

CHILLIWACK SECONDARY SUITES STUDY

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PREPARED FOR



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1 INTRODUCTION

1.1 Context

Chilliwack renters and homeowners are facing a variety of pressures related to broader real estate trends. Renters are facing a low city-wide vacancy rate and rising rental costs, making it challenging for many individuals and families to find and afford housing. Homeowners, or would-be homeowners, are facing their own set of challenges related to high housing costs and the likelihood of rising mortgage costs as interest rates are raised over time.

While housing challenges require a multi-faceted response, Chilliwack's Homelessness Action Plan identified potential opportunities to increase the supply of rental units by allowing secondary suites in more areas of the city. The City currently takes the following approach to zoning for secondary suites:

- “In-law suites”—Secondary suites for family use only are allowed as a type of Temporary Accessory Dwelling (TAD) in all zones that permit single family detached homes.
- Secondary rental suites—Secondary suites for rental are allowed as a type of Accessory Dwelling Unit (ADU) through a rezoning to the R1-C zone in most neighbourhoods. Many new developments incorporate ADUs as a permitted use as part of the Comprehensive Development Zone.
- The City only responds to illegal suites when a complaint is received from a resident living within 30 metres of the suspected suite.

This patchwork approach has raised concerns that the City's policy is inconsistent between neighbourhoods and creates barriers to the development of more secondary suite units. As a result of these issues, this study was initiated to examine secondary suites in Chilliwack today, their prevalence and role, as well as potential opportunities to improve the existing policy approach.

The purpose of this study is to provide policy options to help staff and Council make decisions about the City's approach to secondary suites. The study used a number of research methods to prepare the policy options. These methods included research on demographics, a review of existing policies and regulations in the City of Chilliwack, a review of best practices and known issues related to secondary suites, research on comparable communities, engagement with City residents, and consultation with the City's legal advisors on key issues. The purpose of this document is also to provide the background information needed to support future policy directions.

1.2 Report Organization

The report presented here is organized in the following sections:

1—Introduction	Overview of the purpose of the Secondary Suites Study
2—Housing Profile	Summary of demographics and available housing in Chilliwack
3—Intro to Secondary Suites	Review of the role of secondary suites within the housing market
4—Current Practices	Summary of the City’s current practices related to secondary suites
5—Comparable Communities	Research on the approaches to secondary suites in comparable municipalities
6—Community Engagement	Summary of feedback received during community engagement
7—Policy Considerations	Summary of key issues considered in the development of policy options
8—Policy Options	Presentation of policy options for the City to consider in preparing a new approach to secondary suites
9—Recommendations	Summary of the final recommendations of this study

2 HOUSING PROFILE

This section provides an overview of Chilliwack’s demographic and housing profile. This information was compiled to provide context for the needs of different demographic groups within Chilliwack and existing housing options. Unless otherwise noted, the data used in this section is compiled from Statistics Canada’s 2016 Census.

2.1 Demographic Overview

Population

A detailed dwelling unit count completed by City staff found the City’s 2016 population to be 88,667. Combined with local First Nations, the total population of the area was estimated to be 93,824 in 2016.

Chilliwack is growing much faster than the FVRD (6.6%) and British Columbia in general (5.6%). As the City grows, there is a need to increase the overall density of development and provide a greater range of new housing options.

	Chilliwack	FVRD	BC
2016 Population	88,667	295,934	4,648,055
Change from 2011	7.5%	6.6%	5.6%

Figure 2.1: Population Comparison, 2016

Sources: City of Chilliwack, 2017; Statistics Canada, Canada Census 2016

Age Distribution

The age distribution of Chilliwack is comparable to the Fraser Valley Regional District (FVRD) and BC as a whole. Chilliwack has a larger percentage of children and youth 14 and under than provincial average. Due to the higher proportion of children and youth, it is likely that housing for families is a major need in Chilliwack.

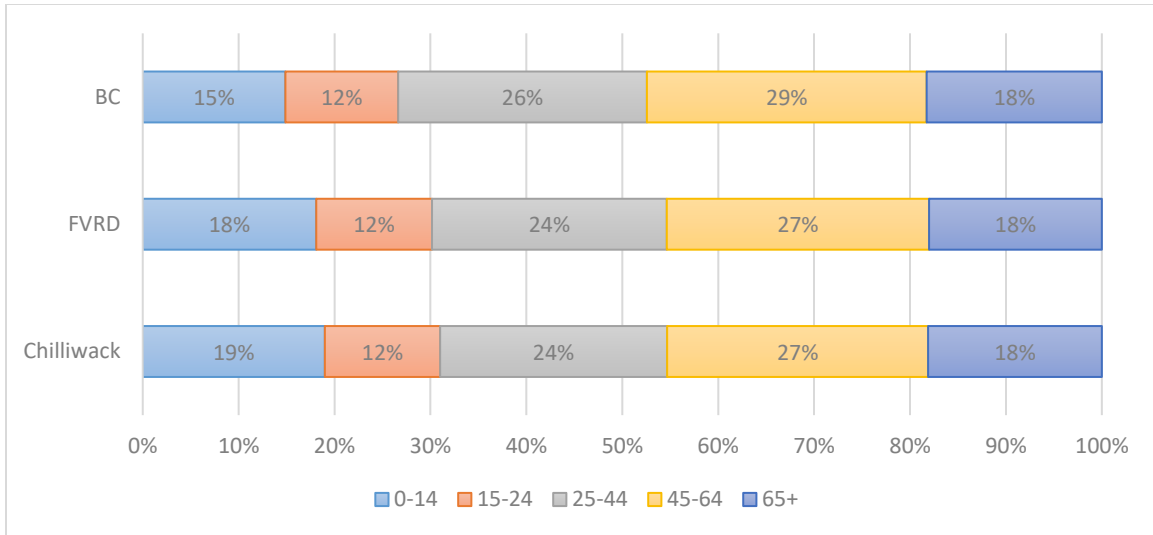


Figure 2.2: Age Distribution Comparison, 2016
 Source: Statistics Canada, Canada Census 2016

Household Size

Average household size in Chilliwack is 2.5 persons per household, compared to 2.7 in the FVRD, and 2.4 across BC.

Income

For comparison purposes, Figure 2.3 shows median individual and household income in Chilliwack, the FVRD, and BC. Though comparable, Chilliwack’s median income levels are slightly lower than median income levels province-wide, but higher than the FVRD.

Median Income	Chilliwack	FVRD	British Columbia
Individuals	\$32,439	\$30,526	\$33,012
Households	\$67,800	\$69,289	\$69,995

Figure 2.3: Median Total Income, 2015
 Source: Statistics Canada

Population Projections

The Official Community Plan (adopted in 2015) provides population projections which have been used for all subsequent service planning. These growth projections anticipate Chilliwack’s population growing from the current 88,667 to approximately 132,000 by 2040 – an increase of 49%. When the projections were prepared in 2013, average household size was 2.53 persons per dwelling. This average household size is expected to decline to 2.26 persons per dwelling by 2040.¹

¹ City of Chilliwack. OCP Schedule E Growth Projections.

2.2 Housing Supply

Types of Housing

Single detached houses form a larger part of the housing stock in Chilliwack than in the FVRD or across BC. Apartments form a much smaller part of the housing stock in Chilliwack than BC in general. However, row houses—defined by Statistics Canada as three or more dwellings joined side by side, such as townhomes—are more prominent in Chilliwack than the FVRD or BC in general.

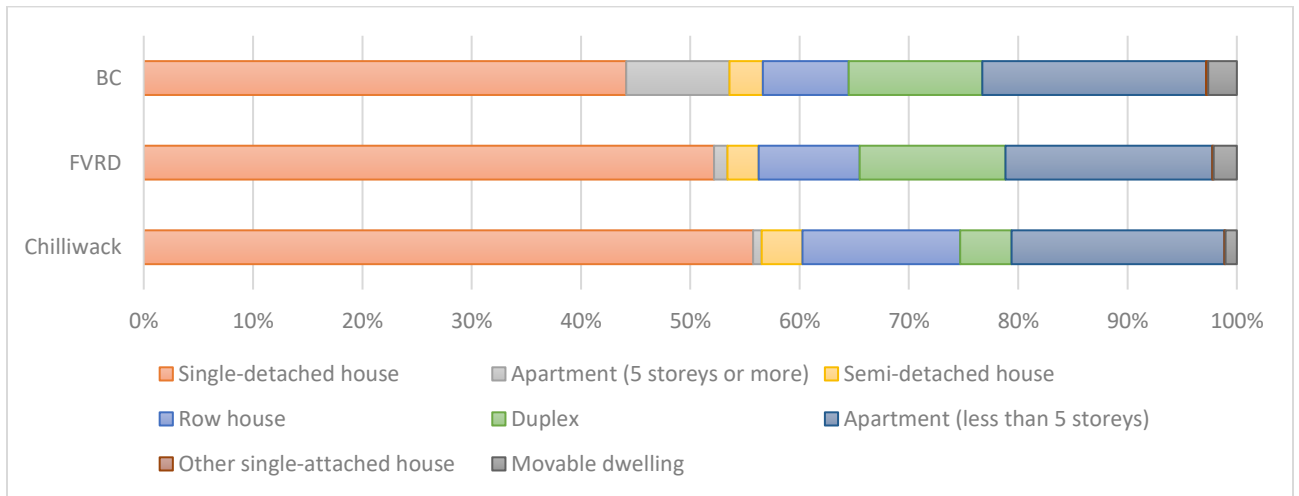


Figure 2.4: Types of Housing, 2016

Source: Statistics Canada

Tenure

Figure 2.5 shows the proportion of renters and owners in Chilliwack, the FVRD, and BC in 2016. Chilliwack, like the FVRD, had a slightly lower proportion of renters than BC as a whole.

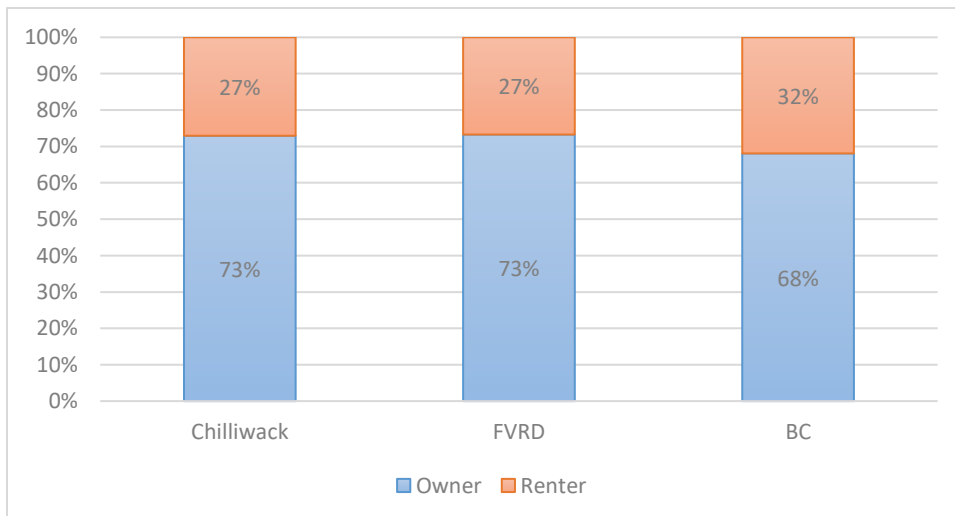


Figure 2.5: Proportion of Renters and Owners, 2016

Source: Statistics Canada

Rental Vacancy Rate

The Canada Mortgage and Housing Corporation (CMHC) reports on rental data as of October of each year. It reported Chilliwack's primary rental vacancy rate as 1.5% in 2017, compared to 1.4% in 2016 and 2.7% in 2015. This data indicate that the rental market has become constrained in recent years. Average rent for a two-bedroom unit also rose over this period, from \$800 in 2015, \$872 in October 2016, and \$942 in October 2017.

Spending on Housing

Figure 2.6 shows that median shelter costs in Chilliwack are comparable to the FVRD, but lower than provincial median shelter costs. However, the proportion of renters spending more than 30% of their gross income is higher in Chilliwack, with 46% of renters in this category.

Indicators	Chilliwack	FVRD	BC
Median shelter costs for rented dwellings	\$892	\$877	\$1,036
Tenant households spending more than 30% of total household income on shelter costs	46%	42%	43%

Figure 2.6: Shelter Costs for Renters, 2016

Source: Statistics Canada

3 ROLE OF SECONDARY SUITES

3.1 Prevalence of Secondary Suites

Secondary suites are part of the secondary rental stock. Secondary rental refers to rented homes, secondary suites, individually rented condominium units, and other forms of rental that are not purpose-built.² In recent years, most new rental stock has been in the form of secondary rental such as secondary suites, and this has become an important source of rental housing for many individuals and families.

CMHC estimates Chilliwack's stock of primary rental units to be 2,973 as of October 2016. BC Assessment data estimates that there are 1,179 single detached homes with secondary suites in Chilliwack. Based on these figures, secondary suites in Chilliwack make up approximately 28% of total rental stock in the city. However, because of challenges associated with collecting data on illegal secondary suites, the total number of secondary suites may be higher. For example, the Township of Langley, which requires suites to be registered, counts 2,300 registered secondary suites.

A 2014 CMHC study of 650 Canadian municipalities found that 77% of municipalities allowed secondary suites. Municipalities over 100,000 residents were even more likely to allow secondary suites, with 88% of municipalities permitting them.

3.2 Role of Secondary Suites in Meeting Housing Needs

Benefits

The Government of British Columbia's 2005 *Secondary Suites: A Guide for Local Governments* identifies a number of benefits of secondary suites for different stakeholders, which are summarized below. The full guide can be found in Appendix C.

Benefits of Secondary Suites to Homeowners

- Helps with paying a mortgage by providing an additional source of income
- May help a homeowner qualify for a mortgage
- Supports aging in place by allowing older adults to share a home with family members while allowing for privacy and separate living spaces
- Allows families to stay together by providing separate living spaces for adult children

² Primary rental stock refers to purpose-built rental units, historically made up of buildings that are 100% rental, though this is changing. The development of purpose-built rental units declined dramatically after the early 1990s due to rising interest rates and the elimination of senior government grants and tax credits aimed at encouraging this type of housing.

Benefits of Secondary Suites to Tenants

- Provides lower cost rental housing
- Creates opportunities for renters to live in lower density neighbourhoods
- Offers more ground-oriented housing for renters
- Provides proximity to services often found in single family neighbourhoods such as schools, shopping, recreation centres, and other services

Benefits of Secondary Suites to the Community

- Increases the stock of lower cost housing provided without government subsidies
- Allows gentle densification while neighbourhood character is maintained
- More efficiently uses housing stock, land, and municipal services, especially in neighbourhoods with declining populations
- Supports complete communities by diversifying housing types and increasing range of economic levels and age groups in neighbourhoods

Benefits of Legalized Secondary Suites

- Allows municipality to more confidently plan for infrastructure needs
- Increases the likelihood that tenants will complete census surveys, which would result in more accurate demographic information
- Avoids creating a culture of non-compliance

Challenges

While secondary suites provide numerous benefits, challenges, particularly with illegal suites, may arise that need to be mitigated. The following challenges are also identified in the Government of BC guide:

- Residents may have strong opinions about secondary suites.
- There may be concern that owners of illegal suites are not paying their fair share towards utilities and taxes.
- Secondary suites may increase parking pressures.
- Secondary suites may have an impact on built form.

These and other challenges are addressed through this study.

3.3 Economic Implications of Secondary Suites

Implications for the City

Impact on Infrastructure

Research by CMHC and others generally concludes that secondary suites help make better use of existing infrastructure. This is particularly true in areas where household size has decreased as family sizes have become smaller and residents have aged in place. However, where Infrastructure planning may not have considered secondary suites, unplanned density may create burdens on service provision. This is especially true in areas where there are capacity constraints that are difficult to resolve. In urban areas, infrastructure planning will often, though not always, consider the possibility of additional users living in secondary suites.

Property Taxes

Often stakeholders in the conversation around secondary suites are concerned about whether or not assessment values reflect the presence of a secondary suite to ensure that homeowners are paying their fair share towards services. BC Assessment reports that secondary suites generally contribute to a home's assessment value; however, this growth in assessment depends on a number of factors, including the age and quality of the home. A higher assessed value would result in a higher tax assessment for the homeowner.

User Fees

Homes with secondary suites arguably use more services than homes without (though this depends on family size and other factors). Services that are charged by usage (e.g. electricity, water meters) will already reflect additional costs associated with providing the service to secondary suites. However, services that are charged by the unit or parcel may not be accurately applied to secondary suites unless they are registered. In some communities, water and sewer fees are charged for both legal and illegal suites. In others, fees are only charged on legal suites. In the latter case, owners of illegal suites would not be contributing to the cost of providing the service to the secondary suite.

Implications for Homeowners

Mortgage Helpers

Homeowners use secondary suites as an additional source of income. In some cases, the potential of a home to host a secondary suite will play a role in determining the overall affordability of a house for a buyer. On the other hand, secondary suites generally increase the value of homes for owners, so they are also seen as an investment.

Cost of Secondary Suites

CMHC estimates the cost of installing a secondary suite in an existing home in a range from \$20,000 to \$30,000.³ This represents a significant investment for homeowners. In older homes that may not have been constructed to accommodate secondary suites, the cost of meeting Building Code requirements may be prohibitive. In some cases, the original construction may not allow for a secondary suite to be installed to BC Building Code requirements. These realities may encourage some homeowners to install a secondary suite without a building permit.

Implications for Renters

Rental Opportunities

Secondary suites provide additional choices for renters. They allow renters access to the many benefits and amenities that are often in single family residential neighbourhoods, such as parks, recreation facilities, and nearby schools. However, single family residential neighbourhoods often have limited options for walking, cycling, or taking public transit as a primary means of transportation. As renters are less likely to own cars than homeowners, this can pose significant challenges.

Lower Cost Housing

Secondary suites are often, but not always, more affordable than other forms of rental, particularly in the case of smaller units. They form an important source of housing for individuals and families who may be priced out of more expensive forms of housing.

³ CMHC. Permitting Secondary Suites. https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/afhostcast/afhoid/pore/pesesu/pesesu_001.cfm.

4 CURRENT PRACTICES IN CHILLIWACK

This section provides an overview of Chilliwack’s current policy context and approach to secondary suites.

4.1 Related Plans and Policies

Official Community Plan

The 2040 Official Community Plan sets the objective of providing alternative forms of housing without disrupting the character of existing neighbourhoods. Secondary suites are supported under the following land use designations:

- The Low Density Residential (RL) designation outlines a density in the range of 12 to 50 units per hectare. The intent of the RL land use designation includes providing family housing, especially for those with children; and providing affordable rental housing for students, singles, and seniors (coach houses and accessory dwelling units/secondary suites). Appropriate built forms include those that could accommodate secondary suites such as single detached homes.⁴
- The Medium Density Residential (RM) designation outlines a minimum density of 25 units per hectare and a maximum density of 150 units per hectare. The intent of the RM designation is to provide affordable housing for diverse income groups and household types. Coach housing and accessory dwelling units would be considered where other forms of RM housing are not suitable (e.g. infill lots).⁵

Infill Development Policies

The Growth Management Strategy encourages new residential units in existing urban areas through redevelopment. In 2011, the City put together a document of its infill development policies. While the policies outlined in this document do not address secondary suites specifically, they encourage efforts to increase density in a way that maintains or enhances existing neighbourhood character. This policy guidance appears to support secondary suites.

Development Cost Charge Bylaw 2000, No. 2689

Development Cost Charges are applied to all new residential subdivisions, mobile home park subdivisions, and building permits that authorize the construction, alteration, or extension of a

⁴ Official Community Plan, pg. 64

⁵ Official Community Plan, pg. 65

building or structure where the value of work exceeds \$50,000. Additional DCCs are not charged for secondary suites, whether for a suite in a new home or a suite added into an existing home.

Floodplain Management Bylaw, No. 3080

The following floodplains fall within Chilliwack’s boundary:

- To the north, the Fraser River floodplain
- To the south, the Vedder River floodplain
- To the west, the Sumas River floodplain
- Several creek floodplains

Many homes fall within a floodplain and this means that there are risks associated with buildings and structures that do not comply with flood plain construction requirements. In accordance with provincial legislation, the City has developed Floodplain Management Bylaw No. 3080 to regulate construction elevation requirements for different forms of development. This Bylaw impacts the potential for developing secondary suites, with required elevation standards that often preclude the installation of a basement or ground level suite.

4.2 Basic Requirements

Zoning Bylaw 2001, No. 2800

The Zoning Bylaw defines a legal secondary suite as a dwelling unit that meets the following criteria:

- Maximum total floor space of not more than 90 m²
- Total floor space is not more than 40% of the building’s habitable floor space
- Located in a residential building containing only one other dwelling unit
- Located within a residential building that is a single real estate entity (cannot be separately strata titled)

Within the Zoning Bylaw, secondary suite refers specifically to an additional dwelling unit located within a single detached dwelling. There are two types of secondary suites permitted under Section 06—Use Regulations of the Zoning Bylaw. The first type of secondary suite is used by relatives of the property owner.⁶ These suites are regulated as Temporary Accessory Dwellings (TADs) and are permitted in zones R1-A, R1-B, R3, R1-D.

This study refers to secondary suites allowed for family members under TAD regulations as **“in-law suites”**.

The second type of secondary suite is used for rental or occupied by others who are not relatives of the owner as defined by the Zoning Bylaw. These suites are regulated as Accessory Dwelling Units (ADU) and are only permitted in the R1-C zone and applicable comprehensive development (CD) zones. If not in a CD zone that permits ADUs, a property owner who wishes to install a secondary rental suite must apply for a rezoning to the R1-C zone. The minimum lot size is 500 m², which would not allow some lots to install secondary suites (e.g. the minimum lot size for R1-D and R3 zones is smaller than R1-A). The R1-C zone also allows garden suites and coach houses as a permissible type of ADU.

This Study refers to secondary suites within homes allowed under ADU regulations as **“secondary rental suites”**. This study does not address coach houses or other forms of secondary rental units.

Unlike in-law suites, secondary rental suites built in an R1-C zone do not have to be decommissioned at a set date and occupation is not restricted to relatives, employees, and other categories of user that apply to TADs. There are also several special regulations that apply only to the R1-C zone, including the following:

- Only one ADU is allowed on a parcel.
- The property owner must enter into a restrictive covenant assuring the City that they will remain a resident of either the principal or accessory residence and this must be verified annually by a declaration to the City.
- One off-street parking space per Accessory Dwelling Unit must be provided, in addition to two off-street parking spaces for the principal residence. Two of these off-street parking spaces (one for the principal residents and one for the accessory dwelling unit) must be non-enclosed.

New developments can use the comprehensive development (CD) zoning process to incorporate secondary suites as a permitted ADU on all relevant properties. Table 4.1 summarizes the CD zones that allow secondary suites.

Zone	Name or Description	Notes
CD 1	Gold Spring Heights	<ul style="list-style-type: none"> • Secondary suites only
CD 10	Garrison Crossing	<ul style="list-style-type: none"> • Secondary suites and coach houses
CD 16	Lands south of Higginson Road and east of Vedder Road	<ul style="list-style-type: none"> • Secondary suites within Development Areas A, C, and D

Zone	Name or Description	Notes
		<ul style="list-style-type: none"> Coach houses within Development Area C on lots 390 m² or larger
CD 21	Land bounded by Webster Road, Wilson Road, and Peach Road	<ul style="list-style-type: none"> Secondary suites only
CD 23	Land on south portion of Chilliwack Mountain	<ul style="list-style-type: none"> Secondary suites only
CD 24	River's Edge	<ul style="list-style-type: none"> Secondary suites and coach houses
CD 26	Lands immediately south of Higginson Road and north of South Sumas Road	<ul style="list-style-type: none"> Secondary suites within Development Areas A, B, and C Coach houses within Development Area C

Table 4.1: CD Zones Allowing Secondary Suites as ADU

Zoning Bylaw excerpts are provided in Appendix A.

Building Regulation Bylaw 2003, No. 2970

The Building Regulation Bylaw enforces the City's Building Permit requirements and requires compliance with the BC Building Code. Every owner is required to comply with this Bylaw and obtain a Building Permit for the following:

- All new construction, including accessory buildings
- Structural changes or repairs to dwellings
- Improvements to unfinished areas of a dwelling
- Other major construction projects

Building Code requirements relevant to secondary suites are found in Section 9.36 in the BC Building Code. A summary of these requirements can be found in Appendix B.

Agricultural Land Reserve

Properties within the Agricultural Land Reserve (ALR) are permitted by Agricultural Land Commission policies to have a secondary suite within the home and there are no restrictions on the user. ALR properties can also have additional dwellings but these come with some restrictions:

- A manufactured home is allowed for the owner's immediate family.
- A suite of less than 90 m² above an existing building is permitted as an alternative to a manufactured home (if the property is assessed for farm help) with no restriction on the user.
- Additional residences are allowed for farm help.
- Additional dwellings for family members require application for non-farm use.

While these policies allow secondary suites, ALR properties are still subject to the Zoning Bylaw of the municipality within which they are located.

4.3 Service Delivery Considerations

Fire Protection

As illegal secondary suites have not undergone building inspection, there is concern that standard fire protection requirements—such as fire separation between the suite and the principal dwelling—are not being met, potentially putting residents at risk.

Utilities

Usage

Water consumption is metered by parcel and additional usage is accounted for through metering. The City charges an additional flat rate for a secondary suite but does not install a second meter. This means that property owners will either incorporate the water costs of secondary suite residents into the monthly rent charged or charge a percentage of the total cost of water consumption.

Servicing Capacity

City staff indicate that water and sewer servicing capacity exist for suites, with no neighbourhood-specific servicing restrictions that would preclude suites. Based on the Official Community Plan growth projections, water and sewer utility models account for the possibility of six to eight percent of single detached neighbourhood homes including secondary suites. This assumes that while all single detached neighbourhoods are permitted to have in-law suites, not every house will have a secondary suite. If the number exceeds those assumptions, then servicing capacity will need to be reviewed.

Garbage and Recycling

Fees are applied monthly to property owners for garbage, compost, and recycling pickup, and billed on a quarterly basis. A range of fee options is available that depend on the size of the compost container used. An extra curbside collection charge is applied to legal suites. The Curbside Collection Contractor provides service and is compensated according to the total number of dwelling units incurring curbside fees.

4.4 Current Issues

Parking

Residents of secondary suites generally own fewer cars than residents of single detached dwellings. However, feedback from Chilliwack residents indicates that off-street parking is one of the most

important issues related to secondary suites. The R1-C zone stipulates that an additional off-street parking spot is required for each secondary rental suite. Additional parking is not required for in-law suites.

While more people bring more cars into a neighbourhood, there are other trends that are impacting off-street parking unrelated to secondary suites. Many homes have single or double garages, as well as driveways that would theoretically provide enough spaces to accommodate the primary household, as well as residents in a secondary suite. However, both homeowners and tenants may choose to park on the street even if off-street parking is available because it may be more convenient or because available parking is used for other reasons (e.g. garages used for storage). It may be challenging for the City to respond to this issue because, though residents may complain about how on-street parking is used by their neighbours and visitors, it is ultimately public space and not controlled by the homeowner whose property fronts that space.

In recent years, new developments have popularized homes on narrow lots. This may increase the potential number of units in a subdivision for developers and decrease the cost of a home for buyers. However, smaller lots often are narrower in width, and may have smaller garages and driveways. This limits the availability of off-street parking and may increase the use of on-street parking by residents. On-street parking in these areas can also be limited as there is less available space for parked cars between driveways due to narrow lot widths. Additionally, in a hillside context, some narrower roads only provide for parking on one side of the street; streets with bike lanes may not offer any on-street parking.

Traffic

Increased traffic is a common complaint with secondary suites. As more residents enter a neighbourhood, there may be a visible increase in traffic, especially during busy hours.

Illegal Suites

Building a legal suite requires significant investment from property owners. While only secondary rental suites require a rezoning process, which is cumbersome, all new secondary suites in existing homes require a building permit. As existing homes may not have been built to accommodate a secondary suite, it can be costly to comply with the BC Building Code requirements that need to be fulfilled before a building permit is issued. Because of this, many homeowners, in Chilliwack and across BC, install secondary suites illegally—meaning they build the suite without going through the rezoning and building permitting process.

There are many existing secondary suites that were built without a building permit. These suites raise a number of issues:

- Once a suite has been constructed, it may be impossible to determine compliance with the BC Building Code without deconstructing the suite.

- New building construction, as well as alterations and renovations, are supposed to conform to the BC Building Code that is in force when the work is being completed. However, it may not be known when an existing suite was built, creating confusion about which generation of the BC Building Code should apply.
- Bringing an existing suite into compliance can be cost prohibitive for property owners, especially if deconstruction is required. Requiring compliance may motivate property owners to avoid legalizing their suites.
- Occupied suites provide homes for Chilliwack residents. A strong enforcement approach can lead to evictions and housing insecurity for tenants.

Owner Occupancy

Like Chilliwack, some municipalities (e.g. Township of Langley) stipulate that the owner of the property must occupy either the primary or secondary suite. However, the BC guide to secondary suites suggests restrictions should not be placed on occupants

Presently, homeowners without secondary suites are able to rent their whole home with no similar requirements for occupancy.

In-Law Suites

Though zoning that allows in-law suites is not uncommon, it is not recommended as a best practice, as it places restrictions on occupants.

Floodplain Regulations

The City of Chilliwack's Floodplain Bylaw (No. 3080) requires habitable areas to be built above the Flood Construction Level (FCL). Habitable areas are defined as "any room or space within a building or structure that is or can be used for human occupancy, assembly or institutional use, commercial sales, or storage of goods, possessions or equipment (including furnaces) which would be subject to damage if flooded".

As floodplain requirements have changed over time, homes built before the current Floodplain Bylaw came into effect may contain habitable space below the current FCL. However, suites must meet flood construction requirements to be legalized.

5 COMPARABLE COMMUNITIES

As part of this study, the policies of six comparable communities were reviewed to understand how different municipalities were approaching secondary suites. The communities were chosen because they had similar demographic or geographic characteristics, they used different approaches to secondary suites, or they had recently gone through changes in their policy and had best practices to share. The following six communities were chosen:

- City of Abbotsford
- City Coquitlam
- City of Kelowna
- Township of Langley
- City of Nanaimo
- City of Richmond

The results of the research on comparable communities are summarized in Table 5.1 on the following pages.

Table 5.1: Secondary Suites in Comparable Communities

Municipality	Prevalence	General Approach	Location	User Fees	DCCs	Parking	Flood Zones	Illegal Suites
Abbotsford Population: 141,397 Density: 376.5/km ²	<ul style="list-style-type: none"> Approximately 5,066 registered secondary suites and 30 coach houses 	<ul style="list-style-type: none"> Required to be registered with the City One secondary suite allowed within single family home To encourage more rental options, the OCP sets policy to encourage a more flexible approach that allows, in some cases, a coach house and basement suite on the same property 	<ul style="list-style-type: none"> Allowed in the following zones: RR, CR, SR, RS1, RS4, RS5, A1, A2, A3, A5, N11, and RMF City currently considering allowing coach houses on ALR properties 	<ul style="list-style-type: none"> \$260 registration fee for new secondary suites \$572 registration fee for existing suites (previously unregistered) \$260 annual infrastructure fee on property tax bill 	<ul style="list-style-type: none"> Not charged 	<ul style="list-style-type: none"> One dedicated off-street parking space required, except in RMF zone where 0.5 dedicated spaces are required 	<ul style="list-style-type: none"> Basement suites are not allowed in floodplain areas Some floodplain areas allow coach houses as a secondary suite option 	<ul style="list-style-type: none"> Complaint-driven approach City is obligated to investigate complaints received with sufficient evidence by notifying the owner and requesting an inspection Bylaw Enforcement Officer cannot obtain an entry warrant without strong evidence If illegal suite is found, the homeowner is given the option of decommissioning the suite or obtaining a building permit, otherwise they risk fines
Coquitlam Population: 139,284 Density: 1,138.9/km ²	<ul style="list-style-type: none"> 1,743 registered secondary suites – 3.5% of all residential units (2013) 	<ul style="list-style-type: none"> One secondary suite allowed within single family home Cannot be a single storey addition, a wing of the house, or the top floor of the house Coach houses are allowed in some single family residential areas of SW Coquitlam 	<ul style="list-style-type: none"> Allowed in all single family and two-family residential zones, except RTM-1 	<ul style="list-style-type: none"> 40% utility fee charged on properties with authorized secondary suites 200% utility fee charged on properties with known unauthorized suites 	<ul style="list-style-type: none"> Not charged 	<ul style="list-style-type: none"> One additional off-street parking space 	<ul style="list-style-type: none"> Secondary suites not permitted on properties with Restrictive Covenants that prohibit them Homeowners within floodplain must check Certificate of Title for restrictions on secondary suites 	<ul style="list-style-type: none"> Complaint-driven approach Complaints are responded to on a priority basis, with complaints about safety and multiple suites receiving highest priority Owner will be notified if their suite can be authorized or not, and options for proceeding Alternative construction requirements available for homes built before 2000 City has developed a comprehensive guide to secondary suites (Appendix C)
Kelowna Population: 127,380 Density: 601.3/km ²	<ul style="list-style-type: none"> Information not available 	<ul style="list-style-type: none"> One secondary suite allowed within single family home in most areas Homeowners in strata developments required to obtain strata approval prior to obtaining a building permit Annual business licence required 	<ul style="list-style-type: none"> Allowed in all single family residential zones, except where service infrastructure capacity is limited (the neighbourhoods of Gallaghers and Eastwood) City considering prohibiting secondary suites in RU7 – Infill Housing due to concerns about the possibility of stratification 	<ul style="list-style-type: none"> Separate fee for garbage cans for secondary suites Patchwork of fees because utilities delivered by a number of service providers, including Corix and five water districts – some services are metered, other services are charged different rates depending on whether or not there is a secondary suite, other service charge single flat rate 	<ul style="list-style-type: none"> DCCs are charged when the construction value of building a secondary suite in an existing home is more than \$50,000 When construction value is less than \$50,000, a \$300 sewer development fee is charged instead 	<ul style="list-style-type: none"> One dedicated off-street parking space required (total of three spaces) 		<ul style="list-style-type: none"> Complain-driven process Homeowner is notified and if illegal suite is found, must be decommissioned or building permit obtained If the homeowner does not take any action, the City may put a notice on the owner’s tax certificate or take further legal action
Langley Population: 117,285 Density: 380.8/km ²	<ul style="list-style-type: none"> 2,300 registered secondary suites (2017) 	<ul style="list-style-type: none"> One secondary suite allowed on single family, fee simple properties Principal dwelling must be owner occupied 	<ul style="list-style-type: none"> Allowed in residential zones that allow single family dwellings, except for strata properties 	<ul style="list-style-type: none"> 30% water and sewer fee charged on annual utility bill on property tax statement for secondary rental suites Family-occupied suites are not charged an additional utility fee 	<ul style="list-style-type: none"> Not charged 	<ul style="list-style-type: none"> No additional parking space required 	<ul style="list-style-type: none"> All habitable areas must comply with floodplain requirements 	<ul style="list-style-type: none"> Proactive approach to illegal suites based on Council direction Online reporting system

Municipality	Prevalence	General Approach	Location	User Fees	DCCs	Parking	Flood Zones	Illegal Suites
		<ul style="list-style-type: none"> Some zones allow coach homes Strong regulatory approach, including annual Secondary Suite Licence (\$350 if rented, \$175 if occupied by a family member) and statutory declaration 		<ul style="list-style-type: none"> No separate charge for garbage collection 				<ul style="list-style-type: none"> Illegal suites must be decommissioned or may be charged up to \$500 per day
Nanaimo Population: 90,504 Density: 997.2/km ²	<ul style="list-style-type: none"> Information not available 	<ul style="list-style-type: none"> One secondary suite per single family home In-home suites and coach houses allowed 	<ul style="list-style-type: none"> Allows secondary suites in all residential, agricultural rural residential, commercial centre, and downtown zones where one principle dwelling exists, and no other uses are sited on a lot 	<ul style="list-style-type: none"> Double rates for sewer and garbage on homes with secondary suites Water is metered 	<ul style="list-style-type: none"> Not charged 	<ul style="list-style-type: none"> One dedicated off-street parking space required 	<ul style="list-style-type: none"> Habitable space must be built to minimum basement floor elevation, a rating established by a civil engineer 	<ul style="list-style-type: none"> Offers alternate standards for owners of existing suites (see Appendix C) City has developed a comprehensive guide to secondary suites
Richmond Population: 198,309 Density: 1,534.1/km ²	<ul style="list-style-type: none"> 2,000 to 5,000 illegal secondary suites 	<ul style="list-style-type: none"> Secondary suite required for single detached lot splits unless developer contributes cash in-lieu towards Affordable Housing Reserve One secondary suite is allowed per single family home or townhome where permitted The types of suites allowed include suites within the primary residence, coach houses, and garden suites Coach houses are preferred in some neighbourhoods but there are high design standards to be met 	<ul style="list-style-type: none"> Allowed in all single family and some townhome residential zones Zone designates which types of secondary suites are allowed 	<ul style="list-style-type: none"> Water and sewer rates are metered Garbage collection fees are based on the size of the container 	<ul style="list-style-type: none"> Not charged 	<ul style="list-style-type: none"> Homes abutting arterial roads require one dedicated off-street parking space No additional parking space required in other areas 	<ul style="list-style-type: none"> All homes have floodplain covenants Basements are not allowed in any neighbourhoods as the entire city falls within flood plain Exemptions from flood plain requirements are provided for existing homes where additions, including secondary suites, can be built at the elevation the existing home was built on 	<ul style="list-style-type: none"> When secondary suites were initially allowed, City offered grace period waiving building permitting fees

6 COMMUNITY ENGAGEMENT

Secondary suites are of interest to a wide range of residents and community engagement was important to this study. Information about the study and ways to participate in the engagement process were shared through a variety of means:

- City of Chilliwack website
- Social media, including Twitter and Facebook
- Information at Chilliwack and Sardis Libraries, Chilliwack Leisure Centre, and downtown coffee shops
- Community events, including Canada Day celebrations (July 1) and Party in the Park (July 7)
- Advertising in the Chilliwack Progress (July 7 and 9)

A community survey was conducted over a two-month period. Two pop-up booths were held at major community events to provide an ad hoc forum for residents to learn about the secondary suites study, provide their input, and discuss concerns and ideas with City staff.

The results of this engagement process are summarized below.

6.1 Community Survey

As part of identifying opportunities to improve the City's current approach to secondary suite, a community survey was used to collect public feedback. The survey was open from May 4 to July 18, 2017 and a total of 847 surveys were completed. This section summarizes the feedback received and identifies conclusions and trends that are considered in shaping the policy options presented in subsequent sections.

It must be noted that this survey was an online, voluntary survey and offers insight into public opinion on a variety of issues related to secondary suites. However, due to the voluntary, self-selected nature of this survey, the findings cannot be interpreted as statistically significant.

Survey Participants

Survey respondents were asked to identify what neighbourhood they lived in. Figure 6.1 shows how survey respondents compare to Chilliwack's actual distribution of population between neighbourhoods. Though the survey response rates were generally representative of different neighbourhoods, Chilliwack Proper is underrepresented, while Promontory is overrepresented.

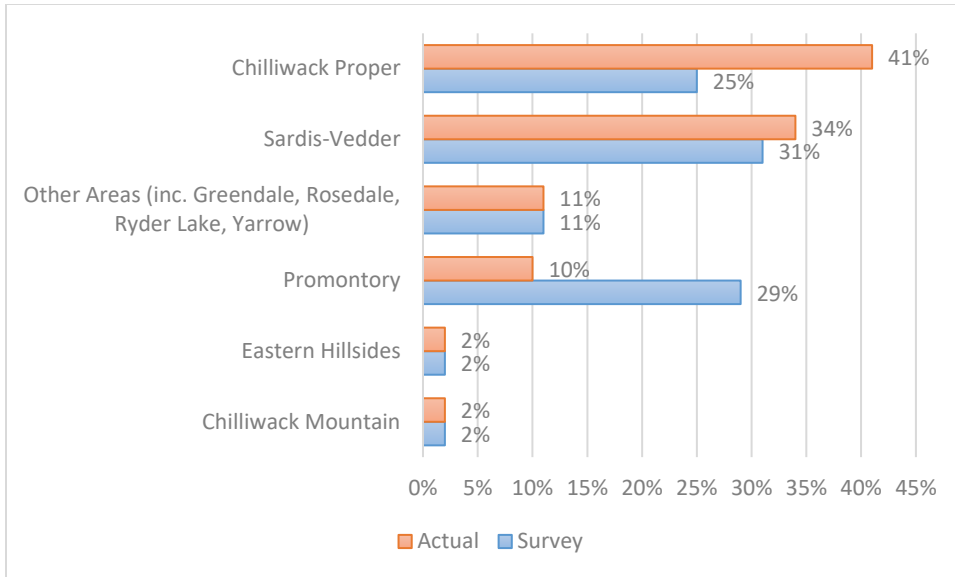


Figure 6.1: What neighbourhood do you live in?

Figure 6.2 shows the connection respondents had with secondary suites. The majority responded that they lived in neighbourhoods with secondary suites.

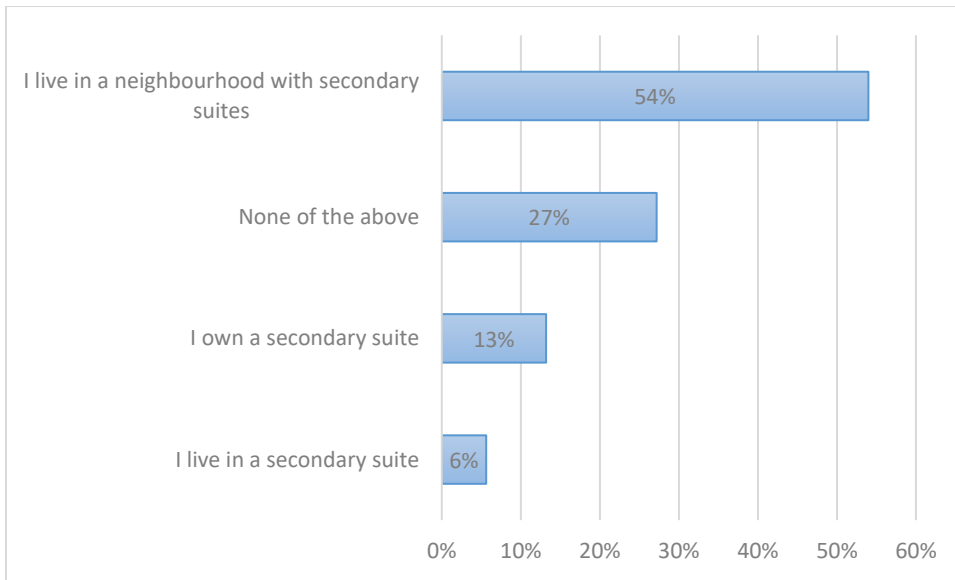


Figure 6.2: Which statement best describes you?

Community Priorities

To put secondary suites in a broader context, the first question of the survey asked residents to identify and rank their top five priorities from among a number of concerns. Figure 6.3 summarizes all responses. The top three most frequently selected concerns were health and safety, parking, and neighbourhood character. Other concerns were selected less frequently overall but, when selected,

were ranked as high priorities, in particular housing availability, mortgage helpers, and affordable rentals.

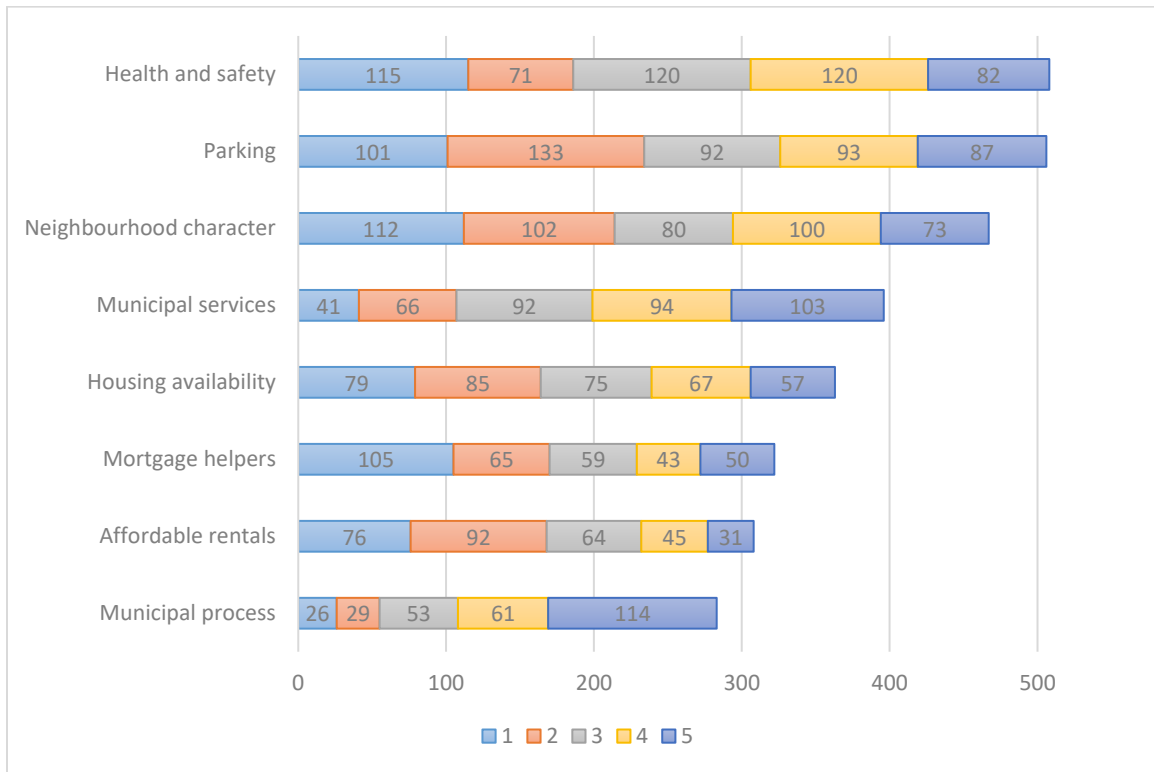


Figure 6.3: Priority Issue Ranking

To delve deeper into public perceptions and opinions related to secondary suites, survey participants were asked to rate how strongly they agreed or disagreed with a series of statements based on a scale from 1 to 5, where 1 and 2 represent disagreement, and 4 and 5 represents strong agreement.

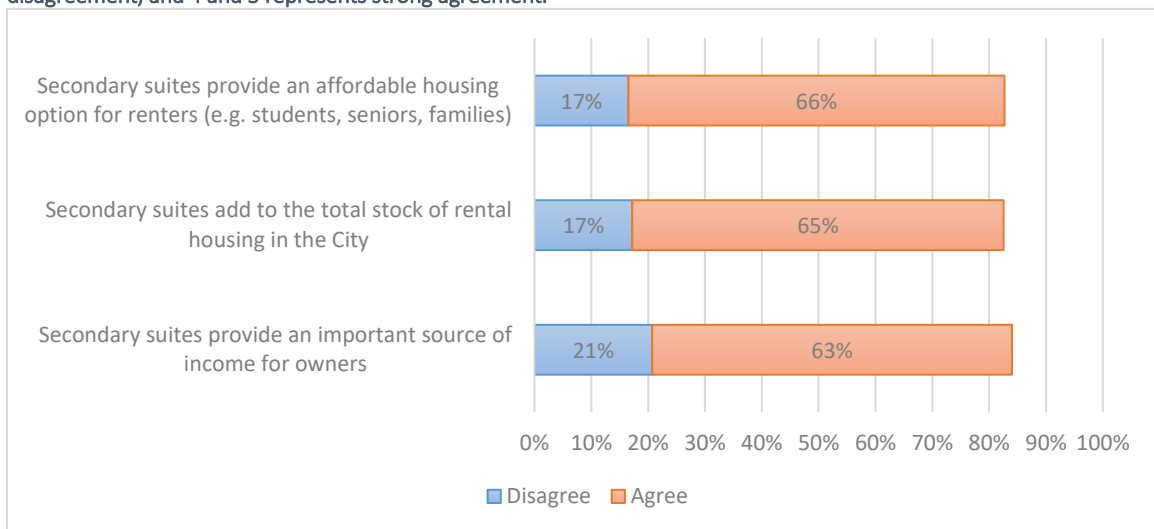


Figure 6.4, Figure 6.5, and Figure 6.6 summarize the response data to the statements.

A majority of respondents agreed with the statements related to housing affordability.

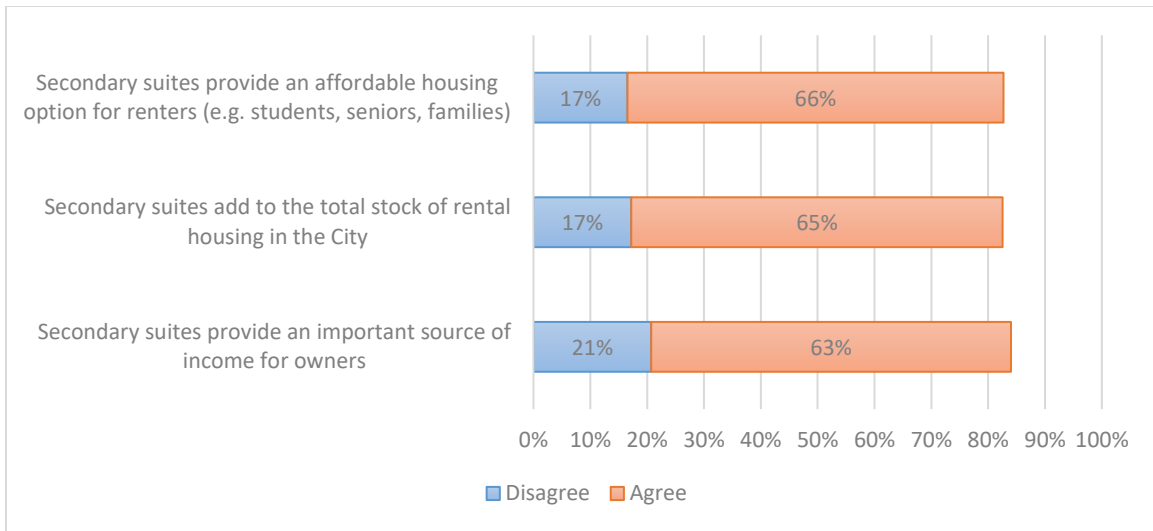


Figure 6.4: Housing Affordability

In response to statements about neighbourhood character, respondents mostly agreed that secondary suites create parking issues in neighbourhoods. However, the response to other factors of neighbourhood revealed conflicting opinions. Respondents were equally divided as to whether secondary suites impacted the character and cleanliness of a neighbourhood. Slightly more respondents agreed than disagreed that gentle density through secondary suites is good for neighbourhoods.

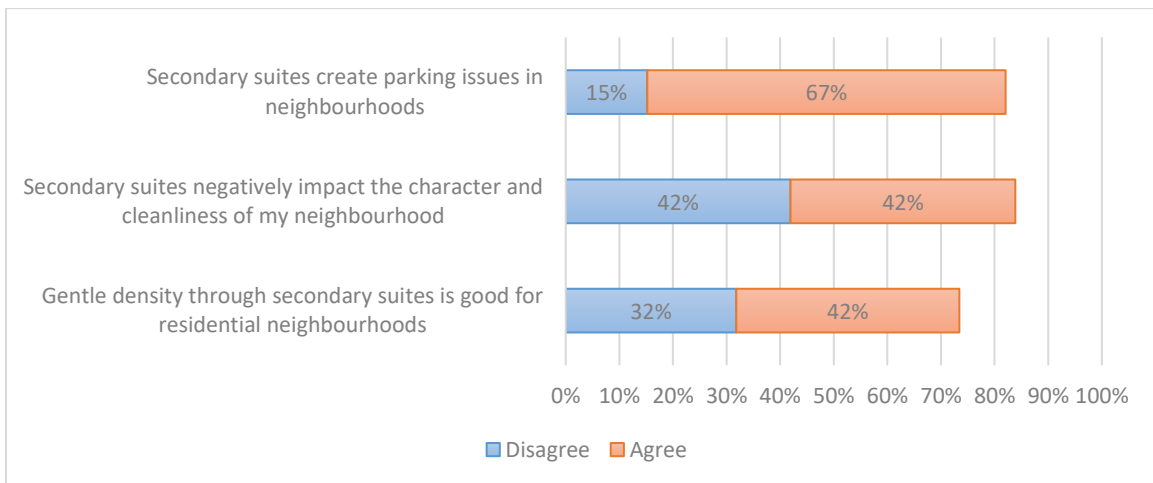


Figure 6.5: Neighbourhood Character

Respondents overwhelmingly agreed that there should be a clear and straightforward process to legalize secondary suites. A smaller majority of respondents agreed that the property owner should be required to live in either the principal dwelling unit or the secondary suite.

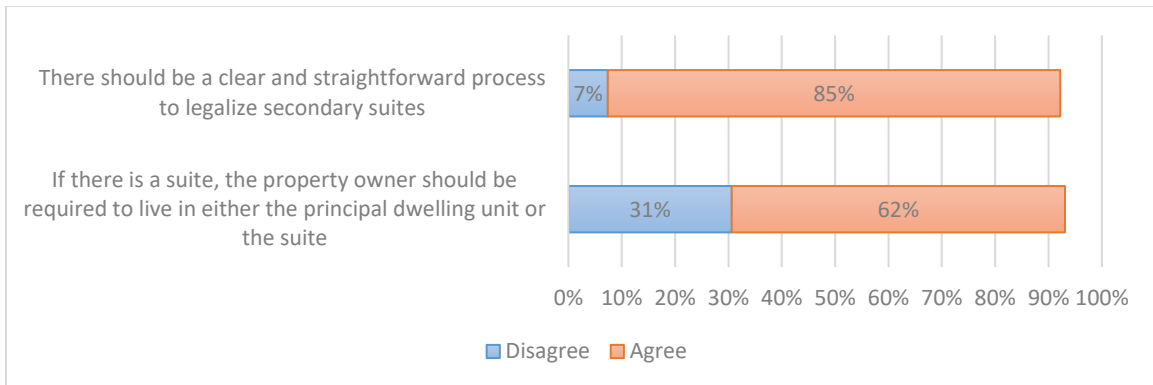


Figure 6.6: Requirements for Suites

Preferred Approach

Respondents were asked which approach to secondary suites they were in favour of (Figure 6.7). The most frequently selected option was to legalize secondary suites in all neighbourhoods. However, while this response was selected by almost half of respondents, the result does not represent overwhelming support for any of the policy options.

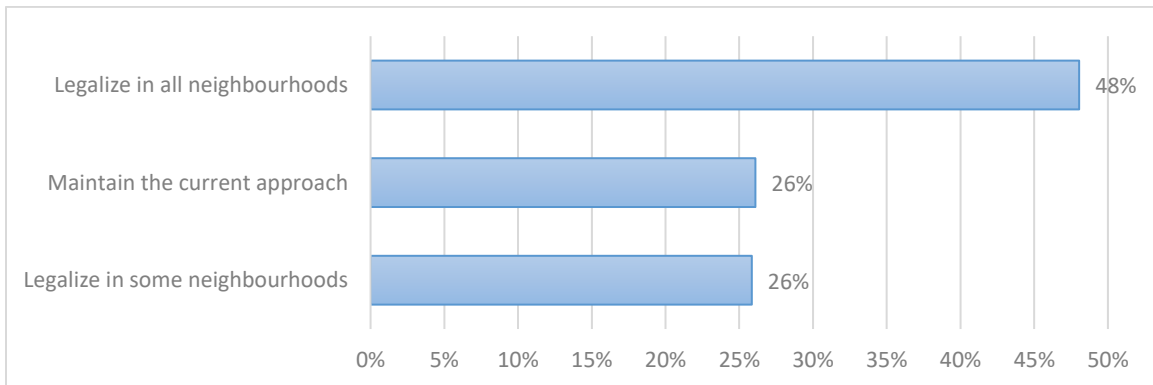


Figure 6.7: Preferred Secondary Suites Approach

Respondents were also provided space to explain their answers. The following are the main themes identified in the comments:

- Secondary suites should be allowed everywhere for a number of reasons, including because they are so common, it is the best way to enforce regulations, it is the best way to charge for services, it is the best way to plan for infrastructure and services, or because it is only way to be fair (47)
- Secondary suites provide a source of affordable rental housing / Chilliwack needs more affordable rental housing (30)
- Secondary suites should only be allowed where parking, municipal services, and neighbourhood character will not be negatively impacted (25)
- Existing regulations around secondary suites should be enforced (23)
- Secondary suites have negative impacts on neighbourhood, such as increasing traffic, parking problems, bring unwanted activities into the neighbourhood, etc. (23)

- Secondary suites benefit both homeowners and renters (20)
- Areas with secondary suites need to have adequate road widths and sufficient parking (19)
- City should reduce red tape (12)
- City should maintain current approach for a number of reasons, including it allows the City to know how many secondary suites there are, and it allows for community review (11)
- Secondary suites are mortgage helpers (9)
- Illegal secondary suites are detrimental to neighbourhoods (6)
- Some areas are too congested for secondary suites (6)
- There are too many secondary suites already (5)

For the 26% of respondents that selected that the City should legalize secondary suites in *some* neighbourhoods, Figure 6.8 provides a summary of which neighbourhoods were selected as the most suitable for secondary suites. While there are differences between neighbourhoods, this chart should be interpreted with caution. The reasons for choosing one neighbourhood over another are based on numerous subjective reasons, ranging from concern over space for parking, NIMBYism, to perceptions that some neighbourhoods are more exclusive than others. The purpose of this exercise was to “take the temperature” on public perceptions on secondary suites in different parts of the city.

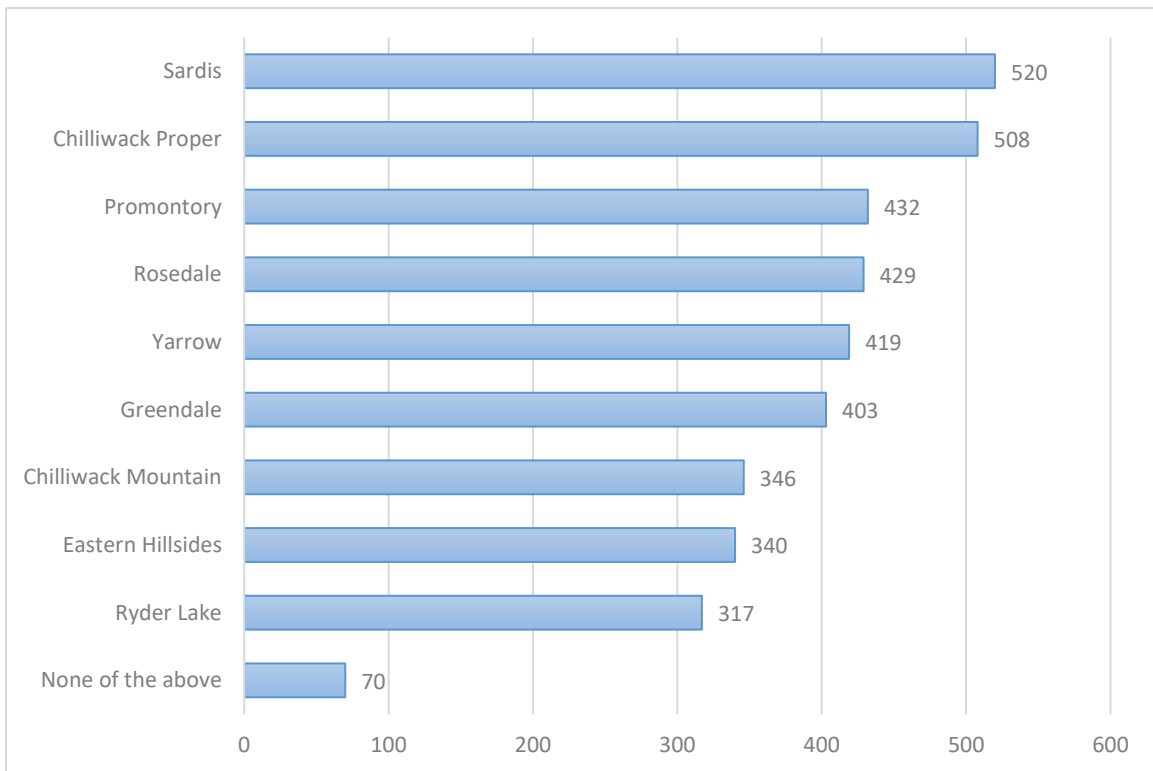


Figure 6.8: Preferred Neighbourhoods for Secondary Suites

Respondents were provided space to explain their selection, if they desired. The following list summarizes the most frequently mentioned themes:

- Secondary suites should be legal in all neighbourhoods (40)
- Secondary suites should only be allowed in areas that have enough parking (22)
- Some areas, such as Sardis, Promontory, Vedder, and Garrison Crossing, are already too crowded and secondary suites would worsen the situation (16)
- Neighbourhoods should not be exclusive / City policies should not discriminate between neighbourhoods (16)
- Areas that are hard to access are not suitable for secondary suites (e.g. hillside areas) (10)
- Secondary suites should be allowed where there are nearby amenities, such as schools, shopping, and transit (9)
- Secondary suites should be appropriate in less-congested areas (6)
- Chilliwack should not allow secondary suites anywhere (5)

Respondents were also asked to identify any conditions they felt should be satisfied for secondary suites to be beneficial in their neighbourhood and across the City. The summary below provides an overview of the most frequent themes written:

- Parking regulations should require off-street parking for all secondary suites (296)
- Owners of secondary suites should be taxed accordingly, to account for the additional wear and tear on roads and other municipal services (126)
- Regulation should be in place to ensure that properties with secondary suites are adequately maintained and reflect the character of the neighbourhood (121)
- Owners of properties with secondary suites must be held accountable, preferably living on-site (107)
- Secondary suites must adhere to all building codes and ensure the safety of tenants, landlords, and neighbours (100)
- Adequate municipal services must be provided for new and existing residents, including ensuring enough space in schools and hospitals (59)
- None, secondary suites provide no benefit to the neighbourhood (27)
- Secondary suites need to be allowed, without conditions (18)
- Regulations should be in place to restrict the number of secondary suites allowed in a particular neighbourhood, as well as the number of tenants allowed in each suite (10)

Open-Ended Comments

Respondents were given the opportunity to provide additional comments regarding secondary suites in Chilliwack. Below is a summary of the most frequently cited themes:

- Secondary suites can be beneficial to Chilliwack, provided they meet certain regulations (60)

- Secondary suites are a detriment to the community for reasons including parking, crime, lack of maintenance, and disrespectful tenants (41)
- There are already many illegal secondary suites in several parts of the city (29)
- Parking and congestion is the primary issue (24)
- Chilliwack needs to set regulations and crack down on illegal suites (18)
- Chilliwack needs to build more affordable housing (7)
- Secondary suites provide an effective way of making both home ownership and renting more affordable (6)

6.2 Pop-Up Booths

Two pop-up booths were hosted in July 2017, one at Canada Day celebrations on July 1 and one at Party in the Park on July 7. The pop-up booths were an opportunity to let residents know that the secondary suites study was underway and to provide an easy way to provide feedback by bringing the engagement process to where the people are. People who stopped by the booth were able to ask questions and provide feedback to City staff and the consultant. Participants were also invited to answer a quick, informal survey through the use of stickers to vote on their preferred answer. This section summarizes the response to these questions and the “dotmocracy” exercise.

Preferred Secondary Suites Approach

The first question asked participants to vote on what approach they would like the City to take in updating the secondary suites policy (Table 6.1). The majority of participants preferred the legalization of secondary rental suites in residential neighbourhoods across the city.

Table 6.1: Preferred Secondary Suites Approach

Approach Option	Responses
Legalizing secondary rental suites in residential neighbourhoods across the City	59
Legalizing secondary rental suites in some residential neighbourhoods in the city	12
Maintaining the current approach (i.e. rezoning, required to legalize secondary rental suites in most areas)	11
Total	82

Preferred Neighbourhoods

Next, participants were asked to identify which neighbourhoods they felt were most suitable for secondary suites (Figure 6.9). It is important to note that not all participants interpreted this question in the same way. Some selected only the neighbourhoods they felt would be suitable; some selected preferred neighbourhoods even if they thought that secondary suites should be allowed in all neighbourhoods; and others selected neighbourhoods that they felt were overly exclusive and should be opened to renters.

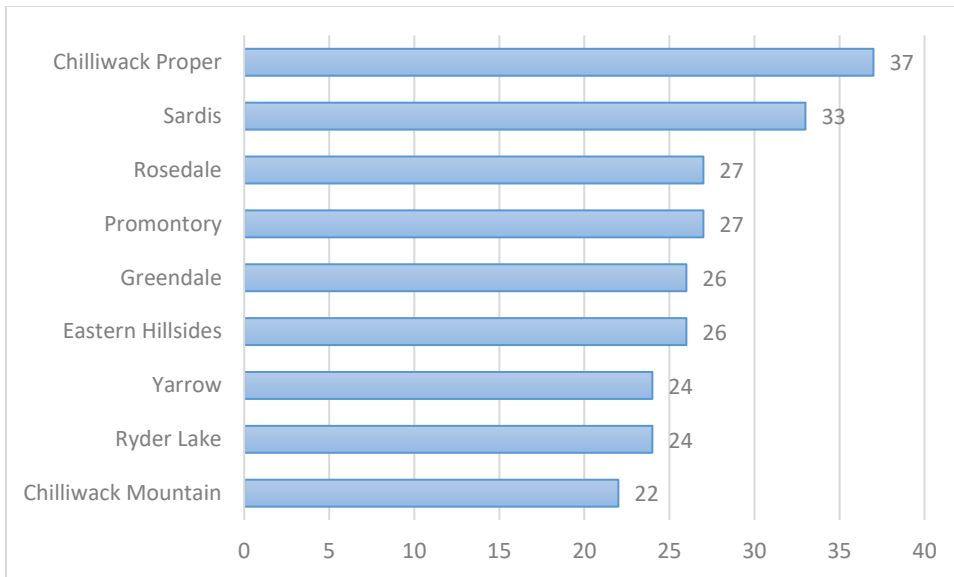


Figure 6.9: Preferred Neighbourhoods for Secondary Suites

Feedback

Participants were also invited to provide open-ended comments on secondary suites. This was an opportunity to collect feedback on a wide variety of issues and ideas. While a full transcript of comments is provided in Appendix D, the following were the most frequently cited themes:

- Allow secondary suites in all neighbourhoods (8)
- Chilliwack needs more affordable rental housing (6)
- Simplify the secondary suites legalization process for both new and existing suites (5)
- Ensure adequate parking for secondary suites (3)

7 SECONDARY SUITES POLICY CONSIDERATIONS

7.1 Possible Incentives for Legalization

Research on other jurisdictions found that illegal suites exist for similar reasons, including the following:

- Cumbersome rezoning requirements
- Costly permitting process
- Avoidance of additional utility fees or license fees

This section outlines the different approaches available to the City to incentivize legalization by responding to the reasons why illegal suites are an attractive option to homeowners in the first place.

Cumbersome Rezoning Requirements

Unless a property is located in a Comprehensive Development zone that allows secondary suites, most homeowners in Chilliwack are required to submit an application for rezoning to Council if they want to rent a secondary suite, whether a secondary suite already exists or not. The rezoning process requires a public hearing and can prompt complaints from neighbours. The process also takes time and is often seen as an administrative burden—both on the homeowner and on staff time.

Allowing secondary suites in all (or most) single family residential zones is the most straightforward approach to removing the burden of spot rezoning. Municipalities that have shifted from prohibiting secondary suites or requiring spot rezoning have generally found success following the introduction of blanket zoning allowance of secondary suites. For example, the City of Richmond, which had initially been hesitant to allow secondary suites, found that the change in policy quickly became the accepted status quo in the municipality. The City of Kelowna found that taking a permissive approach greatly supported the City's efforts to legalize suites. Staff reported that within a five-year period following the introduction of the secondary suites policy, the number of new legal suites jumped from a few dozen per year to over 300 per year.

Costly Permitting Process

Some municipalities also provide assistance with the building permit process, assistance with decommissioning, as well as a grace period for owners of illegal suites to bring their units into compliance before fines are charged.

Applying for a rezoning and building permit can be costly and time-consuming and some homeowners will avoid the process by building an illegal suite. One way that municipalities have attempted to incentivize legalization is through waiving some or all of the municipal fees associated with

legalization. When the City of Richmond introduced its secondary suites policy, a grace period was put in place waiving fees for owners of existing suites. However, City staff indicated that this approach was not successful in incentivizing legalization as the cost of fees was marginal when compared with the cost of constructing a suite to Building Code standards.

Another strategy used by municipalities such as Coquitlam and Nanaimo is to provide support to homeowners throughout the process. Both of these municipalities have developed comprehensive guides to secondary suites which outline the process, and they provide support for homeowners navigating the building permit process.

Avoidance of Additional Utility Fees

Some municipalities charge higher utility rates on homes with illegal secondary suites. This approach is less contentious than actively pursuing illegal secondary suites through fines or legal action, while still incurring costs to the owner. The City of Coquitlam, for example, takes a more lenient approach to secondary suites that are not associated with safety or other issues. However, when the City is aware of the existence of a secondary suite, it will charge a secondary suite utility fee of 200% of the homes utility fee, compared to the 40% charged on a home with a legal suite.

Other Approaches

A number of other approaches were identified in the literature related to increasing the availability of affordable housing and enforcement of illegal suites.

Affordable Housing

Grants or Loans

The District of Kitimat offers a 5-year forgivable-loan for homeowners that construct a new secondary suite and make it available for rent over the next five years. Higher amounts are available for secondary suites rented at affordable rates or built to meet accessibility standards.

Require Secondary Suites in New Homes

As part of Richmond's effort to create more affordable housing stock, the City requires new single detached homes to include a secondary suite. If the owner or developer does not wish to build a secondary suite, they must pay an amount towards the City's affordable housing fund.

Enforcement of Illegal Suites

Education of Homeowners and Tenants

When the City of Fort St. John began allowing secondary suites in more zones, it also began an education program, including mailouts to all residents, about the process for legalizing existing suites. The Township of Langley conducted a similar public relations campaign to inform residents on the regulations relevant to secondary suites.

7.2 Implications for Land Use Planning and Urban Design

Because this review focuses on secondary rental suites that are located within single detached homes, the primary land use planning and urban design consideration relate to: a) parking and lot sizes; and, b) location.

Parking and Lot Sizes

Many communities simply provide for secondary suites in all single detached residential zones provided that there are a total of three available off-street parking spaces (including two spaces for the primary dwelling unit and one space for the secondary suite). Generally, the provision of a total three off-street parking spaces is deemed to be sufficient to allow for a secondary suite. As indicated, however, challenges can arise when the residents of suites park on-street (whether or not there is available off-street parking), or when there are other pressures on available on-street parking. Examples of these pressures include the use of off-street spaces for storage, resulting in a need to park on-street, or the widespread use of on-street parking by visitors. As a result of these challenges and pressures, residents may sometimes need to park a few doors down from their unit if they are relying on on-street spaces.

Short of providing permit street parking or pay street parking (in highly urban areas), there are limited options available to address this consideration. Even when there are three (or more) available off-street parking spaces, many homeowners request that their tenants park on the street. Generally, on-street parking is available in Chilliwack, but not always directly in front of the subject home. As a result, part of the challenge is a perception that one should always be able to park directly in front of one's home.

In Chilliwack, on-street parking is a challenge in strata single detached neighbourhoods, single detached fee simple neighbourhoods with small lot development, and neighbourhood contexts with narrow streets (e.g. some hillside roads with widths of approximately 8.5m), bike lanes, or no street parking (see Figure 7.1). The R1-D zone also allows small lot (minimum 300 m² for interior lots) single detached development with in-law suites. The R3 zone allows small lot (minimum 360 m²) single detached development with in-law suites, regardless of whether the development is fee simple or strata. In single detached strata developments, the City typically does not require dedicated visitor parking (unless there are townhouses) and often have narrow streets with no on-street parking, potentially creating parking challenges if the off-street parking available is insufficient. Additionally, the R3 zone allows for lot frontage widths as small as 12 metres and the R1-D zone allows for lot frontage as small as 10 metres. On typical lots within these zones, there is generally room for no more than one car parked on the street directly along the frontage of a given lot in fee simple neighbourhoods; in strata neighbourhoods, on-street parking is not available, except on the closest public road fronting the development. As a result, secondary suites in zones that allow small lot development or in strata developments can put pressure on on-street parking.



Figure 7.1: Example of Homes with Limited On-Street Parking

In contexts with narrow streets (e.g. 8.5m roadway), the City often takes the step of allowing parking on one side of the street only, in order to provide for unencumbered emergency vehicle / service vehicle access. As a result, within Chilliwack, the on-street parking pressures appear to be the greatest in some hillside contexts that combine narrow streets and R3 zone, small lot development that does not provide much room between units for on-street parking. Therefore, a key policy question is whether to allow for the additional possibility of resident suites (i.e. ADUs) as an outright permitted use within the R3 zone.

Location

Theoretically it would be possible to consider allowing secondary rental suites in some general locations (i.e. neighbourhoods) and not others. For instance, secondary rental suites could be permitted in Valley-bottom neighbourhoods that are closer to places of employment and amenities, and site-specific zoning bylaw amendments could still be required to permit suites in hillside neighbourhoods. However, the reality is that there are many existing secondary suites in hillside single detached neighbourhoods, many residents of secondary suites have vehicles regardless of location, and there are many suitable subdivisions for secondary suites within hillside contexts. As indicated above, the pressures are the greatest in subdivisions with small lot development (where no on-street parking is available, or is restricted due to narrow street width)

7.3 Review of Charges and Fees

Tenants of secondary suites use additional services that would not otherwise be used. To ensure equity and fairness, fees, and charges on homes with secondary suites should closely reflect the additional service used. Where services are charged based on usage—for example, water meters—the additional cost of providing services to secondary suite tenants will already be accounted for. For services that are not based on usage, additional utility charges may be set.

Fees and charges can also be used to promote legalization. For example, Coquitlam uses additional service charges on illegal suites as a way to motivate homeowners to legalize their suites. Coquitlam charges homes with legal secondary suites an extra 40% utility charge, but homes with illegal suites are charged an extra 200%. There are challenges to this approach and the City may wish to consider the following factors:

- The additional charge can only be applied to *known* secondary suites.
- The cost may be less than full legalization and homeowners may accept the charge as tacit endorsement of illegal suites.

8 POLICY OPTIONS

This section summarizes issues that need to be addressed within each regulatory area that affects secondary suites and identifies policy options and key considerations. Policies options have been developed with the following considerations:

- Issues facing Chilliwack
- Consultation with City of Chilliwack staff in the following departments: long range planning, building inspections, fire protection, engineering, regulatory enforcement, and finance
- Approaches taken in comparable communities
- Practices recommended by governing bodies, e.g., Province of British Columbia

8.1 Zoning Bylaw

Zoning Requirements

Issues

In-Law Suites

The Zoning Bylaw currently has separate rules for in-law suites (which are allowed as a type of Temporary Accessory Dwelling—TAD) and secondary rental suites (which are allowed as a type of Accessory Dwelling Unit—ADU). As a Zoning Bylaw is required to zone for use, not user, having separate classifications for family and tenants is not considered best practice.

Outright Use Versus Spot Zoning

Except for blanket allowances in some CD zones, a homeowner who wishes to install a secondary suite is required to apply for a spot rezoning to change their existing zoning to an R1-C zone that allows for secondary suites. A rezoning application takes three to four months to process and costs the homeowner approximately \$1,500. While the rezoning process offers an opportunity for neighbours to express their views on new secondary suites through a public hearing, the cost and time required are a significant barrier to the creation of legal secondary suites.

Policy Options

1. Eliminate separate classifications for in-law suites and secondary rental suites and require rezoning to the R1-C zone for all new secondary suites.
2. Eliminate separate classifications for in-law suites and secondary rental suites and allow secondary suites as a permitted use in single detached homes in all or most zones that allow single detached homes, **subject to potential lot or zone requirements as determined in the parking options below.**

Zoning Requirements

- Key Considerations**
- Option 1 would require taking away the existing provision of the Zoning Bylaw which allows homeowners to have an in-law suite without rezoning to the R1-C zone. Existing in-law suites would be grandfathered into the new zoning requirements.
 - Option 2 would streamline the City’s current approach to secondary suites. This approach is similar to what is being observed in other communities. It would reduce staff time required to administer rezoning applications.
 - Some newer developments in Chilliwack already have blanket allowances for secondary suites and different requirements for different neighbourhoods may be perceived as unfair.
 - Some communities have reported that blanket rezoning requirements led to an increase in the number of suites that went through the legalization process (e.g. Kelowna).
 - Additional lot or zone requirements based on parking requirements may be required (see below).

Recommended Policy Direction

Eliminate the separate classifications and allow only one type of secondary suite that is inclusive of both in-law and rental suites as a type of Accessory Dwelling Unit. Allow secondary suites in all or most zones that allow single detached homes, subject to the requirements identified in the next section.

Implement this policy direction through Zoning Bylaw updates.

Based on this preferred policy direction, the options below treat in-law and secondary rental suites as the same.

Parking

Issue Parking issues related to secondary suites, primarily due to tenants using on-street parking, can be a source of irritation for residents. This is a challenging issue to address because both homeowners and tenants often prefer to use on-street parking even when off-street parking options are available.

Policy Options Multiple options can be applied at the same time to address this issue. Policy options for parking spaces and permitted zones are presented below.

Parking Spaces

1. Apply the approach used in the current R1-C zone to all zones that allow secondary suites and require one dedicated, off-street parking space for a secondary suite, in addition to the two off-street parking spaces required for the primary dwelling. Two of these spaces must be non-enclosed.
2. Increase the number of off-street parking spaces required for a property to have a secondary suite.

Permitted Zones

3. Allow secondary suites in all zones that allow single detached homes, subject to minimum lot width (e.g. 12-metre width). The minimum lot width requirement is intended to alleviate some parking issues by ensuring that a certain amount of on-street parking (between driveways) is available. However, bike lanes and other parking restrictions may impact on-street parking availability even when a minimum lot width is required.
4. Allow secondary suites in all single family residential zones, except in the R1-D zones, subject to a minimum lot width (e.g. 12-metre width). This would prohibit secondary suites on small lots and zones that allow strata lots, which often have no on-street parking and limited capacity to accommodate off-street parking.

Parking

Key

Considerations

- Presently, homes with in-law suites are only required to have two off-street parking spaces. With the elimination of separate classifications, all new secondary suites will be required to meet the parking requirements in the current R1-C zone. Existing in-law suites would be grandfathered into the new zoning requirements. Most single detached homes are already able to accommodate three off-street parking spaces, so this is not anticipated to be a major issue.
- Requiring additional off-street parking spaces does not prevent either the homeowner or the tenant from using available on-street parking. As the street is municipal property and, as such, cannot be “claimed”, some municipalities have taken to educating residents when complaints are made that on-street parking is there for public use.
- The effectiveness of increasing the number of required off-street parking spaces may be reduced for several reasons:
 - Homeowners may avoid the legalization process—and install illegal suites—if they cannot accommodate the additional off-street parking requirements.
 - Even when off-street parking is available, residents often choose to park on the street for convenience and other reasons.

Recommended Policy Direction

Require all new secondary suites to meet the parking requirements in the current R1-C zone: one dedicated, off-street parking space for a secondary suite, in addition to the two off-street parking spaces required for the primary dwelling. Two of these spaces must be non-enclosed.

Further review the City’s parking requirements through the parking study that is being completed as part of the Zoning Bylaw update.

8.2 Infrastructure Costs

Infrastructure Impacts of New Secondary Suites

Issue	Secondary suites have an impact on service capacity and infrastructure, but the City does not currently have a means of directly charging property owners for these potential costs through its Development Cost Charge (DCC) Bylaw.
Key Considerations	<ul style="list-style-type: none"> • Trends in the number and distribution of secondary suites are evolving and should be reviewed from time to time to understand how suites impact service delivery and infrastructure. Completing a review allows the city to better understand service demands from secondary suites and ensure that the burden of costs is equitably distributed between housing types.
Recommended Policy Direction	As part of the City's next DCC Bylaw update, review the impact of secondary suites on infrastructure demands and DCC calculations.

8.3 Service Fees

Water and Sewer Utility Rates

Issue	Homes with secondary suites, including both rental and in-law suites, are currently charged a double fixed rate for both water and sewer. The issue was raised that the City may need to review its approach to utility rates to ensure that secondary suites are adequately and fairly charged. Water usage is metered, and the additional service used by tenants in a secondary suite is accounted for through metering.
Policy Options	<ol style="list-style-type: none"> 1. Maintain current approach and charge additional fixed sewer and water rates on homes with legal secondary suites. 2. Charge a percentage of the fixed rate on homes with secondary suites, recognizing that secondary suites generally use less services than single family homes.
Key Considerations	<ul style="list-style-type: none"> • The fixed rates charged on water and sewer services are a cost recovery mechanism that contributes to the replacement and repair of infrastructure assets related to service delivery. • Charging additional fixed rates on homes with secondary suites is common in other communities; for example, Coquitlam charges an additional percentage on the flat rate for water utilities, while Nanaimo charges a double rate. • Option 2 would allow a lower charge for secondary suites, reflecting that secondary suites generally use less service than single family homes. Some communities use an estimate of 40% for how much service secondary suites use compared to single family homes. This would reduce the amount of revenue generated by the City but would more accurately reflect the burden of secondary suites on infrastructure.
Recommended Policy Direction	When fees are updated, review the fixed rates applied for water and sewer to determine if the rate charged to secondary suites should be adjusted. The rate should be reflective of the impact on infrastructure of secondary suites.

Waste Collection Fees

Issue	Homes with secondary suites, including both rental and in-law suites, are currently charged a double waste collection fee, and secondary suites receive their own containers.
Policy Options	<ol style="list-style-type: none"> 1. Maintain current approach to waste collection fees and charge additional fees on homes with legal secondary suites. 2. Consider alternative options in the next contract, such as not charging additional fees on homes with secondary suites but allowing homeowners to request and pay for additional containers.
Key Considerations	<ul style="list-style-type: none"> • The City's existing contract with the waste collections service provider requires that each unit is charged separately for waste collection. It may be more equitable to charge by the number of containers used to better reflect actual usage.
Recommended Policy Direction	During the next review of the City's contract with the waste collection service provider, review the fee structure for secondary suites. A fee structure that charges based on the number of containers used may be easier to administer.

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