes or improvements could be pursued to potentially facilitate the design review process such as establishing a number of precedent or model garden suite designs that applicants may choose to adapt to their particular context and specific site.

Recommended Next Steps:

That Council direct staff to explore and bring forward tools and refinements through the Victoria Housing Strategy update to make building a garden suite easier.

Application Fees

The application fee for a garden suite is \$1000 (increased from \$200 in 2018 as part of the City's fee updates). In light of the fairly high level of labour associated with processing these applications, it may be worth considering whether a fee increase is warranted. This would help fund the increased staff resources required to manage this program.

Recommended Next Steps

That Council direct staff consult on the possibility of a potential fee increase for garden suites to more fully recover the costs associated with processing these applications during the garden suite program update in the forthcoming Victoria Housing Strategy.

Community Consultation

Given the differing views and the intertwined nature of the zoning regulations with the design guidelines as well as the other factors that influence the development of garden suites within the City of Victoria, it would be beneficial to consult the community on the proposed changes and topic areas outlined in this report. In particular, it would be useful to engage developers and owners of garden suites, applicants who have abandoned or "stalled" in the application process, neighbours of built and under construction garden suites, residents living in garden suites, the Advisory Design Panel, the Accessibility Working Group, Renters Advisory Committee, Community Trees Matter Group and Community Association Land Use Committees. This work could be undertaken as part of a 2019 priority action item included in the Victoria Housing Strategy regarding potential garden suite amendments. Staff would prepare a follow up Committee of the Whole report based on the feedback received through this consultation.

Recommended Next Steps:

That Council direct staff to consult with the above-mentioned stakeholders on the changes and topic areas outlined in this report during the garden suite program update proposed in the forthcoming Victoria housing Strategy and report back to Committee of the Whole.

Tiny Houses

The creation of regulations and policies related to "tiny houses," which are generally defined as small houses that are mobile, represent a unique set of challenges and opportunities including:

- compatibility with standards for sheltering
- developing appropriate zoning criteria

- potential for applying design guidelines
- energy efficiency
- ensuring seismic integrity
- servicing (water, electricity, sewage).

Given that this is a discrete piece of work which will likely require its own regulatory framework, staff recommend that the development of regulatory tools (if any) progress independently from the Garden Suite Program. This will help ensure that refinements and improvements to the Garden Suite Program can progress at a more efficient pace.

OPTIONS & IMPACTS

The following provides an analysis of some potential options for moving forward. A table is provided at the end of this section to illustrate the comparative outcomes of each option.

Option One – Comprehensive Review and Consultation (Recommended)

That Council direct staff to proceed with the consultation and review as outlined in this report as part of the forthcoming Victoria Housing Strategy, and report back to Committee of the Whole.

This option is recommended because it allows the most thorough and comprehensive review; however, it will absorb considerable staff resources which Council may choose to allocate to other housing priorities which yield more housing, at a quicker rate, in which case Option Three may present a better choice.

Option Two - Comprehensive Review and Consultation + Zoning Bylaw “Quick Fixes”

That Council direct staff to proceed with the consultation and review as outlined in this report and report back to Committee of the Whole, and that staff be directed to prepare the necessary Zoning Regulation Bylaw Amendments to limit the conversion of new accessory buildings to garden suites and reduce the height of Garden Suites to 4.2m for “plus” sites. (This is 0.7m higher than the standard garden suite height, so it would offer some additional flexibility in how applicants design units, and represents the average height that has been requested for “plus” sites, to date.)

This option would advance some “quick fixes” to the Zoning Bylaw and would allow for the more fulsome review and consultation to proceed as described in Option One.

Option Three - Zoning Bylaw and Design Guideline (OCP Amendment) “Quick Fixes” and Advance Comprehensive Review and Consultation as a Longer Term Housing Strategy.

Pending the outcome of Council’s prioritization of actions put forward in the Victoria Housing Strategy, Council may wish to direct staff to prepare a report to advance OCP Amendments to the Garden Suite Design Guidelines (Attachment C) to make basic changes in order to simplify and clarify the design guidelines to enhance staff’s ability to influence design and landscaping as well as amend the *Zoning Regulation Bylaw* in order to reduce height on “plus” sites and limit the ability of new accessory buildings to be converted to garden suites.

This option may be seen as preferable, depending on the chosen priorities and allocation of staff resources in relation to the Victoria Housing Strategy as a whole. It is also possible for Council to opt for Option Three at a later date, after discussions in July related to the Victoria Housing Strategy as a whole.

The following table provides a comparative assessment of the options outlined above:

	Option 1 Comprehensive Review & Consultation	Option 2 Comprehensive Review & Consultation + ZBL Quick Fix	Option 3 ZBL & OCP Quick Fix Advance Comprehensive Review Later
Fulsome Review and Consultation undertaken soon	✓	✓	
Initiate Immediate Zoning “Fixes” to limit conversion of accessory buildings and reduce height for “plus” sites		✓	✓
Initiate Immediate Amendment to OCP to make basic changes to Design Guidelines			✓
Focus Staff Resources on other Housing Priorities identified in the Victoria Housing Strategy. Advance fulsome review and consultation at a later date.			✓

Accessibility Impact Statement

There is an opportunity to consider refinements to the Design Guidelines to include increased accessibility measures in garden suites as part of the recommended review and consultation phases. The draft Design Guidelines also advance goals around accessibility.

2019 – 2022 Strategic Plan

The City of Victoria Strategic Plan includes an action to consider the creation of a position to help with small scale residential development (less than 10 units) as part of the 2020 budget deliberations.

Impacts to Financial Plan

At this time there are no impacts to the Financial Plan. Future reports would identify any budgetary needs, for instance additional dedicated staff. These would be referred to the 2020 financial planning process.

Official Community Plan Consistency Statement

This initiative advances the following broad objectives contained in the OCP:

- 13 (a) - That housing development responds to future demand and is facilitated through land use policies and practices
- 13 (c) - The existing supply of rental housing is expanded through regeneration
- 13 (d) - A wide range of housing choice is available within neighbourhoods to support a diverse, inclusive and multigenerational community.

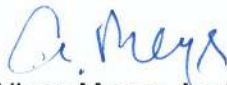
CONCLUSIONS

The Garden Suite Program has been in place for two years and has generally yielded good results; however, there are a number of refinements and improvements that should be considered to both the *Zoning Regulation Bylaw – Schedule M*, the Design Guidelines and potentially the fees to improve the program. Because of the interwoven nature of the bylaws, design guidelines and structure of delegated authority, combined with the complexities of site servicing and tree protection along with competing community values related to preserving green space and tree canopy verses adding housing, staff recommend further review and consultation.

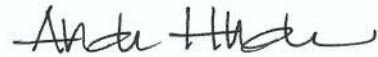
Respectfully submitted,



Chelsea Medd, Planner
Development Services

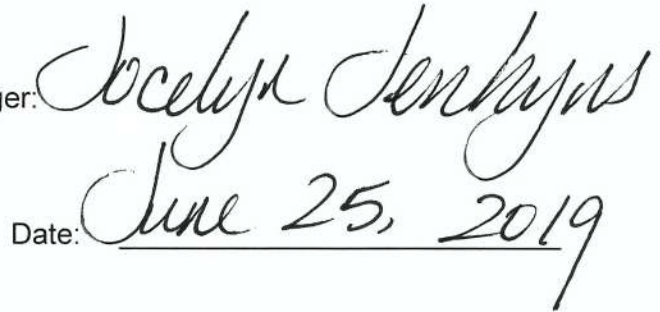


Alison Meyer, Assistant Director
Development Services



Andrea Hudson, Acting Director
Sustainable Planning and
Community Development
Department

Report accepted and recommended by the City Manager:



Date: June 25, 2019

List of Attachments

- Attachment A: Schedule M – Garden Suites of the *Zoning Regulation Bylaw*
- Attachment B: *Garden Suite Policy and Design Guidelines*
- Attachment C: Draft *Garden Suite Design Guidelines*.