

Accessory Dwelling Units: Case Studies and Best Practices from BC Communities



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ACKNOWLEDGEMENTS

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Introduction

In many communities across BC, there continues to be a lack of rental housing and housing diversity. Recent housing needs assessments conducted in a number of small- to medium-sized communities indicate a predominance of single-family homes, with few purpose-built rental housing options, a small percentage of accessory dwelling units, and a significant housing cost-to-income ratio for renters in many of these communities.

While many BC communities now have policies and zoning in place to allow for accessory dwelling units (ADUs), there has been slow uptake of these opportunities. Moreover, some small communities do not yet allow ADUs.

This ADU guide was developed to address the current, timely needs and interests of small- and medium-sized communities wishing to scale up the provision of ADUs by providing demonstrated, effective leading practices in policies, bylaws, engagement, and other initiatives to more successfully implement ADUs. These leading practices were identified in planning literature and confirmed through an online survey conducted with local government staff, interviews with planning and building officials from 17 BC municipalities, and ground-truthed with two focus groups.

The main part of the guide is organized into “Best Practices,” descriptions of specific policies, bylaws or initiatives that support/promote the development of ADUs. Each Practice provides a purpose, an overview of the mechanism, its complexity and potential for increasing ADU implementation, some implementation options, conditions that are favourable to the use of the Practice, and advantages and disadvantages. Each Practice also includes one or two “vignettes”, a mini case-study of a community using that Practice.

This guide is intended to support local governments and municipal officials to better understand the tools available to facilitate the implementation of ADUs in their community. While this guide is primarily focused on local government jurisdiction, collaboration with other agencies responsible for policies such as the BC Building Code, the Energy Step Code, the Tenancy Act, etc., is essential.

This guide is one of a series of reports produced by WCS Engagement + Planning in partnership with BC Housing’s initiative: Building Knowledge & Capacity for Affordable Housing in B.C. Small Communities.

Small- and medium-sized communities (SMC): For the purpose of this research a small- or medium-size community is a settlement of up to 22,000 population. The primary focus of the research is on communities of between 1,000 and 22,000 in population rather than larger suburban communities within a larger urban region. This filter resulted in 105 communities.

METHODOLOGY

- Literature review of barriers and best practices
- Research on the patterns of use in BC
- Survey on existing practices encouraging ADUs
- Interviews to capture specific information on the leading practices
- Review of supporting documents such as OCPs, zoning bylaws, housing needs assessment studies, municipal ADU information sheets and guides, and general information websites
- Focus groups to gather additional insights

Background Information

ACCESSORY DWELLING UNITS

The term Accessory Dwelling Units (ADUs) refers to all forms of additional units on residential (or even commercial/industrial) properties, and may be either attached (internal) to the primary residence or detached (external) from the primary residence. ADUs include secondary suites, on-lot tiny homes, garden suites, duplex or town house lock-off suites, laneway/garage units and any other dwelling unit type that can be placed in or adjacent to an existing or new dwelling unit on the same lot. The ADU is an independent living space, self-contained with its own kitchen, bathroom, and sleeping area.

CONSIDERATIONS FOR ADU DESIGN

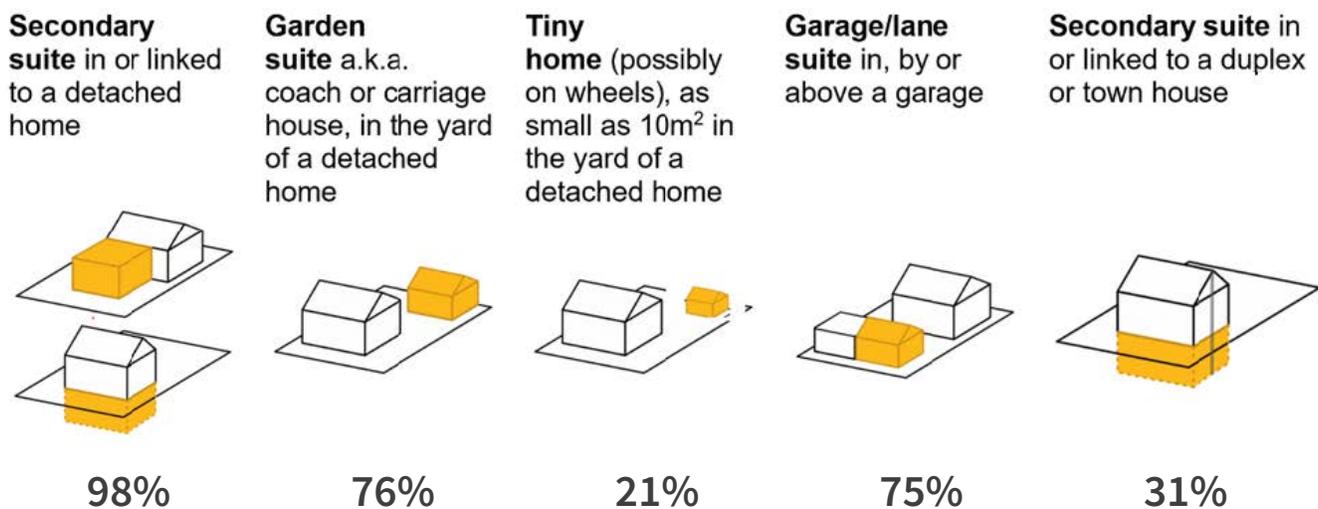
Integrating with the existing built and natural environment

- Secondary, smaller in size than the main dwelling
- Smooth integration with the built environment colours, material and forms
- Privacy from the main dwelling and neighbours
- Environmental considerations of trees, riparian areas and building efficiencies

Siting on the lot based on the location

- Urban – blend into the neighbourhood characteristics with or without laneways
- Rural – considerations with respect to accessing septic fields
- Suburban – generally newer homes, detached dwelling ADUs encouraged

Table 1: ADU types and the percent of communities surveyed permitting them



These various ways of adding accessory living space to residential units are sometimes referred to as examples of “invisible density” - initiatives that add density and generate affordable housing units without changing community character. As preservation of community character is paramount in many small- and medium-sized communities, these options have great potential to add affordable units.

ADU BENEFITS AND RISKS

As with any change to housing policies, there are always benefits and risks or challenges to consider. The following lists capture both common benefits to policies that encourage ADUs and common risks and challenges.

BENEFITS

- Since the land where the ADU was built already belongs to the homeowner, the expense for the second dwelling is only for the structure and servicing; essentially this is “free” land.
- ADUs can provide rental income to homeowners and offer an affordable way for renters to live in a residential neighbourhood.
- ADUs can provide housing to family members or caregivers on the same property, and help older residents “age in place”.
- An ADU is a way to provide housing for additional residents without dramatically changing the form and character of a neighbourhood.
- Diverse housing options can attract residents to neighbourhoods that might be experiencing a decline in population due to aging. This ensures existing amenities continue to be used.
- ADUs can help fulfill the goals of a sustainability plan or growth management strategy.
- ADUs can help optimize the use of municipal infrastructure and services.
- ADUs often have one and two bedrooms, adding housing for today’s smaller households and single dwellers.
- ADUs require fewer resources to build than a single family home, and if they are attached to the main dwelling they tend to have lower operating and energy costs.

RISKS/CHALLENGES

- ADUs can stress municipal infrastructure (parking, water, sewage, roads) if usage levels are close to maximum capacity.
- Short-term rentals in tourism-based communities has created a demand to use ADUs for commercial purposes, removing these units from long-term rental stock.
- The return on investment for building an ADU may be unreliable in communities with high building costs, a small pool of renters and low rental rates.
- Residents in neighbourhoods lacking experience with ADUs, may have concerns about increasing population and adding renters to the neighbourhood.
- Municipalities need time and new knowledge to develop policies that support the construction of ADUs.
- Lack of community leadership and policy champions make it more challenging to implement ADUs.
- Homeowners are often new to the development process, and lack sufficient knowledge about bylaws, design and construction.
- Financing may not be available for some homeowners to develop ADUs.

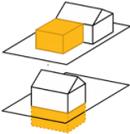
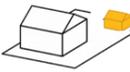
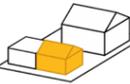
COMMUNITY ENGAGEMENT, DENSITY AND LEARNING

Engaging the community in a conversation about housing is a necessary step to encouraging support for ADUs. Building support may require demonstrating successful working examples. One way to do this is through phasing in best practices with additional oversight. For example:

- **Form and Character:** Rezone and require development permits for the first 50 units, then introduce a less restrictive development permit process. Move toward planning delegation and then eventually only require a building permit.
- **Number of ADUs:** First allow attached secondary suites, then allow detached carriage/laneway suites, and eventually work toward allowing multiple ADUs.
- **Neighbourhoods:** Pilot ADUs in a specific neighbourhood area or on larger lot sizes, then broaden that use to additional neighbourhoods or smaller lot types.

Each unique ADU type has associated benefits and risks/challenges (some are indicated in relation to other ADU types). These are captured below in Table 2.

Table 2 Benefits and risks of specific ADU types

ADU TYPE	BENEFITS	RISKS/CHALLENGES
<p>Secondary Suite</p> 	<ul style="list-style-type: none"> • Efficiencies of building and operating one dwelling • Convert flex space in the main dwelling • Affordable to build • Suitable for smaller lots • Easier community acceptance as it is contained within one building 	<ul style="list-style-type: none"> • More difficult to renovate and add a unit, either attached or in basement • More constrained design options • Often require side or rear entry • Design for privacy required • Limited natural light if ADU is below grade
<p>Garden Suite</p> 	<ul style="list-style-type: none"> • Easier to add on as an afterthought • Privacy between dwellings; doesn't impact the principal dwelling 	<ul style="list-style-type: none"> • Requires frost free servicing • Highest cost and requires the most materials to build • Higher revenue potential than other designs • May change neighbourhood form and character • Hard to reclaim space for the main dwelling if needed • May require removal of trees or other vegetation
<p>Tiny Homes</p> 	<ul style="list-style-type: none"> • Easier to add as an afterthought and remove when no longer needed • Customizable in size and design • Allows for privacy between dwellings • Lower cost • Suitable for smaller lots • Increases diversity of housing options 	<ul style="list-style-type: none"> • Requires frost free servicing • Lower revenue potential due to size • Attraction is difficult to understand/support for some decision makers • Challenging to meet building code requirements due to size • Requires unique building code and may cause liability concerns for municipalities
<p>Garage/Lane Suite</p> 	<ul style="list-style-type: none"> • Easier to add on as an afterthought • Above ground; removes flood plain risk • Provides additional parking • Possible to convert an existing structure 	<ul style="list-style-type: none"> • Requires frost free servicing • Highest cost and requires the most materials to build of (all ADU types) • Hard to reclaim space for the main dwelling if needed • May require removal of trees or other vegetation
<p>Secondary Suite - Flex/Lock-Off Unit</p> 	<ul style="list-style-type: none"> • Re-purposing flex space in the main dwelling • Shares efficiencies of one dwelling structure • Suitable for smaller lots • Contained within one structure; shared entrance making the unit visible 	<ul style="list-style-type: none"> • Less privacy, shared entryways • Parking may be limited • Might not comply with Strata restrictions • Limited options for side or rear entry due to shared walls • Complicated building code requirements for smaller units

CONDITIONS SUPPORTING ADUs

The following list highlights the conditions that help encourage the development of new ADUs and support existing structures:

HOUSING VALUES AND COSTS

- Higher assessed values for homes or rapidly rising values
- Homeowners are spending a large proportion of their income on housing and the ratio of household income to home prices is low
- Rental rates will offset the cost of construction

SYNERGISTIC POLICIES

- Other policies supporting increased density such as climate change mitigation and active/mass transportation
- Where a housing needs report highlights a gap in current or future housing demands

CAPACITY

- Knowledgeable builders and architects

LOCATION CONSIDERATIONS¹

- Available space in yards makes for easier additions
- Infrastructure capacity
 - Water, sewer, roads, parking capacity
 - Public facilities (schools, parks, hospitals, commercial areas)
- Close to public transit and active transportation routes

WHO HAS MORE?

Small and medium sized communities in British Columbia with the following attributes tend to have a higher percentage of homes with an ADU.

- Greater proportion of households are paying more than 30% of their income on shelter, somewhat more correlated to homeowner rather than renters
- Higher median single family home assessed values
- Where the median assessed value of a home is significantly higher than the median household income
- Larger small to medium sized communities (for example White Rock, Nelson, Esquimalt, Squamish), or those with valued amenities such as waterfront or tourism economy (for example Sun Peaks, Tofino)

Homeowners Protection Act Requirements:

Under the Homeowner Protection Act, all new homes in B.C. must be built by a Licensed Residential Builder and covered by a policy of home warranty insurance or have an application exemption, such as an Owner Builder Authorization. Accessory Dwelling Units (ADUs) meet the definition of a “new home” under the Act. Before issuing building permits, municipalities, regional districts and treaty first nations are required to obtain proof of home warranty insurance or proof of an applicable exemption. The proof of home warranty insurance or exemption is a valid New Home Registration Form, obtained from the Licensing and Consumer Services branch of BC Housing. In jurisdictions where no building permit is required, construction of a new home may not commence before a New Home Registration Form is obtained. Further information on both home warranty insurance and builder licensing is available on the BC Housing website.

¹ <https://www.larpent.ca/wp-content/uploads/2019/04/AccessoryDwellingUnitsPrinciplesAndBestPractices.pdf>

CURRENT SUPPLY OF ACCESSORY DWELLING UNITS

BC Assessment data on housing, and specifically the Actual Use Codes, was used to analyse the presence of ADUs across the 105 small- and medium-sized communities in British Columbia. There are 19,400 ADUs across the communities studied, and every community has at least one ADU. However, reviewing the data showed that the preponderance of ADUs across small- and medium-sized communities in British Columbia varies quite dramatically, even when accounting for the number of dwellings in the community.

Table 3 outlines the range of ADU use across the small- and medium-sized communities.

Table 3 BC Assessment Data Fun Facts on ADUs

HIGHEST & LOWEST % OF ADUs AMONG ALL RESIDENTIAL PROPERTIES 2020	HIGHEST AND LOWEST % OF ADUs AMONG DETACHED DWELLINGS	HIGHEST AND LOWEST NUMBER OF ADUs
↑ Pemberton 23% ↓ Elkford/Chetwynd <1%	↑ Sun Peaks and Pemberton 60% ↓ Elkford <1%	↑ White Rock 1,514 ↓ Wells 1
DISTRIBUTION BY A % OF DETACHED DWELLINGS		DISTRIBUTION OF THE # OF ADUs
GREATEST GROWTH IN ADUs 2019-2020 % Growth Tumbler Ridge +1100% (from 1 to 12 units) # Growth Fort St. John/Dawson Creek +105	89% Percentage of communities with at least ten ADUs 7% Percentage of communities with at least 25% of detached homes with ADUs	TOP TEN BY NUMBER OF ADUs <ol style="list-style-type: none"> 1. White Rock 1,514 2. Whistler 1,112 3. Colwood 1,092 4. Sooke 710 5. Central Saanich 693 6. Squamish 656 7. Esquimalt 610 8. Prince Rupert 607 9. Salmon Arm 599 10. Lake Country 587
NEW ADU DEVELOPMENT IS OFTEN FOUND IN COMMUNITIES WITH GREATER THAN 10,000 RESIDENTS Half of the growth in new ADU development occurred in the 18 communities with more than 12,000-22,000 residents; one quarter occurred in communities with 10,000-12,000 residents; and one quarter occurred in communities with fewer than 10,000 residents (half of those 4,000 and under).		DETACHED HOMES WITH ADUs ACCOUNT FOR LESS THAN 10% OF THE HOMES IN MOST COMMUNITIES For communities with fewer than 5,000 residents, the percentage of detached homes with ADUs is around 7%.

COMMON BARRIERS

Even when all the right conditions are present to build ADUs, they aren't always pursued, leading to the variation in numbers across the province. The following is a list of common barriers to allowing and building ADUs in communities. The placement order of each barrier reflects the frequency to which the issue was indicated as a "major barrier" in the survey of small- and medium-sized communities.

Table 4: "Which of the following local government-related issues pose barriers to creating ADUs in your community?"

GOVERNMENT/REGULATORY BARRIER	MAJOR	MINOR	NOT AT ALL
Lack of parking	18	31	11
Lack of local government resources to develop ADU policies	16	15	27
Absence of a policy champion	12	21	24
Hight cost for local government to negotiate with opposition and educate the public	8	27	20
Lack of servicing availability (water, sewer, septic)	6	18	35
Lack of understanding of benefits by municipal decision makers	6	10	40
Lack of community acceptance	6	27	23
High local government cost of permitting, inspections, by-law enforcement	5	24	26
Lack of community demand for ADU rental units	5	7	44
Lack of transport options (transit, biking, walking facilities)	4	26	29
Concerns about costs of local government liability and lawsuits	3	12	41

Table 5: "Which of the following issues pose barriers to developers/builders/homeowners wishing to create ADUs in your community?"

BUILDER BARRIER	MAJOR	MINOR	NOT AT ALL
Cost of construction (converting or building new ADU)	29	20	4
Limitations on the types of ADUs permitted in duplexes or townhouses	21	14	15
Parking requirements	18	34	7
Zoning doesn't permit ADUs as a right with little need for consultation	14	15	27
Limitations on number of ADUs per lot	13	26	12
Limitations on permitted ADU size (minimum or maximum floor space)	11	33	12
Minimum lot size requirements	11	30	16
Concern about meeting green building requirements	9	12	30
Concern about meeting health and safety requirements	9	25	20
Resistance by immediate neighbours	9	29	18
Concerns related to tenant behaviour	9	28	15
Environmental restrictions such as flood plains	8	25	26
Lack of 'how-to' knowledge	8	34	12
Difficult/lengthy rezoning process	8	21	29
Lack of access to knowledgeable builders	7	23	24

Additional barriers noted by survey participants included: flood plain challenges for secondary suites; ADUs preferred as commercial for short-term rentals instead of for the more necessary long-term resident rentals; outdated municipal policies; and older housing stock making retrofits challenging.

ADU STRATEGIES AND PRACTICES

A literature review on ADUs revealed numerous “practices” that help encourage the appropriate development of this important form of housing, including planning policies, bylaws, permitting procedures, fiscal arrangements, and other measures. These practices are organized under eight parent strategies in Table 6 below. The third and fourth columns indicate the frequency with which these practices have been implemented or are being considered for implementation among the small- and medium-sized communities represented in the survey. From the strategies and practices in the table below, the list of “best practices,” described in detail in the next section of the guide, was created.

Table 6 ADU Strategies, practices and implementation proliferation by the number of communities

STRATEGY	PRACTICE	ALREADY IMPLEMENTED	BEING CONSIDERED
Strategy 1: Supportive land use policies	Update OCP with policies to encourage ADUs	34	3
	Expand residential zones in which ADUs are permitted	27	5
	Incorporate ADUs into a housing strategy	9	9
	Require a minimum number of ADUs in new developments	1	4
Strategy 2: Allow flexible zoning rules	Require a minimum number of ADUs in new developments	0	0
	Permit more than one ADU per lot	7	4
	Allow micro units or remove size restrictions	19	7
	Allow larger sized ADUs	9	6
Strategy 3: Reduce servicing or parking requirements for ADUs	Require fewer or no extra off-street parking spaces	9	5
	Eliminate covered parking requirements	7	1
	Permit less stringent water use, sewage, septic or other utility requirements	7	0
Strategy 4: Permit flexible occupancy rules	Do not require the principal dwelling be occupied by the homeowner	34	2
	Do not mandate ADU to be occupied by a relative of the homeowner	42	2
	Allow a limited number of short- term/tourism rentals	19	4
Strategy 5: Simplify design requirements	Simplify design compatibility	18	5
	Reduce/eliminate minimum lot size requirements	9	7
	Allow alternatives to the BC Building Code life safety standards	0	0
	Provide pre-approved designs and plans to homeowners	1	2
Strategy 6: Offer financial incentives	Offer grants, tax credits/breaks to owners or developers	1	3
	Offer density bonus on the principal residence	4	3
	Waive development cost charges or service fees	13	1
Strategy 7: Engage and educate the community	Implement a public education/awareness campaign on ADUs	11	5
	Incorporate an engagement process on ADUs during OCP, housing strategy, or by-law preparation	21	4
	Offer mediation services between homeowner and neighbours	0	0
	Engage community on policy and reduce consultation requirements for individual applications	16	1
Strategy 8: Simplify the permitting and development process	Create quick/easy evaluation and permitting process	31	4
	Require low or no cost ADU registration	25	0
	Produce guidebook on creating ADUs or “suite-ready” homes for homeowners and developers	9	2

Best Practices

A combination of a survey, literature review and interviews and interviews helped to focus in on ten best practices for encouraging ADUs across small- and medium-sized communities. The criteria used for selecting these practices included:

- It had to have been implemented in one or more small- or medium-sized communities in BC rather than merely being considered for implementation
- The practice had to have significant potential to impact the development of new ADUs
- A practice that had been experimented with but was not considered successful was excluded
- A practice that is already almost universally used across the province was excluded

Table 7 below lists the best practices along with the associated purpose, complexity of implementing the policy and the potential for creating ADUs. These ratings are relative to each other. The complexity rating refers to the administrative complexity of implementing the practice. Political, geographical, or other local conditions can make a given practice more complex. The potential for creating an ADU rating assumes that the conditions are present to make the practice feasible. In some locales, conditions may prevent a practice from being implemented.

PRACTICES	PURPOSE	RELATIVE POLICY IMPLEMENTATION COMPLEXITY	RELATIVE POTENTIAL FOR CREATING ADUs
1. Expand conditions under which attached ADUs are permitted	Permit attached ADUs in more residential zones and relax standards to take advantage of housing conditions and implement on more lots	L H	L H
2. Expand conditions under which detached ADUs are permitted	Permit detached ADUs in various residential zones and relax standards to allow implementation on more lots		
3. Allow attached and detached ADUs on one lot	Further intensify suitable areas by allowing multiple ADUs on a single lot		
4. Allow lock-off suites in multi-family housing	Encourage the creation of small ADUs in higher-density housing that can be reassigned to the main dwelling unit when needed		
5. Allow tiny homes as detached ADUs	Permit very small detached ADUs in backyards		
6. Relax parking standards	Encourage the development of ADUs by reducing off-street parking requirements		
7. Offer pre-reviewed designs	Facilitate the use of high-quality designs for detached ADUs at an affordable cost to property owners		
8. Discount development-related fees	Provide developers and property owners an incentive to add ADUs to new or existing properties		
9. Discount utility fees	Provide developers and property owners an incentive to add ADUs to new or existing properties		
10. Streamline the ADU permitting process	Reduce application processing times and simplifying the permitting process		

Detailed Best Practices



Bluegrass Meadows Micro Village, Regional District of Kitimat-Stikine, B.C. Image credit: Bluegrass Meadows Micro Village

This section provides detailed descriptions of the highlighted ten best practices. Each best practice description provides a purpose, an overview of the mechanism, including its complexity and potential for increasing ADU implementation. Each description also offers some implementation options, agencies/departments responsible for implementation, conditions that are favourable to the use of the practice, and advantages and disadvantages. Each practice also includes one or two “vignettes,” - a mini study of a community using that practice.

Practice 1: Expand the conditions under which attached ADUs are permitted

Implemented in or being considered by: 49 communities

Purpose: To permit attached ADUs in more residential zones and relax standards to take advantage of a variety of lots and housing structures.

Type of ADUs: Attached ADUs

Implementation complexity: Medium

Potential for creating new ADUs: High

Overview:

- Attached ADUs – also known as secondary suites – are self-contained dwelling units that are separated from the principal unit but attached to it, whether below, above or adjoined to the principal residence on the side.
- Most municipalities in BC permit attached ADUs but the default provision has been, until recently, to restrict them to single-family residences.
- In 2019, the BC Building Code was amended to expand options for secondary suites in multi-family buildings. This gave local governments the choice to allow secondary suites in side-by-side buildings such as semi-detached dwellings, duplexes, townhouses and row housing.
- Maximum size restrictions (90 m² or 40% of the size of the main dwelling, whichever is less) for secondary suites were also removed from the provincial building code. Allowing local governments to set their own size restrictions for secondary suites in their zoning bylaws.
- Many municipalities in BC have taken advantage of these changes to extend the zones where attached ADUs are permitted and to relax size and other requirements to create more opportunities for builders and property owners to install the suites.
- Zoning bylaws typically identify residential (and sometimes commercial or mixed use) zones where attached ADUs are permitted along with conditions, including minimum lot sizes, suite size restrictions, parking requirements, and a stipulation that secondary suites may not be stratified.
- One additional off-street parking space is usually required to serve the suite.
- In some cases, a development permit is required for suites in higher density housing forms.
- Municipalities often collect additional utility fees on the secondary suite for water, sewer and garbage collection.
- In some municipalities, development cost charges apply to the creation of attached ADUs.

Implementation options:

- Allow attached ADUs in either detached dwellings, semi-detached units, duplexes, townhouses, row housing or a combination of those dwelling types.
- Permit attached ADUs in rural areas, under appropriate conditions.
- Increase the allowable maximum size relative to the principal residence.
- Reduce or eliminate minimum size requirements.
- Where applicable, eliminate need for a development permit, or delegate permit authority to staff.
- Allow an attached ADU and a detached ADU on the same parcel.
- Reduce parking requirement if conditions are appropriate.
- Waive or discount utility fees.
- Waive development cost charges, for example on suites below a certain size or construction value.

Municipal departments: Planning/Development Services

Development and administration:

- Public consultation to ensure the new regulations will gain public acceptance.
- Make amendments to the zoning bylaw to allow attached ADUs in more zones and relax planning standards .
- Develop information resources and communicate new regulations to developers and property owners.

Favourable conditions:

- Variety of housing types present in the community
- Adequate municipal servicing or septic carrying capacity to support additional units
- Tight rental supply
- High cost of ground-oriented housing
- Public acceptance to increase density
- OCP policies favourable to infill housing via ADUs

Advantages:

- Allows owners of a wide range of housing types to benefit from a mortgage helper.
- Provides owners a range of options when determining what is financially and technically feasible given the characteristics of their property
- Allows densification of a wider selection of residential zones and helps achieve growth management targets.
- Reduces requests for rezoning and variance applications, which are often processed at a loss (cost recovery through application fees is typically less than 100%).

Disadvantages:

- Larger attached suites with front entrances may blur the difference between a secondary suite in a principal home and a duplex, potentially changing the housing form.
- Very small attached ADUs may have trouble meeting BC Building Code requirements.
- Satisfying on-site parking requirements on higher density lots may be problematic.

Alignment with other best practices:

- Allow lock-off suites
- Waive development-related fees
- Discount utility fees
- Relax parking requirements
- Allow multiple ADUs on the same lot

Vignette

Municipality: Town of Smithers

Population: 5,401 (2016, Census)



Description: The municipality has allowed secondary suites in single detached dwellings in most residential zones (urban and rural) since 2011. The recently adopted zoning bylaw amendments extend that opportunity by permitting suites in semi-detached dwellings in the R-2 zone and rezoning an entire block in close proximity to the downtown area from R-1 to R-2. At the same time, the municipality removed size restrictions (formerly 90 m² or 40% of the principal residence floor area) on secondary suites. This means that suites can take up any proportion of the principal dwelling unit.

Semi-detached duplexes may contain secondary suites only when a subject parcel has rear lane access. Additionally, these developments must also meet the minimum landscaping requirements established in the zoning. One off-street parking space is also required to serve a secondary suite. The R-2 zone also permits a carriage house behind a semi-detached dwelling, but no lot can have both an attached and a detached ADU.

The minimum lot size for a semi-detached residence is 284 m² (compared to 460 m² for a detached residence) and the minimum lot width is 7.5 m. Currently, a single-family dwelling or a semi-detached dwelling with a secondary suite or carriage house cannot be used for short-term rental.

Introduced: June 2020

Context: The affordability, availability, and adequacy of rental accommodation is a major concern for residents of the municipality, including among the home-owning seniors population interested in downsizing, amenity migrants, and a growing number of newly arrived families. Census figures from 2016 indicate that 37% of renting households are spending more than 30% of their income on housing. In 2016, close to 66% of the households in the town consisted of either one or two-person households, indicating the increasing relevance of secondary suites to suit smaller households.

As a relatively remote community, construction costs for purpose-built rental accommodation are very high, limiting its supply and leaving a zero-vacancy rate. The increasing gap in the demand and supply of purpose-built rental accommodation is a major factor that drives the rental rates in Smithers to a level comparable to large urban centres in the lower mainland. Dwellings with ADUs can be a mortgage helper, and there is an increasing interest among property owners to invest in secondary suites – especially in newly built single-family dwellings.

Development: The zoning amendment to permit secondary suites in semi-detached dwellings in the R-2 zone was triggered by a private developer after the provincial building code pertaining to secondary suites was revised in late 2019. While Council acknowledged the need for compact and sustainable forms of housing, they also wanted to ensure that new units could be added while remaining respectful of the low-density residential character of the R-2 zone. Consequently, landscaping-related regulations were included as part of the amendment.

Administration: Secondary suites in a single-family dwelling do not require a development permit; however, secondary suites in a semi-detached development require a Council-approved development permit.

Impact/uptake: Too early to say.

Challenges: The landscaping and parking requirement is likely to pose challenges to realizing the new form of housing on standardized R-2 parcels; if each semi-detached residence has an internal suite, six parking spaces would be needed.

Practice 2: Expand opportunities to build detached ADUs

Implemented in or being considered by: 49 communities

Purpose: To permit detached ADUs in various residential zones and relax standards to take advantage of more lot conditions.

Type of ADUs: Detached ADUs

Complexity rating: Medium

Potential impact rating: High

Overview:

- Yards behind principal residences may provide opportunities to create ADUs in detached accessory buildings.
- Detached ADUs may take the form of a suite within an accessory structure that also accommodates other auxiliary uses such as a workshop or garage (“carriage house”), or in a stand-alone structure in the back yard (“garden suite”) or on a lane (“laneway house”).
- Detached ADUs are subordinate to the principal dwelling on the property in terms of scale and siting.
- Detached ADUs require services extended from the principal home, and a separate foundation, and must meet BC Building Code requirements.
- Zoning bylaws typically lay out the height and size limits of the suite, site coverage limits, setbacks to ensure units don’t compromise privacy or vistas of adjacent homes, and parking requirements (usually one additional space), and stipulate that the units cannot be stratified.
- Usually only one detached ADU is permitted per parcel.
- Form and character” requirements (outlines privacy, shading, siting, landscape elements, siting considerations, windows, rooftops, usable outdoor space, heritage, parking/driveways, and access) may be set out in development permit guidelines.
- Detached ADUs may be installed when the lot is first developed/redeveloped or retrofitted onto the lot after the principal residence is built.
- Municipalities usually charge separate utility fees for a detached ADU, often the same as for the principal dwelling, municipalities with development cost charges may apply the charge on a detached ADU.

Implementation options:

- Expand the range of zones and property types where detached ADUs are allowed, for example detached, semi-detached, duplex, and/or townhouse.
- Permit attached ADUs in rural areas, under appropriate conditions.
- Raise accessory building height maximum to accommodate a suite over a standard height garage.
- Raise maximum site coverage limit to incentivize single-storey ADUs that have minimal neighbourhood impact and to make ADUs feasible on smaller lots.
- Lower minimum parcel size on which detached ADUs are permitted.
- Lower or eliminate minimum footprint of the detached ADU (effectively allowing “tiny homes”).
- Eliminate the extra parking requirement under appropriate conditions.
- Allow a detached ADU and an in-house secondary suite on the same parcel.
- Where detached ADUs are controversial, introduce them using a form and character development permit process to ensure accessory buildings are compatible with the surrounding area.
- Where detached ADUs are less controversial, eliminate the need for a development permit or delegate to planning staff where Council is making approval decisions.
- Waive or discount utility fees.
- Waive development cost charges, for example on suites below a certain size or construction value.

Municipal departments: Planning/Development Services

Development and administration:

- Offer public consultation to ensure regulations will gain public acceptance.
- Make bylaw changes to establish which residential zones will allow detached ADUs and set planning standards.
- If a development permit is required, change development permit areas in the OCP and provide guidelines for the form and character of the detached unit.
- Deliver public education/communication plan outlining the new regulations, and make informational resources available to developers and property owners.
- If development permit required, staff need to review project against planning standards and design guidelines.

Favourable conditions:

- Availability of adequately-sized residential lots
- Laneway access to the unit or lots wide enough for dedicated street access to the back yard
- Developers or property owners interested in detached accessory units
- Public acceptance of increased density
- Density-supportive OCP policies

Advantages:

- Makes use of often underused land resources, backyards for example.
- Creates ADUs without impacting the amount of living space within the principal residence.
- Offers a ‘missing middle’ housing choice and boosts housing diversity in the community.
- Can deliver rental housing that is more affordable than mid-rise multi-family construction and is usually more acceptable to neighbours.
- Offers enhanced privacy to occupants compared to a secondary suite within the principal home.
- Often seen as suitable for accommodating family members such as adult children or grandparents.
- Can serve as an aging-in-place solution for the property owners.
- Reduces requests for rezoning and variance applications.
- Conversion of an existing structure (for example garage) to a detached ADU can be done at a relatively low cost.

Disadvantages:

- Construction costs for detached ADUs in new structures can be high compared to a secondary suite (requires extension of services from the principal home and separate foundation).
- Extra permitting steps may be required (for example development permit) to address potential impact on privacy and vistas of neighbours.
- Increases land coverage and can require removal of trees or other vegetation.
- Very small detached ADUs may have trouble meeting BC Building Code requirements.
- Design quality can be modest and may not reflect the character of the main dwelling.
- More difficult to reabsorb a detached ADU than an attached one into the principal residence, as it requires demolition of the accessory building.
- Access can be less convenient if there is no lane.

Alignment with other best practices:

- Waive/discount development cost charges/connection charges
- Discount annual utility rates on ADUs
- Reduce parking requirements
- Allow tiny homes
- Allow more than one ADU per lot
- Provide pre-approved designs

Vignette

Municipality: City of Terrace

Population: 11,643 (2016, Census)

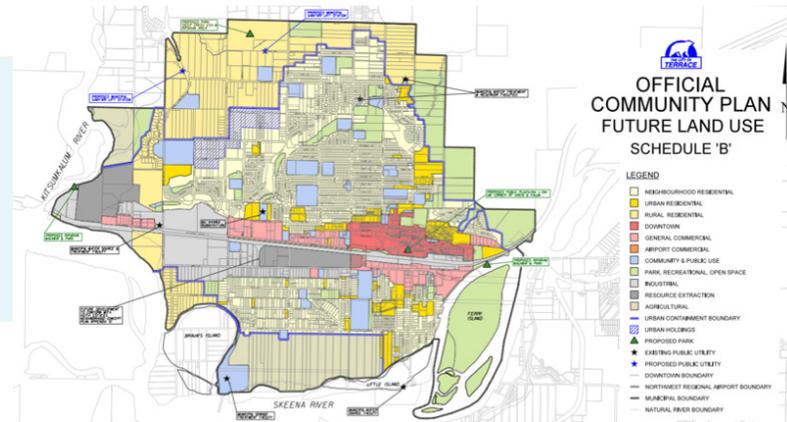


Image credit: <https://www.terrace.ca/city-hall/departments/development-services/planning>

Description: The amended zoning bylaw permits an ADU in an accessory building on a parcel with a single detached dwelling in the AR1, AR2, RS1, R1 and R2 zones on parcels that are 1,000 m² or greater in size, and on corner lots that are 800 m² or greater in size. A height restriction of 9 m applies to an accessory building that contains a suite. This means the accessory building can accommodate a two-storey residential unit or a suite over a garage or workshop.

The accessory building can have a footprint of 55 m² and a gross floor area of up to 90 m² or 40% of the principal residence, whichever is less. An extra parking spot must be provided. The building must be set back from the rear parcel line by 1.5 metres. The bylaw allows either a secondary suite in the principal residence or an ADU in an accessory building, but not both. The ADU pays the same utility rates as the principal residence.

Introduced: 2016

Context: The municipality is seeing rising demand for carriage homes as a mortgage helper as housing becomes more expensive. According to the 2016 Census, 59% of homeowners have a mortgage and the assessed value of single-family homes increased between 2011 and 2017 by 55%. Vacancy rates are only 1% in the rental market and rents are high due to a large LNG project nearby.

Development: A 2014 housing needs assessment recommended that laneway housing be permitted where appropriate in order to diversify the housing stock. In 2016 the zoning bylaw was amended to permit this type of ADU in specific zones.

Administration: The application process is relatively quick and easy. The building inspector reviews the application for code compliance while staff reviews for planning standards. A development permit is not required.

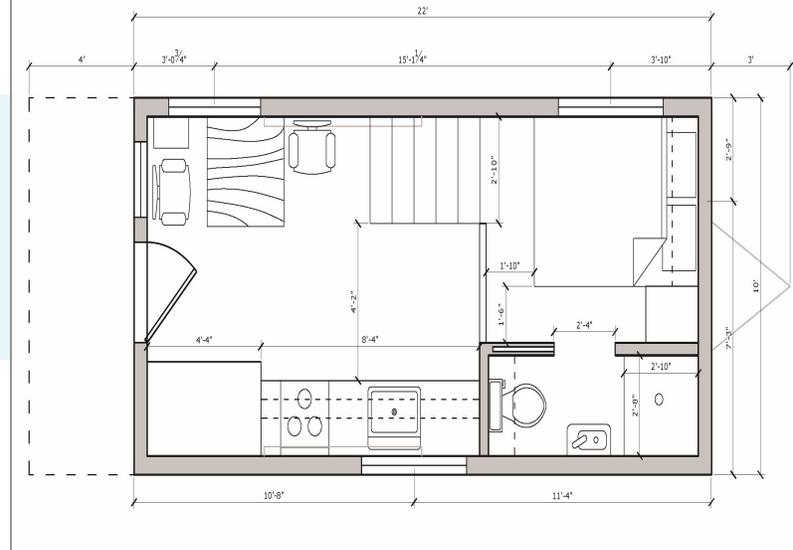
Impact/uptake: Four detached ADUs have been approved since the bylaw was changed.

Challenges: The municipality is considering changing the bylaw planning standards to make this option available on smaller lots or lots with smaller principal dwellings. Consideration is also being given to reducing utility rates on ADUs. The lack of good design examples and cost estimates makes this option more daunting for property owners.

Vignette

Municipality: City of Nelson

Population: 10,572 (2016, Census)



Description: The zoning bylaw now allows detached ADUs to reach a height of 5.8 m, or 6.1 m if installed above a garage. Detached ADUs are allowed on R-1 lots over 276 m² and both a detached and attached ADU are allowed on lots over 555 m². Lots in the downtown area and residential zones can have a detached ADU regardless of lot size. There is no maximum gross floor area, though units are still restricted in size by the site's maximum lot coverage, coverage and building footprint. The minimum gross floor area is 26 m². The maximum building footprint is 65 m² for units over 4.5 metres in height, and 89 m² for those up to this height. One on-site parking space is required in addition to the parking requirement for the existing dwelling units on the property. To encourage property owners to have both a laneway house and a secondary suite, the parking requirement for the principal residence and two ADUs is three spaces. Also, the additional parking requirement for the detached ADU is waived if there are already two parking spaces on-site and ample street parking is available.

A development permit that governs siting of the ADU building, landscaping, exterior materials, and exterior lighting is required in all areas when a detached ADU is over five metres in height. The city offers a 75% discount on water/sewer utility billing for ADUs, and doesn't charge development cost charges (connection fees) on ADUs. New laneway houses are not allowed to be used for short-term vacation rentals.

Introduced: 2018

Context: Although earlier zoning bylaw changes allowed single storey detached ADUs in most residential zones, uptake was low. Nelson is seeing steep increases in rents while supply is not keeping up with the demand. The 2016 Census figures indicate that 47% of the 1,885 renter households is spending more than 30% of their income on housing. The vacancy rate is very low and Council is strongly in favour of ADUs as a way of boosting the supply of rental units. No enforcement is taken against long-standing nonconforming (illegal) suites, provided that the zoning allows for the number of dwelling units found on a given property; rather, incentives to legalize suites are preferred, as are ways to keep suites in the long-term rental market.

Development: A survey among residents conducted by planning staff found the population supported the relaxation of planning standards to boost interest in this type of housing. Council demanded that applications for detached ADUs undergo a design review if the structure is to exceed 5 metres in height. Staff proposed bylaw changes and development permit guidelines after reviewing other Canadian cities' design guidelines and consultation with the design industry. A detailed how-to guide was prepared and posted on the City's website.

Administration: Detached ADUs over 5 metres in height require a development permit in addition to the usual building permit. The city charges a development permit fee of \$450, which is refunded if the unit is certified as a Step Three home or higher according to BC's Energy Step Code. The relaxed standards introduced in 2018 have reduced staff and Council time spent on handling requests for variances.

Impact/uptake: Since the regulations changed, Nelson has seen a major increase in the number of applications for detached ADUs; 35 have been built and three applications are pending.

Challenges: The change most debated by Council was the reduction of the minimum gross floor area from 30 m² to 26 m², a provision ultimately adopted in order to encourage conversion of existing garages. A clear path of at least 1 m in width has to be available from the street to the ADU, even if it is on a lane (as fire trucks can't access lanes in the winter). This may be a challenge in dense areas where old houses are at lot line. If a path is not feasible, then the owner has to install sprinklers in the ADU. Also, older homes often need their water service line upgraded to ¾ inch to support a second dwelling unit, work that the City does at-cost.

Examples of other BC municipalities using this practice:

- Duncan: Allows carriage house to be two storeys in single-detached and duplex homes.
- Fernie: Allows two-storey detached ADUs in single-detached zones.
- Gibsons: Allows garden suites in designated infill areas, and plans to expand areas following a review of the program in 2021.
- Grand Forks: Allows detached ADUs on single-detached and duplex lots in residential and small lot residential zones (R-1 and R-2).
- Merritt: Allows detached ADUs in single-detached, duplex, and townhouse lots; reduced minimum rear and side set-back requirements and increased maximum parcel coverage.
- Dawson Creek: Permits detached ADUs on single-detached and duplex lots that have lane access or on street corners.
- Ashcroft: Detached ADUs allowed in all residential zones, including rural zones, provided the ADU doesn't cover more than 33% of the lot.

Practice 3: Allow both attached and detached ADUs on the same lot

Implemented in or being considered by: 21 communities

Purpose: Further intensify suitable areas by allowing multiple ADUs on a single lot.

Type of ADUs: All

Implementation complexity: High

Potential for creating new ADUs: High

Overview:

- Most smaller municipalities in BC prohibit more than one ADU on the same residential lot, for example both an attached and detached suite.
- In municipalities with a large proportion of homes already accommodating an attached suite, this this halts detached ADU creation and also fails to take advantage of available space and land resources and infrastructure capacity.
- A few communities are now allowing more than one ADU per lot by implementing bylaw changes that lay out the zones where both types of suites are allowed, the conditions under which they are permitted, and the relevant planning standards.

Implementation options:

- Allow both a detached and an attached ADU on smaller lots in targeted infill areas.
- Allow both a detached and an attached ADU on larger lots where density increases are desirable.
- Permit both a detached and an attached ADU in rural areas on very large lots with adequate septic capacity.
- Permit the subdivision of single-detached dwellings to accommodate two or more internal rental units and a detached ADU in the yard.
- Set the parking requirement for two or more ADUs at less than the number of units especially where there is nearby transit.
- Waive or discount development cost charges and other development-related fees.
- Waive or discount utility fees.

Municipal departments: Planning/Development Services

Development and administration:

- Study the capacity of local infrastructure to support density increases and upgrade infrastructure where desirable and feasible.
- Consult the public to ensure this form of infill is acceptable and shape proposed zoning amendments accordingly.
- Amend zoning bylaw.
- If a development permit is required for the detached units, change development permit areas in the OCP and provide guidelines for the form and character of the detached unit.
- Communicate bylaw changes to property owners and the public.

Favourable conditions:

- Strong OCP policies favouring infill and need for affordable rental housing, recognizing ADUs as a key housing strategy
- Higher density and infill areas
- Transit provision
- Public and political support
- Knowledgeable builders

Advantages:

- Makes better use of available space and land. Offers more flexibility to property owners in deciding how to use the space.
- Produces a larger number and wider variety of rental housing options to suite different life stages and demographics in both urban and rural areas.
- Makes use of available infrastructure capacity, for example in areas where household sizes have fallen.
- Can help municipality achieve higher densities while preserving neighbourhood character. More intrusive housing forms, such as rental apartment blocks, can be avoided.
- Can serve as an infill strategy to help revitalize target areas.
- Reduces variance and rezoning requests.

Disadvantages:

- May put pressure on municipal infrastructure or require septic system upgrades
- Can change character of target areas if uptake is pronounced
- May encounter public opposition
- Parking for multiple ADUs can be problematic

Alignment with other best practices:

- Expand conditions under which attached ADUs are permitted
- Expand opportunities for detached ADUs

Vignette

Municipality: The Village of Cumberland

Population: 3,753 (2016, Census)

Before R1-A Zone...



R1-A-Infill Residential Zone



Image credit: Village of Cumberland

Description: Cumberland has a large residential infill zone where both secondary suites and accessory dwelling units are permitted on the same lot. The municipality rezoned an older R1 area within walking distance of the commercial core to R-1A, ground-oriented medium-density. The R1 zoning permitted secondary suites only and the rezoning added detached ADUs as a permitted use on single-family lots. Detached ADUs can't be more than 90 m² in size, must be smaller than 75% of GFA of the principal dwelling, and can't be in the front yard. Secondary suites must be less than 90 m² and 40% of the GFA of the residence. There is no minimum size for either detached or attached units. Minimum lot sizes for single family homes have been reduced to 325 m² to allow for infill subdivision to small lots. Recreational vehicles are specifically excluded from the definition of detached ADUs. ADUs in the infill zone can be used as short-term rentals. An extra parking space is required for each ADU. Development cost charges are not waived for the units as the infrastructure in the area needs to be upgraded.

Introduced: 2016

Context: Cumberland's OCP contains a growth management strategy that prioritizes development that makes efficient use of existing infrastructure, increases access to affordable housing, promotes walkable neighbourhoods, and reinforces the village core. The plan identified ADUs as a preferred approach to achieving these goals. ADU uptake will support the 415 existing rental households and especially the 41% that spend more than 30% of their household income on rental shelter costs.

Development: Cumberland updated its OCP in 2014 to include policies that encourage residential infill in the central area. The zoning bylaw was amended in 2016.

Administration: A development permit is required for detached units in the infill zone.

Impact/uptake: Four units with both an attached and a detached ADU.

Challenges: Cumberland has a small planning department and dealing with ADU applications takes up a significant portion of the department's staff resources, especially for variances and development permits associated with detached ADUs. The development permit process is helpful because it allows more fine-grained control over issues such as dwelling unit design and drainage (the detached ADU guidelines require a rock pit in order to avoid excess runoff into the aging stormwater system), but it adds several months to the approval time. Another issue is the growing number of ADUs used as short-term rentals.

Examples of other BC municipalities using this practice:

- Gibsons: Lots within infill areas that meet a minimum size can have a secondary suite and a garden suite; a small area of the municipality is zoned such that single-family homes can be converted into three rental apartments and also have a detached suite in the garden).
- Nelson: The downtown residential zone is slated for infill development and allows both a laneway house and a secondary suite on the same single-detached lot.
- Squamish Lillooet Regional District: For properties larger than one hectare in rural Electoral Area C, zoning allows for a detached cottage plus a secondary suite.
- Grand Forks: Allows a garden suite and a secondary suite on single-detached lots in residential and small lot residential zones (R-1 and R-2).
- Whistler: Infill zones allow an attached and a detached ADU on single-detached parcels where the parcel is more than 695 m².

Practice 4: Allow lock-off suites in multi-family housing

Implemented in or being considered by: 3 communities

Purpose: To encourage the creation of small ADUs in higher-density housing that can be rejoined to the main dwelling unit when needed.

Type of ADUs: Attached ADUs in new development

Implementation complexity: Medium

Potential for creating new ADUs: Medium

Overview:

- ADUs in apartments and townhouses have traditionally not been permitted, but a few municipalities in BC are currently allowing or considering the introduction of “lock-off suites”.
- A lock-off suite is a (usually small) ADU inside an apartment or townhouse that has both a separate lockable entrance accessed from a shared hallway, or from within the principal residence if locks on both sides of the lock-off door are unlocked.
- A lock-off suite has a small kitchen and bathroom so it can be rented out as a separate unit. It can also be joined to the main unit and used as a bedroom with an ensuite bathroom.
- The zoning usually specifies a minimum absolute size and a maximum relative size compared to the main unit.
- Typically, municipalities prohibit having both a lock-off suite and a secondary suite associated with the same principal dwelling unit.
- The BC Building Code does not permit modifying an existing apartment to add a lock-off unit. They can only be included in new construction.
- Burnaby was the first municipality in North America to legalize lock-off suites in apartment buildings for the UniverCity development adjacent to Simon Fraser University.

Implementation options:

- May be installed in a duplex, townhouse or apartment
- Extra utility fees may be waived for the lock-off suite
- The usual additional parking requirement that applies to ADUs may be waived
- Waive or discount utility fees
- Waive development cost charges, for example on suites below a certain size or construction value

Municipal departments: Planning/Development Services

Development and administration:

- Zoning bylaw is amended to allow lock-off units in specific zones
- The municipality may choose to negotiate with developers to encourage them to include lock-off units as a condition of rezoning
- Units require no special administrative procedures as they are incorporated into new developments using the established permitting process

Favourable conditions:

- Strong demand for multi-family housing and modestly-sized rental units
- Municipal Council willing to innovative and try out a relatively new housing form
- Desire to add to purpose-built rental stock
- Interested developers

Advantages:

- Allows flexibility for smaller principal units to increase or decrease in size, depending on needs of the owner
- Almost completely invisible from the exterior and therefore unlikely to be opposed by neighbours
- Attractive to municipalities that are moving towards more multi-family housing forms
- Units can be easily unlocked for family members or locked-off for use by long-term renters
- Building code requirements for lock-off suites in townhouses are similar to those of secondary suites

Disadvantages:

- Multi-family housing is often regulated using unit per hectare density units, so adding lock-off suites can compromise overall densities and dampen developer interest in this practice. Specific provisions can be made in the zoning bylaw to avoid this outcome.
- Lock-off suites in apartment buildings may entail meeting higher building code standards, depending on where they are located in the building (for example adjoining or above other dwelling units) or distance to an elevator.
- Some developers may be reluctant to build lock-off suites in apartment buildings as the extra facilities and building code requirements increase costs.
- The ease of conversion from a separate to a joined dwelling unit may encourage casual rental arrangements that make poor rental practices more likely (for example illegal eviction or rent increases).

Alignment with other best practices:

- Relaxed parking requirements
- Waive development cost charges or permit fees
- Discount utility fees

Vignette

Municipality: The District of Squamish

Population: 19,512 (2016, Census)



View of Squamish and Squamish River. Image credit: Substatique; Creative Commons

Description: The zoning bylaw was amended to allow “multi-unit flex units” in townhouse zones. The bylaw limits the owner to one such suite per strata-titled unit, requires an additional off-street parking space for the lock-off suite, and specifies that the gross floor area of the unit is not to be less than 40 m² and not greater than 90 m² (or 40% of the gross floor area of the building, whichever is less). The bylaw prohibits the stratification of the unit or its use as a short-term rental.

Introduced: 2018

Context: Squamish is moving towards more multi-family development, with almost half of all residential dwellings built as of 2020 are duplexes, townhouses or condo units. The community is looking for ways to boost the supply of lower cost rental units.

Development: The municipality was not getting many applications to add to the limited purpose-built rental stock it already had, despite being a fast-growing community. Between 2016 and 2018 it undertook several zoning bylaw amendments to remove barriers to infill development and expand ADU opportunities throughout the municipality. In 2018, a couple of larger developers approached the municipality for higher density rezonings. Planning staff negotiated in a provision that ADUs could be used as lock-off suites.

Administration: No additional administrative resources needed as the suites are approved along with the larger development.

Impact/uptake: For one development the municipality secured a minimum number of lock-off suites as a condition of rezoning, for example seven lock off suites in townhouses per phase of 100 units, with three phases expected.

Challenges: No specific challenges

Vignette

Municipality: Town of Gibsons

Population: 4,605 (2016, Census)



Description: The zoning bylaw amendment incorporated lock-off suites as a permitted use in all multi-family zones, within apartments only. No minimum and maximum floor area is specified. Only one lock-off suite is permitted within an apartment unit and an extra off-street parking space is required. The exception to this rule is when the ADU is located within 200 m of a bus stop and on-street parking is permitted adjacent to the property. In this case, no additional spaces are required. The bylaw includes a provision such that any zoning limits on the number of dwelling units permitted on a lot or area of land do not count lock-off suites as dwelling units. The normal utility charges are applied to lock-off suites. Development cost charges are charged on a square metre basis for multi-residential buildings.

Introduced: 2020

Context: Gibsons has a very tight rental market with 49% of the 630 rental households spending more than 30% of their income on rental shelter costs. Gibsons is looking to ADUs to help expand the rental stock for existing renters and the growing population. With limited room for horizontal expansion, the municipality is looking at higher-density infill to provide opportunities for affordable housing.

Development: The Town of Gibsons' OCP has strong policies to encourage ADUs. While introducing secondary suites to duplexes and townhouses, staff researched ways to include ADUs in apartments and discussed the matter with the municipality's building official. The zoning bylaw was amended to allow lock-off suites in all zones that permit apartments. Apartment buildings are subject to a development permit. There was no need to change the permit guidelines because the introduction of lock-off suites don't impact the form and character of the building.

Administration: Permitting in a building with lock-off suites is the same as any apartment building, except street addressing has to distinguish between the main and lock-off unit.

Impact/uptake: Two developers have expressed interest in lock off suites but none have been built yet.

Challenges: Meeting higher building code requirements for lock off suites in an apartment building.

Examples of other BC municipalities using this practice:

- Cumberland: Allows a "flex unit" accessory to a multi-family dwelling in a mixed-use zone. The flex unit can only be accessed through the principal unit.
- Squamish: Allows a "multi-unit flex unit" in all zones that permit townhouses.

Practice 5: Allow tiny homes as detached ADUs

Implemented in or being considered by: 36 communities

Purpose: Permit very small detached ADUs in backyards.

Type of ADUs: Detached ADUs

Implementation complexity: Medium

Potential for creating new ADUs: Medium - High

Overview:

- In some areas of BC, municipalities are experiencing increasing interest in tiny home options.
- Tiny homes are sized to meet an occupant's needs with little excess space, and the home may be stationary or mobile.
- Typically, stationary tiny homes on a foundation are under 37 m² while mobile tiny homes are typically under 16.7 m² with special width, length and height restrictions to comply with highway transportation regulations.
- Many municipalities in BC have minimum size requirements for detached ADUs or other restrictions that prevent property owners from having very small dwelling units in their backyards.
- Tiny homes also struggle to meet BC Building Code requirements.
- A movement to encourage tiny homes in a variety of circumstances – including in tiny home villages, tiny home mobile parks, and stand-alone homes in residential back yards – has been offering solutions to help overcome barriers to their wider use as an affordable and sustainable housing option.

Implementation options:

- Reduce or eliminate minimum size requirements for detached ADUs with foundations
- Allow temporary use permits for mobile tiny homes in backyards
- Adopt more flexible building code compliance criteria
- Adopt pre-approved tiny home designs that meet the BC Building Code and municipal regulations
- Apply to either residential or commercial properties
- Reduce parking requirement if conditions are appropriate
- Waive or discount utility fees
- Waive development cost charges, for example on suites below a certain size or construction value

Municipal departments: Planning/Development Services

Development and administration:

- Assess demand and land use potential for tiny homes in the municipality
- Analyze barriers to tiny homes in the municipality
- Adopt zoning amendments when appropriate
- Adapt permitting process to the needs of tiny homes
- Communicate availability of the tiny home option to the public and builders

Favourable conditions:

- Strong demand for low-cost rental housing in an expensive market
- Demand for small units
- Property owner interest in the tiny house option
- Willingness of Council to explore innovative rental housing solutions

Advantages:

- Lower cost than typical detached ADU
- Allows property owners to build what they can afford
- Increases the diversity of housing options to meet a wider range of needs
- Can be used to meet demand for rental housing for seasonal workers, for example in resort communities struggling to provide employee housing
- Flexible in that tiny homes can be stationary or mobile
- Can take advantage of the availability of modular tiny homes
- Can be integrated on smaller properties
- Often attract renters who are predisposed to sustainable living practices (renewable energy sources, low-flow water fixtures) that reduce servicing needs

Disadvantages:

- The attraction of a very small home is difficult for some decision-makers to understand and therefore support.
- It can be challenging to meet the requirements of the BC Building Code in the context of a very small stationary dwelling unit, for example location and space requirements.
- Tiny homes on wheels do not fall under the BC Building Code and therefore present some challenges to regulate them by local governments and may create liability issues.
- Tiny homes on wheels registered as a recreational vehicle may be required to be insured by ICBC and are restricted from being used year-round as a permanent dwelling.
- Mobile homes will need to meet a CAN/CSA-Z241 standard or equivalent.
- Some tiny homes are not suitable in areas with cold winters.
- Managing liquid waste from tiny homes on wheels or RVs can be a challenge (for example reviewed and approved by a registered on-site wastewater practitioner).
- Temporary use permits do not address the need for long-term housing.

Alignment with other best practices:

- Waive/discount development cost charges/connection charges
- Discount annual utility rates on ADUs
- Reduce parking requirements
- Allow more than one ADU per lot
- Pre-reviewed designs

Vignette

Municipality: District of Ucluelet

Population: 1,717 (2016, Census)



Description: The municipality currently does not allow tiny homes on foundations (or any detached ADUs) in most backyards. They may however, issue a temporary use permit for a tiny home on wheels or a recreational vehicle (RV) in the back yard of a residential or business property.

Introduced: 2018

Context: Ucluelet is experiencing a strong demand for rental units, especially in summer months to accommodate seasonal workers. Over 60% of Ucluelet's tourism revenue is earned from June to September. Council considers permitting mobile homes a very inexpensive, flexible and unobtrusive way to create extra rental supply. Seasonal accommodation in a mobile tiny home or RV does not equate to a long-term housing solution, but as a short-term solution it may relieve some pressure.

Development: Created temporary use permit designation covering the entire municipality in the zoning bylaw. Adapted the temporary use application process for purposes of allowing RVs in backyards. A temporary use application is similar to a variance application but applies to variations in use rather than size, set-backs, etc.

Administration: A temporary use permit is issued by Council for up to three years and can be renewed once for another three years. The property owner submits an application with site plan, drawings, provisions for water and wastewater, and planning staff brings the report to Council. Notice is given to neighbours, an ad is placed in the newspaper, and a sign is placed on the property. After Council approval, staff issues the permit. Provincial legislation prohibits the delegation of temporary use permits to planning staff.

Impact/uptake: The municipality currently has a half-dozen temporary use permits issued for this purpose. Most are for a single RV on a property, but one permit is for 13 RV's serving seasonal workers at a commercial fish processing plant.

Challenges: Some incidents of improper sewage disposal (for example a hose discharging in to a ditch) resulting in bylaw enforcement issues. For health and safety reasons, RVs are limited to seasonal use (for example 6 months max. per year). Extra parking needed to serve the RV may raise neighbour complaints.

Vignette

Municipality: City of Grand Forks

Population: 4,049 (2016, Census)



Image credit: City of Grand Forks

Description: In zones (R1 and R2, neighbourhood commercial NC) where the zoning bylaw allows detached ADUs (called garden suites), the minimum ADU size is 12 m², which means tiny homes on foundations are permitted. In residential zones permitting very small principal residences (18-29 m²), the municipality may issue two, three-year temporary use permits for a tiny home on wheels for a maximum of six years. After this time the home must be converted to a garden suite by being placed on a foundation, or it must be removed.

Introduced: 2018

Context: The municipality has a severe shortage of affordable rental housing with 42% of renters spending more than 30% of their income on shelter costs. Rental housing is especially scarce for young people and seasonal workers. The rental situation was aggravated by serious flooding that destroyed some houses and led to re-evaluating flood zones and further constraints on where rental housing could be built. Growth in the number of ADUs from 2019 to 2020 was virtually non-existent.

Development: After extensive community consultation, the OCP and zoning bylaws were amended to allow very small detached ADUs and temporary use of tiny homes on wheels. The entire municipality was designated as a temporary permit zone to address applications for tiny homes on wheels. For tiny homes on a foundation, a development permit process was used that gave Council control over which designs were accepted. This added a couple months to the application process, as a result, approval authority was delegated to staff.

Administration: A temporary use permit is required for tiny homes on wheels that have not been converted into a principal dwelling unit, or that are situated in a zone where they are not permitted. A development and temporary use permit are required for tiny homes on a foundation. The length of time to receive a development permit for detached ADUs, was reduced when staff were granted authority to approve designs; adding only a few days to the process. Marketing of the tiny home provisions has been limited.

Impact/uptake: Four applications for tiny homes on foundations have been approved since 2018.

Challenges: Convincing residents and some Council members that tiny homes are desirable and feasible was a challenge for staff. Success depends on a flexible approach to building inspection. Electrical connections to tiny homes on wheels will require inspection from an authorized professional.

Examples of other BC municipalities using this practice:

- Squamish: No minimum size for detached ADUs
- Terrace: No minimum size for detached ADUs
- Cumberland: No minimum size for detached ADUs
- Smithers: No minimum size for detached ADUs

Practice 6: Relax parking standards for ADUs

Implemented in or being considered by: 25 communities

Purpose: Encourage the creation of ADUs by reducing off-street parking requirements.

Type of ADUs: All types

Implementation complexity: Low-Medium

Potential for creating new ADUs: Medium

Overview:

- Zoning bylaws typically require ADUs to have off-street-parking on top of what is already required for the primary dwelling - usually one extra space per ADU.
- Bylaws often specify that ADU parking must be independently accessible (for example the space has direct access to the street and is not blocked by another parking space).
- Such rules can prevent homeowners from building ADUs if there is insufficient physical space to accommodate the parking or if the creation of off-street parking pads makes ADUs financially unattainable.
- Where feasible, the relaxation of parking requirements can expand opportunities for the creation of new ADUs.

Implementation options:

- For detached ADUs, require the creation of new parking only if the ADU displaces the primary dwelling's existing parking. Waive off-street-parking requirements at locations within walking distance of transit or local amenities.
- Allow parking requirements for the house and ADU to be met by using some combination of off-street parking, curb parking, and tandem (one car in front of the other) parking in a driveway.
- When more than one ADU is permitted per lot, cap the total parking spots at a lower ratio than the mathematical sum of the various units.
- Allow property owners to pay into a cash-in-lieu fund where spatial constraints would otherwise prevent the creation of ADUs .
- Allow provision of a car share vehicle and parking space in lieu of required on-site parking spaces for the principal dwelling and ADUs.
- Reduce technical requirements (for example size, surfacing, covering) in order to reduce space requirements and costs.
- Link to sustainability goals, such as requiring a surface that is permeable to rainwater.

Municipal departments: Planning/Development Services

Development and administration:

- Change zoning bylaw to increase the number of lots, sizes, surfacing, and conditions that qualify for reduced requirements
- Notify building inspector of bylaw changes
- Where a development permit is required, update the development permit application to reflect changed requirements
- Communicate bylaw changes to builders, property owners, and renters

Favourable conditions:

- Oversupply of on-site parking compared to demand
- Availability of on-street parking in lower density communities
- Higher density or infill districts
- Constrained yard sizes
- Proximity to public transit
- Walkable neighbourhoods with accessible everyday destinations
- Community does not require streets to be cleared for snow ploughs to pass
- OCP policies to reduce parking supply and car use
- Strong public and political support for ADUs

Advantages:

- Reduced parking standards can make ADUs more financially and technically feasible on a wider range of lot types and sizes
- Lack of parking is known to boost alternative travel modes
- Can increase density and help achieve the municipality's growth management goals
- Can reduce the need for tree removal and otherwise improve the aesthetics of the street scape

Disadvantages:

- May not be a realistic option for communities without regular transit, that are more rural/remote, or require vehicles to be off-street during winter months for snow clearing purposes.
- Having space for larger utility vehicles may be critical to many ADU residents for purposes related to their employment (for example trades).
- Reduced parking may result in illegal parking on the public right-of-way if demand for parking space is higher than expected.
- There can be strong public opposition to measures that reduce parking supply.

Alignment with other best practices:

- Lock-off suites
- Tiny homes
- Waive development cost charges or permit fees
- Discount utility fees
- Pre-reviewed designs

Vignette

Municipality: The Village of Cumberland

Population: 3,753 (2016, Census)



Description: The municipality requires an additional parking space for an attached or detached ADU. Property owners can pay into a cash-in-lieu fund instead of installing the required off-street parking on lots in the medium-density R-1A zone near the commercial centre where space is constrained. The current fee is \$3,800. Provincial law requires that cash-in-lieu be an option used at the discretion of the property owner – it can't be imposed as a zoning requirement.

Introduced: 2016

Context: The Village of Cumberland has an infrastructure deficit which is reflected in poor parking conditions in the downtown area. The cash-in-lieu program was set up to generate revenue that would help alleviate this situation and reduce barriers to creating ADUs.

Development: A zoning bylaw amendment and creation of a municipal parking cash-in-lieu fund.

Administration: Planning staff inform property owners of the cash-in-lieu option (which is not widely known) during pre-application discussions. Administration of the fund requires little work.

Impact/uptake: While most property owners elect to meet the zoning requirements on-site, a minority contributes to the fund instead. The municipality uses the revenue from the cash-in lieu program to make improvements to parking conditions in the downtown area introducing signage, paving, and wheel stopper paint on roads.

Challenges: Reduced off-street parking can place an added load on on-street parking.

Vignette

Municipality: The Town of Gibsons

Population: 4,605 (2016, Census)



Grantham house by Click Modular Homes

Description: The Town of Gibsons requires two parking spaces on-site for a single-family dwelling, duplex and townhouse, 1.5 spaces for each apartment unit, and one space for a garden suite (detached ADU), secondary suite or lock-off unit (attached ADUs). However, a recent zoning bylaw amendment specifies that where a lot is located within 200 m of a bus stop and on-street parking is available adjacent to the property, no additional spaces are required for a secondary suite or lock-off unit.

Introduced: 2020

Context: Prior to the zoning bylaw amendment, a property owner who added a secondary suite to an attached home was required to create an additional parking spot. When the municipality expanded secondary suites to duplexes and townhouses, and decided to allow lock-off suites in apartments, planners expected that available parking might be more of an issue than it has been on single family lots. This prompted the municipality to require all secondary suites and lock-off units to be furnished with an extra off-street parking space. To ensure established areas with small lots, (that were often close to public transit), would not be constrained by the new parking requirements, the exception was put in place.

Development: Municipal staff conducted a study of parking options for ADUs, followed by a proposal to Council and a bylaw amendment. To further clarify the proposed flexible parking provision, planning staff intend to develop a guide to inform homeowners which streets allow on-street parking by rental tenants (including a map) provide procedural steps for how the 200 m distance from bus stop to suite is to be measured. Early implementation of the policy shows that the distance to bus stop may warrant extension to a walkable distance of 400 m.

Administration: No additional administrative procedures required to implement the policy.

Impact/uptake: Too early to say.

Challenges: Determining what constitutes available street parking.

Examples of other BC municipalities using this practice:

- Nelson: Parking minimum is capped at three spots per lot, even if there are two ADUs on the lot in addition to the principal residence
- Gibsons: In addition to the relaxation of parking requirements described above, the municipality allows a car share vehicle and parking space in lieu of three required on-site parking spaces, and has a cash-in-lieu of off-street parking provision

Practice 7: Pre-review designs for ADUs

Implemented in or being considered by: Nine communities

Purpose: To facilitate the use of high-quality designs for detached ADUs at an affordable cost to property owners. **Type of ADUs:** Usually for detached ADUs

Implementation complexity: Medium-High

Potential for creating new ADUs: Medium

Overview:

- Detached ADUs are often designed by property owners with little or no design experience, resulting in extended approval times (which can reduce owner interest to build an ADU) and modest aesthetics (which can reduce public support).
- A pre-reviewed designs program offers property owners and builders a handful of detailed designs that are vetted against the provincial building code, municipal regulations and approved by planning staff.
- The property owner who wishes to create a detached ADU purchases one of the pre-reviewed design of their choice and adapts it to their property.
- Usually, a number of different designs that correspond to various common lot sizes and topographies (for example inclines) are provided.
- The program is optional and the owner may go with their own or a different design if they wish, but this usually entails a longer approval process.
- This approach has been used to help promote various forms of infill development in a number of cities in North America, including Kelowna, Portland, Sacramento, and Santa Cruz.

Implementation options:

- The designs can be developed via a relatively modest process using local architects to generate design options or a more elaborate effort with a formal competition, professional jury, awards, etc.
- Various types of information can be included in the designs, including photos of a built prototype, layout and elevation drawings, site design variations, and construction plans.
- Encourage the incorporation of energy efficiency and other sustainability goals into the designs.

Municipal departments: Planning/Development Services

Development and administration:

- Consult public on desirable design criteria.
- Recruit designers (target local or wider afield) to produce high-quality design proposals that follow set criteria.
- Create process to select winning designs, (for example professional jury, public voting, or Council).
- Check winning designs against the BC Building Code, local bylaws and other regulatory frameworks. Adjust accordingly.
- Post the designs on the municipality's website. Allow them to be downloaded by interested property owners for a nominal fee.
- Promote the winning designs among property owners and builders in the municipality.

Favourable conditions:

- Council willing to invest in an innovative solution
- OCP is supportive of ADUs
- Zoning regulations are permissive
- Public is supportive of increasing stock of ADUs

Advantages:

- Saves staff resources by reducing pre-application discussions and streamlining the permitting process.
- Reduces variance applications.
- For the property owner, a pre-approved design reduces or eliminates initial design costs and speeds up approval process.
- Creates housing designs shaped to the community and neighbourhood's needs.
- Affords homeowners a higher-quality design than they could afford to commission on their own.
- Can be refined by the property owner to meet their particular needs.
- May incorporate local architectural heritage/character to improve the sense of place and community.
- Designs can be required to meet municipal requirements such as the BC Step Code, development permits, etc.
- Helps 'train' local design professionals and builders on how to meet regulatory requirements and design expectations, especially if they are brought into the design process.

Disadvantages:

- Developing the program may require considerable effort by planning staff, depending on the complexity
- If widely adopted it can lead to repetitive ADU design
- May not be suitable for irregularly shaped lots
- It doesn't cover all of the topographies, lot size, and building size permutations

Alignment with other best practices:

- Expand opportunities for detached ADUs
- Allow tiny homes
- Relax parking standards

Vignette

Municipality: City of Nelson

Population: 10,572 (2016, Census)



Image credit: <https://www.nelsonstar.com/news/census-nelsons-population-up-3-3/>

Description: The program offers property owners the option of choosing one of three pre-reviewed designs for detached ADUs at a cost of \$1,000 (a fee that the City passes on to the designer of the chosen design). The designs include photos, site and dwelling drawings with variations, and a proforma. All pre-reviewed plans are designed to meet at least Step 2 or 3 of the Energy Step Code with construction details provided on energy efficiency options.

Introduced: 2020

Context: Although detached ADUs have been permitted in Nelson since 2013, uptake was low and some designs built or being considered by property owners were of poor quality. A survey showed public interest in pre-reviewed designs as a way of improving aesthetics and reducing barriers to uptake.

Development: The City partnered (at a cost of \$2,000) with Small Housing BC (a non-profit that conducts research, education and advocacy to promote the development of small housing forms in British Columbia) to investigate launching a design competition, a project that the City ultimately agreed to carry on. Development work included recruitment of a jury panel, circulation of the competition to architects and laneway house design professionals across the country, and distributing incoming designs to the panel. The building inspector reviewed the designs to ensure they met building code requirements. The program received 29 submissions and three winners were chosen. Staff created a webpage to feature information on the program and guidance on how to purchase and use the designs.

Administration: There is very little added administration linked directly to this program. When a property owner purchases a pre-reviewed design, planning staff emails the designer/architect that produced the design and they invoice the City. Some staff time is required to market the program via newspaper and social media posts. Demands on staff resources to approve detached ADUs was reduced thanks to this initiative.

Impact/uptake: In the months following the introduction of the program, a winning design was purchased by one property owner and another person used one of the non-winning designs, which was highlighted in the program brochure.

Challenges: Managing a jury composed of busy architects and receiving comprehensive reviews on time can be challenging. Also, some architects may propose complex designs that defeat the idea of affordable design.

Other jurisdictions using or considering this practice:

- Creston: Policy adopted, not yet implemented
- Kimberley: Considering
- Ucluelet: Considering
- Castlegar: Considering
- Port Alberni: Considering
- Grand Forks: Considering
- White Rock: Considering
- Osoyoos: Considering

Practice 8: Waive or discount development-related fees on ADUs

Implemented in or being considered by: 16 communities

Purpose: To provide an incentive to developers and property owners to add ADUs to new or existing properties.

Type of ADUs: Potentially all

Complexity: Low

Potential for creating new ADUs: Medium

Overview:

- Development-related fees add to the cost of creating ADUs and therefore may discourage uptake.
- The municipality may elect to waive (or discount) fees that normally apply to the construction of new ADUs.
- The waived fees may include building permit fees, development permit fees, development cost charges, utility connection charges, or other development-related fees.
- Waivers may be applied to fees charged on new development or to the construction of an ADU in association with an existing principal residence.

Implementation options:

- Implement as temporary measure to boost interest in building ADUs and discontinue when housing conditions change or ADU goals are met.
- Start by waiving one fee, monitor response, and then waive additional fees as needed to achieve targets.
- Attach waivers to specific ADU designs that have potential but need encouragement.
- Require property owners to sign an agreement stating the new ADU will not be used for short-term rentals.

Municipal departments:

- Planning/Development Services
- Finance

Development and administration:

- Requires changes to relevant bylaws, for example development cost charges and fees and charges bylaws
- Instruct relevant staff (for example building permit officials) on fee waiver/discount rationale and process
- Promote the waivers among developers, builders and property owners

Conditions:

- Healthy municipal finances capable of absorbing lost revenue from reduced fees
- Policy framework supportive of ADUs
- Broad perception that development fees are posing a barrier to the construction of ADUs

Advantages:

- Development of the practice is relatively uncomplicated.
- Minimal administrative changes required to implement and no administrative resources required to maintain practice over time.
- In general, incentives tend to be well-received by stakeholders.
- Very flexible with the kind of fees that can be waived, the types of ADUs that can be targeted, the types of principal dwelling involved, and whether it involves a full waiver or a discount.
- Can be used to encourage ADU construction in new development or existing properties.
- Provides leverage to limit converting units for short-term rental (for example through a housing agreement).

Disadvantages:

- Municipality must be able to replace lost revenue from other sources, such as general taxation, which may be politically challenging.
- Some municipalities don't use development cost charges.
- Communities with older infrastructure that needs upgrading may not be able to afford to waive development cost charges.

Alignment with other best practices:

- Waive or discount utility rates on ADUs
- Reduce parking requirements

Vignette

Municipality: District of Squamish

Population: 19,512 (2016, Census)



Image credit: District of Squamish

Description: Development cost charges (DCC) and building permit fees are waived when installing a secondary suite or carriage house is installed. The building permit waiver applies to both attached and detached ADUs added to existing homes or to the portion of the living space related to an ADU in a newly built home. The waivers can result in a potential savings of \$3,000 to \$5,000.

Introduced: Both waivers were introduced in 2016. The building permit waiver was intended to be temporary and the fees and charges bylaw was terminated in 2019. The DCC waiver was implemented by removing ADUs as a property type subject to development cost charges in the DCC bylaw and is permanent unless reversed by further amending the bylaw.

Context: The municipality has experienced an increase in housing demand due to improvements to the Sea-to-Sky Highway 99. The highway made it possible to commute to the Lower Mainland for employment. This improvement contributed to a 14% population increase between 2011 and 2016. Growth is driving rents up and supply is not keeping pace. Census figures from 2016 show that 36% of the 1,985 households renting are spending more than 30% of their household income on shelter costs.

Development: A 2015 intersectoral task force on affordable housing recommended this measure and it was quickly acted on. A staff member drafted the proposed bylaw changes and they were adopted by Council with little controversy. The changes were publicized via social media and a municipal web page called Builder's Corner, which tracks changes in municipal regulations and policies for the construction industry.

Administration: No additional administrative resources required

Impact/uptake: Applies to all approved ADUs

Challenges: The measure was meant to increase long-term rentals, but in some cases, property owners who benefit from the incentives converted the ADUs into short-term rentals.

Examples of other BC municipalities using this practice:

- Nelson: Waived \$500 application fee for new secondary suites during Covid. The water connection fee of \$1,800 and the sewer connection fee of \$2,000 on ADUs
- Grand Forks: Waived building permit fees and development permit fees after a 2019 flood that destroyed many houses (set to expire in 2021)
- Dawson Creek: No development cost charges on ADUs
- White Rock: No development cost charges on any unit 29 m² or less
- Fernie: No development cost charges on ADUs
- Duncan: No development cost charges on ADUs
- District of Lake Country: No development cost charges on any unit 29 m² or less or on projects with a construction value of over \$50,000, which effectively exempts many secondary suites

Practice 9: Discount or waive utility fees on ADUs

Implemented in or being considered by: 14 communities

Purpose: Reduce the cost of operating ADUs by reducing on-going utility fees.

Type of ADUs: All

Implementation complexity: Low

Potential for creating new ADUs: Low-Medium

Overview:

- Most municipalities charge on-going fees to cover the cost of delivering municipal services, including sewer, water, and garbage.
- Utility fees are often charged on ADUs at the same rate as the principal unit, even though they are likely to have lower consumption rates. ADUs often have smaller households and there may be periodic gaps in occupancy (the fees are typically charged even when the unit is vacant).
- These fees increase the cost of operating an ADU and may discourage some property owners from building an ADU.
- Some municipalities in BC introduced discounts or waived fees to remove this barrier to ADU construction.

Implementation options:

- Discount or waive fees on all or some services.
- Discount or waive fees on attached suites (which have the same water and sewer connection as the principal unit) but not on detached suites (which require their own connections).
- Discount or waive fees when unit is inhabited by someone belonging to a target group (for example local employee, student, retiree, family member).
- Use fee discounts as incentives to encourage the legalization of suites and the use of suites for long-term rentals.
- Waive charges when the suite is vacant.

Municipal department:

- Planning/Development Services
- Finance

Development and administration:

- Rates are set by the finance department and appear in the municipality's charges and fees bylaw.
- ADUs that qualify for a discount, are outlined in the municipality's guide for property owners interested in installing an ADU.

Favourable conditions:

- Public support for ADUs and incentives to encourage construction
- Ability to recover lower utility revenues from other sources

Advantages:

- Reduces the costs of operating ADUs, which may be passed on to tenants in the form of lower rent
- Reduces the incentive to build illegal suites in order to avoid high utility rates
- A flexible mechanism that can be applied differentially over time and across various utility services
- Simple to develop the practice and low administrative burden to implement
- Welcomed by property owners and usually not controversial with the public
- As an incentive, the approach can be used to encourage legal suites or other desirable outcomes

Disadvantages:

- There is usually no separate metering of sewer and water use for ADUs vs principal residences, so it may be difficult to justify discounted rates if questioned
- Lower fees may undermine water conservation goals
- Some municipalities don't have utility charges
- Discounted fees reduce municipal revenues and have to be made up by higher fees on other property types if service levels are to be maintained

Alignment with other best practices:

- Reduce parking requirements
- Waive or discount development-related fees

Vignette

Municipality: City of Duncan

Population: 4,944 (2016, Census)



Description: The municipality offers an approximate 10% discount on utility fees applied to secondary suites (compared to principal units). A \$100 exemption for ADUs on utility charges (water, sewer, garbage) is available if the unit is vacant or is rented by an immediate family member (related by blood, marriage or adoption) who is not paying rent. In 2021, the exemption had a value of \$685.45 annually. The exemption only applies to legal suites. If an owner is caught accepting the waiver without cause, they are charged a penalty equal to twice the amount that was evaded.

Introduced: 2012

Context: Duncan has seen a dramatic drop in rental vacancy rates over the last few years while rent costs are rising quickly. The 2016 Census figures show that 56% of the 1,090 households that rent are paying more than 30% of their household income on shelter costs. Wages in the booming service economy are not high enough to afford average rents, creating a demand for lower cost rentals.

Development: The charges and fees bylaw was amended after receiving complaints from property owners required to pay fees on vacant suites or suites occupied by family members.

Administration: The property owner fills out an on-line exemption form each year and submits it to the finance department. A copy is sent to the building inspector, who confirms that it's a legal suite.

Impact/uptake: Applies to all ADUs in the municipality

Challenges: On occasion, the finance department continues granting the exemption even if property owner fails to submit the exemption form. In some cases, owners of illegal suites apply for the exemption, which triggers an inspection and possible order to upgrade the suite.

Vignette

Municipality: City of Nelson

Population: 10,572 (2016, Census)



Image credit: <http://www.nelson.ca/488/About-Nelson>

Description: A 75% discount on water and sewer utility billing for all ADUs (attached or detached), meaning that an ADU will be charged \$297 annually while a principal unit is charged \$1,190, a difference of \$793. Illegal, nonconforming suites, as well as suites used for short-term rental, pay the same rate as the principal dwelling. Garbage rates are \$40 per dwelling per year, in addition to charges on the number of bags collected; there is no discount for ADUs. The charges are waived if the ADU is not occupied.

Introduced: 2010

Context: Nelson is seeing steep increases in rents while supply is not keeping up with the demand. The 2016 Census figures indicate that 47% of the 1,885 renter households are spending more than 30% of their income on housing. The vacancy rate is very low and Council is strongly in favour of ADUs as a way of boosting the supply of rental units. No enforcement is taken against long-standing, nonconforming (illegal) suites, provided that the zoning allows for the number of dwelling units found on a given property. Incentives to legalize suites are preferred, as are ways to keep suites in the long-term rental market.

Development: Amendments to the municipal charges and fees bylaw were needed to implement this measure

Administration: When a new ADU is approved, the development department communicates to the finance department and they bill accordingly. There is no additional administrative effort.

Impact/uptake: Applies to all ADUs

Challenges: Loss of revenue to municipality

Examples of other BC municipalities using this practice:

- Ashcroft: Attached ADUs do not pay extra sewer and water fees, while detached ADUs pay the same as the principal unit (\$936/year). There is no charge to ADUs for garbage collection unless an extra bin is requested.
- Fernie: The sewer rate (\$338/year) is not charged to attached ADUs, while the water rate (\$328) charged to the principal dwelling is reduced (\$131) for attached suites. There is no charge to secondary suites for garbage and recycling unless extra bins are requested.

Practice 10: Streamline the ADU permitting process

Implemented in or being considered by: 40 communities

Purpose: To encourage the construction of ADUs by reducing application processing times and simplifying the permitting process.

Type of ADUs: All

Complexity rating: Medium

Potential output rating: High

Overview:

- A lengthy or complicated permitting process can significantly discourage the construction of legal ADUs
- Simplifying or speeding up the permitting process can encourage property owners and developers to build ADUs
- Improvements can be made to any step in the approval process, from the time taken to process applications and the number of steps involved, to the delegation of steps and the quality of the information provided to property owners

Implementation options:

- Prioritize ADU applications over other types of development applications
- Where form and character development permits are currently required (often applied to detached ADUs), exempt ADUs of certain size, value, or those based on a pre-approved designs, from requiring a development permit. Another option is to eliminate the development permit requirement from the approval process
- Where development permit decisions on ADUs are made by Council, delegate these decisions to planning staff
- Where minor variance decisions on ADUs are made by Council, delegate these decisions to staff
- Ensure building and development permit applications are available on the municipality's website
- Provide clear instructions on-line detailing how to fill out and submit ADU applications
- Provide a guide outlining variances for projects that don't meet siting/size regulations on the municipal website
- Add a quick checklist of items property owners need to provide for an ADU permit on the municipal website

Municipal departments: Planning/Development Services

Development and administration:

- Council will need to change the criteria based on which development permits are processed first. Staff training and reassignments will be needed to review the increased volume of ADU applications over a shorter period of time
- To delegate development permit applications, Council must pass a bylaw assigning authority to staff and specifying the conditions under which the authority may be used
- To eliminate development permit requirements. Council can amend or repeal the development permit bylaw
- Communicate changes to property owners and builders

Favourable conditions:

- ADUs regarded positively by Council and the community
- Complexity or length of permitting process widely seen as a barrier to creating ADUs
- Well-resourced planning department
- Robust public consultation prior to adopting regulatory framework governing ADUs
- Strong policies supporting ADUs in the OCP, housing strategies, and other strategic documents

Advantages:

- Reduces processing times for applicants
- Streamlined process discourages applicants from installing ADUs illegally
- Reduces demand on planning staff when it involves a shorter process, for example reports to Council
- When Council delegates approval authority to staff, applicants can be assured that applications will be approved if they meet the stated criteria

Disadvantages:

- Prioritizing ADU applications can take planning resources away from other planning applications and approvals
- Eliminating the need for development permits may result in more administrative time spent on the building permit or increase the risk of neighbour complaints after approvals are granted

Alignment with other best practices:

- Pre-reviewed designs
- Expand opportunities for detached ADUs
- Allow tiny homes

Vignette

Municipality: District of Squamish

Population: 19,512 (2016, Census)



Description: The planning department prioritizes applications for building permits for secondary suites in existing homes. The processing criteria were changed such that projects with construction values under \$50,000 receive priority status. Most secondary suite applications meet this criterion.

Introduced: The measure was introduced in 2020 as applications for residential development surged due to greater demand for housing in the municipality.

Context: Rental housing in Squamish was already in short supply but the situation became critical as a result of the Covid epidemic, when many people began looking for housing in smaller centres outside Metro Vancouver. Prioritizing secondary suites was seen as an easy and effective way to boost the availability of rental housing. This initiative allowed the municipality to meet the surging demand at a time when the approvals process had dramatically slowed due to the volume of applications. Census figures from 2016 show that 36% of the 1,985 households renting are spending more than 30% of their household income on shelter costs.

Development: The planning department proposed changes to the criteria that determined how to prioritize development applications. Council adopted the recommendations.

Administration: Building permit applications showing a construction value below \$50,000 go through a separate processing stream and their review is prioritized.

Impact/uptake: Major impact on processing time. Applications for a residential building permits on average take four to five months to process while an application for installing a secondary suite is six to eight weeks.

Issues: Directing staff attention towards secondary suite approvals, has drawn planning resources away from bigger projects.

Vignette

Municipality: City of Grand Forks

Population: 4,049 (2016, Census)



Description: Council delegated decisions about development permit applications for detached ADUs to planning staff.

Introduced: 2020

Context: The municipality has a serious shortage of affordable rental housing, especially for young people and seasonal workers. The rental situation was aggravated by serious flooding that destroyed some houses. This led to the re-evaluation of flood zones and further constraints on where rental housing could be built.

Development: Planning staff conducted an extensive public engagement process to gain support for OCP and zoning bylaw changes to allow detached ADUs in specific zones. The policy was controversial. Council chose to control the pace and character of change by requiring a development permit that became part of the approval process. These steps allowed them to retain the authority for issuing permits. The extra effort and the scheduling of Council meetings added about two months to the permit application timeline. After two years, Council accepted a request to delegate approval authority for detached ADU development permits to staff.

Administration: Staff routinely handle development permit applications for detached ADUs

Impact/uptake: The delegated authority approach has dramatically reduced approval times and lightened the workload involved in ADU application processing.

Challenges: None reported

Examples of other BC municipalities using this practice:

- Grand Forks: Detailed guide for garden suite applications (in progress)
- Quesnel: Detailed guide for coach house, carriage home, and secondary suite applications
- Smithers: Delegated approval for detached ADU development permits to staff

Other practices of interest

A few additional practices are included here. These practices are not the most commonly used or mentioned by interviewees and survey respondents, but have potential to be effective and scalable in small to medium-sized BC communities.

SHORT TERM RENTAL MANAGEMENT:

- Many municipalities are struggling to maintain ADUs for long-term rentals and residential use. This is in response to the high demand for short-term rentals by visitors
- Depending on the local policy framework, there can be a significant incentive for homeowners to use their ADUs for short-term commercial purposes over long-term residential use
- Some communities consider using short-term rental ADUs as an additional incentive (real or perceived) to encourage homeowners to build an ADU. Once built, the ADU might be used for long-term rentals immediately or in the future
- Municipal approaches to short term rentals are usually based on achieving certain community goals. These generally include:
 - Stating a level of approval (ranging from none to anywhere)
 - Choosing an approach to manage common issues (for example fire, parking etc)
 - Enforcing the rules (for example education, fines etc.)

MANDATE ADUs AS A CONDITION OF APPLICATION APPROVAL PROCESS APPROVAL:

- In some municipalities, the zoning bylaw mandates a developer to install ADUs as a condition of application approval.
- For example, Whistler has on occasion required developers to install secondary suites as a condition for approving rezoning applications. The suites must be rented to employees working in Whistler. Both occupancy and rents are controlled through a housing agreement.

ALLOW ADUs ON COMMERCIAL OR INDUSTRIAL PROPERTIES:

- Some municipalities in BC permit ADUs – either attached or detached - in commercial or industrial zones.
- These may be for the purpose of accommodating employees such as a resort or warehouse storekeepers, grounds keepers, or security among other uses.
- For example, Ladysmith permits a caretaker dwelling in buildings zoned for light industrial use. Ashcroft permits an attached ADU either behind or above commercial space in its commercial/mixed-use zone.

OFFER DENSITY BONUS TO ADD AN ADU:

- The municipality can encourage the creation of ADUs by incorporating a provision to relax density limits if the property owner intends to install an ADU.
- For example, Whistler limits the size of single-detached dwellings to 465 m² but an additional 56 m² of gross floor area may be added to a dwelling unit or an auxiliary building for employee use and rental. This bonus density is subject to the owner entering into an employee housing agreement with the municipality. It requires that the ADU be used for employee housing only.

OFFER DENSITY BONUS TO PROPERTY FOR ENERGY EFFICIENCY AND AND LOW CARBON PERFORMANCE

- The municipality can encourage energy efficient homes that use low carbon heating systems by incorporating a provision to relax density if the owner builds to a higher standard. This is important as it may help reduce the operating costs for the ADU.
- Some communities exclude the additional volume or area of a new dwelling that uses a more energy efficient wall assembly. Squamish is considering reducing the allowable density for homes that use high carbon heating systems (natural gas or propane for example), with the provision that it will be restored if the home and/or ADU uses a low carbon heating system such as electricity or a heat pump.
- Municipalities have to be careful to balance climate change mitigation targets with affordable housing goals. They must ensure the additional value can be recaptured by the homeowner through rental revenue, while potentially lowering operational costs for the tenant.

REQUIRE DETACHED UNITS TO BE "SUITE-READY"

- A few municipalities include a requirement in the zoning bylaw that new low-density housing must be "secondary suite-ready". This means it must be equipped with a space that is ready for a quick conversion into a secondary suite at the owner's discretion.
- For example, in Nelson, new single-detached homes in the downtown residential infill zone must have a secondary suite or be secondary-suite ready. This involves a roughed-in, three-piece bathroom, kitchen wiring, and ventilation.

USE EQUIVALENT LIFE STANDARDS TO ENCOURAGE LEGALIZATION OF SUITES

- Most municipalities report that a substantial proportion of their secondary suites are illegal or non-conforming. Some have attempted different approaches to encourage owners to upgrade while maintaining safety standards.
- For example, Cumberland instituted a process to bring detached and attached ADUs up to the requirement of the BC Building Code. Owners could take advantage of alternative solutions to provide a level of safety equivalent to that outlined in the BC Building Code. During an 18-month grace period, building and development fees were waived for homeowners wanting to legalize their suites.

STRATA CONVERSION OF ADUS

- Most municipalities dictate that secondary suites must be subordinate to a main dwelling and cannot be a separate real-estate entity. It may be worth considering how to enable the strata conversion of detached ADUs by the homeowner at some point in the future. This could be based on specific conditions, as it may create an added incentive for the homeowner to build an ADU. This may bolster the rental market stock in the short to medium term, and could create a more affordable form of owned housing in the longer term.

ENSURING AFFORDABLE ADUs

Encouraging more affordable ADUs through mechanisms such as housing agreements or price restrictions for specific occupants can protect affordability in perpetuity. At the same time, these controls may erode the incentive for building or renting the ADU. Implementing affordability measures requires a careful balance between the interest of the tenant/community and the homeowner.

If done right, and ADUs become a popular housing type, adding to the long-term supply of rentals may help reduce rental rates in existing rental buildings.



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