



STAFF REPORT EXECUTIVE SUMMARY

STAFF REPORT NO: DSR-192-20

DATE: December 9, 2020

To: Mayor, Deputy Mayor and Members of Council

From: Mary Nordstrom, Manager of Land Use Planning

Subject: Accessory 'Third' Dwelling Units Update on Town's Response to Bill 108

EXECUTIVE SUMMARY:

This report provides an update on the Town's response to Bill 108, which amended the Ontario Planning Act to require municipalities to amend their zoning by-laws to allow up to two dwelling units that are accessory to the principal dwelling.

RECOMMENDATION:

That Staff Report DSR-192-20 regarding Accessory 'Third' Dwelling Units Update on Town's Response to Bill 108 dated December 9, 2020, be received as information.



TOWN OF INNISFIL STAFF REPORT

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Subject: Accessory 'Third' Dwelling Units – Update on Town Response to Bill 108

RECOMMENDATION:

That Staff Report DSR-192-20 regarding Accessory 'Third' Dwelling Units – Update on Town Response to Bill 108 dated December 9, 2020 be received as information.

BACKGROUND:

What is an accessory 'third' dwelling unit?

An accessory 'third' dwelling unit is an additional third living space on a lot that already contains a house (principal dwelling unit) and an accessory second dwelling unit (e.g. basement apartment). Third dwelling units are typically permanent structures (not mobile) and can be situated within the principal dwelling or they can be attached to or detached from the principal dwelling on the same lot. Third dwelling units can be added to Innisfil's rental market without compromising the character of both the principal dwelling and the surrounding neighbourhood.

The Town's Zoning By-law permits accessory 'second' dwelling units in Innisfil, which consist of one additional unit that is either within, attached or detached to the principal dwelling. Since 2014, when the Town's policies were amended to allow second dwelling units 'as-of-right', a total of 71 second dwelling units have been registered with the Town ([registration list](#)). Of these registered units, 10 have received a grant through the County's [Secondary Suites Grant Program](#) and must maintain an 'affordable' rent for at least 15 years. More information on the Town's existing 'second' dwelling unit policies can be found on the Town's website - <https://innisfil.ca/second-dwelling-units/>

Why does the Town need policies for 'third' dwelling units?

Through [Bill 108](#) that took effect in September 2019, the Province amended the *Planning Act* to require municipalities to amend their zoning by-laws to allow two dwelling units that are additional and accessory to the primary dwelling on the property. This was part of the [Province's Housing Supply Action](#) intended to create more housing supply and provide more affordable housing. More information, including Guides on '[Adding a Second Unit in an Existing House](#)' and '[Build or Buy a Tiny Home](#)' are on the Province's website - www.ontario.ca/housinginnovation. Despite these Provincial policies, the Town can still consider policies to ensure that accessory 'third' dwelling units are appropriately situated in Innisfil.

Why are 'third' dwelling units needed in Innisfil?

Third dwelling units would provide more rental options and potentially more affordable housing options in Innisfil. Affordable housing is typically defined as housing costs that are less than 30% of before-tax household income. Below is a summary of the key housing market trends as they relate to Innisfil. These trends indicate how housing costs and affordable housing needs have increased substantially in recent years:

- In 2016, 24.3% of households in Innisfil were paying more than 30% of household income on housing. Specifically, 48.1% of renters in Innisfil spent more than 30% of household income on housing in 2016 ([Statistics Canada Census](#), 2016).
- The average market rent in the Barrie CMA (Barrie, Innisfil, Springwater) was \$1313 in 2019. This is higher than the provincial average of \$1277 and the national average of \$1049 ([CMHC](#), 2020). However, more recently, rents in Barrie increased substantially to a median of \$1640 for a 1 bedroom apartment in August 2020 ([Simcoe.com](#), 2020).
- The average rental market vacancy rate in the Barrie CMA was 3.2% as of October 2019. The vacancy rate for units with rent less than \$1249 was 2.3% ([CMHC](#), 2020). A vacancy rate of around 3% or lower signifies a tight rental market with a strong demand for rental housing.
- The average resale house price in Innisfil was \$687,059 in October 2020. This was a 14.5% increase from September 2020 and was a higher average price than \$598,460 for the City of Barrie and \$674,791 for the County of Simcoe as a whole ([BDAR](#), 2020).
- The [County of Simcoe's 10-Year Affordable Housing and Homelessness Prevention Strategy](#) (2019) specifies a target of 224 affordable units for Innisfil over the 10 years from 2014 to 2024. Since 2014, 96 new affordable units have been created in Innisfil according to the County's Strategy (55 were affordable rental units at 813 Innisfil Beach Road, Alcona; 31 were assumed to be affordable second dwelling units; 5 units received home ownership loans; and 5 households receive rent supplements).
- 428 households in Innisfil were on the [County's social housing](#) (i.e. rent-geared-to-income) waitlist in 2019, a 73% increase from 248 households in 2016.

The above information indicates that there is a strong need for affordable rental housing in Innisfil. It is becoming increasingly difficult for residents to find suitable affordable housing options. Building more rental units means tenants will have more housing choices that can accommodate their household sizes, incomes and needs. Implementing third dwelling units is a way to create more rental housing supply, while meeting Bill 108's policy direction to add more affordable housing options.

In addition to providing more rental housing and potentially more affordable housing, accessory dwelling units can also provide the following community benefits:

- Economic benefits to homeowner - rental income assists with mortgage payments and can allow the individual to purchase the house;
- Increased safety for tenants - legal accessory dwellings are built to meet health and safety standards of Building, Electrical and Fire Codes;
- Flexible living arrangements - accessory dwellings can provide a separate living arrangement for an elderly family member who for health or safety reasons may no longer be able to live on their own;
- Efficient use of existing infrastructure – accessory dwellings help optimize the use of existing housing stock and infrastructure with minimal impact on its built form.

Overall, Planning Staff feel that allowing accessory 'third' dwelling can have positive community impacts and looks forward to receiving community input on how they can be most appropriately situated in Innisfil.

ANALYSIS/CONSIDERATION:

A survey was posted on November 25, 2020 and is available on the Town's Get Involved webpage (www.getinvolvedinnisfil.ca) until January 11, 2021 seeking community input on how accessory 'third' accessory dwelling units should be implemented in Innisfil (as of December 2, 2020, there are over 70 survey responses). The results of this survey will guide how the Town will create new policies and guidelines to accommodate 'third' dwelling units. They will also inform policy updates to the Town's existing policies for 'second dwelling units' in Innisfil, in addition to considerations for developing a local affordable housing strategy, which is a planned capital project for 2021.

More specifically, the questions on the survey are asking for public input on zoning considerations for 'third' dwelling units such as:

- Parking requirements;
- Maximum size;
- Setbacks;
- Maximum height;
- Appropriate configuration (e.g. within, attached and/or detached from main house); and
- Whether mobile 'tiny' homes should also be allowed under the Town's policies for 'third' dwelling units.

Staff plan to present draft policies to allow 'third' dwelling units at a Public Meeting in February/March 2021. The policies will then be finalized based on comments received at the Public Meeting, and a Recommendation Report with a final proposed Zoning By-Law Amendment is anticipated to be presented to Council in April 2021.

OPTIONS/ALTERNATIVES:

In receiving this report as information, Council may provide Staff with any preliminary input they may have on allowing 'third' dwelling units in Innisfil.

FINANCIAL CONSIDERATION:

Staff time is being funded through the Town's approved capital budget.

LOCAL IMPACT:

Staff feel that allowing 'third' dwelling units can have an overall positive community impact, particularly through addressing the strong local need for more safe and affordable rental housing opportunities. This will also contribute towards the economic security of residents, one of the 5 priority areas of community concern as reported by our residents in the COVID-19 Community Needs Assessment.

CONCLUSION:

Overall, Planning Staff feel that allowing accessory 'third' dwelling units can have positive community impacts and look forward to receiving community input and drafting zoning provisions on how they can be most appropriately situated in Innisfil.

PREPARED BY:

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APPROVED BY:

Mary Nordstrom, Manager of Land Use Planning