



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	June 19, 2018
SUBJECT/REPORT NO:	Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4)
WARD(S) AFFECTED:	Wards 1, 2, 3 and 4 (Parts Thereof)
PREPARED BY:	Edward John (905) 546-2424 Ext. 2359
SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Report PED16200(a) (City Initiative CI-18-F) to amend regulations of Section 19 of Zoning By-law No. 6593 to allow secondary units within detached structures for those properties within the lower City (parts of Wards 1, 2, 3 and 4) adjoining a laneway, be received;
- (b) That Report PED16200(a), together with any written submissions and input from delegations received at Planning Committee, be referred to staff for consideration and incorporated into a further report and amending by-law to be presented to the a future Planning Committee meeting;
- (c) That Corporate Services staff be requested to present Report PED16200(a) to the Development Charge Stakeholders subcommittee for consideration when recommending policy direction for the 2019 Development Charge Study.

EXECUTIVE SUMMARY

The purpose of this Report is to continue the evolution and implementation of innovative measures to increase the supply, range of housing options and affordability of units within Hamilton, consistent with the Urban Hamilton Official Plan vision. This Report marks one of the continued and on-going strategies to support appropriate and compact infill development.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 2 of 18

In particular, this Report seeks to amend Section 19 of Zoning By-law 6593 with respect to secondary dwelling units in separate built structures. The proposed Zoning By-law Amendment would permit modest secondary residential units within the rear yard of existing dwellings for properties that adjoin a laneway for certain areas of the lower City.

The Zoning By-law will ensure the relationship between the principal unit and the secondary suite regulations is maintained over time with respect to servicing, access and maintenance.

The proposed By-Law Amendment would:

- Permit secondary dwelling units within stand alone buildings on lots adjoining a laneway;
- Limit these dwellings to 6m in height and 50 sq m in area;
- Restrict the location of windows and doors above 1st floor; and,
- Not require any additional parking.

A more detailed discussion of the specific amendments is provided in the Analysis/Rationale for Recommendations Section of this Report.

Alternatives for Consideration – See Page 17

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As detailed within the servicing review, separate services to the secondary unit are the preferred option by Growth Management staff. This option would likely result in increased cost of development due to the requirement of road cuts. Joint servicing from the private lot would be considered more cost effective (saving between \$15,000 and \$20,000) however, based on discussions with Growth Management staff, this would have to be reviewed and approved on a case-by-case basis.

This Report recommends potential changes to the Development Charges By-law when they are reviewed and updated July, 2019. The intent is to align the development charges with that of an accessory unit, notwithstanding that it is located wholly within a detached structure.

Staffing: There are no staffing implications.

Legal: As required by the *Planning Act*, Council must hold at least one Public Meeting to consider an amendment to the Zoning By-law.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 3 of 18

Public Notice as per the *Planning Act* has been provided in the Hamilton Spectator.

As this is a City-initiated Zoning By-law Amendment with City Wide effects, no notification by mail or sign on the property is required.

HISTORICAL BACKGROUND

At its meeting on March 1st, 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."

In response to this motion, staff brought forward Report PED16200 on December 5th, 2016 which provided an inventory and overview of the laneways within Hamilton. The Report identified that a number of constraints face the creation of Laneway Housing particularly with regard to servicing, emergency access and tenure.

As detailed in previous Report PED16200, although a number of examples of Laneway Housing exist, the current process to permit new Laneway Housing would require a rezoning application and potential site plan process. The required investment in time and money to pursue these applications limits the effectiveness and responsiveness of this form of housing in supporting rental stock development.

Report PED16200 also identified the significant constraints involved with the expense of constructing laneway servicing and functional challenges including garbage collection, snow clearing and emergency access.

These constraints are considerably more limiting when laneway units are dependent on servicing and access only through the laneway because the lot does not have frontage on a municipal street. Subsequently, Planning Division staff was requested to report back to Planning Committee following consultation with the Alleyway Management Strategy Working Group on a process for including appropriate permissions for Laneway Housing as part of the review and update of the City's Residential Zoning By-law planned for 2018-2019.

Staff continues to review and resolve these issues. However, as presented within this report, staff is recommending an additional measure which would permit secondary dwelling units as a pilot project in existing and proposed accessory structures on those properties that adjoin a laneway. The absorption rate and any potential impacts will be monitored by Planning Division staff and the results of this monitoring will be used to

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 4 of 18

inform the development of secondary unit zoning permissions as part of the Comprehensive Residential Zoning Project.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

1.0 Provincial Direction

The policy framework in place to support Laneway Housing in the City of Hamilton is derived from Provincial 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 secondary units.

Garden suites are units intended for temporary purposes only, and are required through the *Planning Act* to be located in structures that are both temporary and moveable. Converted accessory buildings or newly constructed secondary units in accessory buildings would not be considered under the provisions of a garden suite, as by definition, the housing created through such units would be both permanent and within a structure that is not moveable. Secondary units are additional separate dwelling units on a property that would normally accommodate only one dwelling unit.

1.1 Growth Plan of the Greater Golden Horseshoe, 2017

The Growth Plan for the Greater Golden Horseshoe, 2017 (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 dwelling units. Policy 2.2.1.4 states in particular:

"Applying the policies of this Plan will support the achievement of *complete communities* that:

- a) feature a diverse mix of land uses, including residential and employment uses, and convenient access to local stores, services, and *public service facilities*;
- b) improve social equity and overall quality of life, including human health, for people of all ages, abilities, and incomes;

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 5 of 18

- c) provide a diverse range and mix of housing options, including second units and *affordable* housing, to accommodate people at all stages of life, and to accommodate the needs of all household sizes and incomes;"

Secondary units located within accessory structures would provide the opportunity to accommodate growth within the built up area, and potentially address some affordable housing needs with respect to supply and, therefore, would conform with the Growth Plan.

1.2 Provincial Policy Statement, 2014

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.

In particular, Policy 1.1 - Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns, identifies that healthy, liveable and safe communities are sustained by an appropriate range and mix of residential uses including secondary units, affordable housing and housing for elderly people. The proposed by-law changes would assist in removing some of the regulatory barriers that encumber secondary suite development without compromising other planning objectives. More specifically, Policy 1.1.1 states:

"1.1.1 Healthy, liveable and safe communities are sustained by:

- a) Promoting efficient development and land-use patterns which sustain the financial well-being of the Province and Municipalities over the long term;
- b) Accommodating an appropriate range and mix of residential units including secondary units, affordable housing and housing for the elderly, employment including industrial and commercial, institutional including places of worship, cemeteries and long-term care homes, recreation, park and open space, and other uses to meet long-term needs;
- e) Promoting cost-effective development patterns and standards to minimize land consumption and servicing costs;"

Settlement areas are identified as the areas to focus on growth and development, and to use existing infrastructure to promote efficient development patterns. The proposed introduction of detached secondary dwelling units for those properties adjoining a laneway would encapsulate this efficient approach to development. In particular Policy 1.1.3.2 states:

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 6 of 18

"1.1.3.2 Land use patterns within *settlement areas* shall be based on:

- a) densities and a mix of land uses which:
 - 1. efficiently use land and resources;
 - 2. are appropriate for, and efficiently use, the *infrastructure* and *public service facilities* which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion;
 - 3. minimize negative impacts to air quality and climate change, and promote energy efficiency;
 - 4. support *active transportation*;
 - 5. are *transit-supportive*, where transit is planned, exists or may be developed;

Following review of impacts and existing infrastructure, it is considered in accordance with Policy 1.1.3.3 which states:

"1.1.3.3 Planning authorities shall identify appropriate locations and promote opportunities for *intensification* and *redevelopment* where this can be accommodated taking into account existing building stock or areas, including *brownfield sites*, and the availability of suitable existing or planned *infrastructure* and *public service facilities* required to accommodate projected needs."

Furthermore, Policy 1.4.3 specifically directs planning authorities to provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents of the regional market area by:

"b) permitting and facilitating:

- 1) all forms of housing required to meet the social, health and well-being requirements of current and future residents, including *special needs* requirements;"

On the basis of the above comprehensive review, staff considers the proposed By-law to be consistent with the goals and direction of the PPS.

2.0 Urban 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

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 7 of 18

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 includes 40% of all residential development required to occur annually within the built-up area (Policy A.2.3.3.4). In accordance with the 2017 Growth Plan, these targets will be revised to 60% once the City updates the UHOP to implement the 2017 Growth Plan.

Section B.2.4 of the UHOP identifies the need for residential intensification to ensure the efficient use of infrastructure, support existing communities, and 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.

With particular regard to residential intensification, Policy B.2.4.2.2 policy has been used to review and support the proposed Zoning By-law Amendment:

"When considering an application for a residential intensification *development* within the Neighbourhoods designation, the following matters shall be evaluated:

- a) the matters listed in Policy B.2.4.1.4;
- b) *compatibility* with adjacent land uses including matters such as shadowing, overlook, noise, lighting, traffic, and other nuisance effects;
- c) the relationship of the proposed building(s) with the height, massing, and scale of nearby residential buildings;
- d) the consideration of transitions in height and density to adjacent residential buildings;
- e) the relationship of the proposed lot(s) with the lot pattern and configuration within the neighbourhood;
- f) the provision of amenity space and the relationship to existing patterns of private and public amenity space;

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 8 of 18

- g) the ability to respect and maintain or enhance the streetscape patterns including block lengths, setbacks and building separations;
- h) the ability to complement the existing functions of the neighbourhood;
- i) the conservation of *cultural heritage resources*; and,
- j) infrastructure and transportation capacity and impacts."

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 makes allowances for secondary dwelling units and detached secondary dwelling units on lots of existing single detached dwellings (which secondary units adjoining a laneway would be considered), subject to the City undertaking a study, as follows:

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 9 of 18

"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."

It is considered that for the purposes of this proposal, this Report fulfills this policy requirement.

Finally, with respect to the 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.

RELEVANT CONSULTATION

- Recycling and Waste Disposal, Public Works;
- Growth Management, Planning and Economic Development Department;
- Building Services, Planning and Economic Development Department;
- Community Safety & Planning, Healthy and Safe Communities; and,
- Corporate Services, Finance.

Public Consultation

In accordance with the provisions of the *Planning Act* and the Council Approved Public Participation Policy, Notice of Public Meeting was advertised in the Hamilton Spectator on May 25, 2018.

Given the potential for additional community or stakeholder consultation, staff will consider the possibility of a Public Consultation event in September prior to the matter being considered by Planning Committee. Matters raised at the public meeting and received correspondence will be addressed through this process.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 10 of 18

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Previous staff Report PED16200(a) provided an inventory and characterization of Laneway Housing and existing laneways (See Appendix "B" to Report PED16200(a)). As detailed within Appendix "B", existing laneways have the following general characteristics. They are:

- Predominantly public and un-assumed;
- Predominantly located within wards 1-4 (Lower City); and,
- Typically lower density zones with the majority of lots having 25-50% lot coverage.

1.0 Housing Opportunities

It is considered that while constraints face the creation of independent Laneway Housing that is contingent on servicing and access from the laneway; as discussed below, the laneway itself provides numerous secondary advantages which support the consideration of accessory structures being permitted to convert to residential use or, alternatively, new separate buildings being purpose-built for residential occupation.

1.1 Character and Separation

As previously noted within Report PED16200, laneways and laneway housing represent a historical presence throughout Hamilton, particularly within the lower City with over 100 km of laneways. These 'service' corridors represented a means for access for services, delivery, and in several cases secondary dwelling units. The proposed by-law to permit the conversion and / or creation of modest habitable units for those properties adjacent to a laneway is considered in keeping with the historical fabric of the area and would enhance the utilization and animation of the laneways.

This mild form of intensification is comparable to the impact of creating a basement unit except that, in this case, the unit would be within a separate structure within the rear yard. The laneway acts as a buffer that would limit concerns of overview and loss of privacy that may otherwise be experienced.

Additional advantages include separation from the typical backyard to backyard configuration, lessening concerns over loss of privacy and detrimental impacts upon daylight. Given that most laneways are between 3.0 – 6.0 m in width and are often considered to be public thruways, intensification along these routes is not considered to be detrimental to the character or amenity of the properties that adjoin them.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 11 of 18

These concerns would be further mitigated through the provisions that restrict the height of the structure and ensure second floor windows face only the laneway unless within the plane of a roofline (discussed further in Section 5.0 of this Report).

1.2 Laneway Animation

The ability to provide adequate pedestrian secondary access to the new unit, notwithstanding securing primary access particularly for vehicles, remains a concern of the laneways and is also considered to significantly contribute to the successful implementation of secondary dwelling units within accessory structures.

It is considered that allowing the creation and conversion of accessory buildings to residential uses would also provide the opportunity for greater animation, security and vitality of the laneway due to increased pedestrian usage through the creation of these additional units.

1.3 Site functionality

Maintaining a relationship with the principal dwelling unit provides considerable benefit in terms of the site functionality, with servicing and garbage collection permitted and required through the same arrangements as the principal dwelling.

On this basis, while not creating independent freehold units, the proposed provisions would increase the supply of housing stock, some of which maybe rental.

The intent is to permit a new secondary dwelling unit that is not severable and instead remains ancillary to the principal dwelling. This approach resolves many of the fundamental constraints related to the dependence upon the laneway as an access and servicing corridor, and instead recognizes the benefits of the laneway as a secondary access that provides a buffer between the typical rear yard to rear yard lot configuration.

1.4 Affordable Housing

These forms of secondary dwelling units can be used to house family, aging relatives or dependents, or rented out to provide a household income supplement. The regulations require these units to be smaller, both in height and area, than the principal dwelling, not require parking and be serviced from the public right-of-way at the front of the principal dwelling.

It should be noted that unlike a "granny suite" which by definition under the *Planning Act* must be wholly moveable and a temporary structure, secondary dwelling units would be

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 12 of 18

permanent structures and be an investment opportunity, one that could provide a meaningful option to those residents challenged by housing affordability.

The proposed by-law modifications are considered to represent a meaningful way to address the supply of affordable rental housing in the City of Hamilton. While unlikely to cater to the need for housing families, the ability for this modest form of housing to address the shrinking rental market and provide more options within existing neighbourhoods is considered an important consideration. Given the size and location, the units may generate lower rental rates but be located close to many services – two important factors often desirable for those in search of affordable housing.

The provision may also assist with some of the pressures being experienced as a result of rising property values through the lower City. The ability to secure a secondary suite may provide a mechanism to create a revenue stream for the owner of the property, providing the option to either live in the principal dwelling and rent out the suite or, alternatively, rent out the principle dwelling and downsize to the new suite. Under either circumstance, additional opportunities would be provided which would allow residents who may be experiencing pressure to relocate and to remain within their neighbourhood.

Finally, the provisions proposed would also foster positive community building opportunities such as "aging in place" options, as well as opportunities for greater independence from those family members who are seeking separate accommodations but cannot afford to enter the formal market.

2.0 Geographic Considerations

The proposed By-law Amendments would apply in the lower City only and more specifically as per Appendix "B" to Report PED16200(a) to residential areas zoned "C" (Urban Protected Residential, Etc.) District, or the "D" (Urban Protected Residential – One and Two Family Dwellings, etc.) District.

The restriction of these provisions to this geographic area was based on the consistency in character of the laneway configuration exhibited in these Wards. In addition, it is noted these areas contained the necessary infrastructure and services that could successfully accommodate the proposed intensification. Although laneways exist within the suburban and rural areas of the City, the character of these laneways was less consistent and more diverse in form and function.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 13 of 18

2.1 West of Highway 403

The Secondary Suite provisions as proposed in Appendix "B" to Report PED16200(a) do not extend west of Highway 403. The intent of this provision is to avoid over-intensification of the residential neighbourhoods, understanding these areas are characterized by modest dwellings on modest lots and which have been placed under increased development pressures as a result of the proximity to McMaster University. These areas have subsequently been zoned with site specific regulations intended to address these matters. On this basis, consideration of infill opportunities within these areas was not considered appropriate without additional study of the specific characteristics and pressures currently experienced within these areas.

2.2 Downtown Hamilton

The provisions also do not include Downtown Hamilton, which is part of the Secondary Plan and Zoning By-law Amendment Update, which has recently been approved by City Council, and does not extend north of Burlington Street which is predominantly an industrial area.

Given the recent updates to the Downtown Zoning By-law and the added concern that the role of alley ways within the Downtown Secondary Plan Area are more often strategically utilized as assembled components of more comprehensive developments, this area was not included in the pilot project. Inclusion of it will, however, be considered through the future Residential Zoning Review.

3.0 Zoning By-law Provisions

3.1 Single Detached Dwelling

Additional secondary dwelling units would only be eligible for existing single detached dwelling lots and would not be permitted within maisonettes, semi-detached properties, multiple dwellings and townhouses. This requirement ensures appropriate intensification, and allows the City to monitor potential impacts from the pilot project prior to these permissions extending city wide.

Extending the provisions beyond single detached dwellings would require an Official Plan Amendment as Policy B.3.2.4.5 of the UHOP specifically identifies this as applicable to single detached dwellings only.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 14 of 18

3.2 Height and Area

To ensure the scale of laneway houses are modest and subservient to the scale and massing of the principal dwelling, restrictions to the height and area of the secondary dwelling unit are recommended. It is considered that the maximum height of 6m and Gross Floor area to 50 sq. m would ensure the ancillary residential unit would be comparable to the regulations that govern typical ancillary structures (See Appendix "C" to Report PED16200(a)).

3.3 Setbacks

The requirement to maintain a 7.5 m separation between the principal dwelling and the secondary unit would ensure sufficient amenity space is maintained for the main dwelling and that the lot is not overly intensified. Similarly, requiring the 1.2 m side yard setbacks allow for the built form to respect the existing configuration of built form as well as ensuring servicing such as swales are not detrimentally affected (See Appendix "C" to Report PED16200(a)).

3.4 Location of Fenestration

As discussed previously, requirements have been added to ensure loss of privacy and overlook are not generated. In particular, restricting second floor windows that could look into neighbouring private amenity areas is restricted. Second floor windows are only permitted facing the laneway, where due to the separation and existence of a public right-of-way, privacy expectations are less sensitive (See Appendix "C" to Report PED16200(a)).

3.5 Parking

As detailed in Appendix "A" to Report PED16200(a), additional parking will not be required for the new units created through the recommended provisions. It is considered that given the limited floor area (50 sq. m) of the unit and the fact that the unit would maintain access and relationship with the principal dwelling, demand for parking would be low. In those circumstances where parking is desired, informal use of the parking available for the principal dwelling could be utilized where available. It is noted that pressure may be placed for the front yard landscaping requirements of the principal dwelling to accommodate tenant parking. Where variances are sought to amend this requirement, such variances should not be supported.

The requirement to not have additional parking for the secondary unit also reduces the reliance on the laneway for vehicular access. Discussions regarding the precarious ability for these units to secure continued access in perpetuity to parking was

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 15 of 18

highlighted in the previous staff report and, not requiring it as a provision within the recommended amendment would ensure those who do provide parking accessed from the laneway would not be placed in a position of non-conformity with the regulation should the laneway access be compromised in the future.

Finally, these units, as they would only exist on lots containing single detached dwellings, would be eligible for on-street parking permits, where applicable.

3.6 Site Plan Control

Under Section 8 of 15-176 of the Site Plan Control By-law, accessory buildings to single detached dwellings are not subject to the Site Plan.

It is not necessary to place these lands under site plan control to capture the review of these secondary dwelling units. It is considered that the proposed regulations are sufficient to address the continued functionality of the residential lots and those adjoining lots.

4.0 Financial Implications

4.1 Development Charges

With respect to applicable Development Charges, it is noted that the current By-law does not specifically recognize the secondary suite as a separate item and instead, given that it is a separate structure, would be applied the rate of a single detached unit.

Given that this is more characteristically defined as a basement unit in an accessory structure it is considered that the applicable fee should be reviewed and assigned a lower rate. A recommendation has been made to identify secondary dwelling units within an accessory structure as a separately defined item within the future update to the Development Charge By-law to be brought forward in 2019.

4.2 Parkland

Based on the same rationale, as detailed above, it is recommended that secondary dwelling units adjacent to a laneway should be treated equal to that of any other units created through Section 19 conversion provisions and not be considered a separate new dwelling unit. This motion has been captured in the recent update to the Parkland Dedication By-law approved by Council in May, 2018 which established the same flat fee as an accessory apartment.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 16 of 18

4.3 Taxation

Approval of secondary units will require Building Permits to be approved. As such, changes to the property's assessed value will be captured by the Municipal Properties Assessment Corporation and result in increased Municipal taxation. In addition, it is noted that rental housing is exempt from the capital gains shelter and subject to increased income tax.

5.0 Technical Considerations

5.1 Servicing

All servicing (water/sanitary/utilities) will be facilitated from the public road of the principal dwelling or extended directly from the principal dwelling lot, where appropriate. As previously identified, servicing within the laneway was identified as a significant constraint, one borne not only due to the limited width in which to accommodate all the required services, but also the cost and tenure of the laneway in which to secure servicing and access in perpetuity.

Following discussions with Building and Growth Management Division staff, it was noted that under the current Building Code requirements, servicing under the existing dwelling is not permitted. On this basis, in accordance with current engineering guidelines, a separate service is preferred; however, given the potential additional road cut costs that would be incurred, staff would be willing to review alternative options on a case-by-case basis, subject to conformity with applicable Building Code provisions.

5.2 Fire Suppression

As part of the approvals process, the applicant would be required to demonstrate to the satisfaction of the City's Building Department that access and infrastructure such as hydrants are available to ensure any fire related issue can be safely and satisfactorily addressed. Matters such as the width of unencumbered access to the secondary unit, distance from the frontage of the property, and existing locations of hydrants would be matters addressed through this review.

5.3 Severance Potential

It is not appropriate to permit separate title to the secondary unit to be established through severance. As detailed within this Report and previous Report (PED16200), full dependence on the laneway for access and servicing remains a significant constraint. It is not considered appropriate until such point as clear and effective reduced regulations can be approved for the servicing of reduced rights-of-way. In addition, the tenure of

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 17 of 18

each entire laneway would need to be resolved to the extent that the laneways become assumed and officially maintained by the City of Hamilton. While this would secure in perpetuity the ability to provide access and offer the ability to service the laneway, it raises other fiscal and operational concerns from a Public Works perspective. While this will be continued to be reviewed, the alternative approach of maintaining a legal and functional relationship with the principal dwelling as proposed within this Report, would allow the possibility of securing smaller, more affordable rental units within the City.

6.0 Monitoring

City Initiative CI-18-F is a pilot project intended to introduce a series of regulations that are to be comprehensively monitored to evaluate the impacts of regulatory changes on the built form and to assess the ease of administering the regulations. The monitoring program will be undertaken over an 18-24 month period as part of the residential zoning project.

7.0 Conclusion

In conclusion, it is considered that the proposed amendment would provide a meaningful way to secure mild intensification, compact infill development and the potential to bolster declining rental options within the private market. Aspects such as character and amenity have been protected and enhanced through the recommended provisions.

8.0 Next steps

It is noted that the proposed By-law changes represent part of a larger more comprehensive approach to innovative housing solutions within the City of Hamilton. Additional work will be required to review the potential for secondary dwelling units, and in particular, secondary dwelling units within accessory structures to be permitted City wide and, further, that the ability to sever and create small lot homes be explored.

ALTERNATIVES FOR CONSIDERATION

- Option 1: Planning Committee / City Council could choose alternative performance standards.
- Option 2: Planning Committee / City Council could table this Report and direct any future changes to be included in the new residential zones for Zoning By-law No. 05-200.

SUBJECT: Amendments to City of Hamilton Zoning By-law No. 6593 to allow secondary dwelling units in detached structures for properties adjoining a laneway ("Laneway Housing") (PED16200(a)) (Parts of Wards 1, 2, 3 and 4) - Page 18 of 18

Option 3: Planning Committee / City Council could recommend the changes proposed not be approved. The existing conversion policies of By-law No.6593 would remain in effect.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Draft Zoning By-law Amendment to Zoning By-law No. 6593

Appendix "B" – Background laneway Review

Appendix "C" – Relationship of Secondary Dwelling Units to Principal Dwelling

EJ:dt:mo

Authority: Item [REDACTED]
Planning Committee: June 19, 2018
Report: 18-[REDACTED] (PED16200(a))
CM: [REDACTED]

Bill No.

CITY OF HAMILTON

BY-LAW NO. 18-[REDACTED]

To Amend Zoning By-law No. 6593 Respecting Second Dwelling Units for Certain Lands Bounded by Highway 403, Burlington Street, Red Hill Valley and the Escarpment

WHEREAS the *City of Hamilton Act, 1999*, Statutes of Ontario, 1999 Chap. 14, Sch. C. did incorporate, as of January 1, 2001, the municipality "City of Hamilton";

AND WHEREAS the City of Hamilton is the successor to certain area municipalities, including the former municipality known as the "The Corporation of the City of Hamilton" and is the successor to the former regional municipality, namely, "The Regional Municipality of Hamilton-Wentworth";

AND WHEREAS the *City of Hamilton Act, 1999* provides that the Zoning By-laws of the former area municipalities continue in force in the City of Hamilton until subsequently amended or repealed by the Council of the City of Hamilton;

AND WHEREAS the Council of The Corporation of the City of Hamilton passed Zoning By-law No. 6593 (Hamilton) on the 25th day of July 1950, which by-law was approved by the Ontario Municipal Board by Order dated the 7th day of December 1951, (File No. P.F.C. 3821);

AND WHEREAS the Council of the City of Hamilton, in adopting Item [REDACTED] of Report 18-[REDACTED] of the Planning Committee at its meeting held on the XX day of XX, 2018, recommended that Zoning By-law No. 6593 (Hamilton), be amended as hereinafter provided;

AND WHEREAS this By-law is in conformity with the Urban Hamilton Official Plan.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

- 1.0 That the following new Subsection be added to Section 19: Residential Conversion Requirements as follows:

"(5) "C" and "D" Districts – Second Dwelling Unit on a Single Detached Dwelling Lot

Notwithstanding anything contained in this by-law, a second dwelling unit on the same lot as a single detached dwelling may be constructed provided all the following requirements are met:

- (i) For the purpose of this Subsection, laneway shall mean a public highway or road allowance having a width of less than 12.0 metres;
- (ii) the lot shall contain a single-detached dwelling unit;
- (iii) the lot shall abut a laneway;
- (iv) Subsection (5) shall apply to lands zoned "C" (Urban Protected Residential, etc.) District and "D" (Urban Protected Residential-One and Two Family Dwellings, etc.) District and identified in Section 22 as Schedule P;
- (v) An accessory structure to the single detached dwelling legally existing at the date of the passing of this by-law {DATE} may be converted to a dwelling unit provided it meets all the following requirements:
 - (a) For any elevation not facing a laneway, windows and doors are permitted only on the ground floor or within a roof.
 - (b) it shall not exceed a gross floor area of 50 square metres, excluding any parking contained within the second dwelling unit.
 - (c) no parking shall be required.
- (vi) A second dwelling unit may be constructed on the same lot as a single detached dwelling unit provided it meets all the following requirements:
 - (a) the maximum height shall be 6.0 metres;
 - (b) it shall not be located in the required rear yard of the principal dwelling;
 - (c) it shall not be permitted in a front yard;
 - (d) A minimum 1.2 metre setback from a side and rear lot line shall be provided and maintained;
 - (e) For any elevation not facing a laneway, windows and doors are permitted only on the ground floor or within a roof;

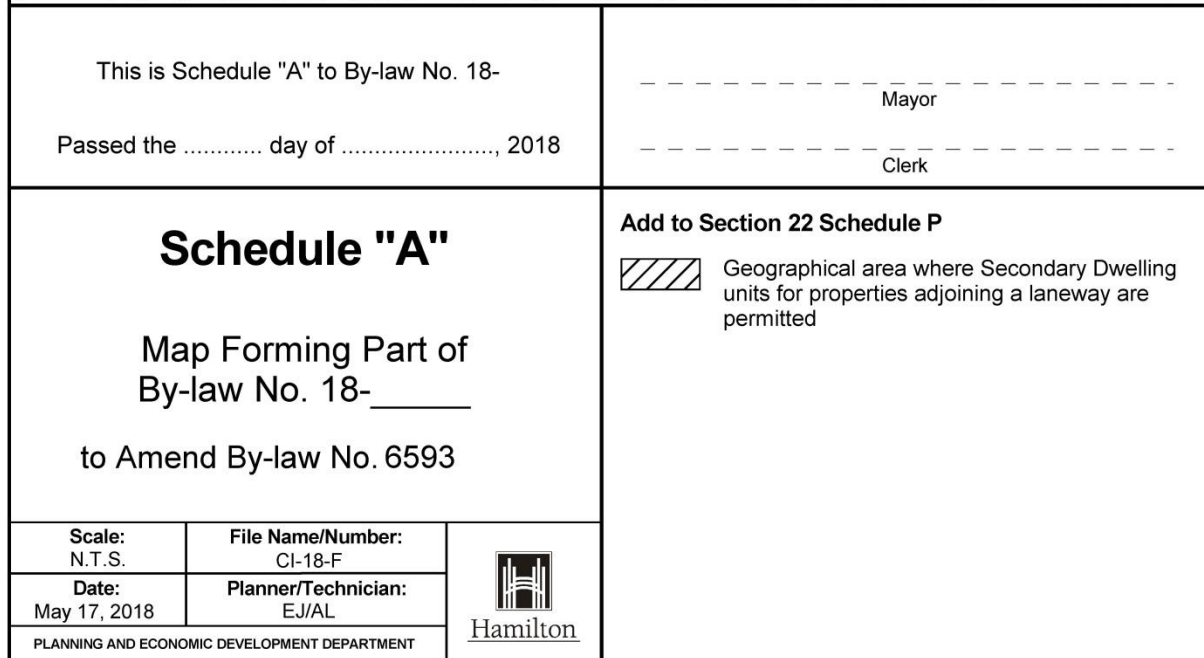
- (f) it shall not exceed a gross floor area of 50 square metres, excluding any parking contained within the second dwelling unit; and,
 - (g) no parking shall be required.
- 2. That Section 22: Restricted Areas By-laws Repealed is amended by adding Schedule P.
- 3. That the Clerk is hereby authorized and directed to proceed with the giving of notice of the passing of this by-law, in accordance with the *Planning Act*.

PASSED and ENACTED this ____ day of ____, 2018.

F. Eisenberger
Mayor

R. Caterini
Clerk

CI 18-F



Laneway Overview

There are 818 laneways in the City of Hamilton. In total, there are approximately 100 kilometres and 38 hectares 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

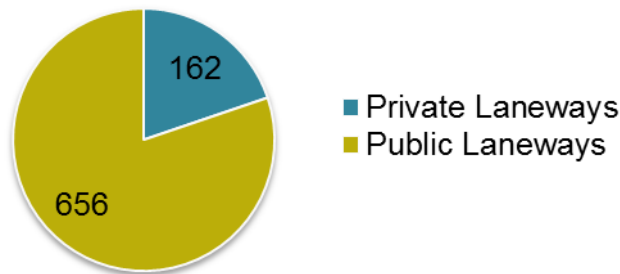
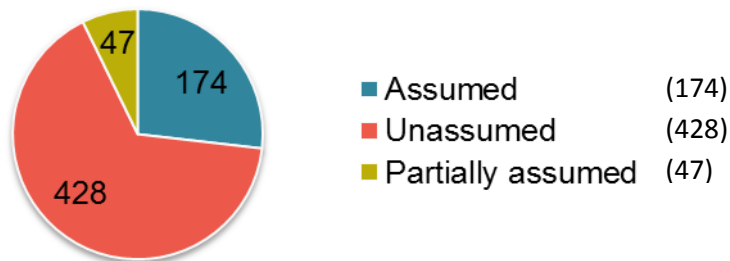


Figure 2 – Laneway Assumption in the City of Hamilton

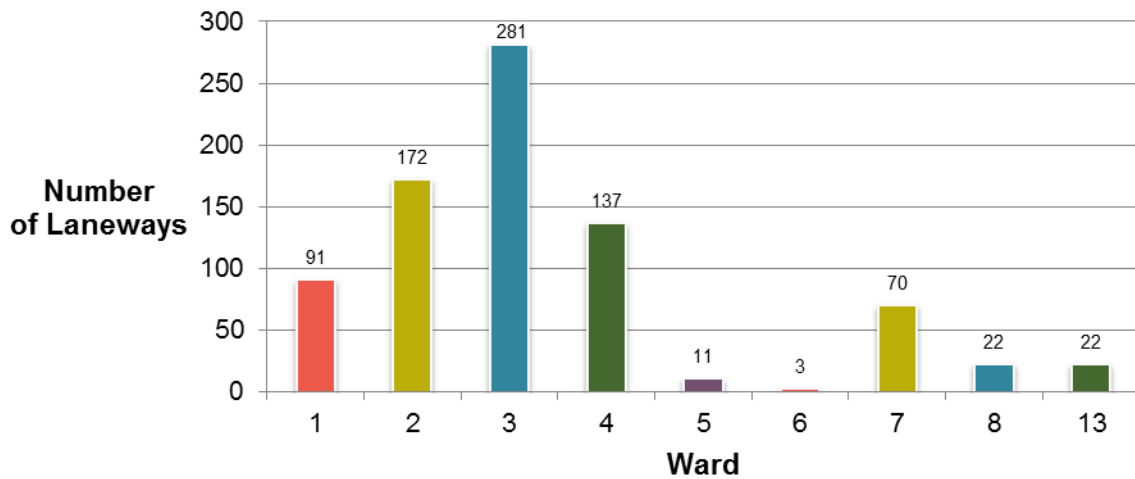


The majority of laneways are located in the lower city in the area bounded by Burlington Street to the north, Parkdale Avenue to the east, the Niagara Escarpment to the south, and Dundurn Street to the west (see Appendix "A" of Report PED16200). Ten percent of laneways are located within the Downtown Urban Growth Centre. Ward 3 contains the most laneways with 281 (34 percent of all laneways), followed by Ward 2 with 172 (21 percent), and Ward 4 with 137 (17 percent) (see Figure 3).

Laneways are also found in the upper city between Concession Street, Upper Gage Avenue, Fennell Avenue, and West 5th Street. A small pocket of laneways also exists in

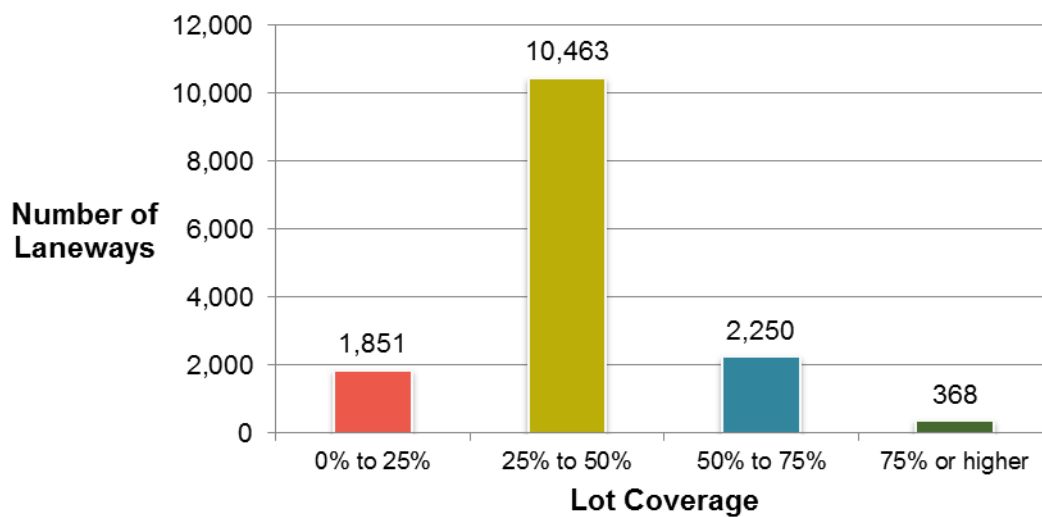
the upper city between Fennell Avenue, Upper James Street, South Bend Road West, and West 5th Street.

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



Approximately 15,435 properties in Hamilton abut laneways, 13,608 or 88 percent are currently used for residential purposes (see Appendix "B" 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



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 (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.

On the vast majority of abutting properties (10,463 properties), 25 to 50 percent of the lot is covered with a building or structure. 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 percent. 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 City of Hamilton Zoning By-law.

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

	Setback from Laneway (metres)	Combined Side Setback (metres)	Primary Dwelling Envelope (sq. meters)	Laneway House Envelope (sq. meters)	% of Primary Dwelling Envelope
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%
Median*	0.6	4.65	148	63.5	41%
Average*	0.82	4.6	162.1	68.2	45%

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

