

GOVERNMENT ACTIONS

FOR ENABLING UPTAKE OF HOUSING OPTIONS













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GOVERNMENTS HAVE A ROLE IN ENABLING ACTION

Housing options like home sharing, secondary suites and coach (laneway) houses offer scalable solutions to pressing challenges like housing unaffordability, social isolation, high carbon emissions, a lack of housing options and a rapidly growing aging population.

These options are an essential part of expanding capacity within the <u>housing continuum</u> — they can keep costs and carbon emissions low while increasing social connection and housing choice, especially for older adults.

The benefits of these housing options extend beyond offering additional housing units. They also offer social, economic and environmental benefits by:

- Addressing health for older adults such as reducing social isolation through more socially connected housing options.
- Expanding capacity within the housing continuum these options can create new and, at times, more affordable housing units, potentially at a faster rate than new multi-unit buildings.
- Saving on building carbon emissions creating extra housing units in existing homes can reduce greenhouse gas emissions associated with constructing new housing. These options can be paired with retrofits to reduce building operating carbon emissions and adapt homes to be more suitable for extreme weather events.

How can governments support the uptake of these options?

Consider updates to local government bylaws and Official Community Plans

The following are local government regulations that can affect whether the three types of housing options are feasible in a community. Consider reviewing, revising and incorporating changes in the following areas when updating zoning bylaws and Official Community Plans (OCP):¹

- Restrictions on boarders/lodgers² or household occupancy limits restrict the number of unrelated people living together in a home or secondary suite, however the limits can also prevent home sharing.
- Parking restrictions³ and minimums specifically for secondary suites and coach houses, can make these options difficult and expensive to implement, disincentivizing homeowners from creating suites.

³ As of spring 2024, new B.C. legislation – Bill 44 – will remove parking restrictions in <u>small scale, multi-unit</u> housing zones.







¹ As of spring 2024, new B.C. provincial legislature requires OCP updates every 5 years.

² Boarder or lodger refers to a person occupying a room in a home who is not related to the homeowner.

- **Multi-unit lots** often have by-law limitations, for example allowing only a secondary suite OR a coach house on a property, not both. These restrictions could be revised to allow both a secondary suite and a coach house on a property, within an approved range size.⁴
- Minimum physical and design requirements for coach houses (e.g., height restrictions, space between buildings, universal accessibility, access to laneways, floor space ratios, lot sizes) and calculation methods for floor space ratios can limit the number of residential lots on which coach houses can be built.

For more details about these recommendations, see the BC Housing <u>report on Accessory Dwelling Units</u>⁵ and Climate Caucus' <u>Buildings handbook</u>.⁶

There is also potential for local governments to encourage the creation of secondary suites in new buildings, such as including requirements for all new single detached homes to include lock off suites, however this is out of scope for this Housing Solutions Lab.

Consider other measures to support uptake of these housing options, and strong, resilient communities

During our <u>Housing Solutions Lab</u> engagement sessions, participants shared stories of barriers like restrictive zoning bylaws, confusing and frustrating permit approvals processes and high expenses for bringing a secondary suite up to building code standards, all of which prevented them from pursuing these housing options.

Broader conversations are needed to discuss wider changes that could enable more homeowners to implement these housing options, including the following approval processes:

- Streamline accessory dwelling unit permitting process⁸ and provide easy-to-follow guides for residents to understand requirements. Consider providing staff and funding capacity for a resource person to help residents access guidance for various processes (e.g., permit applications).
- Enable stratification (strata-title) of coach houses and accessory dwelling units so that housing costs and equity can shared among multiple households.⁹
- Offer pre-approved designs of coach houses to reduce municipal approvals times. Both the
 B.C. provincial and federal governments are working on <u>preapproved building designs</u>, as of
 January 2024. Other examples of cities who have implemented this include <u>Los Angeles</u>,
 <u>Seattle</u> and <u>Kalamazoo</u>.
- **Promote neighbourhood connection and sociability** to encourage connectedness of residents through the design of public spaces, informal and formal neighbourhood programs

⁹ See policy recommendations from Small Housing BC.







⁴ These restrictions may be affected by the new B.C. legislation for <u>small scale</u>, <u>multi-unit housing zones</u>.

⁵ Full report: Accessory Dwelling Units: Case Studies and Best Practices for B.C. Communities, 2021.

⁶ Buildings Handbook available here, as well as the Increasing Density Through Accessory Dwelling Unit guide.

⁷ Some local governments are considering allowing more lock-off units in certain areas. See <u>Coquitlam</u>, <u>B.C.</u>

⁸ Some initiatives are exploring what streamlined approvals could look like, see the <u>Renovate the Public Hearing</u> Initiative and the Balanced Housing Lab with the City of North Vancouver.

- and creating spaces for people to interact. ¹⁰ Neighbourly connections are positively correlated with health and wellbeing.
- Promote universal accessibility, energy efficient construction and retrofits for home sharing or additional dwellings, so that climate resilience, value, building longevity and access for all ages and abilities are maximized in new housing units being created.
- Collect data on short-term rentals (as applicable, for example for Air BnB and Vrbo rental
 units) and assess their impact on rental stock in the area. Review the effects of recent <u>B.C.</u>
 legislation on short-term rentals to assess if additional measures are needed to regulate these
 units.

Government funding support

Governments at all levels can create financial programs to incentivize the creation of these housing options. This could be through grants, tax exemptions or deferrals or rebates. Existing and previous funding examples include:

- Cornerstones Grant Program from the City of Edmonton;
- B.C. Secondary Suite Incentive Program;
- Federal Multigenerational Housing Tax Incentive and;
- <u>Canada Greener Homes Grant</u> (ended in February 2024) and <u>Canada Greener Homes Loan</u> (ongoing).

Local governments can also consider other levers they could use, such as waiving a development fee for small-scale projects that meet a certain criterion (e.g., providing a rental unit at a set rate for a certain number of years).

Government financial incentives could also focus on low carbon building practices such as retrofits or high efficiency heating systems like electric heat pumps. These measures can also improve affordability: more energy efficient homes are less expensive to heat or cool, which are important considerations as extreme temperatures (i.e., heat domes and extreme cold spells) become more frequent with climate change. Retrofits can address many objectives like improving health through air quality and offering low carbon solutions through fuel switching and choosing sustainable building materials. ¹¹ Funding and implementation support could lead to increased uptake of these options. ¹²

Legislative barriers

Housing Solutions Lab participants identified broader legislative barriers that prevented them from creating a secondary suite or coach house, including:

• The Residential Tenancy Act is sometimes seen as a barrier because of challenging eviction processes, both for both renters and for landlords. Many property owners are dissuaded from

¹² For more information see the following reports and initiatives: <u>Beyond Energy Efficiency</u>, <u>Deep Emissions Reduction in Existing Building Stock</u> and the <u>Reframed Initiative</u>







¹⁰ See policy recommendations from the Hey Neighbour Collective.

¹¹ Beyond Energy Efficiency, Pembina Institute, 2024.

- becoming landlords because of the high stakes and responsibilities. Housing Solutions Lab participants felt these concerns would be assuaged if a matchmaking program between tenants and landlords could be run by a trusted third party, such as a non-profit organization.
- Building Code standards are expensive to meet when creating a secondary suite, especially
 when renovating an older house. Some participants were interested in creating a suite but
 could not afford the cost of upgrades (such as relocating electric panels) to meet building code
 standards.

Both pieces of legislation are important for public and individual safety, and yet they also create challenges for property owners interested in creating secondary suites. Considering any amendments to existing legislation is complex and requires robust engagement and careful thought to identify potential solutions. These findings are shared here to capture the full context of laws and regulations that can negatively impact a homeowners' decisions to pursue home sharing, or creation of secondary suites and coach houses.





