



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	December 6, 2016
<b>SUBJECT/REPORT NO:</b>	Laneway Housing Inventory (PED16200) (City Wide) (Outstanding Business List Item)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SUBMITTED BY:</b>  <b>SIGNATURE:</b>	Jason Thorne General Manager Planning and Economic Development Department

## Council Direction:

At its meeting on March 1<sup>st</sup>, 2016, Planning Committee approved the following motion:

“That staff prepare a report and presentation to Committee on the current inventory and policies related to ‘Laneway Housing’ in Hamilton.”

## Recommendation:

- (a) That Item DD regarding review of inventory and policies related to Laneway Housing be removed from the Planning Committee Outstanding Business list.

## Information

The purpose of this Report is to provide an inventory of the current laneways, an overview of existing laneway housing, and to identify the policy and regulatory framework pertaining to laneway housing in the City of Hamilton. This Report serves as

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an introductory discussion of the prospect of laneways to act as opportunity sites for affordable housing and residential intensification, and will inform the development of the broader secondary suite zoning review.

## **1. Characterizing Public, Assumed, Unassumed, and Private Laneways**

The function and character of these laneways today is often dependent on their ownership status, which falls into three main categories – Assumed, Unassumed and Private.

Public alleys (or laneways) are City-owned public highways (right-of-ways) that act as passageways at the rear of buildings. Public alleys may be assumed or unassumed. Assumed alleys have been paved and undergo some minor level of maintenance by the City. Unassumed alleys typically do not undergo paving or any maintenance. Unassumed alleyways are often occupied by adjoining land owners and their tenants, sometimes with substantial improvements or fixtures such as garages, mature trees, landscaping and fences etc. These encroachments often encumber the full range of options and functionality of the laneway.

Private laneways are owned by private landowners. Often, landowners with property adjacent to laneways will purchase the portion of the laneway that abuts their property through the Permanent Alley Closure Process. This process requires an application to the City, a public process and if successful, the passing of a By-law to close the portion of the laneway. This often results in fragmentation of the laneway with land owners often extending their rear yard into the laneway in order to accommodate additional amenity area. As a result, the ability to use the laneway as a passageway is often precluded by private ownership.

Laneways (whether assumed, unassumed or private) continue to serve many functions and have the potential to fulfil future needs as growth becomes more focused within existing established neighbourhoods through infill and intensification. Beyond housing, laneways may offer the opportunity for multi-modal transportation options – bike and walking trails. More creative uses, such as space for community needs are also possible. For example, the ‘community green’ approach, converted alleyways into aesthetic and functional green spaces that are owned and managed by the people who live around them.

Laneways can also provide secondary access for existing properties that may no longer be able to functionally utilize their existing access from their frontage on a public street. Large infrastructure projects, such as Light Rail, may increasingly encourage/require this approach.

Following Report PW07033 by Public Works addressing on-going maintenance issues with public alleyways, Public Works staff has undertaken a review of the City’s alleyway

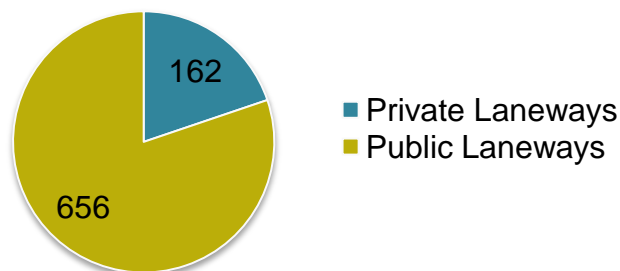
inventory. Public Works staff is currently establishing a comprehensive strategy which may include a policy and procedures manual addressing the management of all alleys City wide. Report PW07033 suggests continuing with current City policy regarding alley maintenance, until such time as a new policy can be presented to Council for approval.

To ensure future policy is both sustainable and responsive to the current and ongoing constraints and opportunities with respect to alley management and to better understand the range of options and functions of laneways, it is prudent to first understand the amount, location and form of laneways within Hamilton.

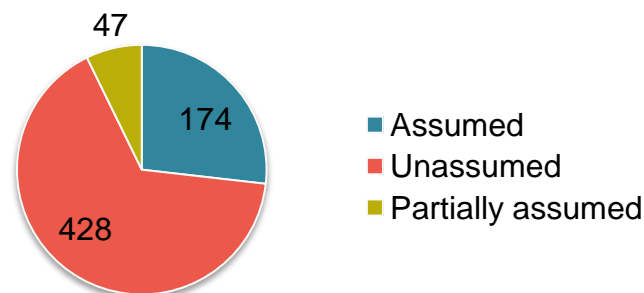
### **Laneway Inventory**

There are 818 laneways in the City of Hamilton. In total, there are approximately 100 km and 38 ha of laneways. Laneway widths range between three and four meters. The large majority of laneways are City-owned (656), while the remainder are privately owned (162) (see Figure 1). Of the publicly owned laneways, 174 are assumed, 428 are unassumed, and 47 are partially assumed laneways (see Figure 2).

**Figure 1 – Laneway Ownership in the City of Hamilton**



**Figure 2 – Laneway Assumption in the City of Hamilton**

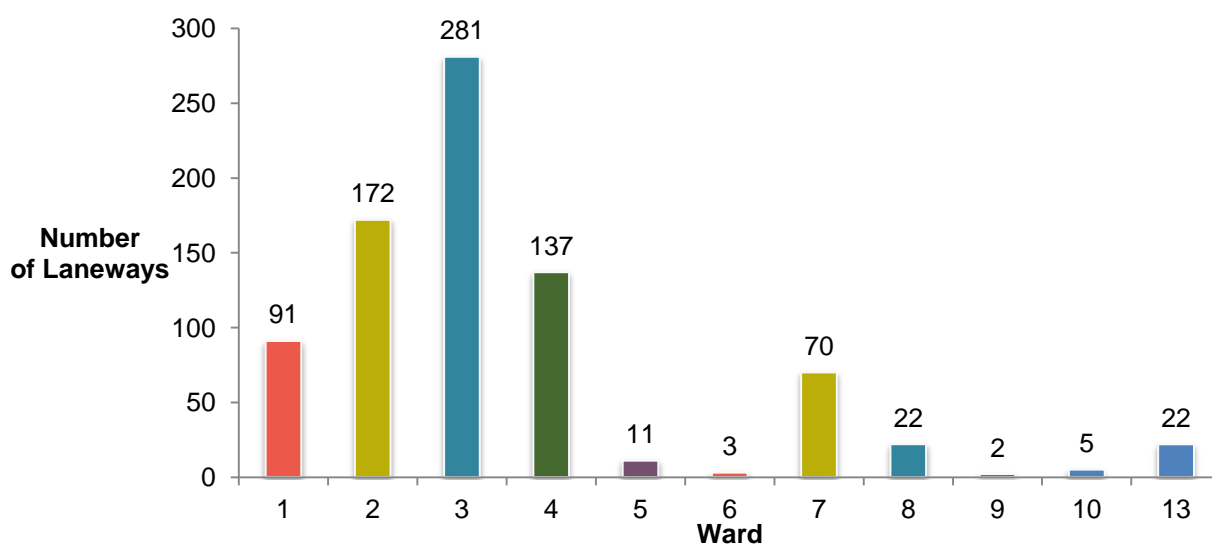


The majority of laneways are located in the lower city in the area bounded by Burlington Street to the north, Parkdale Avenue to the east, the Niagara Escarpment to the south,

and Dundurn Street to the west (see Appendix “B” of Report PED16200). Ten percent of laneways are located within the Downtown Urban Growth Centre. Ward 3 contains the most laneways with 281 (34% of all laneways), followed by Ward 2 with 172 (21%), and Ward 4 with 137 (17%) (see Figure 3 and Appendix “A” of Report PED16200).

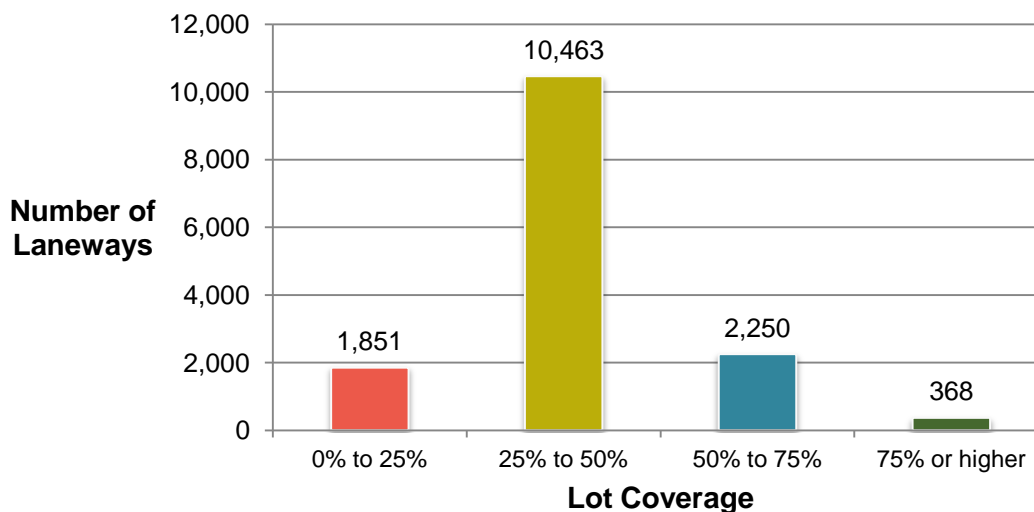
Laneways are also found in the upper City between Concession Street, Upper Gage Avenue, Fennell Avenue, and West 5<sup>th</sup> Street. A small pocket of laneways also exists in the upper City between Fennell Avenue, Upper James Street, South Bend Road West, and West 5<sup>th</sup> Street.

**Figure 3 – Location of Laneways in the City of Hamilton by Ward**



Approximately 15,435 properties in Hamilton abut laneways of which, 13,608 or 88% of the properties are currently used for residential purposes (see Appendix “C” of Report PED16200). Zoning for those existing residential units that abut a laneway vary, but are typically lower density zones.

**Figure 4 – Lot Coverage of Properties Abutting Laneways**



## **2. Existing Context of Laneway Housing**

A laneway home is typically a small, detached home located at the centre of the block and fronting a laneway. Laneway homes are a form of secondary suite typically created through the conversion of an existing accessory building or new construction separate from the principal dwelling. In most cases they are located on the same lot as the principal building, however in some examples they are located on a separate lot with frontage only onto the laneway (see Figures 5 and 6 for examples of laneway homes in Hamilton).

**Figure 5 – 20 and 22 Wheeler Lane, Hamilton**



**Figure 6 – Fanning Street, Hamilton**



Many of the laneway homes in the City of Hamilton were originally built as outbuildings or carriage houses, but have since been adaptively reused to accommodate habitable space. There are approximately 70 known laneway homes in existence in the City of Hamilton, most of which are located in the lower City (see Appendix “E” of Report PED16200).

On the vast majority of abutting properties (10,463 properties), 25% to 50% of the lot is covered with a building or structure (see Appendix “D” of Report PED16200). Table 1 provides examples of setbacks and percent of existing building envelope for ten laneway homes that currently exist in Hamilton. Laneway house building envelopes are smaller than that of the principal dwelling unit, with the median percent of primary building envelope being approximately 41%. Front and side yard setbacks for laneway homes are also minimal (See Table 1).

The majority of laneway homes in Hamilton are non-complying and non-conforming uses with respect to the Urban Hamilton Official Plan and the former City of Hamilton Zoning By-law.

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**Table 1 Examples of Setbacks and % Building Envelope for Existing Laneway Homes in Hamilton**

	<b>Setback from Laneway (metres)</b>	<b>Combined Side Setback (metres)</b>	<b>Primary Dwelling Envelope (sq. metres)</b>	<b>Laneway House Envelope (sq. metres)</b>	<b>% of Primary Dwelling Envelope</b>
1	2.3	6.9	208	60	29%
2	0	4	136	54	40%
3	0	1.3	157	88	56%
4	0	8.8	162	56	35%
5	0	2.5	96	69	72%
6	0	11.2	294	122	41%
7	0.4	0.3	128	61	48%
8	0	5.3	204	66	32%
9	0.6	5.5	139	33	24%
10	0.8	0	97	73	75%
<b>Median*</b>	<b>0.6</b>	<b>4.65</b>	<b>148</b>	<b>63.5</b>	<b>41%</b>
<b>Average*</b>	<b>0.82</b>	<b>4.6</b>	<b>162.1</b>	<b>68.2</b>	<b>45%</b>

\*If more than one “zero” value occurred in a column, only one “zero” value was used to calculate median and average.

### **3. Existing Policies**

#### Provincial

The policy framework in place to support laneway housing in the City of Hamilton is derived from provincial and municipal policies, goals and targets pertaining to growth and intensification, affordable housing, and the accommodation of a variety of housing forms. The *Strong Communities Through Affordable Housing Act, 2011* amended the *Planning Act, 1990* to improve the affordable housing system. Section 2 of the *Planning Act, 1990* was amended to further identify affordable housing as a matter of provincial interest. The amendments also included enhanced provisions for garden suites and second units.

Garden suites are units intended for temporary purposes for a specified period of time only, and are required through the *Planning Act* to be located in structures that are both temporary and moveable. Laneway housing would not be considered under the provisions of a garden suite, as by definition, the housing created through laneway units would be both permanent and within a structure that is not moveable. Secondary units

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are an additional separate dwelling unit on a property that would normally accommodate only one dwelling unit.

Laneway homes are therefore instead considered a form of secondary unit, one that if pursued under a detailed policy framework, will require its own planning analysis and approval. The analysis and approval is based on both the required reduced performance standards of the unit, as well as, the constraints presented through its access from a laneway.

The *Provincial Policy Statement, 2014* identifies the need for a range of residential options and prescribes the role of planning authorities to identify opportunities and locations for suitable for intensification. Further review of the appropriateness of laneway locations would be required in order to determine whether laneways offer the opportunity to consider this as a desirable form of intensification.

The *Growth Plan for the Greater Golden Horseshoe, 2006 (Growth Plan)* encourages municipalities to accommodate growth in the built-up areas, prescribes intensification targets, and supports intensification through the provision of a range and mix of housing taking into account affordable housing needs, and through the creation of secondary suites. Laneway housing would provide the opportunity to accommodate growth within the built up area, and potentially address some affordable housing needs with respect to supply, but as detailed previously, would require further assessment to ensure character and compatibility matters are considered.

#### Urban / Rural Hamilton Official Plan

The Urban Hamilton Official Plan (UHOP) identifies forecasts and targets for growth and intensification, as mandated by the *Growth Plan*. In addition to population forecasts, the UHOP provides other targets that include the Downtown Urban Growth Centre Density Target of 250 people and jobs per hectare (Policy A.2.3.3.1) and a Residential Intensification Target that 40% of all residential development required to occur annually within the *built-up* area (Policy A.2.3.3.4).

Section B.2.4 of the UHOP identifies the need for residential intensification to ensure the efficient use of infrastructure, support existing communities, and to contribute to the development of vibrant communities. Intensification is directed to the Downtown Urban Growth Centre, as well as nodes, corridors, and Neighbourhoods.

UHOP Policy B.2.4.1.4 sets out the criteria to be followed when evaluating the appropriateness of residential intensification developments. The criteria include, but are not limited to, compatibility and integration of the development with the existing neighbourhood and built form, the contribution the development will make to achieving a range of dwelling types, and infrastructure and transportation capacity.

The UHOP also identifies ways in which the City can facilitate residential intensification:



***“Facilitating Residential Intensification***

- 2.4.4**      *The City, when reviewing or developing new secondary plans or corridor studies, shall identify opportunities for residential intensification to support the intensification targets and related policies.*
- 2.4.5**      *The City shall establish zoning that permits residential intensification generally throughout the built-up area in accordance with this Plan.*
- 2.4.6**      *The City shall prepare detailed design guidelines for residential intensification projects in a variety of contexts.*
- 2.4.7**      *The City shall consider the creation of new, or expansion of existing programs, including public transit, to encourage and/or facilitate residential intensification.”*

With respect to urban housing, UHOP Section B.3.2 outlines goals and policies that lay the groundwork for the creation and provision of a range of housing types, forms, tenures, densities, affordable housing, and housing in complete communities.

The potential for laneway housing is particularly influenced by the general urban housing policies of UHOP Section B.3.2.4, which make allowances for second dwelling units and detached second unit dwellings on lots of existing single detached dwellings (which laneway housing would be considered), subject to the City undertaking a study, as follows:

***“3.2.4      General Policies for Urban Housing***

- 3.2.4.4**      *Second dwelling units shall be permitted within single and semi-detached dwellings in all Institutional, Neighbourhoods, Commercial and Mixed Use designations, as shown on Schedule E-1 – Urban Land Use Designations, and shall be subject to zoning regulations.*
- 3.2.4.5**      *Subject to the City undertaking a study, in certain conditions it may be appropriate to permit new detached second dwelling units on lots of existing single detached dwellings.”*

Finally, with respect to Hamilton’s Housing and Homelessness Action Plan, it is noted that a key outcome is to identify areas where pre-zoning for appropriate zoning designations is possible and would support affordable housing development. The consideration of laneway housing, and creation of appropriate zoning regulations to facilitate their creation, may potentially assist with the delivery of this outcome.

## **4. Considerations**

### Regulatory, Policy, and Zoning Framework

The existing provincial and local policy framework is supportive of the concept of laneway housing. Residential intensification goals and targets for the built-up area of the City promote the efficient use of space, infrastructure, and the development of complete communities. Provincial and municipal policies support the development of a range of housing types, including second dwelling units, and – subject to further study – new detached second dwelling units on lots of existing single detached dwellings. While the UHOP is supportive of the concept of laneway housing, it identifies the need for further study to define where and under what conditions a detached second dwelling unit is appropriate. The development of a decision framework will provide criteria to ensure laneway housing developments are suitable.

Laneway housing is not currently permitted by Hamilton's Zoning By-laws. Through the Comprehensive Zoning By-law reform process, consideration may be given to the appropriateness of laneway housing as secondary units in residential zones. In addition to zoning permissions and regulations, the character and form of laneway housing developments will also need to be evaluated on a case-by-case basis to determine overall fit with the existing built form and neighbourhood character.

Should laneway homes be permitted in residential zones in the future, performance standards for laneway homes will likely need to be relaxed in comparison to typical standards for single family dwellings. Of particular note is the implication for parking standards. Should laneway housing be introduced, it would likely require parking for each new unit to be exempt, and further, potentially remove the parking for the existing unit if this were provided from the laneway.

### Assumption, Current Use, and Servicing

It is likely that laneway infill housing is more feasible on assumed public alleys because some level of maintenance already exists, indicating that laneway access is possible. As such, assumed laneways are less likely to be encumbered. However, assumed laneways also have the greatest number of users. These alleys serve as part of the municipal transportation system, providing direct and indirect functions to those within the area as well as those properties that abut the laneway.

Irrespective of whether they are assumed or unassumed, it is likely that upgrades will be required and must be maintained if uses such as laneway houses are permitted. Depending on the ownership model, this could result in a significant capital cost for the City.

Commercial properties rely on laneways for delivery and loading space, while residents utilize laneways to access parking and garage space. Consideration and implementation of laneway housing may therefore create challenges for existing users and increase parking and traffic on nearby streets.

The vast majority of laneways in the City are unassumed public laneways. Unassumed laneways are often encroached upon and occupied by adjoining land owners and their tenants. Unassumed laneways may contain garages, mature trees, landscaping, fences, and other fixtures, which can create encumbrances and pose access and servicing challenges for infill housing in laneways. Services such as snow and garbage removal may not be possible in unassumed laneways.

Furthermore, unlike assumed alleyways, which are often partially serviced, unassumed alleyways contain no servicing and further constrain the ability to accommodate laneway housing without significant upgrades both in terms of servicing as well as the condition of the laneway itself. Extending servicing through the principal dwelling unit is also of concern, understanding that it would limit the autonomy of the secondary suite and preclude matters such as severances that are not encumbered with numerous servicing easements.

Frontage on a public street is also a key planning consideration understanding that access through easements over private property diminishes the role of the municipality in securing servicing as well as overall access. Encumbered easements are civil matters that could result in costly processes through the court system. On this basis, land locked parcels, or parcels accessed only by means of private easement should be avoided.

The right-of-way (ROW) in most laneways is between three and four meters. Narrow ROW's pose challenges for the accommodation of all users and activities, including servicing, parking, and property access. Further analysis is also required to determine how laneway homes will be serviced with water, sewer, gas, and electrical utilities. Fire access requirements may also preclude the opportunity for laneway homes.

### Ownership

Further investigation into the most appropriate legal framework for ownership of laneways is required. It is unclear as to whether the City is the most appropriate owner, or if alleys should be sold off as surplus lands or continue with the current process whereby it is assessed on a case by case basis. It is possible that with the appropriate policy and zoning framework in place, laneways may become desirable to the development community. However, budgetary requirements for laneway maintenance must also be considered. Condominium roads may be a more viable alternative to publicly owned laneways, providing clear legal mechanisms to coordinate and regulate

the provision of services, including but not limited to matters such as snow clearance and garbage removal.

### Lot Size

An important consideration when determining the appropriateness of laneway housing is lot size, setbacks, and built form. The width and depth of lots abutting laneways will serve as a criteria for the suitability of a laneway home. Zoning regulations will need to address these aspects of laneway homes and their relation to other buildings on the property. In other municipalities where laneway housing is permitted, a regulatory framework has been implemented to ensure that new laneway developments meet high standards of design. For example, the City of Vancouver passed a By-law to permit laneway houses in single family residential zones. Following this, regulations were enacted to detail the requirements of laneway developments. The regulations address lot size, building height, position of laneway house, site coverage, floor area, and window coverage, among other requirements.

It is noted that whereas servicing will be constrained by the width of the of the laneway, matters such as storm water management will also need to be addressed on the residential lot. Overbuilding, particularly on already modest sites, would be a concern and would potentially impact the ability of the lot to appropriately manage grading and Stormwater Management (SWM) related matters.

### Potential Benefits to Residents and Community

By their nature, laneway homes are small in size and therefore potentially less expensive to construct and maintain than street-oriented dwellings. Laneway housing may therefore serve as another opportunity to provide affordable housing to low income individuals and families while maintaining the the character and urban fabric of existing neighbourhoods. Laneway housing may help to address homelessness issues and assist in implementing strategies outlined in the City of Hamilton Housing and Homelessness Action Plan (2016). However, as previously mentioned, access and servicing of some laneways may be limited. Infrastructure improvement costs required to adequately service laneway homes may offset potential financial benefits and decrease overall affordability.

Laneway homes, if designed to high standards, can offer residents the opportunity to find housing in Hamilton that is suitable for their lifestyle. However, small homes may not be suitable for everyone. Careful consideration of quality of life outcomes, including but not limited to accessibility for those with mobility issues, will need to be given when developing design criteria for smaller units that will serve as laneway infill developments. Smaller units may also pose challenges with respect to compliance to Ontario Building Code regulations. As previously mentioned, well designed, functional

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units will also come at a premium, and often negate cost savings made from their reduced size.

Infill housing in the city's laneways can enhance the public realm by improving the physical appearance of alleys and by fostering the opportunity for social activities. Laneway housing can increase public safety by adding 'eyes on the street.' Laneway houses can also contribute to sustainability by providing residents with opportunities to live close to jobs and amenities, and by greening otherwise potentially underutilized parcels of land. In order to realize such community benefits, it is necessary to find a balance between level of intensification and quality of development. Comprehensive review of the benefits and constraints of such housing is required, in order to determine whether such housing is feasible.

### **Next Steps**

Specific study on the impacts and constraints of such housing is required. Consideration of practical implementation of servicing, parking, traffic, engineering, and ownership requirements will need to be co-ordinated with careful consideration of character, design and density implications. These matters will also need to be integrated into larger fire code and building code requirements.

Planning, Public Works, Growth Management and Legal departments will need to work collaboratively to understand various constraints and opportunities for laneway housing in Hamilton and work closely with previously established internal 'Comprehensive Alley Management Team'.

Should the outcome of the comprehensive study indicate the potential feasibility of laneway housing, consideration of the implementation may inform the Comprehensive Zoning By-law contemplation of residential zoning and potentially permit identification of criteria and performance standards required for laneway homes.

### **APPENDICES AND SCHEDULES ATTACHED**

- Appendix "A": Laneways by Ward
- Appendix "B": Laneways and Adjacent Properties
- Appendix "C": Laneways and Land Use of Adjacent Properties
- Appendix "D": Laneways and Lot Coverage of Adjacent Properties
- Appendix "E": Existing Laneway Housing